

Ministry of Energy, Mines & Petroleum Resources
Mining & Minerals Division
BC Geological Survey

Assessment Report
Title Page and Summary

TYPE OF REPORT [type of survey(s)]: Prospecting, Exploration/Development in Support of Exploration TOTAL COST: 76,389.00

AUTHOR(S): Nils Forsman

SIGNATURE(S): *Nils Forsman*

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): P-13-159/ July 10, 2015

YEAR OF WORK: 2015

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): Event number: 5612775

PROPERTY NAME: Kelly's Nugget

CLAIM NAME(S) (on which the work was done): Kelly's Nugget

COMMODITIES SOUGHT: Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: N/A

MINING DIVISION: Omineca

NTS/BCGS: NTS 093N

LATITUDE: 55.678 ° ' " LONGITUDE: -124.971 ° ' " (at centre of work)

OWNER(S):

1) Nils Forsman

2) _____

MAILING ADDRESS:

5375 Landaluza Rd, Vanderhoof, BC V0J 3A2

OPERATOR(S) [who paid for the work]:

1) Nils Forsman

2) _____

MAILING ADDRESS:

Same as above.

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

KTsv Early Cretaceous to Pliocene marine sedimentary and volcanic rock

Gold

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: Part of the property was referenced in a geological survey in 1992, by JoAnne Nelson, Kim A bellefontaine, Mary Maclean and Keith Mountjoy.

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	_____	_____	_____
Electromagnetic	_____	_____	_____
Induced Polarization	_____	_____	_____
Radiometric	_____	_____	_____
Seismic	_____	_____	_____
Other	_____	_____	_____
Airborne			

GEOCHEMICAL (number of samples analysed for...)			
Soil	_____	_____	_____
Silt	_____	_____	_____
Rock	_____	_____	_____
Other	_____	_____	_____
DRILLING (total metres; number of holes, size)			
Core	_____	_____	_____
Non-core	_____	_____	_____
RELATED TECHNICAL			
Sampling/assaying	_____	_____	_____
Petrographic	_____	_____	_____
Mineralographic	_____	_____	_____
Metallurgic	_____	_____	_____
PROSPECTING (scale, area)	0.60hectare	Kelly's Nugget	60,214.50
PREPARATORY / PHYSICAL			
Line/grid (kilometres)	_____	_____	_____
Topographic/Photogrammetric (scale, area)	_____	_____	_____
Legal surveys (scale, area)	_____	_____	_____
Road, local access (kilometres)/trail	0.05km	Kelly's Nugget	3151.00
Trench (metres)	_____	_____	_____
Underground dev. (metres)	_____	_____	_____
Other	Camp/Travel (0.20hectare)	Kelly's Nugget	13,023.50
TOTAL COST:			76389.00

Prospecting, Exploration, Development in Support of Exploration

On the

Kelly's Nugget Property Claim
817182

Omineca Mining Division, British Columbia
NTS Map 093N

UTM Zone 10 (NAD83) E376049.258 N6172004.03
55°40'40.8N and 124°58'16.32W

Prepared for:

Nils Forsman
(owner, operator)

Prepared by:

Nils Forsman

Amended Jan 28, 2017

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Introduction

A

Location:

From Fort St. James, travel north on Germansen FSR North for approximately 106KM, then turn right onto the Thudate FSR. Continue on this road until 122KM, then follow the road to the left to stay on Thudate. Continue on this road 146.5km, then turn left on to the Finlay Manson FSR. Travel on this road until 68.9km, then turn left on to Gersmansen Lake Rd. Follow this road until 34km, then turn left to reach the mine. All roads are two wheel drive under normal conditions. Sometimes road are extremely muddy or icy and require four wheel drive.

Local communities:

The closest communities to this claim are Manson Creek, Germansen Landing, Fort St. James, and MacKenzie. Manson Creek is about 40km from the claim. It has a store and gas station for supplies. Germansen Landing is approximately another 60km north of the mine site. It used to have a store, but now only has a post office. In the winter months, there are about 10 local residents living in the area and in the summer months, during mining season, this number probably goes up to around 100.

There is also a significant amount of logging in the area, and small logging camps all over. Fort St. James and MacKenzie are the closest towns for restocking on food, fuel, and other supplies. Both communities are approximately 2.5hrs from the claim.

Map:

Refer to Appendix B for the following.

1. Work area map
2. Claim map
3. General location map

B

Description of Property/History:

The property consists of 1 MTO mineral claim, covering 54.42 hectares. It encompasses part of West Dog Creek. The claim is 100% owned by Nils Forsman. Assessment work was primarily conducted on cell 93N10L018B.

The climate in the area is cold winter, extreme freezing and lots of snow. The Germansen Lake road to the claim is not maintained during the winter months and therefor there is no access to the claim once the snow falls. Summers are warm.

The land consists of pristine and disturbed area. Some of the tenure includes previously mined area, it is difficult to tell what has been mined, there looks like some holes were dug. The tenure also consists of logged areas. There are a variety of trees, shrubs, grass, etc. The trees are mainly small dead pine, with small amounts of Spruce. The area lies at approximately 3000 ft elevation. The tenure overlaps some small reserve areas. There are no glaciers in the tenure. There are hills on the north and south side of the tenure and to the west up the valley.

Economic Assessment

Based on the topographical outlay of the area, it appears that there is potential for large scale placer operation. Initial findings shows signs of surface gold.

The type of bedrock in the area includes Early Cretaceous to Pliocene marine sedimentary and volcanic rocks KTsv, Late Triassic Takla Group Witch Lake Formation volcanoclastic rocks UTrTW, Middle Triassic to Late Jurassic Takla Group mudstone, siltstone, shale muTrTsf, and Early Cretaceous Germansen Batholith granites, alkali feldspar granite intrusive rocks EKGm. The bedrock composition in the test cells is Early Cretaceous to Pliocene marine sedimentary and volcanic rocks KTsv.

C

Claim number: 817182

D

Summary of Work Done

Prospecting, road building, setting up camp and moving equipment to the claim. Total area of work prospected is approximately 0.60 hectare, total camp area is approximately 0.20 hectare and total road built is approximately 0.05km.

Technical Data and Interpretation

Prospecting

Purpose: To determine whether the area is sustainable for commercial placer operation.

Results:

Layer testing was done on three excavation sites. Each test site ended up approximately 9m in diameter. One test site was 13m deep, while the other two were about 6m deep. All test sites showed similar horizons. The first one to two

meters is composed of orange oxidized gravels and large boulders. The next six meters is medium grey gravel with large boulders. After eight meters there is approximately two to three meters of silt. Underneath the silt is an unknown depth of darker grey gravel and smaller boulders.

The orange and grey gravels appear to have the strongest concentrations of gold. There was also small traces of silver and platinum. The silt layer still showed signs of gold but was significantly less than the shallower layers. The gold appeared to become larger in the deeper layers after the silt layer. Gold recovered was primarily fine and flat. Per acid test, gold appears to be of high quality, over 22K.

The coordinates for the three test sites were:

N55 40.645
W124 58.255

N55 40.661
W124 58.310

N55.40.652
W124 58.362

Interpretation: All test holes showed signs of gold. This signifies that there may be larger pay channels at deeper depths.

Conclusions: Based on gold tests further exploration is required to determine the future economic outcome of the area.

Map: Refer to Appendix B.

Road Work and Camp Setup

Built a 5 meter wide, 0.05km excavated trail for dig site testing, and to open up pit for mining activity.

Clear trees and leveled land, to establish temporary camp location, approximately 23,000 square feet.

Cost Statement

Refer to Appendix A

Authors Qualifications

Nils Forsman has been operating in resource industries for the past 20 years, and specifically in the mining industry since 2006. He is a certified heavy equipment operator and spent a couple seasons in Atlin gold mining with Tic Exploration & Development Ltd. He spent several years mining coal with Walter Energy and Pelly Construction, and acted as onsite consultant in the construction of roads, tailings bond, underground utilities, accessing coal seams, etc. He also worked with Petro West Energy building drill sites and tailings ponds, etc. In addition, he is very aware of repairain zones, wetlands, and timber, as he owns a small scale logging company.

Mine Approval Date:	10-Jul-15											
Tenure	817182											
Mine Number	1641293											
Permit Number	P-13-159											
Hectares	54.72											
		Date	Description	Labour Dorie	Labour Nils	Dorie's Truck KMs	Nils Truck KMs	18' Travel Trailer (Accomodation)	30' Travel Trailer (Accomodation)	Food/Supplies	Hitachi Excavator ZX 270	TOTAL VALUE
Rate	Category			25/hr	35/hr	0.55/km	0.55/km	\$50 per day	\$60 per day	\$30 per day per person	\$164 per hour	
	Travel	07-Aug	Nils travel from Dunne Creek to PG to get mini excavator; Nils back to Dunne, Dorie to Dunne. (Mini is rental)	250	350	440	440	50	60	30		3620
	Travel	08-Aug	Nils and Dorie to Kelly's, tow Riverside camper to Kelly's, tow mini excavator. 10hr labor per person.	250	350	38.5	38.5	50	60	30		817
	Prospecting	09-Aug	Nils and Dorie run test dirt with Mini and Viper, 8.5hrs labour per person, 6hrs viper. Nils reponed existing road, and worked on building camp area, 8.5 hrs labour.	212.5	297.5			50	60	30		650
	Road	10-Aug	Nils built road and worked on camp, moved plant and grizzly, (3 trips on flatdeck); 28hrs, Nils travel home		980			50	60	30		1120
	Travel	27-Aug	Nils and Dorie to camp with two trucks			165	165	50	60	30		470
	Travel	28-Aug	Move equipment to Kelly's (hydraulic power pack and SeaCan), 14hrs labour for two people	350	490			50	60	30		980
	Travel	29-Aug	Move equipment to Kelly's (Denali and Cargo Trailer), pack up camp, 10hrs labour; reclamation 4hrs machine and labour	250	350			50	60	30	656	1396
	Road	30-Aug	Worked on camp at Kelly's, 13 labour for two	325	455			50	60	30		920
	Camp	31-Aug	Worked on camp, 9 labour		315			50	60	30		455
	Road	01-Sep	Move excavator to Kelly's, 9hrs travel (hired low bed to move machine), Work on camp and road, 4hrs machine labour		315			50	60	30	656	1111
	Prospecting	02-Sep	Work on mine site, 12hrs machine and labour		420			50	60	30	1968	2528
	Prospecting	03-Sep	Work on mine site, 7 machine and labour, 4 additional labour		385			50	60	30	1148	1673
	Prospecting	04-Sep	Ran dirt, 10 machine/labour, 3 labour. Dorie to camp.		455			50	60	30	1640	2235
	Prospecting	05-Sep	Cleaned plant,	225	315			50	60	30		680

			cleaned concentrates. Dorie and Nils 9labour.									
	Prospecting	06-Sep	Run dirt, 5 machine/labour; clean plant and concentrates 11hours labour for Nils, 8hrs Dorie. Dorie travel home.	200	385			50	60	30	820	1545
	Camp	07-Sep	Work on camp, 5 labour; equipment maintenance, 4 labour; worked on gate, 2.5 labour.		402.5			50	60	30		542.5
	Travel	08-Sep	Work on minesite, 11.5 machine/labour; fuel run, Nils to Vanderhoof. Take flat deck to pick up fuel tank and travel back to camp. (6pm on Sept. 8-1:30PM on Sept. 9)		402.5			50	60	30	1886	2428.5
	Prospecting	10-Sep	Worked on minesite, 5hrs machine/labour; ran dirt 7.5hrs machine/labour. Ran two inch water pump 2.5hrs.		437.5			50	60	30	2050	2627.5
	Prospecting	11-Sep	Ran dirt, 13hrs machine/labour; ran two inch water pump 3hrs. Dorie to camp.		455			50	60	30	2132	2727
	Prospecting	12-Sep	Cleaned concentrates 5hrs labour Nils and Dorie; worked on camp 5 labour; ran wash plant 4hrs machine/labour.	125	490			50	60	30	656	1411
	Prospecting	13-Sep	Cleaned concentrates, 7hrs labour Nils and Dorie; worked on wash plant 4hrs; Dorie home.	175	385			50	60	30		700
	Prospecting	14-Sep	Ran dirt, 12.5hrs machine/labour; cleaned contrates 1.5hrs		490			50	60	30	2050	2680
	Prospecting	15-Sep	Ran dirt, 12.5hrs machine/labour; cleaned contrates 1.5hrs		490			50	60	30	2050	2680
	Prospecting	16-Sep	Ran dirt, 9hrs mac/lab; cleaned concentrates 5hr labour		490			50	60	30	1476	2106
	Travel	18-Sep	Nils to camp, worked on camp for 6hrs labour. Dorie to camp.		210			50	60	30		
	Camp	19-Sep	Worked on camp 10hrs labour x 2	250	350			50	60	30		
	Camp	20-Sep	Camp work, 11hrs labour x2; Dorie home.	275	385			50	60	30		
	Prospecting	21-Sep	14.5hrs machine/lab run dirt.		507.5			50	60	30	2378	
	Prospecting	22-Sep	15hrs machine/lab run dirt.		525			50	60	30	2460	
	Prospecting	23-Sep	6 hrs mach/lab run dirt.		210			50	60	30	984	
	Travel	25-Sep	Nils and Dorie to camp; Nils bring Kenworth logging truck, pickup feeder at Dunne Creek and bring to Kelly's (10hr).		350			50	60	30		
	Prospecting	26-Sep	Cleaned concentrates, 10hrs labour x2; worked on camp	250	350			50	60	30		

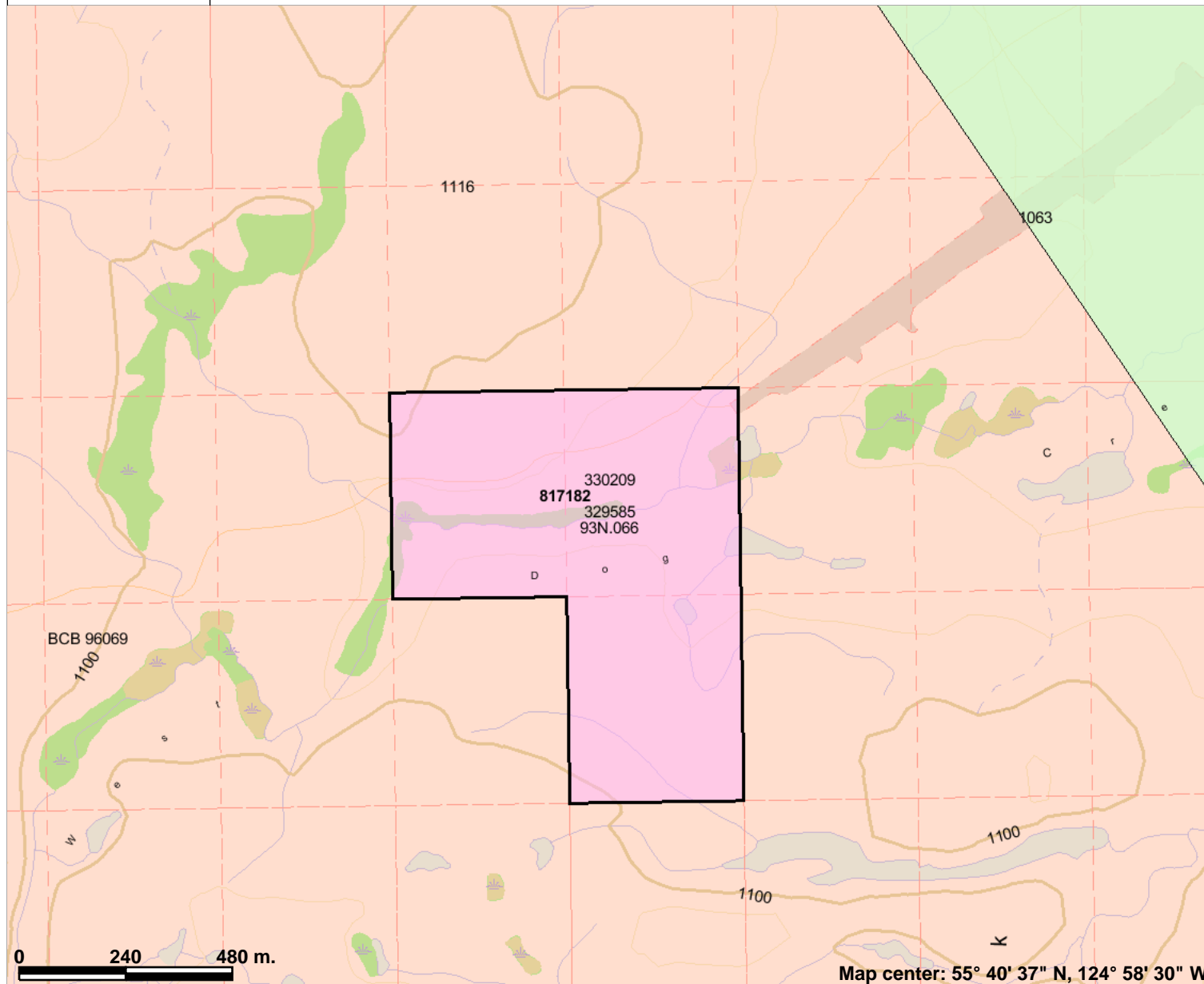
			4hrs x2									
	Camp	27-Sep	Work on camp 4 hrs x2; Nils and Dorie home for supplies, bring Kenworth back.	100	140			50	60	30		
	Travel	28-Sep	Nils drive back to camp.					50	60	30		
	Camp	29-Sep	4hrs labour plant work, 5hours labour on excavator; 2 hrs machine/lab - pit work		385			50	60	30	328	
	Prospecting	30-Sep	11hrs pit work machine/lab		385			50	60	30	1804	
	Prospecting	01-Oct	Run dirt 2hrs mach/lab; fixed feeder 3hrs lab; worked on pit, 7hrs machi/lab.		420			50	60	30	1148	
	Camp	02-Oct	Camp work, 5hrs; ran dirt 8hrs mach/lab. Dorie to camp.		420			50	60	30	1312	
	Camp	03-Oct	Camp work, 5hrs;		175			50	60	30		
	Prospecting	04-Oct	Cleaned concentrates, 6hrs x2, camp work 5 hrs x2. Dorie home, breakdown, didn't get home.	275	385			50	60	30		
	Camp	05-Oct	Camp work, 3hrs lab; equipment work 5hrs; cleaned dirt 4hrs x2	100	420			50	60	30	820	
	Travel	06-Oct	Drive to Vanderhoof for truck parts, and drive back to camp. Dorie and Nils. (10hrs). Cleaned dirt 3hrs x2.	75	105			50	60	30		
	Travel	07-Oct	Dorie home. Ran test dirt in Viper, 10hrs mach/lab.		350			50	60	30	1640	
	Prospecting	08-Oct	Pit work, 10hrs mach/lab.		350			50	60	30	1640	
	Prospecting	09-Oct	Ran dirt, 12hrs mach/lab. Dorie to camp		420			50	60	30	1968	
	Camp	10-Oct	Worked on camp, 3 hrs x2; cleaned concentrates 4hrs x2.	175	245			50	60	30		
	Camp	11-Oct	Worked on wash plant, 4hrs lab.		140			50	60	30		
	Prospecting	12-Oct	Ran dirt, 3hrs mach/lab; cleaned dirt 2hrs x2; camp work 3hrs x2.	125	280			50	60	30	492	
	Prospecting	13-Oct	Dorie home. Pit work 2hrs mach/lab; ran dirt 3hrs mach/lab; cleaned dirt 2hrs lab.		245			50	60	30	820	
	Camp	14-Oct	Camp work, 4hrs lab; Nils to town.		140			50	60	30		
	Prospecting	16-Oct	Travel back to camp. Dorie to camp. Camp work 2hrs, pit work 3hrs mach/lab. Plant work 1hr lab.		210			50	60	30	492	
	Camp	17-Oct	camp work 2hrs, equipment work 2hrs.		140			50	60	30		
	Prospecting	18-Oct	Ran dirt 2hrs mach/lab. Nils to town.		70			50	60	30	328	
	Travel	23-Oct	Nils and Dorie to camp.					50	60	30		140
	Prospecting	24-Oct	8hrs work on plant lab.		280			50	60	30		420



Mine Location



mine 2



Legend

- Indian Reserves
- National Parks
- Conservancy Areas
- Parks
- Federal Transfer Lands
- Placer Tenure (current)
 - Placer Claim
 - Placer Lease
- Placer Reserves (current)
 - Placer Claim Designation
 - Placer Lease Designation
 - No Staking Reserve
 - Conditional Reserve
 - Release Required Reserve
 - Surface Restriction
 - Recreation Area
 - Others
- MTO Grid (MTO)
- First Nations Treaty Related Lands
 - First Nations Treaty Lands
 - Integrated Cadastral Fabric
 - Survey Parcels
 - BCGS Grid
- Contours (TRIM)
 - Contour - Index
 - Contour - Index.Indefinite
 - Contour - Index.Depression
 - Contour - Index.Depression Indefinite
 - Contour - Intermediate
 - Contour - Intermediate.Indefinite
 - Contour - Intermediate.Depression

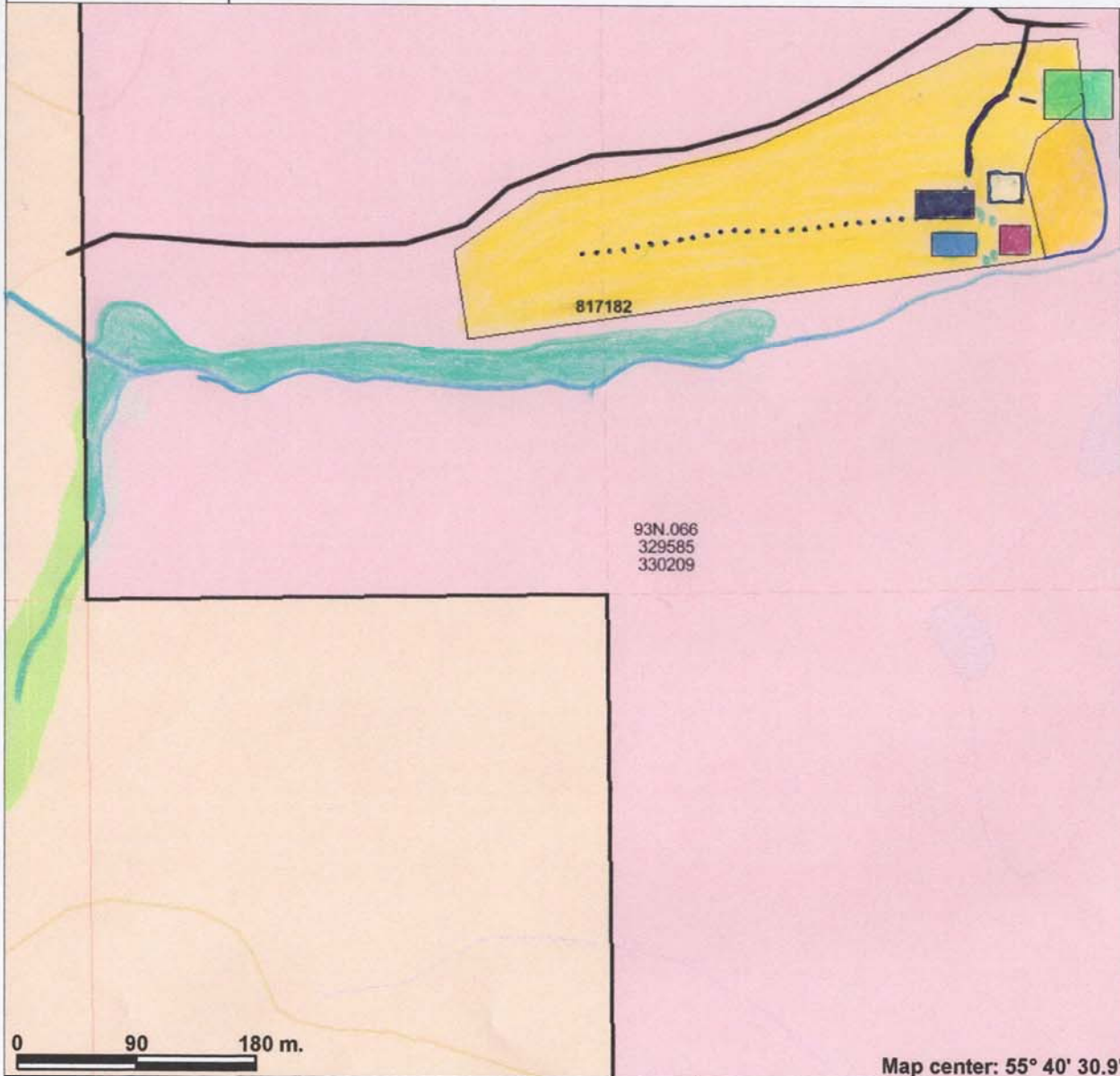
N
Scale: 1:13,611

Map center: 55° 40' 37" N, 124° 58' 30" W

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work map



93N.066
329585
330209

0 90 180 m.

Map center: 55° 40' 30.9"

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Legend

..... Excavated trail

.... water hose/screened intake

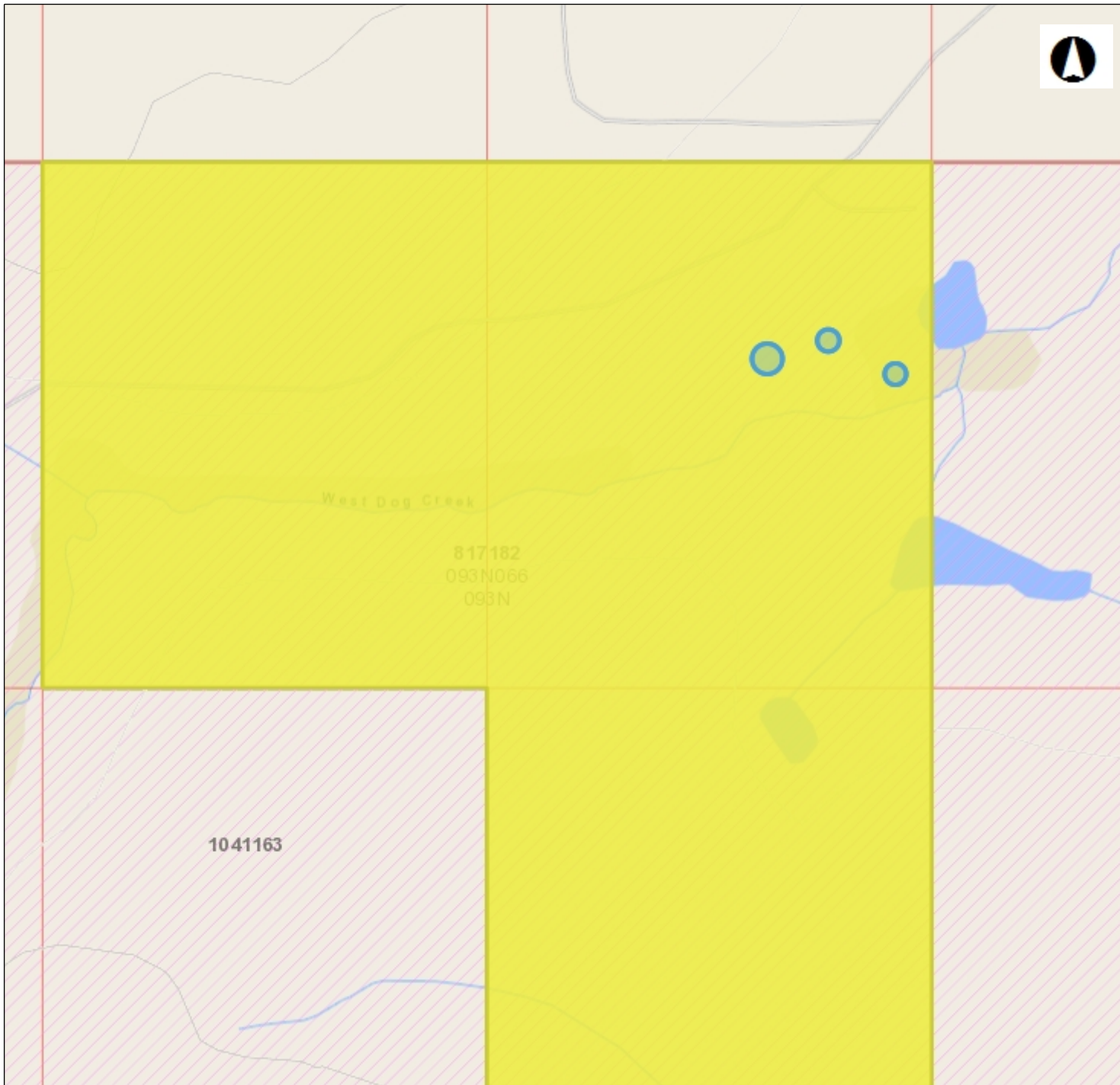
— Main roads

■ Wash Plant

■ settling Pond

■ Water Pump

■ Camp (Fuel)



TEST PITS

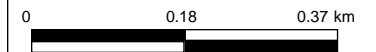
Legend

- National Parks - Outlined
- National Parks - Colour Fill
- Ecological Reserves - Tanta
- Protected Areas - Tantalis -
- Recreation Areas - Tantalis
- Conservancy Areas - Tantal
- Mapsheet Grid (1:20,000)
- Mapsheet Grid (1:250,000)
- Land Act Primary Parcels - 1 Filled

Contours - (1:20,000)

FCODE

- Contour - Index
- Contour - Index Indefinite
- Contour - Index Depression



1: 9,027

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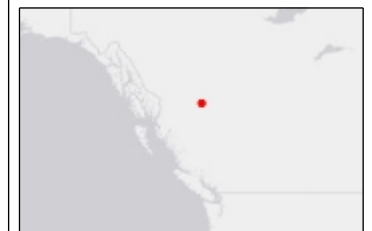
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Datum: NAD83

Projection: Web Mercator

Key Map of British Columbia



BCGS Geology

Mineral Titles Layers

- MTO Mineral Titles Online Labels <200K
 - Placer
 - Mineral

Topographic Layers

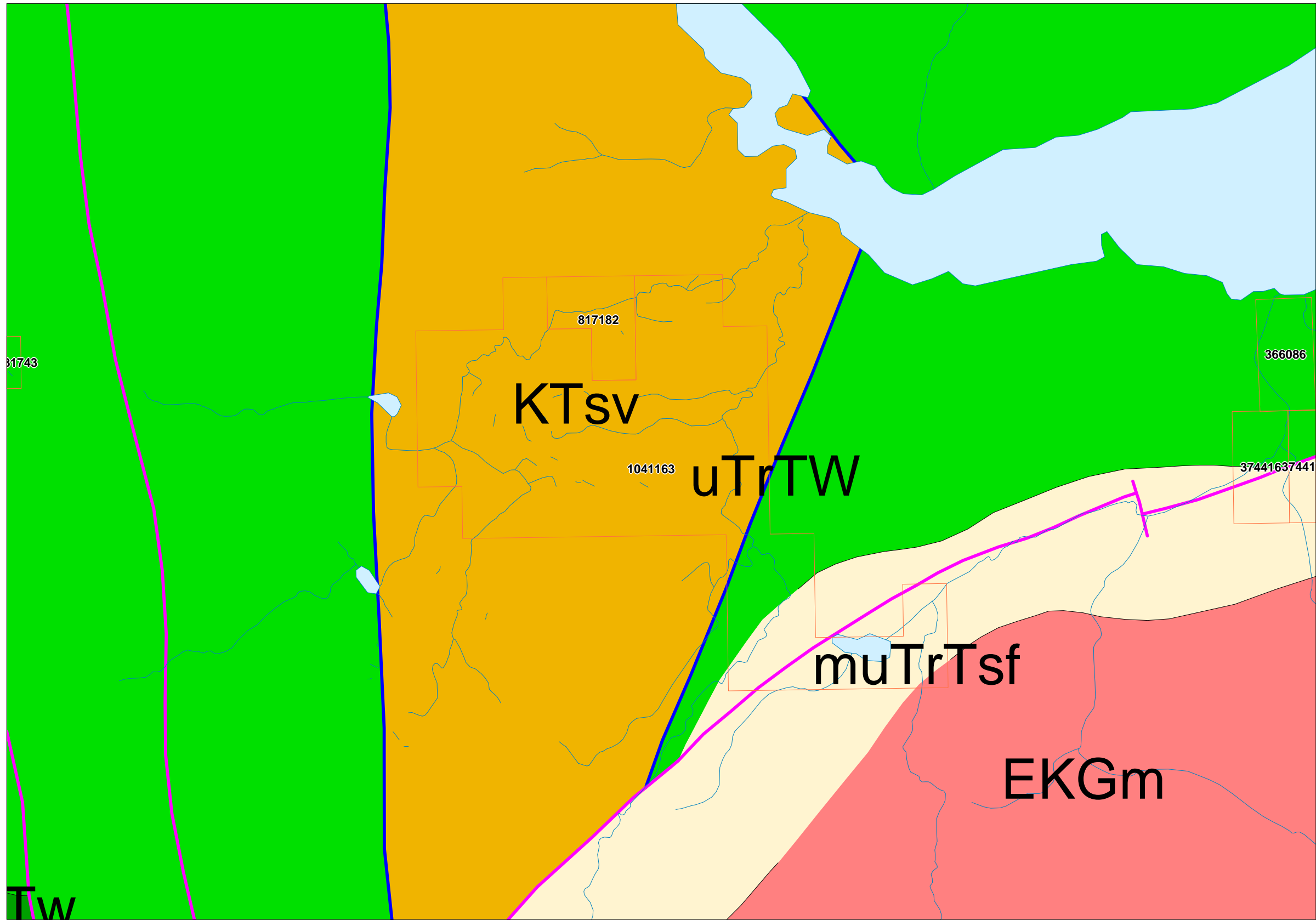
- Lakes 1:250K (<2M)
- Rivers 1:50K (<300K)
- Sea

Grid Layers

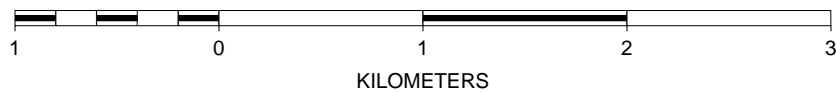
- Grid 1:250K maps - outline

BCGS Geology Layers 2005

- Contacts & Faults (<1.5M)
 - Contact
 - Extension Fault
 - Fault
 - Normal Fault
 - Thrust
- Bedrock geology - by age and rock class (solid)
 - AGE UNKNOWN
 - intrusive rocks
 - metamorphic rocks
 - CENOZOIC
 - intrusive rocks
 - QUATERNARY TO RECENT
 - alluvium, till
 - sedimentary rocks
 - volcanic rocks
 - NEOGENE TO RECENT
 - sedimentary rocks
 - volcanic rocks
 - NEOGENE
 - intrusive rocks
 - sedimentary rocks
 - volcanic rocks
 - PALEOGENE TO NEOGENE
 - intrusive rocks
 - sedimentary rocks
 - volcanic rocks
 - PALEOGENE
 - intrusive rocks
 - metamorphic rocks
 - sedimentary rocks
 - ultramafic rocks
 - volcanic rocks
 - MESOZOIC
 - intrusive rocks
 - metamorphic rocks
 - sedimentary rocks
 - CRETACEOUS TO NEOGENE



SCALE 1 : 37,026



Geology Legend

Early Cretaceous to Pliocene

KTsv marine sedimentary and volcanic rocks

Early Cretaceous

EKGm **Germansen Batholith:** granite, alkali feldspar granite intrusive rocks

Late Triassic

Takla Group

uTrTW **Witch Lake Formation:** volcanoclastic rocks

Middle Triassic to Late Jurassic

muTrTsf mudstone, siltstone, shale fine clastic sedimentary rocks

Ministry of Energy and Mines
Geological Survey Branch