Ministry of Energy, Mines & Petroleum Resources			T BOOGGAL SUPE
Aining & Minerals Division 3C Geological Survey			Assessment Report Title Page and Summar
<pre>FYPE OF REPORT [type of survey(s)]: geochemical sampling, prospe</pre>	ecting	TOTAL COST:	\$4,031.47
AUTHOR(S): Jarret Kreft, Justin Kreft		SIGNATURE(S): report signed	
NOTICE OF WORK PERMIT NUMBER(S)/DATE(S):			YEAR OF WORK: 2016
STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S):	: 5623	3856	
PROPERTY NAME: Tep		2	
CLAIM NAME(S) (on which the work was done): No Name			
COMMODITIES SOUGHT: <u>Au</u> MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: <u>no known min</u>		2	
MINING DIVISION: Cariboo		NTS/BCGS: 093A07W/093A047	
ATITUDE: <u>52</u> ° <u>27</u> ' " LONGITUDE: <u>120</u>		46 (at centre of work	x)
DWNER(S): I) John Bernard Kreft	2)		
IAILING ADDRESS: 1 Locust Place, Whitehorse Yukon, Y1A 5G9			
DPERATOR(S) [who paid for the work]: 1) as above			
I) as above	/ .		
AAILING ADDRESS: as above			
PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure ohyllite, quartz veins, gold, Frasergold		ation, mineralization, size and attitude):	



TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)	a a second de contra	L	
Ground, mapping			1880 000000 - AMO - MI
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization	1. T.W. W. St. Co 10		
Radiometric	19_117_1194_11		
Seismic			
Other			
Airborne			
GEOCHEMICAL number of samples analysed for)			
Soil			
Silt			
Rock 20 samples FA430 (30	g fire assay)		
Other			
DRILLING total metres; number of holes, size)			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY / PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Logal our jour (seals, seas)			
Road, local access (kilometres)/t	rail		
Trench (metres)			
Underground dev. (metres)			
		I I	
		TOTAL COST:	\$4,031.47

BC Geological Survey Assessment Report 36274

Assessment Report

2016 Geochemical Sampling Report On The Tep Property Tenures Worked On: 1035932

Located In The Quesnel Highlands Central British Columbia Cariboo Mining Division On NTS 093A07W BCGS 093A047 Latitude 52°27' North and Longitude 120°46' West

> By Jarret & Justin Kreft

November 3rd, 2016

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Location – The Tep project is located on NTS map sheet 093A07W in the Cariboo Mining Division, 110 kilometers east of Williams Lake and 125 kilometres northeast of 150 Mile House, just south of the northeast end of Horsefly Lake, at approximately 52°27'N and 120°46'W. A total of eight cells in five tenures comprise the project, with claim data found on the following table:

Name	Tenure Number	Owner	Expiry Date Y/M/D	Area (Ha)
	1035932	Bernard Kreft	2016/NOV/06	19.70
	1035943	**	2016/NOV/06	19.70
HORSEFLY ZINC	1035962	**	2016/NOV/06	59.11
HORSEFLY ZINC REMAIN	1035963	**	2016/NOV/06	39.40
HORSEFLY ZINC N	1035964	٠٠	2016/NOV/06	19.70

^{*} pending acceptance of this report by Mineral Titles *

Access – Access to the property is achieved by turning east onto Horsefly-Likely Road, which leaves Highway BC-97 N just north of 150 Mile House. The Horsefly-Likely Road is followed for 4.5km continuing right onto Horsefly Road for 46km (to the village of Horsefly) to its junction with Upper-Horsefly Road which is followed for approximately 1km to Black Creek Road. Black Creek Road is followed for approximately 55km, eventually turning left onto an unnamed forest service road for approximately another 15km to the property. Roads are paved to the Village of Horsefly; all other roads extending to the property are well maintained gravel roads.

Topography and Vegetation – The project lies within the Quesnel Highlands which are characterized by northwest trending ridges and peaks with rounded tops and steep valley walls. Climate in the area consists of cold snowy winters, and long warm summers with the property snow free from early May to late October. Vegetation cover consists of mixed spruce, pine and poplar with dense brush and undergrowth common in wet areas and on low north facing slopes

Surficial geology is dominated by post glacial features related to an ice sheet which moved from the SSE to the NNW. Drumlins and eskers follow this trend and comprise many of the heavily logged low hills. Numerous lakes and small streams are found in the area, with their orientation often following the same NNW trend. Larger creeks in the area have cut deep channels through the till (which likely varies from 1.0m to 20.0m or more in thickness) exposing bedrock on many of the valley walls.

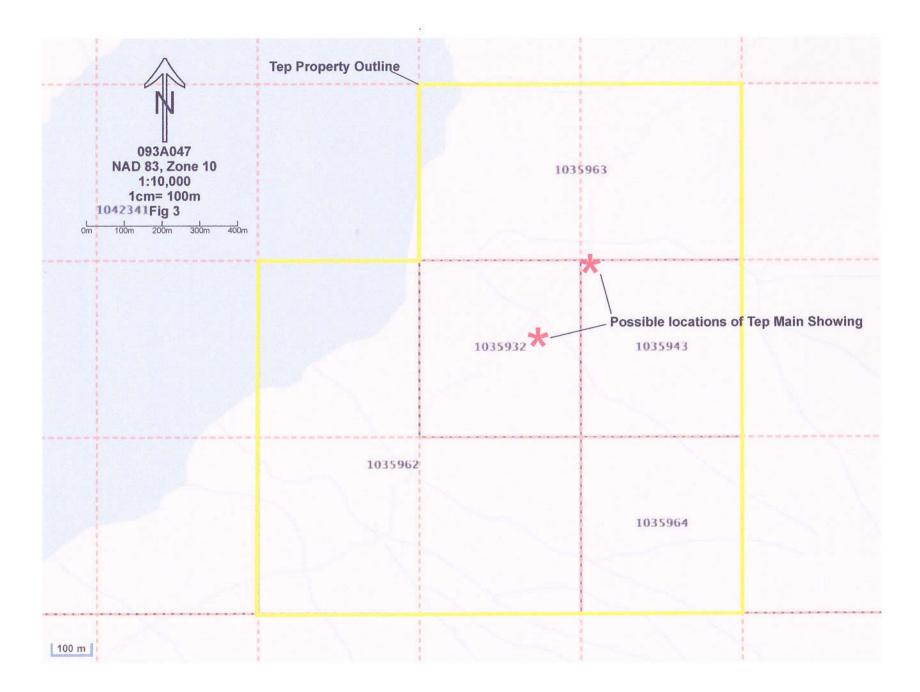
History and Previous Work – The area was first extensively explored by prospectors who evaluated pyritic quartz veins and auriferous gravels on nearby Fraser and Eureka Creeks from 1901 to 1903. Later work during the 1930's was focused on placer gold deposits at and below the forks of Horsefly and MacKay Rivers.

The Frasergold Deposit, located approximately 25 kilometres to the SSE is similar geologically and mineralogically to the Tep Property. Frasergold is an orogenic lode-gold deposit type; gold tends to occur in phyllite hosted quartz veins with coarse particulate gold occurring in segregations of stringers, veins, boudins and mullions. Pervasive low grade gold mineralization is also found within the knotted phyllite strata where quartz is absent. A 2009 resource estimate for the property showed a total measured indicated and inferred resource of 27,493,000 million tonnes grading 0.718 g/t Au for a total of 634,900 ounces of gold.

AR 16961 – In 1987 C.E. Gunn, D.A. Howard and Durfeld Geological completed an extensive exploration program consisting of rock, silt and "B" horizon soil sampling along with geological mapping within the current claim area. This work showed that the claims overly a gold bearing porphyroblastic phyllite unit (0.03 oz/t Au 25cm chip sample) similar to that which occurs at Frasergold.







Soil sampling returned scattered gold in soil anomalies with the erratic results likely due to the presence of thick overburden and till. Trenching and diamond drilling was recommended.

AR 18471 – In 1988 D.D.H. Geo-Management supervised an extensive exploration program consisting of geological mapping, trenching, soil and rock sampling along with diamond drilling. Trenching returned 0.110 oz/t Au over 13m from a zone consisting of boudinaged quartz veins with minor sulphide and iron carbonates hosted in a graphitic and locally sheared phyllite within a more massive type porphyroblastic phyllite. Geological mapping of the area shows that the favorable horizon (porphyroblastic phyllite) stretches for approximately 8km. Diamond drilling consisting of 5 holes totaling 918m yielded values of up to 0.053 oz/t Au over 2.6m, and confirmed the presence of a wide gold zone (drill core was stored at junction of Hawkley Creek and MacKay River on a logging road). Detailed assaying indicated the presence of a significant nugget effect. Further work including diamond drilling was recommended.

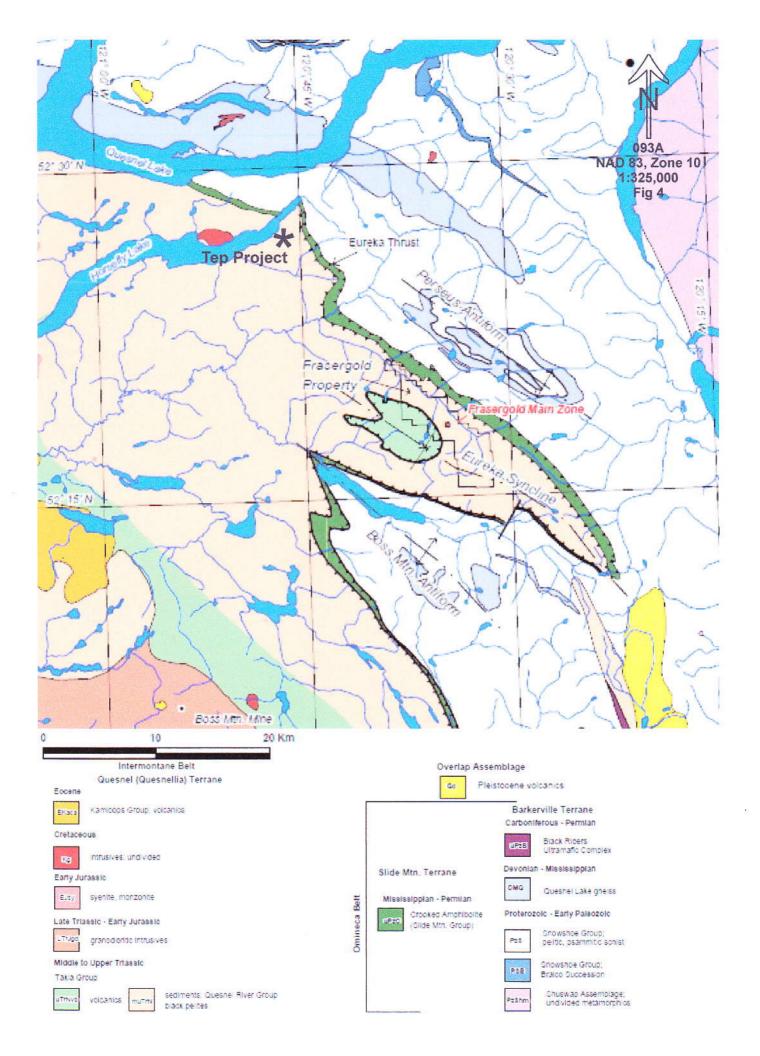
AR 19497– In 1989, Arrowfield Resources and Armada Gold completed four diamond drill holes totaling 616m which were designed to test the strike potential of the Au mineralization found during the 1987 and 1988 exploration programs. Numerous anomalous intervals of up to 0.100 oz/t gold over 1.5 metres were encountered and helped extend the strike length of the zone to 238m (previously 103m). Subsequent check assays of reject material and duplicates showed highly variable results which indicated a very serious nugget effect, similar in nature to that which occurs at Fraser Gold. Further drilling was recommended but does not appear to have been completed.

Regional Geology – The Tep Property overlies Quesnel Terrane rocks near the boundary between two major tectonic belts of the Canadian Cordillera; the Omineca Tectonic belt lies east of the property while the Intermontane Belt occupies the west and central portions of the property. Three regional tectonostratigraphic terranes are present; Kootenay, Slide Mountain and Quesnel terranes. The Slide Mountain and Quesnel terranes are part of the Intermontane Belt which has been accreted eastward onto the Kootenay terrane of the Omineca Belt. The Eureka Thrust forms the tectonic boundary between these two Belts.

In the project area the Omineca Belt is represented by Hadrynian to early Paleozoic quartz mica schists and gneisses of the Snowshoe Group. These make up part of the Kootenay terrane; pericratonic, intensely deformed, variably metamorphosed rocks which appear to be stratigraphically related to ancestral North America. The Omineca Tectonic Belt is known for its prevalence of gold and tungsten mineral occurrences such as those in the Barkerville gold mining camp to the north of the property. The Quesnel Terrane is composed of metavolcanic and phyllite rocks of Permian to Jurassic age. Numerous copper and gold deposits occur within this package of rocks, including the Mt. Polley mine 35 kilometres northeast of Tep and the Frasergold deposit approximately 25 kilometres south of Tep.

The northwest trending, shallowly plunging, Eureka Syncline and Perseus Anticline are the dominant interpreted structures in the region. Well developed, northeast striking, near vertical extension joints are clearly manifested in the drainage pattern of the Eureka syncline. Towards the nose of the syncline, southeast of the project area, the syncline becomes overturned to the southwest with axial planes dipping steeply northeast, northeast of the MacKay River the northeast limb is also overturned to the southwest, however the syncline is upright in the area of the property. The core of the Eureka Syncline is occupied by Takla Group basic volcanic rocks consisting of basalt, augite porphyry flows, tuffs and volcanic breccias that have been metamorphosed to a low grade. The contact with the underlying sediments of the Quesnel Terrane has been interpreted as a fault.

All of the pre-Tertiary rocks in the area are affected by regional dynamothermal metamorphism, with the lowest grades exposed along the Horsefly River road where clastic textures are preserved. In the Eureka



Syncline, the metamorphic grade of all units increases towards the Perseus and Boss Mountain anticlines. Large areas reach medium grade amphibolite facies metamorphism and some rocks in the cores of the nearby anticlines reach the kyanite-staurolite-fibrolite zone and are associated with pegmatites. The age of the folding and metamorphism is considered to be Jurassic to early Cretaceous.

The northwest trending MacKay River valley appears to mark a major zone of vertical or near vertical fracturing. At this location the upper Triassic Quesnel River Group is sandwiched between two more competent units; younger intrusives and volcaniclastics to the south and older amphibolite, schist and gneiss to the north and east. Shearing and faulting appears to have been concentrated in the incompetent phyllite units striking along the valley.

Property Geology and Mineralization – The property is mainly underlain by basal black phyllite with minor interbedded limestone and quartzite of the Nicola Group. These rocks form the northeastern part of the northeasterly trending Eureka Syncline. Locally the rocks form asymmetric drag folds which contain quartz 'sweats' in hinges. Mineralization consisting of quartz veins and sweats is associated with a 'knotted' or porphyroblastic black phyllite unit which occurs in a 200m x 300m wide zone within the phyllite sequence. Sampling of veined phyllite has returned values up to 0.110 oz/t Au over 13m (Trench 8). Gold mineralization mainly occurs near the base of the phyllite unit. The quartz 'sweats' strike at 130 degrees and dip 30 degrees to vertically west, host Au (rarely visible) and quartz-carbonate material.

The basal black phyllite formation, as defined by Bloodgood (1987a,b), consists of six or seven units depending upon the reference cited. The units from base to top are TRal (Unit 1) micaceous quartzite, TRa2 (Unit 2) micaceous black phyllite and tuffs, TRa3 (Unit 3) phyllitic siltstone, TRa4 (Unit 4) laminated phyllite and porphyroblastic phyllite, TRaj (Unit 5) silty slates and TRa6 (Unit 6) graphitic black phyllites with interbedded quartz sandstone and limestone (Bloodgood, 1987b). This unit structurally overlies (thrust fault contact?) rocks of the Crooked Amphibolite Formation which defines the base of both the Quesnel Terrane and the Eureka Thrust (Bloodgood, 1988).

The Crooked Amphibolite consists of pale green to grey, fine grained, banded well foliated biotitechlorite-quartz-schist. The foliation is defined by both the alignment of phyllosilicate minerals and discontinuous quartz/carbonate bands 2-20mm wide.

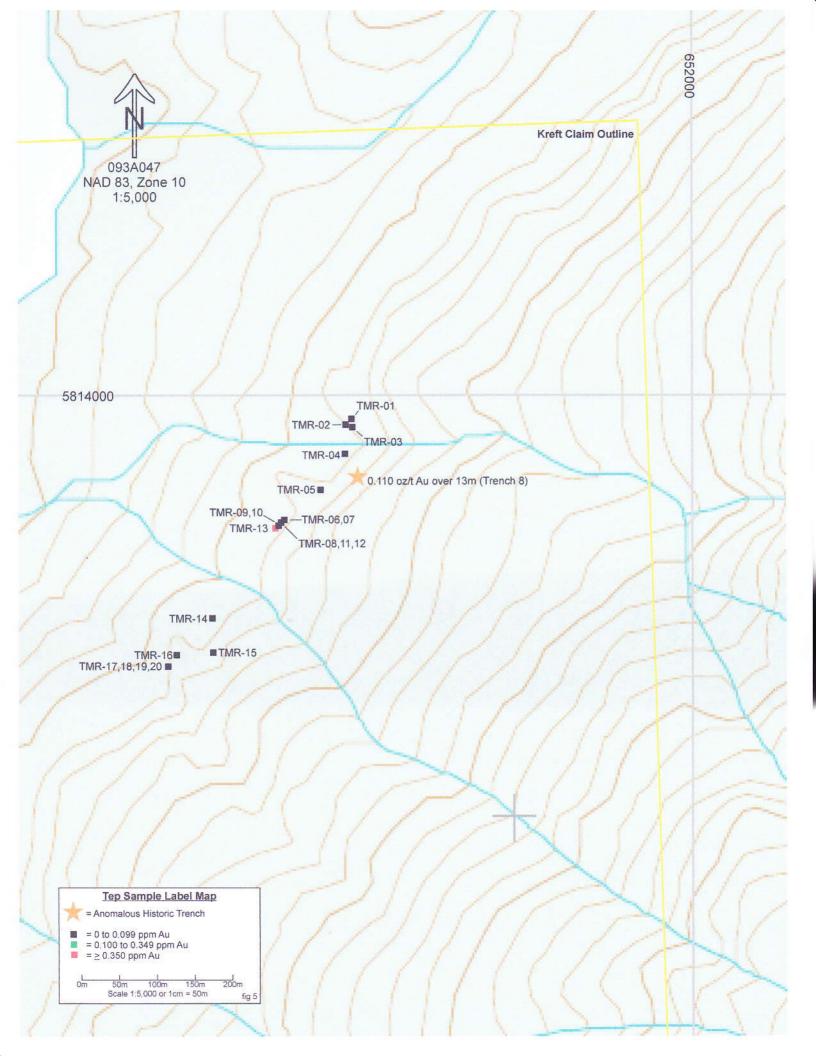
Current Work And Results – Exploration work at the Tep Project yielded 20 rock samples from outcrop and subcrop exposed on the uphill side of the forest service road that crosses the property. Sample sites were marked in the field using flagging inscribed with the sample code with rock samples being placed in industry standard 8.5x11 poly rock sample bags. All rock samples were analyzed by ACME, using prep procedure PRP-250 (pulverize and 250g split) and analyses completed using their FA430 (fire assay) procedure.

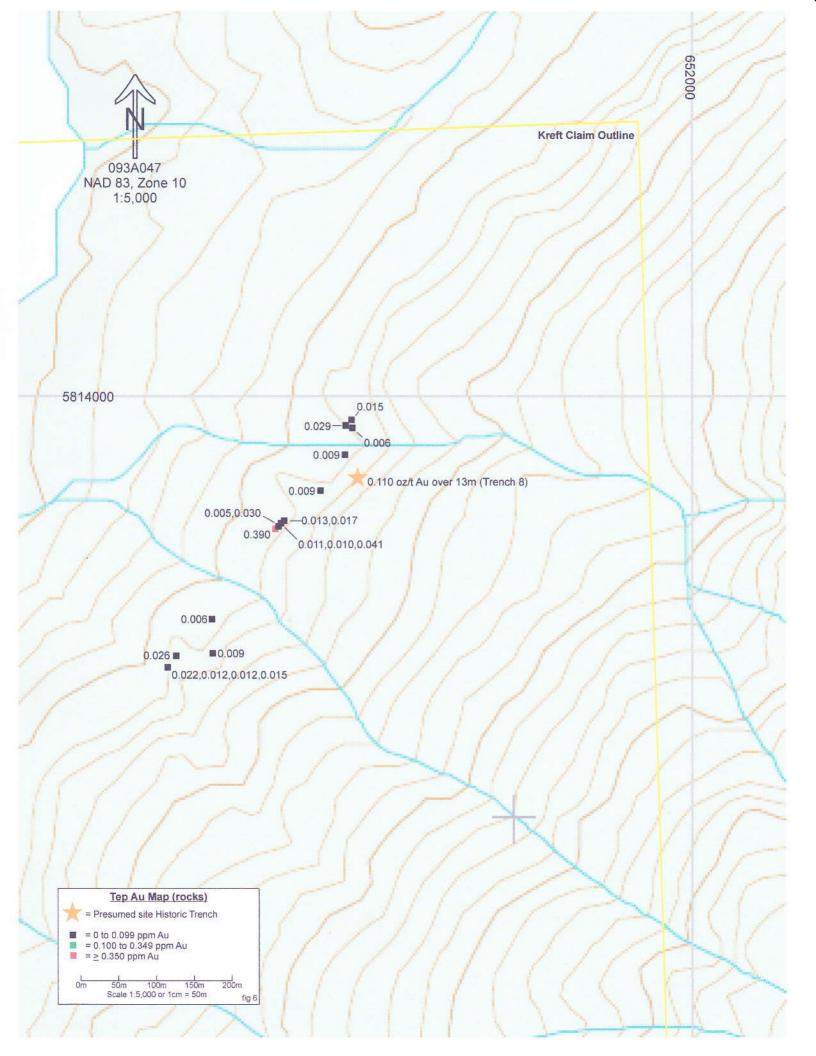
The 2016 work program was designed to locate and sample historical work areas in an effort to confirm previous results. Although up to 0.390 ppm Au was returned from a sample consisting of an argillite hosted foliaform quartz vein with minor limonite and iron carbonate within the quartz and argillite, the historical trenches with significant gold values were not definitively located.

Conclusions – The Tep project is a road accessible gold target with obvious geological similarities to the Frasergold Deposit. Historical results such as 0.110 oz/t Au over 13m from a surface trench have been reported. Although the 2016 work program failed to encounter significant grades (2016 max. value 0.390 ppm Au), the amount of sampling and prospecting completed was limited in scale and extent and further work is recommended.

Recommendations – Further work consisting of prospecting to locate the historical trench with significant gold grades is required. Should the trench be located, sampling to confirm and hopefully expand upon the historical results should be completed.

820





Tep Rock Sample Table

Name	Analyte	Property	Easting	Northing	Description	Wgt	Au
TMR-01	Rock	Тер	651551	5831965	Limonitic qtz vein	1.51	0.015
TMR-02	Rock	Тер	651539	5813959	Argilite hosted foliaform quartz vein minor limonite in qtz and argilite	1.35	0.029
TMR-03	Rock	Тер	651552	5813954	Qtz vein cutting argilite, moderat iron carbonate	1.12	0.006
TMR-04	Rock	Тер	651542	5813918	Limestone with qtz calcite veining	1.12	0.009
TMR-05	Rock	Тер	651510	5813872	As per -03 and heavy iron carb	1.07	0.009
TMR-06	Rock	Тер	651462	5813832	Argilite cut by qtz carb veining, minor iron carb and two generations of qtz veins	0.9	0.013
TMR-07	Rock	Тер	651465	5813832	Crenulated argilite with minor pyrite	0.76	0.017
TMR-08	Rock	Тер	651460	5813829	As per -02 possibly float	1.08	0.011
TMR-09	Rock	Тер	651456	5814825	weakly sericitic argilicious quartzite to schist float	0.9	0.005
TMR-10	Rock	Тер	651456	5813824	As per -03 less iron carb	0.89	0.03
TMR-11	Rock	Тер	651455	5813829	As per -03	0.77	0.01
TMR-12	Rock	Тер	651455	5813829	As per -02	1.23	0.041
TMR-13	Rock	Tep	651453	5813822	As per -02	0.81	0.39
TMR-14	Rock	Тер	651367	5813703	As per -07 with minor limonite	0.96	0.006
TMR-15	Rock	Тер	651369	5813658	As above, more limonite	1.01	0.009
TMR-16	Rock	Тер	651319	5813654	As per -14	0.89	0.026
TMR-17	Rock	Tep	651308	5813639	As per -02	1.75	0.022
TMR-18	Rock	Тер	651306	5813635	As per -17, more limonite, trace pyrite	2.17	0.012
TMR-19	Rock	Тер	651301	5813635	As per -03, a bit less iron carb	1.41	0.012
TMR-20	Rock	Тер	651304	5813631	Limonitic qtz vein cutting argilite	1.39	0.015

Statement Of Costs

828

Grand Total	\$4,031.47
5% management fee	
Sub Total	\$3,839.50
Sample Shipping Greyhound	<u>\$30.00</u>
Food, Field Supplies, Camp/Lodging (2 men x 1.5 days x \$150/day)	\$450.00
Wages Michal Lipsack (1.5 field days x \$200/day) May 10 th to 12 th , 2016	\$300.00
Report Preparation	\$1,500.00
Acme Analytical	\$463.00
Wages Justin Kreft (1.5 field days x \$300/day) May 10 th to 12 th , 2016	\$450.00
Truck Travel 862km x \$0.75/km	\$646.50

Statement Of Qualifications

Exploration work was directed by Bernie Kreft who has 31 years prospecting experience in the Yukon and BC.

This report is based on fieldwork conducted by Justin Kreft, and includes information from various publicly available assessment reports.

Justin Kreft has 5 years of prospecting experience in the Yukon and BC.

This report is based on fieldwork completed from May 10th to 12th of the 2016 field season.

This report is based on fieldwork completed on the Tep Project.

Respectfully Submitted,

Jarret Kreft

Justin Kreft

-13-



MINERAL LABORATORIES

Bureau Veritas Commodities Canada Ltd. 9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA PHONE (604) 253-3158

CERTIFICATE OF ANALYSIS

CLIENT JOB INFORMATION

www.bureauveritas.com/um

Client:

Kreft, Bernie 1 Locust Place Whitehorse YT Y1A 5G9 CANADA

Submitted By:	Bernie Kreft
Receiving Lab:	Canada-Vancouver
Received:	May 30, 2016
Report Date:	June 02, 2016
Page:	1 of 3

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Test

30

0.5

Wgt (g)

Report

Status

Completed

Completed

Lab

VAN

VAN

VAN

VAN

VAN

Number of Procedure **Code Description** Project: None Given Samples Code Shipment ID: PRP70-250 39 Crush, split and pulverize 250 g rock to 200 mesh P.O. Number FA430 30 Lead Collection Fire - Assay Fusion - AAS Finish Number of Samples: 39 AQ200 9 1:1:1 Aqua Regia digestion ICP-MS analysis DRPLP 39 Warehouse handling / disposition of pulps SAMPLE DISPOSAL DRRJT 39 Warehouse handling / Disposition of reject

ADDITIONAL COMMENTS

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

Dispose of Pulp After 90 days

Dispose of Reject After 90 days

Invoice To:

DISP-PLP

DISP-RJT

Kreft. Bernie 1 Locust Place Whitehorse YT Y1A 5G9 CANADA

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. Bureau Veritas assumes the liabilities for actual cost of analysis only. Results apply to samples as submitted.

RANKE RANK		ŝ	Client:	Kreft, Bernie 1 Locust Place Whitehorse YT Y1A 5G9 CANADA		
	MINERAL LABORATORIES Canada	www.bureauveritas.com/um	Project:	None Given		
Bureau Veritas	Commodities Canada Ltd.		Report Date:	June 02, 2016		
9050 Shaughne PHONE (604) 2	essy St Vancouver BC V6P 6E5 CANA 253-3158	NDA	Page:	2 of 3	Part:	1 of 2

VAN16000857 1

CERTIFICATE OF ANALYSIS

Method WGHT FA430 AQ200 Analyte Wgt Ni Mn Th Sr Cd Sb Bi v Ca Au Mo Cu Pb Zn Ag Co Fe As Au Unit % ppm ppm 0/ kg ppm ppb ppm ppm ppm ppm MDL 2 0.01 0.005 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 0.01 **TMR-01** Rock 1.51 0.015 **TMR-02** Rock 1.35 0.029 **TMR-03** Rock 1.12 0.006 **TMR-04** 0.009 Rock 1.12 **TMR-05** Rock 1.07 0.009 **TMR-06** Rock 0.90 0.013 **TMR-07** Rock 0.76 0.017 **TMR-08** Rock 1.08 0.011 **TMR-09** Rock 0.90 0.005 **TMR-10** Rock 0.89 0.030 **TMR-11** Rock 0.77 0.010 **TMR-12** Rock 1.23 0.041 TMR-13 Rock 0.81 0.390 **TMR-14** Rock 0.96 0.006 **TMR-15** 0.009 Rock 1.01 **TMR-16** Rock 0.89 0.026 **TMR-17** 0.022 Rock 1.75 **TMR-18** Rock 2.17 0.012 **TMR-19** Rock 1.41 0.012 **TMR-20** Rock 1.39 0.015 Rock 12.4 55 615 <0.5 5.8 <0.1 <0.1 SMR-01 0.70 0.2 2.9 <0.1 2.2 5.3 2.14 1.3 23 0.2 51 0.56 0.4 35 423 1.7 19 0.1 71 **SMR-02** 0.85 25.7 1.8 <0.1 3.0 5.9 2.46 0.7 0.9 <0.1 <0.1 0.59 Rock **SMR-03** Rock 0.93 0.1 74.6 1.0 24 <0.1 36.7 16.4 493 3.08 0.8 <0.5 0.3 15 < 0.1 <0.1 <0.1 79 1.27 SMR-04 Rock 1.11 0.6 4.0 2.2 34 <0.1 4.1 8.7 429 1.58 2.9 <0.5 0.8 115 <0.1 0.6 0.2 29 1.06 SMR-05 Rock 0.63 0.4 15.1 1.5 37 <0.1 2.7 6.0 446 2.44 1.2 0.6 1.1 23 < 0.1 0.2 <0.1 67 0.86 0.87 43 SMR-06 Rock 0.4 13.5 1.9 16 <0.1 3.0 3.7 245 1.81 0.8 0.5 2.0 21 < 0.1 0.2 <0.1 0.48 **SMR-07** Rock 0.65 0.3 91.D 0.5 16 0.1 1.5 1.9 268 1.45 <0.5 2.9 0.6 15 <0.1 <0.1 0.4 33 0.19 **SMR-08** 0.3 23 <0.5 <0.5 <0.1 <0.1 Rock 0.96 4.1 1.1 <0.1 3.3 4.3 350 1.78 3.3 22 <0.1 38 0.35 **SMR-09** 0.2 3.4 1.7 14 <0.1 2.3 3.3 253 1.83 <0.5 3.7 22 <0.1 <0.1 45 0.31 Rock 0.64 0.8 <0.1 ABR-01 Rock 0.69 0.016

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.