

ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TITLE OF REPORT: Assessment report for 2013 rock chip sampling on the Kannika claims, Monashee Mountain, South-East British Columbia, Canada.

TOTAL COST: \$ \$10,680.14

AUTHOR(S): Luke van der Meer

SIGNATURE(S): "signed"

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): N/A

STATEMENT OF WORK EVENT NUMBER: (5445890, 5445891, and 5457190) /DATE: (April 30, 2013)

YEAR OF WORK: 2013

PROPERTY NAME: **Kannika Gold Property** CLAIM NAME(S) (on which work was done):

1014969, 893530, 936182, 688503, 688568, 1011326, 805603, and 887049.

COMMODITIES SOUGHT: LEAD, ZINC, SILVER, AND GOLD.

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: **68334**, **68339**, **68346**, **68351**, **68353**, **68368**, **& 74067**.

MINING DIVISION: **Vernon** NTS: **Map 082L 01W**

BCGS: 82L.008

LATITUDE:____50°05'23.56" N__"

OWNERS: 146010 WALLACH, DAVID ARNOLD 100.0%

MAILING ADDRESS: 5241 Cobble Crescent, Kelowna, B.C. V1W 5C3, Canada. 250-801-7744

OPERATOR: DW EXPLORATION

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REPORT KEYWORDS (KANNIKA, MONASHEE MOUNTIAN, TOMPSON ASSEMBLAGE, NELSON BATHOLITH, GOLD, SILVER, LEAD, ZINC.)

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 04946, 09304, 10414, 11191, 12093, 12749, 18426, 21656, 26349, 10967, 12050, 21592, 23401 & 29067.

| TYPE OF WORK IN THIS REPORT | EXTENT OF WORK (in metric units) | ON WHICH CLAIMS | PROJECT COSTS APPORTIONED (incl. support) |
|--------------------------------------|----------------------------------|---|---|
| GEOLOGICAL (scale, area) | | | |
| Ground, mapping | | | |
| Photo interpretation | | | |
| GEOPHYSICAL (line-kilometres) | | | |
| Ground | | | |
| Magnetic | 3,300m | 805603, 936182, 688568, 688503 | \$4896.91 |
| Electromagnetic | | | |
| Induced Polarization | | | |
| Radiometric | | JOSEPH NE | |
| Seismic | | PROVINCE TO | |
| Other | | AND THE REPORT OF THE PARTY OF | |
| Airborne | | SCIEN | |
| GEOCHEMICAL (number of samp | les analysed for) | | |
| Soil | 2 | 1014969 | \$86.32 |
| Silt | | | |
| Rock | 22 | 936182, 688568, 688503, 893530, 1014969 | \$800.00 |
| Other | | | |
| DRILLING (total metres, number of | f holes, size, storage location) | | |
| Core | | | |
| Non-core | | | |
| RELATED TECHNICAL | | | |
| Sampling / Assaying | | | |
| Petrographic | | | |
| Mineralographic | | | |
| Metallurgic | | | |
| PROSPECTING (scale/area) | | | |
| , | | | |
| PREPATORY / PHYSICAL Line/grid (km) | 3,300m | 688503 805603, 936182, 688568 | \$4896.91 |
| | | 803003, 930162, 088308 | φ4030.31 |
| Topo/Photogrammetric (sca | | | |
| Legal Surveys (scale, area) | | | - |
| Road, local access (km)/tra | III | | - |
| Trench (number/metres) | (material) | | |
| Underground development | (metres) | | |
| Other | | Total Costs | \$10,680.14 |

ASSESSMENT REPORT FOR 2013 ROCK SAMPLING AND PROSPECTING ON THE KANNIKA CLAIMS—MONASHEE MOUNTIAN, SOUTH-EASTERN BRITISH COLUMBIA, CANADA.

Tenures: 1014969, 893530, 936182, 688503, 688568, 1011326, 805603, and 887049. VERNON MINING DIVISION, SOUTHERN BRITISH COLUMBIA, CANADA

B.C.G.S. 82L 008 N.T.S. Map 082L 01W Latitude 50°05'23.56" N, Longitude 118°26'59.21 W

For Owner-Operator:
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BC Geological Survey Assessment Report 34182

21 August 2013



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1. INTRODUCTION

The Kannika properties are located in the southern Monashee Mountains approximately 70 km East Vernon, BC (Fig. 1 and 2). The properties comprises a total of 1,326.49 ha (3277.83 acres), immediately adjoining and adjacent to the Vernon-Slocan Highway 6 in the McIntyre Lake area (Fig. 3). Access to the property is readily available for 2WD vehicle to, and around the periphery, of the properties along existing, well maintained logging roads. Older logging and exploration roads and trails are potentially available; however, they will likely require rehabilitation to re-establish them for use.

The property comprises historical Gold, Lead, Zinc, and Silver workings from the early 1900's with various adits and underground mine



Figure 1: Kannika Property Location Southwest British Columbia, Canada.

workings surrounding the St Paul showing on the Kannika properties. Detailed historical production figures are not readily available however ore was mined from near surface expressions of mineralized quartz and sulphide veins, this mining is not thought to be very extensive, therefore significant ore may still exist.

Exploration has been extensive and has continued since production ceased in the 1960's, numerous silt, till, soil, rock, and chips samples were taken from various exploration grids in the area surrounding the showing clusters on the claims. Several geophysical and geochemical surveys have defined weak to strong anomalies which have been variably tested in a number of diamond drill programs that were conducted; numerous mineralized veins were detected in both drilling and mapping which in themselves provide low economic potential but allude to an as yet undiscovered (possibly deeper) source for gold.

A total of 14 man days were spent on field explorations by Mr Wallach during 2013. During his field investigations Mr Wallach constructed 3300m of line clearing and grid work in support of establishing a geophysical grid for use in future exploration programs.

A total of 22 Rock samples and two Soil samples were taken between April 25-30, and June 3rd and 5th of 2013 while the owner and his staff conducted clearing of a geophysical grid on the southernmost Kannika/Ridge, additional samples were also taken on the Kannika North, Kanniak MC, and Kannika west claims.

2. LOCATION AND ACCESS

The property is centered on southern Monashee Mountain contained by Yeoward Creek to the north, the Kettle River running through the center of the claims with Highway 6 at the south end. National Topographic System map reference is 82L/1 W and the claims are between Latitudes 50° 09'29.56" north to 50° 03'27.77" south and longitudes 118' 33'25.54" West to 118" 21'47.98" East.

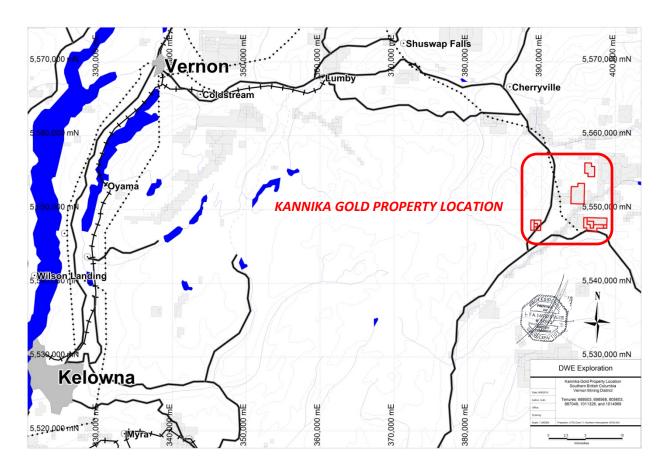


Figure 2: Location of the Kannika Gold property in South Eastern British Columbia, approximately 80km east of Vernon, neighboring claims are in shaded grey.

Good access to the Monashee Mountain area is a found about 80 km east of Vernon along Provincial Highway 6. Excellent 4 wheel drive access is provided from the south along the Kefer Lake access road, or just 1 km south of McIntyre Lake though the Logging road off the east side of the highway.

The nearest supply center is the town of Lumby and Cherryville, about 45 and 20 kilometers west of the property, respectively. The closest railhead is in the town of Lumby. Also, a major BC Hydro power line runs to the south of the property.

3. PHYSIOGRAPHY AND CLIMATE

The Kannika Gold property is located in the Whatshan Range of the Monashee Mountains, which is immediately east of the Shuswap Highlands. Elevations range approximately 850 meters on Monashee Pass Creek to 1830 meters above sea level on top of Monashee Mountain. A rolling upland forms the upper parts of the mountains with deeply incised drainages creating steep valley flanks.

The coniferous forest consists predominantly of pine, fir and larch which have been actively logged over the past 30 years. A number of clear-cuts are present throughout the property in various stages of regeneration.

Due to the location of the property within the core of the south Monashee Mountains in the south western Okanagan, the area experiences short hot summers and is generally subject to moderately heavy accumulations of snow during the winter months. As a result, the property is available for exploration from mid-April to late October. However, 4WD vehicle supported diamond drilling can take place later into the year despite snow due the relatively extensive and reasonably well maintained network of logging roads.

4. MINERAL TENURE AND CLAIM STATUS

The Kannika property consists of 8 mineral tenures (Table 1, Fig. 3), having been reduced significantly from 22 claims amounting 6,757 hectares. All claim information was verified using the BC Government's Mineral Titles Online (MTO) website and is current as of the compilation of this report. These mineral tenures are currently held in 100% ownership of Mr D Wallach.

Table 1: Summary table of mineral claims: Claim status verified BC Government's Mineral Titles Online (MTO) website:

| Tenure Number | Claim Name | Owner | Tenure Type | Tenure SubType | Map Number | Issue Date | Good To Date | Status | Area (ha) |
|------------------|-------------------|---------------|----------------|-------------------|---------------|------------|-----------------|--------|-----------|
| 688503 | KANNIA 1 | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2009/12/23 | 2015/02/01 | Good | 207.3428 |
| 688568 | KANNIKA 2 | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2009/12/23 | 2015/02/01 | Good | 207.3709 |
| 805603 | KANNIKA 14 | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2010/07/01 | 2014/09/30 | Good | 103.6831 |
| 887049 | KANNIKA WEST 1 | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2011/08/09 | 2014/09/30 | Good | 62.2099 |
| 893530 | KANNIKA MC | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2011/08/25 | 2014/08/01 | Good | 455.8647 |
| 936182 | | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2011/12/05 | 2015/02/01 | Good | 62.2077 |
| 1011326 | RIDGE | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2012/07/20 | 2015/02/01 | Good | 20.7372 |
| 1014969 | KANNIKA NORTH | 146010 (%100) | Mineral | CLAIM | 082L 01W | 2012/12/02 | 2015/12/02 | Good | 207.0831 |
| | yi Vinore | | | | | | | Total | 1326.4994 |

OWNER: 146010 WALLACH, DAVID ARNOLD 100.0%

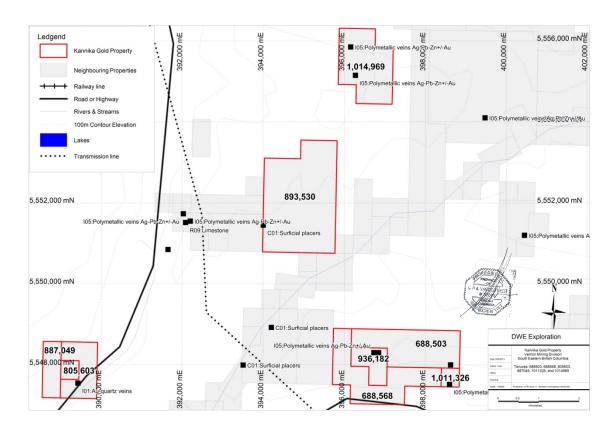


Figure 3: Local property location map, East of Vernon, BC, Canada. Showing: surrounding mineral claims (grey), placer claims (hatched), DWE claim boundaries (red line), road (black line), mineral occurrences (black squares), and primary drainages (blue line).

The property encompasses a total area of approximately 1,326.499 ha (3,277.85 acres). The tenures are located immediately east of the Vernon-Slocan Highway 6 approximately 60km east of Vernon by road.

5. EXPLORATION HISTORY

The current Kannika mineral property comprises four individual tenure blocks covering four BC MinFile showing clusters on Monashee Mountain, these showings and coincident mineral claims have overtime been subject to extensive renaming and historical exploration work. The reader is referred to Koffyberg, 2006 for a full description of the exploration history for the property, which is also repeated, and partially modified below for the reader's convenience.

The Morgan showing was the initial development of what would later become part of the St. Paul Property. This showing was originally staked as the Morgan, Kokanee and Dividend claims in 1899. A Minister of Mines Annual Report for 1901 describes two parallel quartz veins, 45 to 90 cm wide, exposed by stripping on the Morgan showing. By 1913, the property had been re-staked as the Minerva, Zilpah, Black Bess and Toughnut claims and development work on the property consisted of seven open-cuts 1.5 to 3.5 metres deep, and three shafts that were 3, 3.5 and 6 metres deep (Norris, 1914). A stamp mill had been purchased to be erected on the Toughnut claim, possibly indicating that the St. Paul showing on the Toughnut claim had been discovered by this date. The mill operated in 1914 and reportedly crushed 136 tonnes (Norris, 1915). The Minerva, Zilpah, Black Bess and Toughnut claims were Crown-granted in 1915 as Lots numbered 4187, 4188, 4186 and 4189, respectively. By 1919, the upper workings (Morgan) consisted of 4 shafts and 3 pits, while the lower workings (St. Paul) consisted of 2 adits, approximately 10 and 20 metres long at that time.

A 1923 report on the property describes a quartz vein up to 1.2 metres thick, striking northwesterly and dipping to the northeast at about 30° (Davis, 1924). The lower workings (St. Paul) consisted of a 6-metre drift on the quartz vein and, located 30 metres vertically below, a 116-metre adit [described as a 107-metre adit in 1916] in the hanging wall of the vein. The upper workings (Morgan) were described as consisting of a stripped area that exposed approximately 90 metres of quartz veining and a reportedly 24-metre deep, water filled shaft that had been sunk in the hanging wall to intersect the vein. All other workings in this area had slumped and the vein was no longer visible.

Records from 1926-27 document a shipment of approximately 10 tonnes of hand-cobbed mineralization to the smelter in Trail, returning values of gold, silver, lead, zinc, antimony, sulphur, silica, iron and lime (Nichols, 1928, Cairnes, 1931). It was noted that the vein had been difficult to follow and that mineralization had been lost in the upper adit of the St. Paul showings at a distance of 21 metres from the portal of the tunnel. Development continued through the 1930s that included the sinking a 12-metre winze in 1932 (Freeland, 1933) and the driving of a 27-metre adit in 1933 (Freeland, 1934). The property was briefly reactivated in 1949, reconsidered in 1952 (Fraser, 1952), revaluated in 1961 (MacDonald, 1961) and a 60-metre adit was driven in 1961-62 (Smith, 1963).

The property appears to have been held by St. Paul Mines Ltd. more or less continuously from around 1927. Development workings present on the property at the close of this historical period of exploration from the late 1890s to the 1960s appear to be: on the Morgan there are 2 shafts, 10 and 24 metres deep, with the 10-metre shaft having a drift of unknown length; and on the St Paul there are 7 adits ranging in length up to 116 metres, 3 winzes and an unknown number of open cuts.

In 1970, the property was leased to W. Miller and Associates of Vernon, BC, who installed a portable mill. Over a period of several years they carried out extensive trenching, stripping and limited surface mining at the Morgan and St. Paul workings.

In 1973, the property was under lease to Messrs. J. and W. Lesowski of Cherryville, BC and was optioned to Coast Interior Ventures Ltd. (N.P.L.). Coast Interior rebuilt the road, and opened up many of the old trenches and adits. A 12.7-tonne shipment was made to the Cominco smelter in Trail and a 72-tonne bulk sample was shipped to an Alberta Gypsum (company) mill in Lumby where it was concentrated (Mitchell, 1973).

In 1974, Coast Interior Ventures Ltd. contracted K. L. Daughtry and Associates of Vernon, BC, who conducted a mapping, trenching and a geophysical program. A small magnetometer survey was carried out in the vicinity of the St. Paul workings. Additional geological mapping at 1:7,200 scale and 180 metres of trenching were carried out during the summer of 1975, which resulted in defining two new mineralized showings and a gossan zone related to a fault near the St. Paul workings (Daughtry, 1975). The magnetometer survey identified a magnetic high roughly 75 metres by 30 metres in size and centered over the No.1 adit (Nielsen & Daughtry, 1975).

Nielsen interpreted the source of the main magnetic high to be a diorite of relatively high magnetic susceptibility. Daughtry concluded that mineralization was related to the diorite body and that mineralization could be expected to occur in either the diorite or in sedimentary rocks adjacent to the diorite.

In 1981, Brican Resources Ltd. optioned the four Crown-granted titles and the St. Paul modified grid claim from St. Paul Mines Ltd. A soil sampling program was undertaken in 1982 with 127 samples collected at 100-metre intervals along several topographic contours (Daughtry & Gilmour, 1982). A limited rock sampling survey was also undertaken but the analytical results were generally low and inconclusive. A magnetometer survey over the gossan grid showed that the magnetic response was generally flat with only two small areas having elevated readings. These magnetic anomalies do not correspond to the soil geochemical anomalies and their geological significance was not speculated upon.

Brican Resources Ltd. undertook further exploration in 1983. Soil sampling continued with several new reconnaissance lines and two new grid areas, named the mine grid and the porcupine grid. Samples also were collected in the vicinity of the St. Paul and Morgan showings and more detailed sampling was carried out on the gossan grid. In total, 499 samples were collected (Gilmour & Daughtry, 1983). On the gossan grid, a continuous 500 metre long gold-arsenic soil anomaly was defined within which 69 samples averaged 320 ppb gold and 41 samples averaged 250 ppm arsenic (Gilmour & Daughtry, 1984).

Brican Resources Ltd. also carried out a limited heavy mineral stream sediment sampling program in 1983 with a total of 28 samples collected around Monashee Mountain. It was noted during the survey that creeks in the vicinity of the St Paul Mine are contaminated with mineralized dump material (Gilmour & Daughtry, 1984).

Rock sampling in 1983 was focused in areas of known gold-arsenic soil anomalies. On the gossan grid, 45 rocks were collected; 20 were from a quartz-feldspar porphyry which appears to underlay the area of anomalous soils. Rocks from this porphyry averaged 30 ppb gold and 120 ppm arsenic with highs of 180 ppb gold and 900 ppm arsenic (Gilmour & Daughtry, 1984). Seven rocks samples were collected from the mine grid. A small shear zone carrying semi-massive pyrite and pyrrhotite in quartz-feldspar-hornblende metamorphic rocks ran 130 ppb gold and 6.4 ppm silver (Gilmour & Daughtry, 1984). The associated clay-rich alteration zone was also noted to carry anomalous gold and arsenic values.

In 1984, Brican Resources Ltd. carried out additional work on the porcupine grid consisting of soil sampling, and magnetometer and VLF-EM surveys. A few spot gold anomalies coincided with much larger arsenic anomalies but they show poor correspondence with the geophysical features identified by the magnetometer and VLF-EM surveys (Daughtry, 1984).

In 1986, Discovery Consultants carried out a limited program for Chevron Standard Limited, of geological mapping, along with rock and soil sampling on the St. Paul and Morgan showings, and on the gossan grid area.

In 1990, Commonwealth Gold Corporation staked the entire Monashee Mountain area with the Yeoward 5 – 10 claims covering the present Property. A small stream sediment (14 samples) and moss mat (12 panconcentrates) sampling program was undertaken. The results predictably identified gold, silver and arsenic anomalies in streams draining the areas worked on by Brican Resources Ltd. in 1981-84 (Twyman, 1990).

In 1991 or 1992, the Yeoward claims were optioned from Commonwealth Gold Corporation by Cameco Corporation. In September 1992, Cameco Corporation carried out a program of reconnaissance geological mapping, and rock and stream sediment sampling. In total, 217 stream sediments (144 silts, 37 moss mats and 36 bulk sediment samples) and 37 rocks were collected. The stream sediment survey provided little useful new information on the property, identifying the streams draining the property along with those streams to the immediate east and west as carrying highly anomalous gold values (Coombes, 1992).

In 1993, a follow-up program of bulk till sampling was carried out by Discovery Consultants for Cameco Corporation. In total, 55 bulk till and colluvium, 95 soil, 9 stream sediment and 21 rock samples were collected from widely spaced sample sites over the Crown-granted titles, porcupine and mine grids, and extending south to the SE grid. Four bulk till samples contained anomalous gold grain counts, forming spot highs to the south and east of the Crown-granted titles (Duba & Gilmour, 1993). These anomalous gold grain counts did not correspond to a moderate northwest-trending gold anomaly zone defined by gold assays of the bulk till material, or from gold analysis of soil samples (Duba & Gilmour, 1993).

In 1994 Cameco Corporation held the most extensive claims portfolio over the area amounting 7,500 hectares consisting of 320 units approximately 22 claims. Cameco conducted diamond drilling of 631.1m in 6 holes on the former Yoward claims near the Morgan showing. Holes were drilled to an average depth of 100m and targeted specific geological features discovered from mapping, geochemical, and geophysical IP anomalies. 152 sludge samples were taken (1 per rod for all holes) as well as 309 %-core rock samples, samples were analyzed for Gold by fire assay only. The best results were in hole MON4-4 where 359ppb Au over 0.5m from 47.3-47.8m was encountered. D Melrose, who carried out the work concluded that no source for surface gold mineralization was located utilizing drilling at the sites of the 1994 drilling program.

Discovery Consultants for St. Paul Mines Ltd. carried out a data review and property exam on the property in 1996. A program of detailed mapping of gold-bearing quartz veins and trenching of the Morgan showing was recommended, to be followed by a small diamond drilling program (Frey & Daughtry 1996).

In 2005 St. Paul Mines Ltd. optioned the Property to Onbus Technologies Inc. On May 26, 2006, Onbus

Technologies Inc. changed its name to Royal Monashee Gold Corp. on behalf of Discovery Consultants Koffyberg's assessment report provides the most detailed description of previously reported works carried out on the claims that are now known as the Kannika Claims.

In 2006 Discovery Consultants collected Soil, Silt and Till geochemical samples amounting to 293 samples were collected at 20m spacing along 20 lines including 15 miscellaneous Silt and Till samples where the was an insufficiently developed B-Horizon or historical working. Soil results delineated a weakly anomalous gold classification surrounding the Morgan showing. Rock geochemisty from 18 samples returned values up to 60.15 g/t Au from one sample collected from a waste dump adjacent to a historical adit. Based on favorable rock chip sample results 32 trenches were excavated and 151 channel samples were taken to re expose historical workings and expand the vein mineralization footprint surrounding the Morgan showing. Numerous samples of vein material from within the trenches were analysed and returned results as high as 283.3 g/t Au, however it was concluded that "gold-bearing veins are infrequent, narrow, discontinuous and generally flat lying, creating a low potential for economic vein mining" (Koffyberg 2006).

6. TERMS OF REFFERENCE

At no point has the author ever visited the Kannika Gold property, nor has any firsthand knowledge of the property geology or mineral occurrences that occur upon it.

This assessment report has been prepared by the author using documents and information provided by the Owner-Operator for the purpose of compiling this assessment report only. While reasonable care has been taken in the preparation of this report, the Author cannot guarantee the accuracy or completeness of all supporting documentation.

Mr Wallach was solely responsible, and himself conducted all field prospecting at his own discretion during spring 2013. Mr Wallach selected and prepared samples for analysis.

7. REGIONAL GEOLOGY

The capsulate regional geology was best described by Koffyberg 2006 and is therefore given below in its original text.

The Property is situated in the Quesnel Terrane of the Intermontane Belt, near its boundary with the Omineca Crystalline Belt. The Quesnel Terrane in south-central BC records three successive island-arc related successions of Devonian to Jurassic age, the Harper Ranch, Nicola, and Rossland Groups; two of which are present (Harper Ranch and Nicola) in the Monashee Mountains (Gabrielse, et. al., 1991). These Upper Paleozoic to Lower Mesozoic Harper Ranch and Nicola Group rocks provide a long-term record of deposition and tectonism in the Quesnel Terrane, which unconformably overlies a Proterozoic basement gneiss complex.

The oldest rocks in this area belong to the Proterozoic Monashee Complex. These pericratonic rocks, composed largely of amphibolite and gneiss, form the basement to the Monashee Mountains. Harper Ranch and Nicola Group strata overlay the Monashee Complex along an unconformable depositional contact in which the early Paleozoic is missing. The Devonian to Triassic Harper Ranch Group forms a stratigraphic base to the Quesnel Terrane where its marine and volcanic sediments record the development and subsequent infill of an island-arc marginal basin. The sediment-rich Harper Ranch was in turn succeeded in the Triassic by the volcanic-dominant Nicola Group island-arc system.

The Omineca Belt, to the east, formed in Early to Middle Jurassic time as a result of the accretion of the Intermontane Superterrane onto the continental margin of North America, and the closing of the intervening arcbasin marked the end of the Nicola Group. The Harper Ranch appears to have depositional links to both a continental crustal source to the east and a volcanic source to the west, and it is not clear if it was part of the Intermontane Superterrane prior to its accretion onto the North American craton. This accretionary event (Columbian Orogeny) and the resulting calc-alkaline plutonism created a large number of Middle Jurassic to Cretaceous intrusions of intermediate composition. These intrusions, named the Nelson Intrusions in south-central BC, are found as dikes and small intrusive bodies intruding the Harper Ranch and Nicola Group rocks. They also underlie most of the map area to the south of the Property. A cap of Miocene to Pliocene basaltic flows and related sediments of the Chilcotin Group is noted to the west of Monashee Mountain.

8. LOCAL GEOLOGY

Being that no firsthand account of the property geology can be provided by the author, the following is sourced directly from Wallach 2012 who is also the owner of the property, his summary of the local geology is provided below.

TOMPSON ASSEMBLAGE

The volcanic flow rocks are typically massive, aphanitic, pale green dacite and less commonly medium to dark green andesite and basalt. These are typically porphyritic with small phenocrysts of augite or hornblende. Intercalations of pale to dark green massive tuff, lapilli tuff and flow breccia is common. Tuffaceous units may contain phenocrysts of feldspar and hornblende. Pyrite is typically found as fine to coarse disseminations in all volcanic rocks in trace to 1% concentrations (Duba & Gihnour, 1993). Some volcanic rocks similar to the ones listed were found along traverses inside the claim boundaries.

Sedimentary rocks on the Monashee property commonly include a grey to black, rusty brown weathered, massive to fissile argillite and a light to medium grey, massive, recrystallized limestone. A grey-green to light brown thinly bedded to massive, finegrained volcaniclastic sandstone and siltstone was observed in the southern part of the property (Duba &, Gilmour, 1993). The gossanous character of the rusty brown weathered argillite prompted soil sampling grid to the northwest of the old Gossan grid in the 2000 work.

A talus slope of magnetite was discovered at the headwaters of Marsh Creek that extends 200 meters long by 300 meters wide (rock sample 07-11) Granodiorite with leached out pyrite cubes was found on west side of Gossan grid as talus. This suggests that the sedimentary/Volcanic contact is within the Gossan grid boundary. Recrystallized limestone with dark grey argillaceous limestone and calcareous argillite is the predominate sedimentary rock at the top of the drainage that the Gossan grid covers and around the Morgan mine. Immediately to the west of the Gossan grid lies a large outcrop of grey to black, rusty brown weathered argillite. Limestone with a similar composition to the Gossan was found on and around the Southeast grid.

INTRUSIVE ROCKS

Only small intrusive bodies in the form of dykes and sills, less than 10 meters in width and dioritic in composition, are exposed within the claims. Diorite is grey, equigranular and extensively hydrothermally altered with development of chlorite biotite. It is associated with most of the polymetallic disseminated mineralization at the St. Paul workings. It does not appear to be compositionally similar to the large Jurassic batholith exposed to the south (Duba & Gilmour, 1993).

Dykes of feldspar porphyry as well as highly altered hypabyssal diorite plugs occur in a few locations around the property (St. Pau & Morgan workings).

MINERALIZATION

Previous reports show at the Morgan and St. Paul workings contain gold and associated sulphide ores hosted by shallow dipping quartz veins, stringers and stockworks, and altered wall-rocks. At the St. Paul prospect mineralization, including pyrite-arsenopyrite-stibnite-sphalerite-tetrahedrite-galena silver and gold, is in part hosted by altered diorite dykes and sills (Duba & Gilmour, 1993).

Pyrite is common as fine disseminations and fractured fillings. The content of pyrite increases in the vicinity of intrusive rocks, the old mine workings and the Nelson batholith. Milky quartz occurs rarely as narrow veinlets in argillite but it is often found as angular to sub rounded boulders throughout the property. It may be rusty stained along fractures due to the oxidized pyrite (Duba Gilmour, 1993).

The drainages and Marsh creek all contain angular boulders of quartz that are rusty stained. Some silicified argillitic rock found along the logging road had significant amounts of chalcopyrite, pyrrhotite and pyrite. In the Kannika 1 claim an exposed vain at the top of an adit, had a 1 m to 1.3 m quartz veins with sulphides.

9. 2013 WORK PROGRAM

The objective of the 2013 was to complete the program that initially commenced in 2012 but due to conditions and timing throughout the 2012 summer was not completed. The exploration programs objective was to construct/clear a survey grid for geophysical work, and to locate a source for a potential bulk sample program.

A total of 22 Rock samples and two Soil samples were taken between April 25-30, and June 3rd and 5th of 2013 while the owner and his staff conducted clearing of a geophysical grid on the southernmost Kannika/Ridge, additional samples were also taken on the Kannika North, Kanniak MC, and Kannika west claims.

- Kannika-North Claim; Morgan and St Paul showings. Six (6) rock samples were taken north of Monashee Mt peak.
- Kannika-MC Claim; Marsh Creek Showing: Four (4) rock samples were taken south west of Monashee Mt peak.
- Kannika-Ridge Claims; Paladora and Ballart showings. Twelve (12) rock samples (including seven (7) grab samples) were collected, as well as two (2) soil samples were collected. 3,000m of grid clearing including a 1,500m E-W baseline were also completed.
- Kannika-West claims; Top and Bottom showings. No samples were taken however 350m of grid clearing was conducted.

The samples were collected by Mr Wallach for analysis, these samples were numbered and dispatched

to Acme Analytical Laboratories (Vancouver) Ltd. All samples were analyzed by (1DX1) Aqua Regia digestion and ICP-MS analysis for standard Full Suite of 53 elements.

The results of these samples are summarized below and listed in full in appendix 2 & 3.

10. 2013 RESULTS

The results for the rock sample analysis are summarized in the table below:

Table 2: Summarized results for the 2013 rock sampling program.

| Sample_ID | East (UTM | North WGS84 | RL (m) Z11N) | Job_ID | Туре | Au (ppb) | Pb (ppm) | Zn (ppm) | Ag (ppm) |
|-----------|--------------|----------------|-----------------|-------------|------|-------------|-------------|-------------|-------------|
| 2161451 | _ | | | VAN13002247 | Rock | 1.5 | 4.1 | 16 | 0.2 |
| 2161452 | | | | VAN13002247 | Rock | 1,508.9 | 1,552.1 | 36 | 16.7 |
| 2161453 | | | | VAN13002247 | Rock | 284.2 | 385.3 | 18 | 4 |
| 2161454 | 396908 | 5547890 | 1730 | VAN13002247 | Rock | 30.2 | 46.5 | 50 | 0.3 |
| 2161456 | 397422 | 5547887 | 1638 | VAN13002248 | Soil | 27.2 | 131.6 | 895 | 30.4 |
| 2161457 | 397473 | 5547895 | 1644 | VAN13002248 | Soil | 29.9 | 145.3 | 300 | 37.5 |
| 2161458 | 397846 | 5547887 | 1790 | VAN13002247 | Rock | 1.4 | 6.2 | 14 | 0.5 |
| 2161459 | | serecens | //-pe | VAN13002247 | Rock | 0.5 | 9.4 | 20 | 0.1 |
| 2161460 | | LOA VANTENTO | | VAN13002247 | Rock | >100,000* | 5,487.5 | 1,256 | >100* |
| 2161461 | | MATEUR STATE | | VAN13002247 | Rock | 23,403.4 | 602.6 | 34 | 95.2 |
| 2161462 | | / | | VAN13002247 | Rock | 70.6 | 16.1 | 82 | 0.4 |
| 2161463 | 397088 | 5548295 | 1763 | VAN13002247 | Rock | 5.6 | 18.1 | 151 | 0.8 |
| 2161464 | 397086 | 5548298 | 1763 | VAN13002247 | Rock | 20.3 | 14.2 | 70 | 0.4 |
| 2161465 | 397092 | 5548298 | 1764 | VAN13002247 | Rock | 9 | 13.1 | 84 | 0.3 |
| 2161466 | 395603 | 5553409 | 1760 | VAN13002247 | Rock | 13.1 | 5.3 | 39 | 0.2 |
| 2161467 | 395603 | 5553400 | 1755 | VAN13002247 | Rock | 2.5 | 4 | 62 | 0.1 |
| 2161468 | 395632 | 5553471 | 1759 | VAN13002247 | Rock | 8.9 | 3.2 | 50 | 0.1 |
| 2161469 | 395617 | 5553457 | 1757 | VAN13002247 | Rock | 0.5 | 1.3 | 62 | 0.2 |
| 2161470 | 396677 | 5555006 | 1759 | VAN13002247 | Rock | 0.5 | 1.7 | 56 | 0.1 |
| 2161471 | 396562 | 5555076 | 1774 | VAN13002247 | Rock | 11,529.5 | 1,582.9 | 283 | 50.1 |
| 2161472 | 396517 | 5555150 | 1763 | VAN13002247 | Rock | 2.2 | 15.1 | 71 | 0.1 |
| 2161473 | | | | VAN13002247 | Rock | 37,534.8 | >10,000* | >10,000* | >100* |
| 2161474 | 396526 | 5555102 | 1769 | VAN13002247 | Rock | 367.4 | 2,780.4 | 2,235 | 11.1 |
| 2161475 | 396530 | 5555108 | 1768 | VAN13002247 | Rock | 32,633.3 | >10,000* | 398 | 84.6 |

^{*}not analyzed beyond the over limit detection for Acme Labs (1DX1) Aqua Regia digestion and ICP-MS analysis.

A number of samples collected by Mr Wallach returned very encouraging results, including 1 grab sample collected from the Kannika – Ridge claims, which graded >100 grams per tons for gold, and 0.5% Lead and 0.1% zinc with anomalous silver grades. Unfortunately samples that assayed above over limit detection for the Acme Lab-1DX1 Aqua Regia digestion and ICP-MS analysis were not reanalyzed to determine a finite grade of the samples collected. An additional five samples also graded >1 gram per ton (up to 37.5g/t), these samples also returned high results for lead and zinc, including a number of samples that also reached over limit detections for lead zinc and silver.

These high grade samples were collected from vein material exposed at surface and are in line with results determined by previous authors.

11. CONCLUSIONS

The 2013 sampling program was successful in determining some very high grade, including 1 grab sample collected from the Kannika – Ridge claims, which graded >100 grams per tons for gold, and 0.5% Lead and 0.1% zinc with anomalous silver grades.

These provide another series of high grade results obtained from rock chips samples collected from the Kannika area claims. The samples demonstrate wide spread grade distribution in high grade mineralized quartz and sulphide veins. As in previous surveys and test work an auriferous galena dominant mineralogy was demonstrated, and is observed in samples.

The clearing of 3,300m of grid lines for conducting geophysical testwork is well underway, but remains ongoing.

The source of Gold+Lead+Zinc+Silver mineralization at the Kannika Gold Property remains unknown and poorly tested, 2013,s results go further to confirm widespread surface mineralization.

12. RECOMMENDATIONS

- Conduct a complete and comprehensive compilation of all historic data that has been collected though out the project history.
 - The data review should include but not be limited to verification of any geophysics, compilation of a geochemical database for rock, soil, and stream samples, and compilation of all meaningful historical mapping.
 - Additionally compilation and plotting of drill hole data and analytical results should be made so as to tie them in to surface data to extend control for projection of massive sulphide zones.
 - All data should be compiled into a GIS database to facilitate and direct future project explorations in the area.
- Complete 'Ground truthing' and resampling of all previously identified MINFILE occurrences and other significant showing located by previous authors.
- Comprehensive and where appropriate, detailed geological mapping should be conducted.
 - Additional lithological/stratigraphic ground truthing should be conducted over the entire claim block in an attempt to confirm and correlate the location of mineralized occurrences and local lithologies of interest.
- Collection of a bulk sample for metallurgic testing could greatly improve the prospectivity of the project and thereby provide impetus of further geological investigations.
- Geophysical Exploration should also be considered; the sulphide horizons are large and
 considerably more conductive and denser than the host sedimentary rocks. Techniques to be
 considered should include airborne and ground surveys for magnetic, gravity and
 electromagnetic properties, as well as ground-based induced-polarization surveys.
- The ultimate aim at the Kannika property should be to establish sound drilling targets in the search of the source of mineralizing fluids at the property. Credible geochemical, geophysical and geological drilling targets should be developed.

13. STATMENT OF COSTS

| Exploration Work type | Comment | Days | | |
|------------------------------|--|------|----------|-------------------|
| | | | | |
| Personnel (Name)* / Position | Field Days (list actual days) | Days | Rate | Subtotal* |
| David A. Wallach | | 6 | \$600.00 | \$3,600.00 |
| Mark Peabody | La | 4 | \$240.00 | \$960.00 |
| Jacob Signh | Less of the second | 4 | \$180.00 | \$720.00 |
| Report preparation | E RA VASSIS PAGES | 5.5 | \$160.00 | \$880.00 |
| | A CONTRACTOR OF THE PARTY OF TH | | | <u>\$6,160.00</u> |
| Transportation | | No. | Rate | Subtotal |
| Truck rental | 1 trucks | 6 | \$100.00 | \$600.00 |
| Fuel (liters/hour) | 416 Liters of fuel used | 416 | \$1.45 | \$603.20 |
| ATV | | 6 | \$88.00 | \$528.00 |
| | | | | <u>\$1,731.20</u> |
| Accommodation & Food | Rates per day | No. | Rate | Subtotal |
| Hotel | 33 foot trailer | 6 | \$100.00 | \$600.00 |
| Camp | | | \$0.00 | \$0.00 |
| Meals | day rate or actual costs-specify | 14 | \$58.33 | \$816.62 |
| | | | | <u>\$1,416.62</u> |
| Equipment Rentals | | No. | Rate | Subtotal |
| Field Gear (Specify) | Chain saw, GPS x2, Hip Chain, etc. | 6 | \$61.00 | \$366.00 |
| Other (Specify) | Field Supplies/ flag tape/ Hip string, etc. | 6 | \$20.00 | \$120.00 |
| | | | | <u>\$486.00</u> |
| Geochemical Surveying | Number of Samples | No. | Rate | Subtotal |
| Rock | laboratory costs | 24 | \$34.93 | \$838.32 |
| Freight, rock samples | | 1 | \$48.00 | \$48.00 |
| | | | | \$886.32 |

GRAND TOTAL: \$10,680.14

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APPENDICIES

APPENDIX 1: Certificate of the Author.

APPENDIX 2: Rock sampling locations and analytical results.

APPENDIX 3: Sample Maps and Diagrams

Sample Locations

Location by Gold (Au)

Location by Silver (Ag)

Location by Lead (Pb)

Location by Zinc (Zn)

APPENDIX 1

Certificate of the Author.

I Luke van der Meer of 308-1685 W13th Ave, Vancouver, British Columbia do hereby certify that:

- I am an independent consulting geologist employed by VDM Geological Consulting at 308-1685 W13th Ave, Vancouver, British Columbia, Canada.
- I graduated from the University of Otago in 2001 with a Bachelor's degree in Science majoring in Geology and Geography.
- I am a member in good standing with the Professional Association of Engineers and Geoscientists of British Columbia (APEGBC).
- I have worked as a geologist for 11 plus years since my graduation from university, primarily within exploration and mining in Australia, New Zealand, Mongolia, Turkey, Saskatchewan and British Columbia.
- I have been contracted by DW Exploration to compile an Assessment Report on the 2013 work program at the Kannika Gold Property in south eastern BC.
- At no time have I conducted a site visit, therefore this assessment report has been prepared by the author using documents and information provided by the Owner-Operator for this purpose. While reasonable care has been taken in the preparation of this report, the Author cannot guarantee the accuracy or completeness of all supporting documentation.
- Other than my capacity as a contracting geologist to DW Exploration, I have not received nor
 do I expect to receive and interest, directly or indirectly in the property described in this report;
 the Kannika Gold Property.

Dated at Vancouver, British Columbia, this Friday, August 16, 2013.

Luke P.A. van der Meer, PGeo, B.Sc-Geology.

Certificate of the Owner/Operator.

David A. Wallach is a 4th generation miner and prospector with 24 years' experience from the ground up in open pit & underground drill/blasting, heavy equipment operator, timber man, prospector, geo technical field work, project management, tenure management, general manager, and President/director of a few small private exploration companies.

- Informing the shareholders of decisions made to move forward, writing annual newsletters.
- Communications with investors and board members.
- Oversee operations including promotions and investor relations.
- Prospecting (reconnaissance), Grid lay out and sampling.
- Oversee all Tenure management and Mineral Claim Registration (acquisition); write Tenure management reports and recommendations.
- Tenure management reports and recommendations, (3700 Tenures in total, 3.7 million acres).
- Communications with CEO, President, Vice President, Geologists, Contractors, and Directors.
- Oversee all employees and or contractors (Canadian projects) with safety procedures, Employee ethics and morale.
- Write Mine Emergency Response Plans (MERP) for each project, (8 projects in total)
- Budget preparation and allowance.
- Coordinate all contractors and employees, according to project requirements, wail working within due dates required by projects in order to stay within the aloud budget.
- Write technical & physical reports (SOW) and submit to the Ministry of Mines and Petroleum.
- Oversee all Supplies, equipment and tools need for field work, IE, Gridding & sampling, Line cutting, Prep for IP or Titan 24, Trenching, Road building, and Diamond drilling.
- Oversee soil/rock sample preparation for shipping to assay lab.
- Coordinate and oversee all communications and supplies for base camp and workshops.
- Stocking and taking inventory of supplies.
- Due diligence for property acquisition and or purchase.
- Apply for permits for various projects.
- Attend and man booth for trade shows.
- NWT Blasting ticket.
- Driller/ Blaster (Long hole, Drift, Raze).
- Timber-man.
- Driller Helper (Underground, Open Pit /Tank drill).
- Diamond driller Helper (Underground & Surface).
- Heavy Equipment Operator (Rock Truck, Scoop, Tank Drill).

APPENDIX 2: Rock sampling locations and analytical results.

| Sample_ID | Easting | Northing | Eleve | Claim No. | Description | comment |
|-----------|---------|----------|-------|---------------------------------|--------------------|--|
| 2161451 | | | | | Grab | |
| 2161452 | | | | | Grab | |
| 2161453 | | | | | Grab | |
| 2161454 | 396908 | 5547890 | 1730 | 688503, 688568, 1011326, 936188 | Rock Sample, Chip | This is the Base Line with samples and adits on Claim No.688503, 688568, 1011326, 936188 |
| 2161456 | 397422 | 5547887 | 1638 | 688503, 688568, 1011326, 936210 | Soil | This is the Base Line with samples and adits on Claim No.688503, 688568, 1011326, 936210 |
| 2161457 | 397473 | 5547895 | 1644 | 688503, 688568, 1011326, 936213 | Soil | This is the Base Line with samples and adits on Claim No.688503, 688568, 1011326, 936213 |
| 2161458 | 397846 | 5547887 | 1790 | 688503, 688568, 1011326, 936229 | Rock Sample, Chip | This is the Base Line with samples and adits on Claim No.688503, 688568, 1011326, 936229 |
| 2161459 | | | | | Grab | |
| 2161460 | | | | | Grab | |
| 2161461 | | | | | Grab | |
| 2161462 | | | | | Grab | |
| 2161463 | 397088 | 5548295 | 1763 | | Rock Sample, Chip | Line 1000 from Base Line BL1019 |
| 2161464 | 397086 | 5548298 | 1763 | | Rock Sample, Chip | Line 1000 from Base Line BL1017 |
| 2161465 | 397092 | 5548298 | 1764 | | Rock Sample, Chip | Line 1000 from Base Line BL1018 |
| 2161466 | 395603 | 5553409 | 1760 | 893530 | Rock Sample, Chip | Samples from Claim No. 893530 |
| 2161467 | 395603 | 5553400 | 1755 | 893530 | Rock Sample, Chip | Samples from Claim No. 893530 |
| 2161468 | 395632 | 5553471 | 1759 | 893530 | Rock Sample, float | Samples from Claim No. 893530 |
| 2161469 | 395617 | 5553457 | 1757 | 893530 | Rock Sample, float | Samples from Claim No. 893530 |
| 2161470 | 396677 | 5555006 | 1759 | 1014969 | Rock Sample, Chip | Chips samples from The Morgan Mine site Claim No. 1014976 |
| 2161471 | 396562 | 5555076 | 1774 | 1014969 | Rock Sample, Chip | Chips samples from The Morgan Mine site Claim No. 1014973 |
| 2161472 | 396517 | 5555150 | 1763 | 1014969 | Rock Sample, Chip | Chips samples from The Morgan Mine site Claim No. 1014969 |
| 2161473 | | | | | Grab | |
| 2161474 | 396526 | 5555102 | 1769 | 1014969 | Rock Sample, Chip | Chips samples from The Morgan Mine site Claim No. 1014972 |
| 2161475 | 396530 | 5555108 | 1768 | 1014969 | Rock Sample, Chip | Chips samples from The Morgan Mine site Claim No. 1014970 |





Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158 Client: DW Exploration

5241 Cobble Crescent

Kelowna BC V1W 5C3 Canada

Submitted By: Dave Wallach
Receiving Lab: Canada-Vancouver
Received: June 14, 2013
Report Date: July 09, 2013

Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN13002247.1

CLIENT JOB INFORMATION

Project: Kannika Gold

Shipment ID: P.O. Number

Number of Samples: 22

SAMPLE DISPOSAL

RTRN-PLP Return RTRN-RJT Return

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

Invoice To: DW Exploration

5241 Cobble Crescent Kelowna BC V1W 5C3

Canada

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

| Procedure Code | Number of Samples | Code Description | Test Wgt (g) | Report Status | Lab |
|-------------------|----------------------|---|-----------------|------------------|-----|
| R200-250 | 22 | Crush, split and pulverize 250 g rock to 200 mesh | | | VAN |
| 1DX1 | 22 | 1:1:1 Aqua Regia digestion ICP-MS analysis | 0.5 | Completed | VAN |
| G6Gr | 1 | Lead collection fire assay 30G fusion - Grav finish | 30 | Completed | VAN |

ADDITIONAL COMMENTS



CC:

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only. All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only. Results apply to samples as submitted.

"*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.



Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158

Client:

DW Exploration

5241 Cobble Crescent Kelowna BC V1W 5C3 Canada

Project:

Kannika Gold

Report Date:

July 09, 2013

Page: 2 of 2

Part: 1 of 1

| • • • | | | | | | | | | | | | i age. | | 2 01 2 | | | | | 1 4 | 11. 1 | 01 1 |
|---------|-------------|-------------|------------|-------|------------|----------|------------|------------|------|------|-----------|------------|------------|------------|----------|-------|------------|------|----------|-----------|--------|
| CERTIFI | CATE OF AN | IALY | 'SIS | | | | | | | | | | | | | VA | N13 | 3002 | 247 | .1 | |
| | Method | WGHT | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX |
| | Analyte | Wgt | Мо | Cu | Pb | Zn | Ag | Ni | Со | Mn | Fe | As | Au | Th | Sr | Cd | Sb | Bi | V | Ca | Ρ |
| | Unit MDL | kg | ppm 0.1 | ppm | ppm 0.1 | ppm 1 | ppm 0.1 | ppm 0.1 | ppm | ppm | % 0.04 | ppm 0.5 | ppb 0.5 | ppm 0.1 | ppm 1 | ppm | ppm 0.1 | ppm | ppm 2 | % 0.01 | 0.001 |
| 2161451 | | 0.01 | | 0.1 | | | | | 0.1 | 1 | 0.01 | | | | | 0.1 | | 0.1 | | | |
| | Rock | 0.49 | 1.9 | 46.2 | 4.1 | 16 | 0.2 | 17.7 | 3.9 | 91 | 1.44 | 1.7 | 1.5 | 2.4 | 28 | 0.2 | <0.1 | 0.1 | 46 | 0.39 | 0.081 |
| 2161452 | Rock | 0.44 | 60.3 | 12.3 | 1552 | 36 | 16.7 | 2.0 | 0.6 | 146 | 0.48 | 2.7 | 1509 | 0.1 | 5 | 2.2 | 0.9 | 1.5 | <2 | 0.07 | 0.007 |
| 2161453 | Rock | 0.52 | 8.7 | 36.7 | 385.3 | 18 | 4.0 | 1.3 | 1.3 | 226 | 1.95 | 2.7 | 284.2 | 0.5 | 31 | 0.3 | 0.4 | 1.0 | 30 | 0.23 | 0.071 |
| 2161458 | Rock | 0.80 | 3.8 | 34.7 | 6.2 | 14 | 0.5 | 72.1 | 10.2 | 37 | 2.32 | 3.2 | 1.4 | 0.6 | 17 | 0.7 | 0.1 | 0.2 | 25 | 0.30 | 0.073 |
| 2161459 | Rock | 0.93 | 0.5 | 5.7 | 9.4 | 20 | <0.1 | 17.1 | 3.6 | 559 | 1.16 | 2.8 | <0.5 | 0.7 | 27 | 0.2 | 0.1 | <0.1 | 9 | 0.74 | 0.045 |
| 2161460 | Rock | 1.54 | 141.6 | 255.1 | 5487 | 1256 | >100 | 6.7 | 7.4 | 559 | 4.56 | | 100000 | 0.1 | 121 | 57.2 | 2.7 | 34.1 | <2 | 2.08 | 0.043 |
| 2161461 | Rock | 1.91 | 32.5 | 54.7 | 602.6 | 34 | 95.2 | 5.3 | 7.7 | 390 | 4.29 | 7.9 | 23403 | 0.5 | 26 | 0.5 | 0.7 | 7.0 | 10 | 0.43 | 0.075 |
| 2161462 | Rock | 0.72 | 0.3 | 8.7 | 16.1 | 82 | 0.4 | 12.1 | 10.0 | 716 | 2.99 | 5.4 | 70.6 | 4.0 | 69 | 0.4 | 0.3 | <0.1 | 20 | 0.87 | 0.110 |
| 2161463 | Rock | 0.70 | 1.1 | 105.6 | 18.1 | 151 | 0.8 | 106.7 | 17.4 | 528 | 4.40 | 22.6 | 5.6 | 1.3 | 88 | 0.2 | 0.6 | 0.3 | 104 | 0.44 | 0.024 |
| 2161464 | Rock | 0.88 | 0.7 | 10.2 | 14.2 | 70 | 0.4 | 7.5 | 7.8 | 536 | 3.05 | 10.8 | 20.3 | 2.4 | 94 | 0.2 | 0.5 | <0.1 | 26 | 1.48 | 0.099 |
| 2161465 | Rock | 0.54 | 1.3 | 24.3 | 13.1 | 84 | 0.3 | 27.0 | 9.3 | 495 | 2.79 | 22.0 | 9.0 | 2.5 | 14 | 0.3 | 0.6 | 0.2 | 32 | 0.15 | 0.087 |
| 2161466 | Rock | 0.19 | 0.1 | 18.9 | 5.3 | 39 | 0.2 | 1.5 | 4.2 | 1035 | 1.67 | <0.5 | 13.1 | 0.1 | 273 | 0.3 | <0.1 | <0.1 | 13 | 27.32 | 0.017 |
| 2161467 | Rock | 0.68 | 0.2 | 4.7 | 4.0 | 62 | 0.1 | 1.8 | 4.4 | 1089 | 1.41 | 8.0 | 2.5 | 0.2 | 226 | 0.6 | 0.3 | <0.1 | 11 | 29.72 | 0.019 |
| 2161468 | Rock | 0.62 | 0.1 | 3.7 | 3.2 | 50 | <0.1 | 7.6 | 10.4 | 652 | 3.03 | 3.7 | 8.9 | 0.2 | 171 | 0.3 | <0.1 | <0.1 | 58 | 15.89 | 0.022 |
| 2161469 | Rock | 1.92 | 0.3 | 82.4 | 1.3 | 62 | 0.2 | 71.7 | 41.2 | 1318 | 6.83 | 64.9 | <0.5 | 0.6 | 112 | <0.1 | 0.2 | <0.1 | 170 | 7.15 | 0.087 |
| 2161470 | Rock | 0.91 | 0.1 | 36.8 | 1.7 | 56 | <0.1 | 58.4 | 24.4 | 1051 | 4.41 | 5.4 | <0.5 | 0.5 | 75 | 0.2 | 0.9 | <0.1 | 176 | 3.42 | 0.034 |
| 2161471 | Rock | 1.00 | 8.0 | 126.5 | 1583 | 283 | 50.1 | 6.6 | 7.5 | 375 | 7.20 | 9801 | 11530 | <0.1 | 7 | 6.4 | 31.8 | 13.5 | 4 | 0.11 | 0.003 |
| 2161472 | Rock | 0.71 | 0.6 | 55.9 | 15.1 | 71 | 0.1 | 14.3 | 22.7 | 1031 | 4.53 | 17.3 | 2.2 | 1.8 | 112 | 0.2 | 0.4 | <0.1 | 104 | 2.79 | 0.075 |
| 2161473 | Rock | 0.88 | 0.1 | 54.4 | >10000 | >10000 | >100 | 1.2 | 5.0 | 128 | 3.62 | 119.5 | 37535 | <0.1 | 3 | 360.1 | 25.6 | 10.4 | <2 | 0.15 | <0.001 |
| 2161474 | Rock | 0.66 | 0.3 | 12.2 | 2780 | 2235 | 11.1 | 1.1 | 1.7 | 119 | 0.86 | 142.0 | 367.4 | <0.1 | 1 | 51.0 | 5.4 | 2.6 | <2 | 0.03 | 0.001 |
| 2161475 | Rock | 0.93 | 1.8 | 28.3 | >10000 | 398 | 84.6 | 2.7 | 5.0 | 41 | 22.27 | >10000 | 32633 | <0.1 | 4 | 24.3 | 196.4 | 5.8 | 2 | 0.02 | <0.001 |
| 2161454 | Rock | 1.29 | 2.6 | 66.3 | 46.5 | 50 | 0.3 | 47.2 | 11.7 | 76 | 1.67 | 17.0 | 30.2 | 0.9 | 119 | 0.7 | 0.2 | 0.1 | 32 | 0.92 | 0.127 |



Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158 Client: DW Exploration

5241 Cobble Crescent Kelowna BC V1W 5C3 Canada

Project: Kannika Gold

Report Date: July 09, 2013

Page: 2 of 2 Part: 2 of 1

CERTIFICATE OF ANALYSIS

VAN13002247 ²

| | Method | I 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | G6Gr |
|---------|---------|-------|-----|-------|------|--------|-----|------|-------|-------|------|-------|------|------|-------|-----|------|-------|------|
| | Analyte | La | Cr | Mg | Ва | Ti | В | AI | Na | K | w | Hg | Sc | TI | s | Ga | Se | Te | Au |
| | Uni | t ppm | ppm | % | ppm | % | ppm | % | % | % | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | gm/t |
| • | MDL | . 1 | 1 | 0.01 | 1 | 0.001 | 20 | 0.01 | 0.001 | 0.01 | 0.1 | 0.01 | 0.1 | 0.1 | 0.05 | 1 | 0.5 | 0.2 | 0.9 |
| 2161451 | Rock | 3 | 37 | 0.13 | 26 | 0.116 | <20 | 0.36 | 0.078 | 0.10 | <0.1 | <0.01 | 1.7 | 0.1 | <0.05 | 1 | <0.5 | <0.2 | |
| 2161452 | Rock | <1 | 2 | 0.01 | 12 | <0.001 | <20 | 0.04 | 0.005 | 0.02 | 0.5 | <0.01 | 0.2 | <0.1 | 0.06 | <1 | 3.3 | 11.0 | |
| 2161453 | Rock | 3 | 4 | 0.36 | 29 | 0.050 | <20 | 0.73 | 0.069 | 0.11 | 0.2 | <0.01 | 1.2 | <0.1 | <0.05 | 3 | 4.1 | 2.1 | |
| 2161458 | Rock | 3 | 27 | 0.13 | 23 | 0.119 | <20 | 0.26 | 0.064 | 0.07 | 0.2 | <0.01 | 1.1 | <0.1 | 0.72 | 1 | 1.5 | <0.2 | |
| 2161459 | Rock | 3 | 10 | 0.30 | 30 | 0.029 | <20 | 0.53 | 0.035 | 0.04 | <0.1 | <0.01 | 1.1 | <0.1 | <0.05 | 1 | <0.5 | <0.2 | |
| 2161460 | Rock | 1 | 1 | 0.43 | 16 | 0.002 | <20 | 0.09 | 0.003 | 0.07 | 0.6 | 0.12 | 1.4 | <0.1 | 4.43 | <1 | 10.6 | 210.0 | 62.9 |
| 2161461 | Rock | 3 | 2 | 0.45 | 22 | 0.006 | <20 | 0.68 | 0.012 | 0.16 | 0.3 | 0.03 | 2.2 | <0.1 | 1.29 | 2 | 1.3 | 59.6 | |
| 2161462 | Rock | 14 | 21 | 1.03 | 85 | 0.012 | <20 | 1.78 | 0.048 | 0.19 | <0.1 | <0.01 | 2.2 | <0.1 | 0.07 | 5 | <0.5 | 0.3 | |
| 2161463 | Rock | 5 | 83 | 2.20 | 1330 | 0.133 | <20 | 3.58 | 0.148 | 1.41 | 0.2 | <0.01 | 14.5 | 0.3 | 0.32 | 11 | 4.0 | 0.6 | |
| 2161464 | Rock | 11 | 11 | 0.93 | 69 | 0.003 | <20 | 1.50 | 0.051 | 0.10 | <0.1 | <0.01 | 4.1 | <0.1 | 0.10 | 5 | 8.0 | 0.3 | |
| 2161465 | Rock | 14 | 23 | 0.50 | 100 | 0.031 | <20 | 1.64 | 0.015 | 0.12 | <0.1 | 0.02 | 2.8 | <0.1 | <0.05 | 4 | <0.5 | <0.2 | |
| 2161466 | Rock | 4 | 5 | 0.63 | 41 | 0.001 | <20 | 0.92 | 0.006 | 0.04 | <0.1 | <0.01 | 3.9 | <0.1 | <0.05 | 2 | <0.5 | <0.2 | |
| 2161467 | Rock | 6 | 8 | 0.34 | 24 | <0.001 | <20 | 0.45 | 0.007 | 0.04 | <0.1 | 0.02 | 4.2 | <0.1 | 0.12 | <1 | <0.5 | <0.2 | |
| 2161468 | Rock | 2 | 12 | 1.81 | 35 | 0.004 | <20 | 2.21 | 0.004 | 0.03 | <0.1 | <0.01 | 5.6 | <0.1 | <0.05 | 4 | <0.5 | <0.2 | |
| 2161469 | Rock | 3 | 187 | 3.50 | 21 | 0.001 | <20 | 2.09 | 0.037 | 0.02 | <0.1 | <0.01 | 39.5 | <0.1 | 0.31 | 5 | <0.5 | <0.2 | |
| 2161470 | Rock | 2 | 111 | 3.58 | 10 | 0.119 | <20 | 3.19 | 0.098 | 0.37 | <0.1 | <0.01 | 18.9 | 0.3 | <0.05 | 9 | <0.5 | <0.2 | |
| 2161471 | Rock | <1 | 3 | 0.10 | 12 | <0.001 | <20 | 0.18 | 0.003 | 0.02 | <0.1 | 0.22 | 0.6 | 0.1 | 5.82 | <1 | 4.8 | 30.0 | |
| 2161472 | Rock | 8 | 15 | 2.18 | 29 | 0.044 | <20 | 2.69 | 0.142 | 0.12 | 0.1 | <0.01 | 7.6 | <0.1 | 0.34 | 10 | <0.5 | <0.2 | |
| 2161473 | Rock | <1 | <1 | <0.01 | 1 | <0.001 | <20 | 0.02 | 0.004 | <0.01 | <0.1 | 0.93 | 0.1 | <0.1 | 4.10 | <1 | 17.0 | 65.2 | |
| 2161474 | Rock | <1 | 1 | 0.03 | 4 | <0.001 | <20 | 0.05 | 0.004 | 0.02 | <0.1 | 0.15 | 0.2 | <0.1 | 0.64 | <1 | 3.0 | 6.8 | |
| 2161475 | Rock | <1 | 2 | <0.01 | 4 | <0.001 | <20 | 0.03 | 0.005 | <0.01 | <0.1 | 0.13 | 0.5 | <0.1 | 8.86 | <1 | 33.5 | 26.1 | |
| 2161454 | Rock | 7 | 18 | 0.20 | 132 | 0.098 | <20 | 0.56 | 0.032 | 0.08 | 0.7 | <0.01 | 2.2 | <0.1 | 0.31 | 2 | 2.4 | 0.2 | |



Client: DW Exploration

5241 Cobble Crescent Kelowna BC V1W 5C3 Canada

Project:

Kannika Gold

Report Date:

July 09, 2013

Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158

Page: 1 of 1 Part: 1 of 1

| QUALITY COI | NTROL | REP | OR ⁻ | Γ | | | | | | | | | | | | VAI | N130 | 0022 | 247. | .1 | |
|------------------------|------------|------|-----------------|-------|-------|------|-------|-------|------|-----|-------|------|-------|------|------|------|------|------|------|--------|--------|
| | Method | WGHT | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX |
| | Analyte | Wgt | Мо | Cu | Pb | Zn | Ag | Ni | Co | Mn | Fe | As | Au | Th | Sr | Cd | Sb | Bi | ٧ | Ca | Р |
| | Unit | kg | ppm | ppm | ppm | ppm | ppm | ppm | ppm | ppm | % | ppm | ppb | ppm | ppm | ppm | ppm | ppm | ppm | % | % |
| | MDL | 0.01 | 0.1 | 0.1 | 0.1 | 1 | 0.1 | 0.1 | 0.1 | 1 | 0.01 | 0.5 | 0.5 | 0.1 | 1 | 0.1 | 0.1 | 0.1 | 2 | 0.01 | 0.001 |
| Pulp Duplicates | | | | | | | | | | | | | | | | | | | | | |
| 2161454 | Rock | 1.29 | 2.6 | 66.3 | 46.5 | 50 | 0.3 | 47.2 | 11.7 | 76 | 1.67 | 17.0 | 30.2 | 0.9 | 119 | 0.7 | 0.2 | 0.1 | 32 | 0.92 | 0.127 |
| REP 2161454 | QC | | 2.7 | 66.1 | 46.1 | 52 | 0.4 | 46.1 | 11.6 | 73 | 1.66 | 21.4 | 21.2 | 0.9 | 116 | 0.9 | 0.2 | <0.1 | 32 | 0.92 | 0.128 |
| Reference Materials | | | | | | | | | | | | | | | | | | | | | |
| STD AGPROOF | Standard | | | | | | | | | | | | | | | | | | | | |
| STD CDN-ME-6 | Standard | | | | | | | | | | | | | | | | | | | | |
| STD DS9 | Standard | | 12.3 | 116.4 | 133.5 | 326 | 1.8 | 41.3 | 8.0 | 609 | 2.47 | 27.6 | 113.7 | 6.7 | 74 | 2.4 | 5.4 | 7.8 | 42 | 0.73 | 0.087 |
| STD DS9 | Standard | | 12.6 | 115.2 | 133.9 | 328 | 2.1 | 40.3 | 7.9 | 594 | 2.45 | 27.2 | 108.1 | 6.2 | 71 | 2.4 | 4.9 | 7.0 | 41 | 0.72 | 0.083 |
| STD OREAS45EA | Standard | | 1.3 | 670.0 | 15.0 | 30 | 0.2 | 368.8 | 52.7 | 394 | 24.71 | 9.2 | 51.8 | 10.5 | 4 | <0.1 | 0.2 | 0.3 | 299 | 0.04 | 0.029 |
| STD OREAS45EA | Standard | | 1.4 | 709.6 | 15.2 | 31 | 0.3 | 391.2 | 56.1 | 400 | 24.67 | 10.2 | 58.4 | 11.4 | 4 | <0.1 | 0.3 | 0.4 | 299 | 0.04 | 0.031 |
| STD SP49 | Standard | | | | | | | | | | | | | | | | | | | | |
| STD DS9 Expected | | | 12.84 | 108 | 126 | 317 | 1.83 | 40.3 | 7.6 | 575 | 2.33 | 25.5 | 118 | 6.38 | 69.6 | 2.4 | 4.94 | 6.32 | 40 | 0.7201 | 0.0819 |
| STD OREAS45EA Expected | | | 1.78 | 709 | 14.3 | 30.6 | 0.311 | 357 | 52 | 400 | 22.65 | 11.4 | 53 | 10.7 | 4.05 | 0.03 | 0.64 | 0.26 | 295 | 0.032 | 0.029 |
| STD SP49 Expected | | | | | | | | | | | | | | | | | | | | | |
| STD AGPROOF Expected | | | | | | | | | | | | | | | | | | | | | |
| STD CDN-ME-6 Expected | | | | | | | | | | | | | | | | | | | | | |
| BLK | Blank | | <0.1 | <0.1 | 0.6 | <1 | <0.1 | <0.1 | <0.1 | <1 | <0.01 | <0.5 | <0.5 | <0.1 | <1 | <0.1 | <0.1 | <0.1 | <2 | <0.01 | <0.001 |
| BLK | Blank | | <0.1 | <0.1 | <0.1 | <1 | <0.1 | <0.1 | <0.1 | <1 | <0.01 | <0.5 | <0.5 | <0.1 | <1 | <0.1 | <0.1 | <0.1 | <2 | <0.01 | <0.001 |
| BLK | Blank | | | | | | | | | | | | | | | | | | | | |
| BLK | Blank | | | | | | | | | | | | | | | | | | | | |
| Prep Wash | | | | | | | | | | | | | | | | | | | | | |
| G1 | Prep Blank | | <0.1 | 2.3 | 3.8 | 47 | <0.1 | 2.5 | 4.4 | 553 | 1.91 | 0.8 | <0.5 | 6.2 | 68 | <0.1 | <0.1 | <0.1 | 36 | 0.49 | 0.078 |
| G1 | Prep Blank | | 0.1 | 2.1 | 3.1 | 45 | <0.1 | 3.0 | 4.3 | 552 | 1.90 | <0.5 | <0.5 | 5.5 | 53 | <0.1 | <0.1 | <0.1 | 36 | 0.43 | 0.078 |



Client: DW Exploration 5241 Cobble Crescent

Kelowna BC V1W 5C3 Canada

Project: Kannika Gold

Report Date: July 09, 2013

Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158

Page: 1 of 1 Part: 2 of 1

| QUALITY COI | NTROL | REP | OR [°] | T | | | | | | | | | | | | VAI | V130 | 0022 | 247. |
|------------------------|------------|------|-----------------|--------|-----|--------|-----|--------|--------|-------|------|-------|------|-------|--------|------|------|------|-------|
| | Method | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | 1DX | G6Gr |
| | Analyte | La | Cr | Mg | Ва | Ti | В | Al | Na | K | W | Hg | Sc | TI | s | Ga | Se | Te | Au |
| | Unit | ppm | ppm | % | ppm | % | ppm | % | % | % | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | gm/t |
| | MDL | 1 | 1 | 0.01 | 1 | 0.001 | 20 | 0.01 | 0.001 | 0.01 | 0.1 | 0.01 | 0.1 | 0.1 | 0.05 | 1 | 0.5 | 0.2 | 0.9 |
| Pulp Duplicates | | | | | | | | | | | | | | | | | | | |
| 2161454 | Rock | 7 | 18 | 0.20 | 132 | 0.098 | <20 | 0.56 | 0.032 | 0.08 | 0.7 | <0.01 | 2.2 | <0.1 | 0.31 | 2 | 2.4 | 0.2 | |
| REP 2161454 | QC | 7 | 19 | 0.20 | 133 | 0.096 | <20 | 0.56 | 0.033 | 0.08 | 0.7 | <0.01 | 2.1 | <0.1 | 0.32 | 2 | 2.5 | <0.2 | |
| Reference Materials | | | | | | | | | | | | | | | | | | | |
| STD AGPROOF | Standard | | | | | | | | | | | | | | | | | | <0.9 |
| STD CDN-ME-6 | Standard | | | | | | | | | | | | | | | | | | <0.9 |
| STD DS9 | Standard | 12 | 122 | 0.64 | 343 | 0.110 | <20 | 0.99 | 0.090 | 0.42 | 2.8 | 0.23 | 2.4 | 5.5 | 0.18 | 4 | 5.3 | 6.2 | |
| STD DS9 | Standard | 13 | 122 | 0.62 | 324 | 0.109 | <20 | 0.93 | 0.085 | 0.41 | 2.9 | 0.22 | 2.2 | 5.4 | 0.18 | 4 | 4.8 | 5.0 | |
| STD OREAS45EA | Standard | 7 | 825 | 0.09 | 148 | 0.087 | <20 | 3.03 | 0.019 | 0.05 | <0.1 | <0.01 | 77.5 | <0.1 | <0.05 | 12 | <0.5 | <0.2 | |
| STD OREAS45EA | Standard | 7 | 919 | 0.10 | 155 | 0.098 | <20 | 3.21 | 0.024 | 0.05 | <0.1 | 0.02 | 81.6 | 0.1 | <0.05 | 13 | 0.6 | <0.2 | |
| STD SP49 | Standard | | | | | | | | | | | | | | | | | | 18.4 |
| STD DS9 Expected | | 13.3 | 121 | 0.6165 | 330 | 0.1108 | | 0.9577 | 0.0853 | 0.395 | 2.89 | 0.2 | 2.5 | 5.3 | 0.1615 | 4.59 | 5.2 | 5.02 | |
| STD OREAS45EA Expected | | 8.19 | 849 | 0.095 | 148 | 0.106 | | 3.32 | 0.027 | 0.053 | | 0.34 | 78 | 0.072 | 0.044 | 11.7 | 2.09 | 0.11 | |
| STD SP49 Expected | | | | | | | | | | | | | | | | | | | 18.34 |
| STD AGPROOF Expected | | | | | | | | | | | | | | | | | | | 0 |
| STD CDN-ME-6 Expected | | | | | | | | | | | | | | | | | | | 0.27 |
| BLK | Blank | <1 | <1 | <0.01 | <1 | <0.001 | <20 | <0.01 | <0.001 | <0.01 | <0.1 | <0.01 | <0.1 | <0.1 | <0.05 | <1 | <0.5 | <0.2 | |
| BLK | Blank | <1 | <1 | <0.01 | <1 | <0.001 | <20 | <0.01 | <0.001 | <0.01 | <0.1 | <0.01 | <0.1 | <0.1 | <0.05 | <1 | <0.5 | <0.2 | |
| BLK | Blank | | | | | | | | | | | | | | | | | | <0.9 |
| BLK | Blank | | | | | | | | | | | | | | | | | | <0.9 |
| Prep Wash | | | | | | | | | | | | | | | | | | | |
| G1 | Prep Blank | 11 | 4 | 0.49 | 192 | 0.127 | <20 | 1.09 | 0.137 | 0.57 | <0.1 | <0.01 | 2.7 | 0.3 | <0.05 | 5 | <0.5 | <0.2 | |
| G1 | Prep Blank | 10 | 5 | 0.54 | 208 | 0.127 | <20 | 1.02 | 0.111 | 0.58 | 0.1 | <0.01 | 2.7 | 0.3 | <0.05 | 5 | <0.5 | <0.2 | |



Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158 Client: DW Exploration

5241 Cobble Crescent Kelowna BC V1W 5C3 Canada

Submitted By: Dave Wallach
Receiving Lab: Canada-Vancouver
Received: June 14, 2013
Report Date: July 06, 2013

Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN13002248.1

CLIENT JOB INFORMATION

Project: Kannika Gold

Shipment ID: P.O. Number

Number of Samples: 2

SAMPLE DISPOSAL

RTRN-PLP Return

DISP-RJT-SOIL Immediate Disposal of Soil Reject

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

Invoice To: DW Exploration

5241 Cobble Crescent Kelowna BC V1W 5C3

Canada

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

| Procedure Code | Number of Samples | Code Description | Test Wgt (g) | Report Status | Lab |
|-------------------|----------------------|---|-----------------|------------------|-----|
| Dry at 60C | 2 | Dry at 60C | | | VAN |
| SS80 | 2 | Dry at 60C sieve 100g to -80 mesh | | | VAN |
| 1F01 | 2 | 1:1:1 Aqua Regia digestion Ultratrace ICP-MS analysis | 0.5 | Completed | VAN |

ADDITIONAL COMMENTS







Client:

DW Exploration

5241 Cobble Crescent

Kelowna BC V1W 5C3 Canada

Project:

Kannika Gold

July 06, 2013

Report Date:

Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158

Page:

2 of 2

Part: 1 of 1

| CERTIFICATE OF ANALYSIS VAN13002248.1 | | | | | | | | | | | | | | | .1 | | | | | | |
|---------------------------------------|---------|------|-------|-------|-------|-----|------|------|------|------|-----|-----|------|-----|------|------|------|------|-----|------|-------|
| | Method | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F |
| | Analyte | Мо | Cu | Pb | Zn | Ag | Ni | Co | Mn | Fe | As | U | Au | Th | Sr | Cd | Sb | Bi | V | Ca | Р |
| | Unit | ppm | ppm | ppm | ppm | ppb | ppm | ppm | ppm | % | ppm | ppm | ppb | ppm | ppm | ppm | ppm | ppm | ppm | % | % |
| | MDL | 0.01 | 0.01 | 0.01 | 0.1 | 2 | 0.1 | 0.1 | 1 | 0.01 | 0.1 | 0.1 | 0.2 | 0.1 | 0.5 | 0.01 | 0.02 | 0.02 | 2 | 0.01 | 0.001 |
| 2161456 | Soil | 1.26 | 112.9 | 15.86 | 131.6 | 895 | 30.4 | 18.2 | 1284 | 4.21 | 5.7 | 6.4 | 27.2 | 1.1 | 67.9 | 0.65 | 0.27 | 0.28 | 96 | 1.17 | 0.150 |
| 2161457 | Soil | 1.02 | 113.6 | 6.61 | 145.3 | 300 | 37.5 | 27.0 | 1370 | 6.14 | 7.7 | 1.1 | 29.9 | 1.8 | 69.4 | 0.35 | 0.16 | 0.08 | 129 | 1.31 | 0.310 |



Acme Analytical Laboratories (Vancouver) Ltd.

PHONE (604) 253-3158

www.acmelab.com

Client: **DW Exploration**

5241 Cobble Crescent Kelowna BC V1W 5C3 Canada

Project: Kannika Gold

Report Date: July 06, 2013

2 of 2 Part: 2 of 1 Page:

9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA

| | | Method | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F |
|---------|------|---------|------|------|------|-------|-------|-----|------|-------|------|-----|-----|------|-------|-----|-----|------|------|
| | | Analyte | La | Cr | Mg | Ва | Ti | В | Al | Na | K | w | Sc | TI | s | Hg | Se | Te | Ga |
| | | Unit | ppm | ppm | % | ppm | % | ppm | % | % | % | ppm | ppm | ppm | % | ppb | ppm | ppm | ppm |
| | | MDL | 0.5 | 0.5 | 0.01 | 0.5 | 0.001 | 20 | 0.01 | 0.001 | 0.01 | 0.1 | 0.1 | 0.02 | 0.02 | 5 | 0.1 | 0.02 | 0.1 |
| 2161456 | Soil | | 14.4 | 46.2 | 1.55 | 111.1 | 0.165 | <20 | 3.05 | 0.003 | 0.51 | 0.2 | 4.8 | 0.25 | 0.05 | 66 | 0.7 | 0.07 | 9.2 |
| 2161457 | Soil | | 18.8 | 56.8 | 2.35 | 114.0 | 0.254 | <20 | 3.52 | 0.003 | 0.84 | 0.2 | 6.1 | 0.43 | <0.02 | 21 | 0.3 | 0.08 | 11.1 |



Client: DW Exploration 5241 Cobble Crescent

Kelowna BC V1W 5C3 Canada

Project:

Kannika Gold

Report Date:

July 06, 2013

Acme Analytical Laboratories (Vancouver) Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158

Page: 1 of 1 Part: 1 of 1

| QUALITY COI | NTROL | REP | OR | Γ | | | | | | | | | | | | VA | N13 | 0022 | 248. | 1 | |
|------------------------|----------|-------|-------|-------|-------|------|-------|------|------|-------|------|------|-------|------|------|-------|-------|-------|------|--------|--------|
| | Method | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F |
| | Analyte | Мо | Cu | Pb | Zn | Ag | Ni | Co | Mn | Fe | As | U | Au | Th | Sr | Cd | Sb | Bi | V | Ca | Р |
| | Unit | ppm | ppm | ppm | ppm | ppb | ppm | ppm | ppm | % | ppm | ppm | ppb | ppm | ppm | ppm | ppm | ppm | ppm | % | % |
| | MDL | 0.01 | 0.01 | 0.01 | 0.1 | 2 | 0.1 | 0.1 | 1 | 0.01 | 0.1 | 0.1 | 0.2 | 0.1 | 0.5 | 0.01 | 0.02 | 0.02 | 2 | 0.01 | 0.001 |
| Pulp Duplicates | | | | | | | | | | | | | | | | | | | | | |
| 2161457 | Soil | 1.02 | 113.6 | 6.61 | 145.3 | 300 | 37.5 | 27.0 | 1370 | 6.14 | 7.7 | 1.1 | 29.9 | 1.8 | 69.4 | 0.35 | 0.16 | 0.08 | 129 | 1.31 | 0.310 |
| REP 2161457 | QC | 1.01 | 113.4 | 6.57 | 149.7 | 322 | 37.2 | 27.9 | 1415 | 6.39 | 6.0 | 1.2 | 27.8 | 1.9 | 69.9 | 0.38 | 0.13 | 0.08 | 133 | 1.32 | 0.316 |
| Reference Materials | | | | | | | | | | | | | | | | | | | | | |
| STD DS9 | Standard | 14.01 | 118.9 | 138.4 | 328.5 | 1634 | 44.6 | 8.1 | 620 | 2.43 | 26.1 | 2.9 | 100.8 | 6.5 | 73.2 | 2.38 | 4.88 | 6.12 | 40 | 0.73 | 0.084 |
| STD OREAS45EA | Standard | 1.54 | 707.3 | 16.56 | 27.4 | 319 | 384.6 | 54.6 | 429 | 24.88 | 8.9 | 2.5 | 80.7 | 14.1 | 4.3 | 0.04 | 0.24 | 0.51 | 301 | 0.04 | 0.027 |
| STD DS9 Expected | | 12.84 | 108 | 126 | 317 | 1830 | 40.3 | 7.6 | 575 | 2.33 | 25.5 | 2.69 | 118 | 6.38 | 69.6 | 2.4 | 4.94 | 6.32 | 40 | 0.7201 | 0.0819 |
| STD OREAS45EA Expected | | 1.78 | 709 | 14.3 | 30.6 | 311 | 357 | 52 | 400 | 22.65 | 11.4 | 1.73 | 53 | 10.7 | 4.05 | 0.03 | 0.64 | 0.26 | 295 | 0.032 | 0.029 |
| BLK | Blank | <0.01 | <0.01 | 0.02 | <0.1 | 11 | <0.1 | <0.1 | 2 | <0.01 | 0.3 | <0.1 | <0.2 | <0.1 | <0.5 | <0.01 | <0.02 | <0.02 | <2 | <0.01 | <0.001 |



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QUALITY CONTROL REPORT

VAN13002248.1

Part: 2 of 1

| | Method | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F | 1F |
|------------------------|----------|------|-------|--------|-------|--------|-----|--------|--------|-------|------|------|-------|--------|-----|------|-------|------|
| | Analyte | La | Cr | Mg | Ва | Ti | В | AI | Na | K | w | Sc | TI | s | Hg | Se | Te | Ga |
| | Unit | ppm | ppm | % | ppm | % | ppm | % | % | % | ppm | ppm | ppm | % | ppb | ppm | ppm | ppm |
| | MDL | 0.5 | 0.5 | 0.01 | 0.5 | 0.001 | 20 | 0.01 | 0.001 | 0.01 | 0.1 | 0.1 | 0.02 | 0.02 | 5 | 0.1 | 0.02 | 0.1 |
| Pulp Duplicates | | | | | | | | | | | | | | | | | | |
| 2161457 | Soil | 18.8 | 56.8 | 2.35 | 114.0 | 0.254 | <20 | 3.52 | 0.003 | 0.84 | 0.2 | 6.1 | 0.43 | <0.02 | 21 | 0.3 | 0.08 | 11.1 |
| REP 2161457 | QC | 19.7 | 59.8 | 2.42 | 119.2 | 0.257 | <20 | 3.62 | 0.003 | 0.87 | 0.2 | 6.1 | 0.46 | <0.02 | 26 | 0.2 | 0.09 | 11.2 |
| Reference Materials | | | | | | | | | | | | | | | | | | |
| STD DS9 | Standard | 13.1 | 124.7 | 0.64 | 326.1 | 0.110 | <20 | 0.97 | 0.079 | 0.41 | 2.9 | 2.3 | 5.33 | 0.18 | 244 | 5.6 | 4.97 | 4.4 |
| STD OREAS45EA | Standard | 8.4 | 813.6 | 0.10 | 170.9 | 0.088 | <20 | 3.16 | 0.020 | 0.05 | <0.1 | 78.2 | <0.02 | 0.04 | 23 | 0.6 | <0.02 | 13.1 |
| STD DS9 Expected | | 13.3 | 121 | 0.6165 | 330 | 0.1108 | | 0.9577 | 0.0853 | 0.395 | 2.89 | 2.5 | 5.3 | 0.1615 | 200 | 5.2 | 5.02 | 4.59 |
| STD OREAS45EA Expected | | 8.19 | 849 | 0.095 | 148 | 0.106 | | 3.32 | 0.027 | 0.053 | | 78 | 0.072 | 0.044 | 340 | 2.09 | 0.11 | 11.7 |
| BLK | Blank | <0.5 | <0.5 | <0.01 | <0.5 | <0.001 | <20 | <0.01 | <0.001 | <0.01 | <0.1 | <0.1 | <0.02 | <0.02 | <5 | <0.1 | <0.02 | <0.1 |

