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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)]: Technical, geophysics, geology, geochemical **TOTAL COST:** 40353.87

AUTHOR(S): Morris A. Kaufman **SIGNATURE(S):** Morris A. Kaufman

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): none required **YEAR OF WORK:** 2017

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): Event Number 5670861, 2017/Oct/26

PROPERTY NAME: Gus

CLAIM NAME(S) (on which the work was done): 504800

COMMODITIES SOUGHT: silver, gold, lead, zinc, copper

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 19,62

MINING DIVISION: Nelson **NTS/BCGS:** 82F/3, BCGS 82F004

LATITUDE: 49 ° 02 ' 54 " **LONGITUDE:** 117 ° 14 ' 33 " **(at centre of work)**

OWNER(S):
1) Morris A. Kaufman 2)

MAILING ADDRESS:
10805 East 23rd Ave.
Spokane Valley, WA 99206-5677 USA

OPERATOR(S) [who paid for the work]:
1) Morris A. Kaufman 2)

MAILING ADDRESS:
10805 East 23rd Ave.
Spokane Valley, WA 99206-5677 USA

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Property underlain by Paleozoic Laib fm, Nelway fm., and Active fm.; respectively phyllites, limestones and argillites intruded by felsic bodies. Sediments cut by the Black Bluff Thrust Fault and later transverse faults. Nelway Limestone altered to dolomite, dolomite breccia and marble. Minor historic production of high grade silver, gold and base metals from Lone Silver and other mines along the thrust and other faults.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 36135, 34166, 33328, 32681, 27915, 27526, 27249, 26981, 26674, 26408, 25704, 25090, 27408, 24199, 23711, 23438, 22921, 23935, 18364, 11452, 10842

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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	geology along EM lines	504800	2000
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic	+7 line km	504800	5000
Electromagnetic	+7 line km	504800	20000
Induced Polarization			
Radiometric			
Seismic			
Other	Digital enhancement of government surveys	504800, 504804	1000
Airborne			
GEOCHEMICAL (number of samples analysed for...)			
Soil	10	504800	1000
Silt			
Rock			
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying	assays	504800	443.76
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY / PHYSICAL			
Line/grid (kilometres)	+7 km	504800	2000
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other	Misc. Planning, map,prep, supervise, reports	504800	8910.11
		TOTAL COST:	40353.87

Print Form

Geochemical, Geological and Geophysical Work

on the

Gus Property,

Nelson Mining Division,

British Columbia

NTS Map 82F/3 (BCGS Map 82F004)

Gus Mineral Claim (Mineral Title Numbers 504800 and 504804)

Coordinates: 49°02'54", 117°14'33"

Owner/Operator: Morris A. Kaufman
10805 East 23rd Avenue, Spokane, Wash. 992-6-5677 USA

Author: Morris A. Kaufman

Work Completed: May 1 to October 26, 2017

Date Submitted: October 27, 2017

Gus Claim Group, Nelson M. D. 2017 Assessment Report

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Contact Information: M. A. Kaufman Dv10@comcast.net, 509 924 7710
Mike Cathro mcathro@shaw.ca, 250 434 6243

Gus Property, Nelson M.D. 2017 Assessment Report

Introduction And Geological Summary

The Gus Property, which is located approximately 15 kilometres south of Salmo within an area of past mining and recent exploration, is contiguous on its north margin with Margaux Resources's claims containing the historic Jersey Zn-Pb and the Emerald Tungsten mines. The district is tightly staked, but the 6.35 square kilometers Gus ground contains the only old mines south of the Jersey, and would be adequate for operational purposes. The property's potential is for very high grade gold-silver ore bodies accompanied by base metals, and broader zones of possible bulk tonnage ore.

The physiography of the area is characterized by a central, plus .5 kilometre wide, NE trending valley separating north and south upland areas. The valley is covered by deep glacial overburden, while the uplands are covered by alluvium of variable depth with sparse outcrop areas.

The property is located within the Kootenay Arc. Paleozoic sediments, predominantly silty limestones and argillites, are found along the overturned west limb of the extensive, northerly trending southerly plunging Sheep Creek anticline. The anticline has resulted in steep northerly trending folding. It has been traversed by two northeasterly striking, southerly dipping thrust faults, which have resulted in northeasterly trending, overturned folding superimposed on the older folding. And the thrusts are cut by steep dipping, northerly trending transverse faults as well as by northwesterly striking faults and fracture zones. The thrust faults might be imbricate, so that the formations below and above their recognized surface traces might be cut by related fault zones. Just south of the property is a small Tertiary Coryell alkaline stock, and within the south upland, dikes and sills of highly sheared monzonite and other intrusive rocks are seen.

The Gus's old mines and showings, all located in the southern upland area, have produced small amounts of very high grade gold-silver ores characterized by fine grained, difficult to see metal sulfides. The Lone Silver Mine, one of the three old producers on the property, has a recorded production of 236 tons averaging .55 opt Au, 126.8 opt Ag, 3.7% Pb, 2.5% Zn and 2.5% Cu, while the Lucky Strike Mine, situated approximately 1.2 kilometres east of the Lone Silver, has produced 61 tons grading 1.29 opt Au and 34 opt Ag. Between the Lone Silver and Lucky Strike mines is the Davne Mine, which produced four tons of 2.75 opt Au and 43 opt Ag, and what we call the East Gold Anomaly where pockets of anomalous gold have been found over an extensive area.

Although production from the mines (almost all pre-World War II) has been minor, there are reasons to believe that larger deposits might be found on the property. The Lone

Silver Mine is located on the surface trace of the northeasterly striking, southerly dipping Black Bluff thrust fault, which marks the unconformable contact between the overlying, Middle Cambrian Nelway formation and the underlying, Middle Ordovician Active formation. Upper plate, fine grained tetrahedrite/ galena ore occurs in shoots within an extensive geochemically anomalous dolomite breccia, which itself contains small areas of bulk tonnage grade silver. As well, graphitic zones have been found to contain anomalous silver values. Both the breccia and graphitic zones appear to be alteration features controlled by faulting. Lower plate mineralization is associated with quartz veins in argillite. The Black Bluff fault trace is almost totally buried by deep overburden, its only exposure on the whole property being a very small area at the Lone Silver Mine. Only one hole has ever been drilled along the fault trace, which extends for several kilometres on the property, and it was lost before reaching bedrock. Moreover, the Lone Silver workings are shallow, and the fault remains to be tested down dip. Particular attention should be paid to intersections of northerly trending transverse faults with the Black Bluff fault.

In regard to the Lucky Strike mine; it is controlled by a narrow fracture zone roughly following Lower Cambrian Laib formation phyllites. It was mined by hand tooled trenches in 1938 over a length of about 30 metres to a total depth of six metres, and has never been tested deeper.

In regard to the East Gold anomaly; because of the fine- grained nature of the mineralization, it is almost invisible, and would not have been noticed but for a soils geochemical line that crossed it. It has been tested by one drill hole, which intersected four separate weakly to strongly anomalous gold zones, three of them from 3.5 to +5 metres thick. The best assay was 2.1 ppm Au over one metre. The anomalous zones appear to be in highly sheared Nelway silty limestone cut by dikes and sills of monzonite(?).

One hundred metres West of the Lone Silver workings is an extensive area which we call the West Geochemical Anomaly, where soils are anomalous in lead, silver and zinc with sporadic gold and elevated Sb values. As the anomaly's north margin terminates into deep overburden of the Central Valley, it might extend further north where the Black Bluff fault trace is buried.

Recently, we have carried out geochemical soils sampling in the northern upland area. This work has delineated extensive zinc-silver anomalies, which might indicate underlying Active formation sediments enriched in these elements.

It should be noted that much of the property geology seen on our maps has been extracted from old government reports. Most of the claim area is covered by glacial overburden, and it is likely that the structural geology is far more complex than

indicated, particularly the effects of strike slip movement along northerly trending transverse faults.

Our best geological information is from sketchy historic mapping done in the Lone Silver workings, and from excavator pits we dug in the Saddle Area. The underground mapping, though simplified, indicates what must be extremely complex structural geology. The most useful information we can take from it is the presence of numerous faults, mostly east-west or northeast striking with variable dips, but predominantly moderate to steep south. These faults are probably sympathetic in direction with the Black Bluff fault. The mappers also mentioned transverse faulting, which Adits 1 and 3 follow. Study of air photos of the area also suggest transverse faulting in the Lone Silver Mine area. Adit 3 indicates argillite extending from its portal far more southerly from where we think the fault contact between Active and Nelway formations is expected. Though none of our excavator pits in the Saddle reached bedrock, the boulders dug up were predominantly argillite, which appear to be Active Formation; again, further extent to the south of the Active Formation argillite than what might be expected. And between the argillite found in Adit 3 and The Saddle are outcrops of Nelway Formation dolomite. This phenomenon can best be explained by transverse faulting with strike slip displacement.

2017 Work

Note: All GPS locations are Zone 11 NAD 83

First, let me note that a preferred geophysical method to prospect this claim group would be induced polarization, but the preponderance of carbonaceous sediments, particularly in the Active Formation would likely just result in extensive lithologic anomalies.

Gus 2017 work consisted of a Maxmin EM and magnetic survey over a portion of the property extending from what we call the West Geochemical Anomaly eastward to the Lone Silver Mine area and further eastward to the Saddle Area and beyond. The Maxmin EM survey totaling about 7 line kilometres, carried out by Peter E. Walcott and Associates, was designed to corroborate earlier work and expand the previous coverage.

In addition geophysicist Lou O'Connor carried out an interpretation of existing government aerial EM and magnetic surveys over the Gus Property and environs applying enhancement techniques.

Past geophysical surveys conducted on the property include A VLF EM and magnetic survey described in Aris Report 24748 conducted by Lloyd Geophysics, a gravity survey described in Aris Report 26048 conducted by Peter E. Walcott and Associates, and a Maxmin EM survey conducted by geophysicist, Louis O'Connor described in Aris Report 27526.

Details for Both the Walcott and O'Connor work are contained in their reports, which are separately included in the appendix of this report.

In this report I will integrate the past surveys with the 2017 work.

O'Connor Report

Many interesting features not evident on the original government maps were found by O'Connor. On the government map at the southeast margin of the Gus Claim Group, there is a circular mag high which delineates a Tertiary Coryell alkali stock. Referring to O'Connor's Map Figure 4; he interprets a low within the high, which could represent alteration.

Referring to his maps Fig. 5 and 6; an interesting area of anomalous conductivity was found just west and southwest of the Lone Silver mine, coincident with our West Geochem. Anomaly. This overburden covered area trending southwesterly from the Lone Silver Mine should be traversed by the Black Bluff fault. Possibly, the enhanced conductivity could be caused by increased carbon or metal sulfides related to faulting. As well, a small area of anomalous conductance, which was found just north of the Coryell stock described above, could be indicative of contact type mineralization.

Walcott Report

The 2017 Maxmin EM survey detected four conductive anomalies designated A, B, C and D.

Anomaly A, which corroborates and expands the previous Maxmin conductor found by O'Connor, extends for over 200 metres in a NE - SW direction under an overburden covered, moderate north slope, and is thought to dip northerly. The conductor, which is found on Lines 100E, 0E and 100W along baseline 0 N-S, is broad across strike, with its strongest conductivity found over 10 to 20 metres width along its northern margin. Depth to the top of the conductor is thought to be less than 20 vertical metres below the surface. Its interpreted cause are multiple narrow conductive bands containing carbonaceous material, sulfides or both. The anomaly centres in the Saddle area, near where the north trending, steep dipping Styx Creek transverse fault is believed to intersect the NE striking, south dipping Black Bluff fault. This conductor is located 300 to 500 metres east of the Lone Silver Mine workings. Based upon mapped geology, one would expect the Saddle area to be underlain by Nelway limestone, but boulders dug up in our previous excavator work here, appear to be mostly Active Formation argillite with minor marble containing thin graphite-pyrite bands.

Anomaly B is found on Lines 400W and 600W off baseline 0 N-S, under a steep north slope. The apparent strike is NE-SW. Width, depth and dip direction are not certain. At Line 400W the interpreted axis of the conductor, which is located approximately 120m south of the 0 N-S base line, is about 25 metres south of the southern terminus of Adit 3 workings of the Lone Silver

Mine, and approximately 60 vertical metres above the adit level. On Line 600W the conductor axis, which is found approximately 218m south of the 0 N-S baseline, is located at the east margin of the West Geochemical Anomaly. The lithology underlying Conductor B is believed to be Nelway Formation dolomitized and marbleized limestone.

Conductor C is found on Line 350E with its axis approximately 263 metres north of the 0 N-S baseline. The anomaly appears to follow a northeast trend, and is thought to dip northerly. The anomaly characteristics appear similar to Anomaly A, but it is considerably wider, and is offset northerly from Anomaly A on Line 100 East.

Conductor D is located approximately 109 metres south of Baseline 0 N-S along Line 0 E-W. Nearby old excavator pits dug up boulders which appear to be Active Formation argillite, though Nelway limestone would be expected to underlie this area.

Lucky Strike Line: A short north-south Line was run over the Lucky Strike workings at GPS easting 482460, approximately 450 metres east of Line 350 E-W. No easily discernable conductors were found. The Line area is underlain by Laib Formation phyllites.

Baseline Surveys: The EM survey was carried out along E-W baseline 0 N-S, and an azimuth 65 degrees line designated BB, which follows the projected leading edge of the Black Bluff fault buried under deep overburden. The purpose of these lines was to determine whether there might be any indications of the Black Bluff fault or of any cross faults. No clear conductors were found, but broad positive areas were seen, as will be described below.

East Gold Anomaly; Previous VLF EM and Maxmin EM Work

As described above, The East Gold soils geochemical anomaly is comprised of pockets of anomalous gold, usually accompanied by lead, and often silver and zinc, over a 300 metre northeasterly trending area in Nelway silty limestone. Several rock grab samples have assays from +2 to 11 grams/tonne gold. The mineralization is fine grained, and often difficult or impossible to see. In a few areas, very subtle oxide copper is seen when breaking the rock, resulting from oxidation of tetrahedrite/tennantite found along thin calcite- quartz fractures, along with minor galena and sphalerite. The most visible mineralization appears where the limestone is cut by one set of fractures following the bedding with another set of fractures crossing the bedding direction. In the Orvana drill hole, which crosses the anomalous zone approximately 20 metres south from a pit exposing sparse visible mineralization associated with strong cross fracturing, disseminated and fracture controlled pyrite is almost ubiquitous throughout the hole, but at surface there are only traces of limonitic boxworks .
VLF EM run over the outcropping soils anomaly area failed to detect any conductors. But a northeast trending conductor was found about 80 metres southwest of the pit and 60 metres

southwest of the drill hole, under a shallow swamp. Subsequent Maxmin work found a conductive zone crossing the VLF anomaly, and the magnetic survey done with the VLF found a weak high coincident with the intersecting EM anomalies. The most probable explanation for the intersecting conductors are fault/fracture zones stronger than what is seen in the outcrop to the northeast. The weak magnetic anomaly can be best explained by intrusive rocks similar to the sill/dike swarms seen in the drill hole. A weaker parallel VLF conductor was found 65 metres east of the above described one, at the eastern edge of the swamp, also coincident with a weak magnetic response.

Depending on the true strike of the conductor, it might be on trend with mineralized zones found in the Orvana drill hole and at surface to the north, or it might be offset slightly to the west.

Soils Sampling In Vicinity of Conductors

Conductor C: The peak of this broad anomaly is located close to the lower portal of the Davne Mine. Float close to bedrock found here is close-to-source silicified limestone with minor sulfides. This lithology does not appear to be a logical source for the conductor. No soils samples were taken here. Further sampling should be undertaken to the north of the axis area.

Conductor A: 2017 sampling has been limited to three samples taken at 20 metre intervals across the conductor axis along Line 100E. Soils assays were negative except for elevated tungsten and anomalous arsenic at 72N (the conductor centre?).

Past soils testing around Conductor A has found erratic anomalous values. In the vicinity of Line 100E, south of the conductor axis, anomalous arsenic was found in 2003 Excavator Pit 5, and anomalous gold (102 ppb) and zinc was sampled in 2002 Pionjar soils hole 5. In the vicinity of Line 0 E-W, 2005 – 45 degrees DDH 2, which was lost in overburden at 37 metres depth, encountered elevated gold in a few rock chip samples, and muck from the bottom of the hole assayed 8 ppm Ag and +100 ppm tungsten.

On the accompanying 1:5000 scale East Maxmin Compilation Map, there are several broad areas of anomalous lead, with smaller areas of anomalous tungsten seen along dotted east-west lines, which end where the dots end. The assays from which these anomaly outlines were derived are from our 2013 assessment report geochemical map. These samples were from the shallow AH horizon. The lead values were slightly above background to weakly anomalous, whereas the tungsten values, though low, were definitely anomalous. Projections of Conductors A, C and D go through some of these anomalous areas.

Conductor B: Historic soils sampling in the vicinity of the Lone Silver Mine workings has been limited because of the presence of dump material. Two 1988 Corona Corp. NW trending lines, which roughly straddled the workings, came up with a few weak gold and silver assays, but nothing more. Three 2017 samples taken south of the conductor peak area on Line 400W were non-anomalous.

Conductor B detected on Line 600W, located at the eastern edge of the West Geochemical soils anomaly is about 100 metres southwest of Lone Silver Mine Adit 5. The West Geochemical anomaly, which shows anomalous lead, silver and zinc with sporadic gold and antimony, extends for approximately 400 metres southwest from the conductor peak location. Of three soils samples taken approximately 25 metres apart north of the anomaly axis area, two were anomalous, the northernmost being highly anomalous, showing .301 ppm Au, 5.32 ppm Ag, 600 ppm Pb and 939 ppm Zn, along with elevated Cd, Sb, Sn and Y. As the original survey/sampling work, which discovered The West Geochem. Anomaly was surveyed by chain and compass before we had access to GPS, we cannot accurately locate our 2017 sampling in comparison to the old sample stations, but they are probably reasonably close.

Conductor D: One soils sample taken at the conductor axis was negative. However, at the bottom of 2003 Excavator Pit 2, located close to the axis, elevated (30 ppb Au) was found in soil with argillite fragments. And the 1988 Corona soils survey in this vicinity found elevated to highly anomalous gold (480 ppb) along with lead and other elements. This soils anomaly appears to continue ENE in the same rough direction as the conductor.

Baseline Surveys: No clear conductors were detected on the baselines. The most notable features found on both baselines, but most pronounced on Line BB from approximately its intersection with Line 100W to about 575W are broad positive features. Such broad responses, as interpreted by Lou O'Connor, might be explained by conductors almost parallel to the line directions, or gently dipping conductive bodies.

Possible Causes For The Maxmin Conductors

In regard to Conductor A; it is found under deep overburden somewhere near the intersection of the Styx Creek transverse fault with the Black Bluff reverse/thrust fault. It presents somewhat of an enigma in that is interpreted as moderately north dipping, whereas The Black Bluff fault is thought to be southerly dipping. As well, mapping in the Lone Silver Mine area, 300 to 500 metres to the west of the A conductor axis peaks, indicates predominant southerly dips both of the stratigraphy and the numerous faults, though some faults do show a northerly dip. Its most likely physical cause is interpreted to be multiple high carbonaceous bands probably containing metal sulfides

over a considerable width across strike. Why the north dip? Possibly we are dealing with overturned, altered/mineralized sediments associated with the faulting.

In regard to Conductor B; on Line 400W its cause is not certain, since there is no surface mineralized material along its axis area. In a worst-case scenario, possibly it is caused by near surface graphitic formations sneaking through the area. In an optimistic scenario, the conductor could be related to underlying southerly dipping mineralized zones projected from the west crosscut at the south terminus of Adit 3, where a south dipping fault has been mapped separating dolomite breccia to the north from argillite to the south, both of which are probably mineralized. Also, the conductor axis appears to be heading toward topographically higher mineralized rock in the Adit 4 area.

Along Line 600W the conductor axis area is located near the east extremity of the extensive West soils geochemical anomaly. Although overburden is probably 0nly a metre or two thick over most of the soils anomaly, only one very small outcrop was seen just east of it; non-anomalous, northeast striking, steep south dipping dolomitic limestone. At the far western extent of the soils anomaly, probably close to bedrock marble boulders were found. Soils in this area are consistently anomalous in lead, with some elevated in gold. A marble outcrop area about 40 metres north of the soils anomaly strikes northeasterly and dips about 30 degrees to the south. I believe that probable cause for the extensive soils geochemical anomaly are mineralized, imbricate fault/fracture zones related to the Black Bluff thrust, which strike predominantly northeasterly and dip southerly. Conductor B in this area could be caused by these fracture zones.

Conductor C: At this point we do not know the cause of the anomaly, but it might be similar to Conductor A. It is of possible interest as it is located close to the lower adit portal of the Davne Mine, and the expected buried leading edge of the Black Bluff fault.

Conductor D: The cause is not certain. It may be related to a mineralized fracture zone.

Base line: The broad positive features mentioned above could be caused by gently dipping underlying conductive zones. A sharp feature seen on N-S Line 400W, at its junction with Baselines 0 N-S and BB, might provide further evidence for an underlying thrust fault, as pointed out by Walcott.

Further Recommended Work

Highest priority would be follow up in the Conductor B area near Line 600W in the West Geochemical Anomaly. Though the geochemical anomaly is not a screamer, it extends on trend for more than 400 metres southwest of the Lone Silver Mine, and there is a strong probability that it extends further north under deep overburden. Possibly,

excavator trenching might be useful, but in the end drilling northwesterly angle holes will be necessary to depth test across the geochemical anomaly..

If the Line 600W work is successful, drill testing of conductor B in the area of Line 400N should be considered. Rather than drilling right at the interpreted conductor peak here, I would move northeasterly along the axis trend and drill to intersect under the large stope area seen in Adit 3.

East Gold Swamp EM anomaly: A drill hole is suggested from either the east or west edge of the swamp. A GPS location taken along the azimuth 110 degrees VLF survey Line 0 at 210 metres southeast is: 482260E,5433007N. The axis of the conductor is (following azimuth 110 degrees) at 0+285metres southeast on Line 0. The idea for this drill site is to move it in the direction azimuth 110 degrees southeastward from station 210 to get as close to the west swamp edge as feasible; then drill a -45 degree hole at azimuth 110 degrees. An alternative site would be at the east edge of the swamp, which could intersect both the weaker conductor found to the southeast and stronger one. The approximate GPS location for the weaker conductor axis would be 482393E, 5432963N. The hole would be -45 degrees at azimuth 290 degrees.

Conductor A should be initially tested by repeating the failed 2005 drill hole 2 to test the conductor found along Line 0 E-W. Approximate location should be GPS 0481654E, 5432810N at azimuth 158 degrees, angle 50 degrees.

Conductor D: If further soils geochemical work can reestablish the old Orvana soils anomaly, further work would be recommended; possibly excavator trenching, and/or drilling. Past excavator work in this area failed to reach bedrock.

Lucky Strike Mine: Though no conductor was found here, because of the very high grade of the fissure veins, and the very shallow past mining, a south trending angle hole is suggested to depth test the mineralized structure.

In the far north part of the property we have found extensive Zn-Ag soils anomalies. Past work that I have done in this area leads me to think that this geochemical anomaly is very extensive beyond the Gus Claim area. There is a compelling target here, which would require cooperation with other claim owners.

M. A. Kaufman

Oct. 24, 2017

Statement of Qualifications M. A. Kaufman

I, M. A. Kaufman hereby state that I have worked as a mining geologist for 62 years, with a short interruption for military service.

I received an A. B. degree in geology from Dartmouth College in 1955, and an M. S. degree in geology and mining engineering from the University of Minnesota in 1957.

I am an inactive status Professional Engineer in the province of British Columbia. (My work is limited to my own properties; none for outside clients).

From the period 1955 - 1965 I worked for the major companies Kennecott Copper Corp., Kerr-McGee Corp., Giant Yellowknife Gold Mines Ltd. (a Falconbridge company), and Hunting Survey Corp., Ltd. During 1963 I worked for the State of Alaska Division of Mines and Minerals. From 1965 to 1969 I worked independently as a consultant and contractor for major companies. From 1969 through 1989, I was a co-founder and a principal of the consulting and contracting firm of Perry, Knox, Kaufman, Inc. and its successor Knox, Kaufman, Inc. These companies specialized in carrying out mineral exploration and development projects for major mining and oil companies. From 1990 to present I have worked as an independent consultant and prospector.

M. A. Kaufman

	A	B	C
1	Gus Project 2017 Costs		
2			
3	Kaufman Time		
4	May 9- 1/2 day	review old geophysics	$ 400.00
5	10-May	design new EM/Mag survey	$ 800.00
6	15-May	travel to property	$ 400.00
7	16-May	check access lay out lines	$ 800.00
8	24-May	travel to property	$ 400.00
9	25-May	supervise geophys cerew	$ 800.00
10	26-May	"	$ 800.00
11	7-Jun	review new geophys data	$ 400.00
12	16-Jun	"	$ 400.00
13	30-Jun	review old VLF data	$ 400.00
14	9-Jul	travel to property	$ 400.00
15	10-Jul	geology follow up EM	$ 800.00
16	17-Oct	Design new maps	$ 800.00
17	19-Oct	work on maps and ass. Rept	$ 400.00
18	23-Oct	Assess. Rept.	$ 800.00
19	24-Oct	assess. Rept.	$ 400.00
20			
21	Contractors		
22	Denny		
23		Line prep	$ 855.77
24		EM follow up sampling	$ 400.05
25			
26	Cathro	travel exp	$ 537.50
27			
28	Cathro		
29	9-Jul	travel	$ 400.00
30	10-Jul	geology	$ 800.00
31			
32	ALS	assays	$ 443.76
33			
34			
35	Walcott & Assoc.	Geophysical survey	$ 25,000.00
36	O' Connor	geophysical interp	$ 1,000.00
37	Reich	draft maps	$ 325.00
38			
39	MK expenses		
40	Mileage		
41	1547 km @ .50		$ 773.50

	A	B	C
42		Meals	$ 171.94
43		Lodging	$ 446.35
44			
45	Grand Total		$ 40,353.87
46			
47			
48	Field Expenses		
49			
50	15-May	$ 9.44	$ 89.27
51	16	$ 6.84	
52	23	$ 7.89	
53	24	$ 1.75	
54		$ 20.77	$ 178.54
55	25	$ 6.84	
56		$ 21.47	
57	26	$ 6.84	
58	9-Jul	$ 10.78	
59		$ 18.60	
60		$ 37.46	$ 178.54
61	10	$ 23.26	
62	T	$ 171.94	$ 446.35

	A	B	C	D	E	F	G
1	Description	Date	Time	UTM-NAD 83	Easting	Northing	Elevation (m)
2	E Anomaly	10-Jul-17	9:28:44AM	11U	482384	5433045	949
3	Conductor C				482014	5433054	
4	Davne	10-Jul-17	10:16:47AM	11U	482010	5433025	935
5	Saddle	10-Jul-17	10:24:54AM	11U	481676	5432776	914
6	100E72N	10-Jul-17	10:40:25AM	11U	481760	5432843	920
7	L100E092N	10-Jul-17	10:51:29AM	11U	481754	5432861	919
8	L100E052N	10-Jul-17	10:56:48AM	11U	481762	5432824	930
9	L000-014N	10-Jul-17	11:06:36AM	11U	481670	5432801	927
10	L000-109S	10-Jul-17	11:14:31AM	11U	481667	5432670	952
11	L400W-080S	10-Jul-17	12:30:31PM	11U	481278	5432694	926
12	L400W-100E	10-Jul-17	12:38:01PM	11U	481277	5432672	932
13	LS-2017-01	10-Jul-17	12:53:19PM	11U	481287	5432667	939
14	LS-2017-02	10-Jul-17	12:54:05PM	11U	481281	5432666	938
15	L400W-120S	10-Jul-17	12:58:30PM	11U	481277	5432664	939
16	L600W-238S	10-Jul-17	1:29:22PM	11U	481073	5432552	949
17	LS-2017-03		1:43:56PM	11U	481077	5432579	941
18	L600W-218S	10-Jul-17	1:44:41PM	11U	481074	5432594	941
19	L600W-198S	10-Jul-17	1:49:56PM	11U	481076	5432587	930
20	LS-2017-04				481076	5432587	930
21							
22							
23							

All samples were B-C horizon, 1/2 to 1 metre deep.

	H
1	Comment
2	East gold anomaly; trench above road
3	Conductor C; on N edge of road
4	Lower Davne adit on road
5	Saddle road junction
6	Soil; sandy-silty; tan-orange; at location of Conductor A anomaly; below road to N
7	Soil; sandy-silty; tan-orange
8	Soil; sandy-silty; tan-orange
9	Conductor A on Line 000
10	Conductor D on Line 000
11	Soil
12	Soil
13	Rock, float; Dolomite breccia with cal veins
14	Rock, float; Grey and dark grey laminitated carbonate and shale
15	Soil; Conductor D on Line 400W
16	Soil
17	Rock, float; Siliceous dolomite breccia with quartz veins
18	Soil; Conductor D on Line 600W
19	Soil
20	Rock, float; Grey carbonate with quartz veins and veilets; silceous
21	
22	
23	

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To: M.A. KAUFMAN
10805 EAST 23RD AVE
SPOKANE VALLEY WA 99206- 5677
USA

Finalized Date: 30- JUL- 2017
This copy reported on
31- JUL- 2017
Account: MAKAUF

CERTIFICATE KL17143211

Project: GUS

This report is for 10 Soil samples submitted to our lab in Kamloops, BC, Canada on 12- JUL- 2017.

The following have access to data associated with this certificate:

MIKE CATHRO	M.A. KAUFMAN	

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI- 21	Received Sample Weight
LOG- 22	Sample login - Rcd w/o BarCode
SCR- 41	Screen to - 180um and save both

ANALYTICAL PROCEDURES

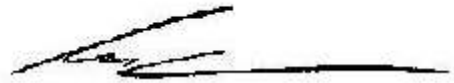
ALS CODE	DESCRIPTION	INSTRUMENT
Au- ICP21	Au 30g FA ICP- AES Finish	ICP- AES
ME- MS41	Ultra Trace Aqua Regia ICP- MS	

To: M.A. KAUFMAN
ATTN: M.A. KAUFMAN
10805 EAST 23RD AVE
SPOKANE VALLEY WA 99206- 5677
USA

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

***** See Appendix Page for comments regarding this certificate *****

Signature:



Colin Ramshaw, Vancouver Laboratory Manager

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CERTIFICATE OF ANALYSIS KL17143211

Sample Description	Method	WEI- 21	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Recvd Wt.	Ag	Al	As	Au	B	Ba	Be	Bi	Ca	Cd	Ce	Co	Cr	Cs
	Units	kg	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
	LOR	0.02	0.01	0.01	0.1	0.02	10	10	0.05	0.01	0.01	0.01	0.02	0.1	1	0.05
L100E052N		0.39	0.43	2.92	9.4	<0.02	<10	260	0.97	0.49	0.27	0.67	41.9	8.5	22	2.26
L100E072N		0.29	0.36	2.86	61.4	<0.02	<10	190	0.90	0.55	0.24	0.56	41.9	9.3	25	2.34
L100E092N		0.45	0.56	2.69	9.0	<0.02	<10	250	0.84	0.58	0.29	0.62	39.7	9.3	25	2.28
L400W080S		0.37	0.25	2.17	5.5	<0.02	<10	210	0.63	0.36	0.28	0.34	36.2	9.7	25	2.08
L400W100S		0.38	0.29	1.91	5.0	<0.02	<10	220	0.51	0.34	0.32	0.33	31.2	7.2	21	1.84
L400W120S		0.32	0.18	2.40	8.7	<0.02	<10	200	0.98	0.26	0.53	0.32	56.0	15.1	18	1.50
L600W198S		0.33	5.32	3.05	10.3	0.10	<10	210	1.21	0.47	0.73	3.16	40.2	9.7	28	2.53
L600W218S		0.32	0.64	3.10	8.7	<0.02	<10	250	1.14	0.53	0.73	1.45	42.4	11.0	29	2.43
L600W238S		0.31	0.13	2.92	5.5	<0.02	<10	280	0.98	0.66	0.39	0.70	38.5	10.8	30	2.72
L000109S		0.32	0.53	2.62	9.1	<0.02	<10	200	0.72	0.42	0.26	0.71	40.0	8.6	23	2.05

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USA

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Account: MAKAUF

Project: GUS

CERTIFICATE OF ANALYSIS KL17143211

Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Cu	Fe	Ga	Ge	Hf	Hg	In	K	La	Li	Mg	Mn	Mo	Na	Nb
	Units	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	%	ppm
	LOR	0.2	0.01	0.05	0.05	0.02	0.01	0.005	0.01	0.2	0.1	0.01	5	0.05	0.01	0.05
L100E052N		15.1	2.10	7.84	<0.05	0.15	0.03	0.029	0.13	14.9	19.7	0.31	504	0.71	0.03	2.32
L100E072N		22.1	2.19	7.56	0.05	0.18	0.04	0.027	0.17	18.9	19.9	0.34	220	0.65	0.03	2.40
L100E092N		26.8	2.20	7.29	0.06	0.20	0.04	0.024	0.18	17.8	20.2	0.38	180	0.69	0.03	1.98
L400W080S		24.2	2.23	6.14	0.05	0.05	0.02	0.024	0.24	19.1	19.5	0.57	298	1.32	0.02	1.70
L400W100S		17.0	1.88	5.31	<0.05	0.07	0.02	0.020	0.18	14.6	15.9	0.36	210	0.90	0.02	1.67
L400W120S		17.6	3.36	5.96	0.06	0.18	0.02	0.044	0.12	26.0	23.6	0.49	674	1.23	0.03	1.44
L600W198S		46.3	3.00	7.80	0.06	0.15	0.05	0.103	0.16	20.4	20.5	0.69	555	1.45	0.04	1.74
L600W218S		28.2	3.15	8.14	0.06	0.29	0.03	0.060	0.16	20.3	21.0	0.67	554	1.53	0.03	2.45
L600W238S		18.3	2.63	8.08	0.05	0.15	0.03	0.031	0.18	17.8	20.0	0.49	555	1.18	0.03	2.46
L000109S		16.8	2.15	6.92	<0.05	0.21	0.04	0.024	0.11	14.0	18.2	0.34	204	0.60	0.03	1.90

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Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Ni	P	Pb	Rb	Re	S	Sb	Sc	Se	Sn	Sr	Ta	Te	Th	Ti
	Units	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%
	LOR	0.2	10	0.2	0.1	0.001	0.01	0.05	0.1	0.2	0.2	0.2	0.01	0.01	0.2	0.005
L100E052N		30.0	2560	17.1	17.5	<0.001	0.01	0.33	3.5	0.5	0.8	24.5	0.04	0.02	3.8	0.111
L100E072N		29.3	2360	18.3	18.5	<0.001	0.01	0.40	4.2	0.5	0.7	20.3	0.04	0.02	4.5	0.108
L100E092N		27.9	1510	16.8	22.4	<0.001	0.01	0.41	4.0	0.6	0.7	23.5	0.02	0.02	5.0	0.108
L400W080S		31.5	1200	18.2	24.8	<0.001	0.01	0.67	3.1	0.5	0.5	18.7	<0.01	0.02	4.0	0.074
L400W100S		27.7	860	13.3	22.5	<0.001	0.01	0.50	2.5	0.4	0.5	19.1	<0.01	0.01	3.6	0.072
L400W120S		40.0	1190	35.9	16.1	<0.001	0.02	0.82	5.4	0.8	0.6	26.6	0.01	0.02	6.6	0.072
L600W198S		36.5	2870	600	28.1	<0.001	0.01	9.15	4.7	0.8	13.3	24.1	0.01	0.03	4.8	0.108
L600W218S		40.6	1760	160.5	29.5	<0.001	0.01	4.68	4.8	0.7	1.4	18.6	0.01	0.04	5.9	0.110
L600W238S		34.9	960	35.4	30.3	<0.001	0.01	0.99	4.0	0.5	0.9	17.6	<0.01	0.03	4.8	0.107
L000109S		25.2	2010	13.1	19.3	<0.001	0.01	0.34	3.3	0.3	0.7	17.8	0.03	0.01	5.0	0.102

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Project: GUS

CERTIFICATE OF ANALYSIS KL17143211

Sample Description	Method Analyte Units LOR	ME- MS41 Tl ppm 0.02	ME- MS41 U ppm 0.05	ME- MS41 V ppm 1	ME- MS41 W ppm 0.05	ME- MS41 Y ppm 0.05	ME- MS41 Zn ppm 2	ME- MS41 Zr ppm 0.5	Au- ICP21 Au ppm 0.001
L100E052N		0.18	0.83	35	1.70	7.27	194	10.1	0.002
L100E072N		0.19	1.10	40	2.38	11.00	148	13.4	0.003
L100E092N		0.21	1.13	39	1.96	9.80	136	14.8	0.002
L400W080S		0.23	0.90	45	0.61	9.61	133	2.9	0.003
L400W100S		0.17	0.57	34	0.60	5.22	117	3.7	0.001
L400W120S		0.16	0.73	34	0.34	19.40	95	9.6	0.001
L600W198S		0.27	1.16	71	2.16	18.45	939	10.6	0.301
L600W218S		0.32	0.78	68	1.25	15.60	333	18.0	0.005
L600W238S		0.24	0.74	47	1.10	9.34	172	8.5	0.002
L000109S		0.16	0.96	35	0.95	6.15	156	14.8	0.002

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CERTIFICATE OF ANALYSIS KL17143211

CERTIFICATE COMMENTS

ANALYTICAL COMMENTS

Applies to Method: Gold determinations by this method are semi- quantitative due to the small sample weight used (0.5g).
ME- MS41

LABORATORY ADDRESSES

Applies to Method: Processed at ALS Kamloops located at 2953 Shuswap Drive, Kamloops, BC, Canada.
LOG- 22 SCR- 41 WEI- 21

Applies to Method: Processed at ALS Vancouver located at 2103 Dollarton Hwy, North Vancouver, BC, Canada.
Au- ICP21 ME- MS41

Review of HeliGEOTEM Results on the Gus Claims, Nelson Mining District, BC

Lou O'Connor, M. Sc.
Consulting Mining Geophysicist

October 2017

Contents

Introduction

In 2010 the Geological Survey of Canada released a series of open file reports with maps and digital data of a HeliGEOTEM survey of the Kootenay Arc area of SE British Columbia. The helicopter based total field magnetics and time domain EM survey was flown by Fugro Airborne Surveys with 100 and 200 meter spaced flight lines at an orientation of 102-282 degrees and perpendicular tie lines flown at a spacing of 1000 meters. Details of the survey block, the HeliGEOTEM system, data processing and general interpretation are available in the open files downloadable from the GSC and will not be discussed here.

At the request of Mo Kaufman, the on-line digital grid files have been down loaded and detailed maps have been made of the Gus claim group, located in Nelson Mining District south of Salmo, BC in the south central area of the HeliGEOTEM survey block. Six maps of the immediate area of the Gus claims have been generated from the digital grids. The maps are Digital Elevation Model (DEM), Total Field Magnetics (TFM), Calculated Vertical Derivative of the TFM, Potential Field Tilt of the TFM, EM Apparent Conductance and EM Z-Coil Decay Constant. Maps have been made in NAD 1983 UTM Zone 11N coordinates at a scale of 1/250. For reference, the maps have the claim outline and the Lone Silver, Davne and Lucky Strike mines locations included. The maps provide insight in the geophysical character of the area and the known mineralization.

Summary and Recommendations

The results of a public domain HeliGEOTEM survey of the Kootenay Arc have been reviewed and summarized for the Gus claims, located south of Salmo, B.C in the Nelson Mining District. Six maps show the terrain, total magnetic field, vertical derivative, potential field tilt, EM apparent conductance and EM decay constant images. The total field map shows that the claims are in an area of low magnetic relief. Vertical derivative based maps reveal a number of weak anomalies and weak trends oriented NE, NNE, E-W and N-S. No strong features are associated with the historic mines on the property.

EM maps images were developed from fitting decay curves either with a thin sheet model or an exponential decay. These maps indicate a broad weak conductor to the west of the claim boundary that extends into the western half of the claim group. The decay constant image, computed using the mid to late time channels, is probably best for sensing deeper bedrock conductors. On that map about a dozen local features can be seen within the claim group. The mines themselves do not have strong EM responses, but do have weak features often within 200 to 300 meters of their map locations.

Ground checks, prospecting and sampling are recommended for the magnetic and EM features visible on the maps. When ground checking be aware that culture from historic mining activities could be causing some magnetic and EM features. Also with flight lines oriented 102-282 degrees, narrow, more E-W oriented conductors could produce misleading EM responses and locations. In steep terrain, variations in ground clearance for the magnetometer could be producing some weak anomalies that would show up largely on the derivative based maps. Before proceeding to any drill testing of geophysical feaures, I recommend ground geophysical surveys be used to confirm anomalies and improve interpretation.

Discussion of Results

The survey was flown at a pre-programmed flight height designed to create a smooth draped surface over the topographic surface. The nominal flight height of the helicopter was 105 meters with the magnetometer suspended about 10 meters below the helicopter and the EM receiver about 15 meters below the helicopter and the horizontal transmitter loop about 60 meters below the helicopter. Ground clearance of the magnetometer and EM system varied as a consequence of terrain and helicopter speed. Survey lines were flown at 102-282 degrees at either 100 or 200 meter flight spacing and tie lines were flown perpendicular at 1000 meter spacings. Positional and magnetometer data were recorded at 10 times per second. The horizontal transmitter loop TDEM system had a repetition rate of 90 Hertz. Twenty three component EM data channels were recorded at 4 times per second.

The processed flight line data were used to produce the publicly available 50 meter by 50 meter grid files in standard Geosoft grid format. The publicly available grid files were downloaded and imaged in Surfer 13 (Golden Software). All maps are in NAD 1983 UTM Zone 11N coordinates and overlain with the Gus claim boundary and the locations of the Lone Silver, Davne and Lucky Strike mines. Images are displayed with hill shading and a NW light source.

DEM. The DEM image is generated from the GPS and radar altimetry data recorded on the flight lines. The DEM image (Figure 1) is useful as a general reference but, it is not a high resolution topographic image and is not a substitute for a topographic map. The image shows the general NE to NNE orientation to ridges and valleys in the NW two thirds of the claim group. Elevations range between about 800 and 1300 meters. Highest elevations on the claim group are on the northern end of a N-S oriented high in the SE corner of the claims. The three historic mines occur at about the 900 to 950 meter elevations on the NW slopes in central area of the claims.

Magnetics. Figure 2 shows the IGRF corrected Total Field Magnetics map. In flat terrain at a nominal helicopter ground clearance of 105 meters, the magnetometer is at about 90-95 meters above the ground. When flying across steep terrain on a pre-programmed flight path ground clearance could be significantly different. This could produce some effects in the measured magnetic field, particularly in the vicinity of near surface magnetic sources. In the area of the Gus claims these terrain effects are believed to be minimal, but any anomalies of interest, particularly those that appear largely on the derivative maps should confirmed with ground magnetic profiles.

The IGRF corrected TFM map is shown in Figure 2. This map shows a gentle positive gradient in the magnetic field with values increasing from a low in the south and southeast to higher values in the north and northwest area of the claim group. Magnetic field values have a range of about 150 nT from south to north. Large magnetic bodies occur off the claim group to the NW and NE and a smaller magnetic body can seen just off the SE corner of the claims. The magnetic low in the SE area of the claims could be related to the magnetic high further to the SE.

Figures 3 and 4 show derivative based maps that enhance the visibility of local, shorter wavelength features. Figure 3 is the Calculated Vertical Derivative as provided in the public data set. It shows the major magnetic highs off the NW, NE and SE of the claim group and the relatively flat magnetic response in the claim group. The small magnetic high to the SE now shows a central relative low suggestive of an altered or zoned intrusive with perhaps some skarn development around the margins.

A weak magnetic low now extends from SE to NW across the center of the group with the Lone Silver lying within this low. Davne and Lucky Strike lie on the northern flank of the low. At a finer scale a set of narrow NNE to NE oriented highs and lows can be seen. The pattern suggests a set of narrow fractures, veins or dikes could be the source of these features. Alternatively they could represent local variations in magnetic minerals within thin horizons in a package of sedimentary rocks.

Figure 4 is the Potential Field Tilt. It is a normalized and stretched vertical derivative that is calculated as:

arc tangent(vertical derivative/horizontal gradient).

This transform produces an image in units of radians that saturates at high and low values and stretches values near zero. It increases the continuity of weak features and trends at the expense of the actual amplitude information. This image reinforces the impression of the NNE and NE grain and also enhances the sense of N-S and E-W trending structures. The magnetic source off the SE corner of the claims still appears to have the signature of an altered intrusive. The Lone Silver mine appears to be located on a NE oriented magnetic low while the Davne and Lucky Strike are associated with small local magnetic highs with perhaps a more N-S orientation. A string of local small magnetic highs can be seen extending from south of the Lucky Strike to the north off the claims and local weak highs can be seen SSW of the Davne and Lucky Strike. Some of the stronger linear features are marked on the map. The significance of all these features is uncertain. In areas of historic mining there is always the possibility of near surface cultural contamination such as wires, pipes, rails, mining machines and the like. Ground examination, prospecting and geochemical sampling is required to evaluate these features.

EM. Figures 5 and 6 show map products of the EM survey. Figure 5 is an Apparent Conductance map. This map is generated by fitting the measured EM decay curve to the response of a thin conductive sheet. This uses the entire curve and so will respond to the near surface conditions as well as at depth. Conductive overburden and conductive geologic units can produce relatively higher apparent conductance. Units are Siemens and represents conductivity times thickness. The western half of the map has larger conductance than the eastern half of the map. Off the western edge of the claims is a NE oriented, ellipsoidal area of about 2 square kilometers of greater than .7 Siemens. This could be the response of a geologic unit such as a shale with carbonaceous/ weakly graphitic beds. Two small lobes of lower response extend eastward on to the western half of the Gus claims. The stronger lobe of conductive is located just to the west of the Lone Silver mine and the center of the second lobe is located about 1.5 kilometers to the north of the Lone Silver mine. A third local and weaker response can be seen in the SE corner of the claims, at the NW margin of the magnetic high just off the SE corner of the map. The Davne and Lucky Strike mines are located towards the eastern margin of the broad weakly conductive response.

Figure 6 shows the decay constant derived from fitting the mid to later time channels with an exponential function. Slow decays indicated by larger decay constants indicate a higher conductance. Since early time responses are not used so near surface influences such as conductive overburden are suppressed. The image has a similar pattern to the apparent conductance, but appears to show more local variation over the claims and some displacement of anomalies from locations on the apparent conductance map. A distinct lineation along flight lines is visible. This could be related to the grid

interpolation process or it could represent the 102-282 degree flight line orientation interacting with narrow E-W oriented bedrock conductors.

About a dozen local highs can be seen across the map and are worth ground checking, prospecting and sampling. Of particular note are the highs located several hundred meters to the west of the Lone Silver, the high to the east of the Lucky Strike and the high just off the SE corner of the claim group. Other conductive features can be seen 1 to 1.5 kilometers to the north of the Lucky Strike, to the east of the Lone Silver and along the Davne – Lucky Strike trend.

References

Airborne geophysical survey, Kootenay Arc, British Columbia; Geological Survey of Canada, Open Files 6194-6205

Gus Claim Area, Nelson Mining District, BC
Digital Elevation Model (DEM) From 2010 HeliGEOTEM

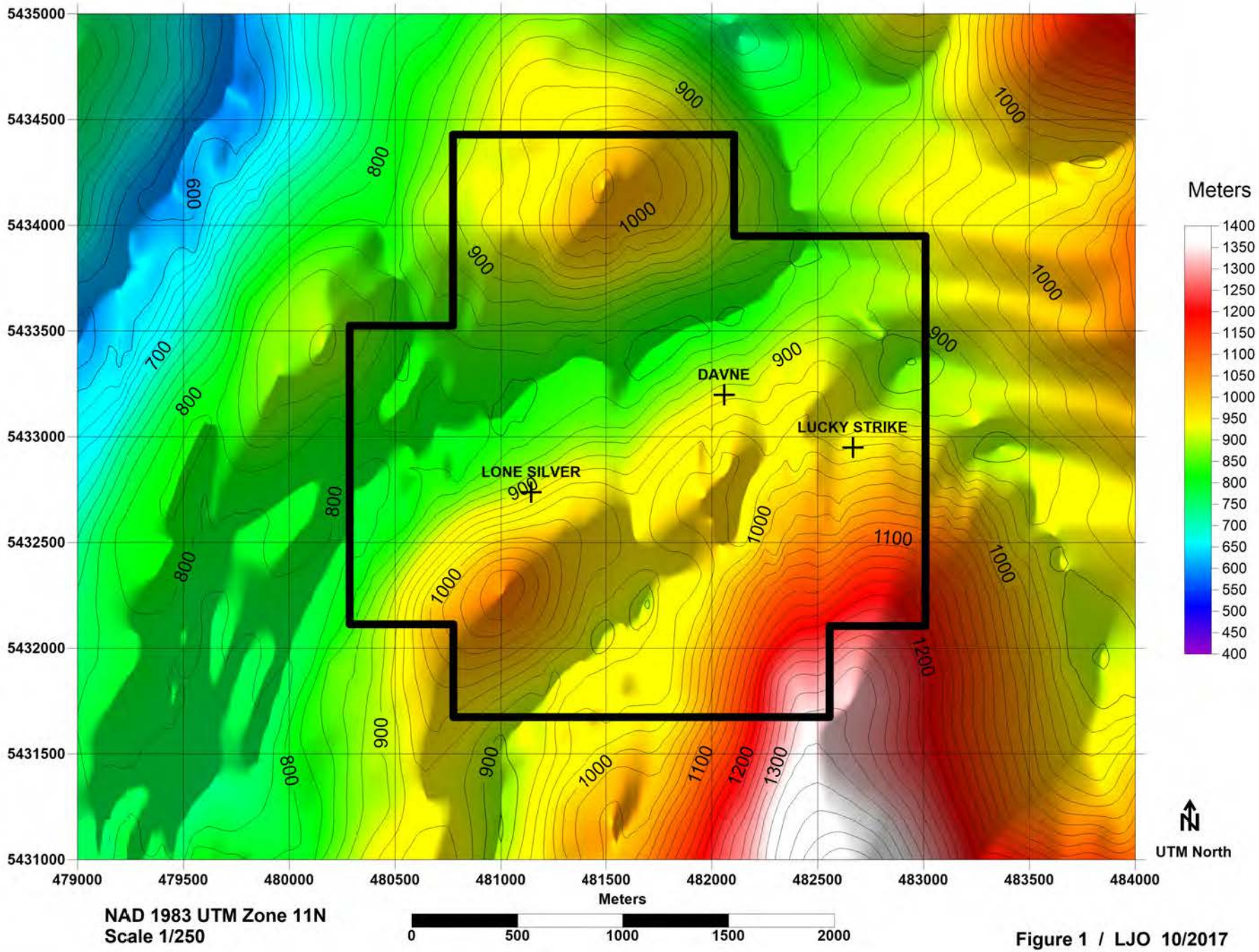


Figure 1 / LJO 10/2017

Gus Claim Area, Nelson Mining District, BC
Total Field Magnetics (TFM) From 2010 HeliGEOTEM

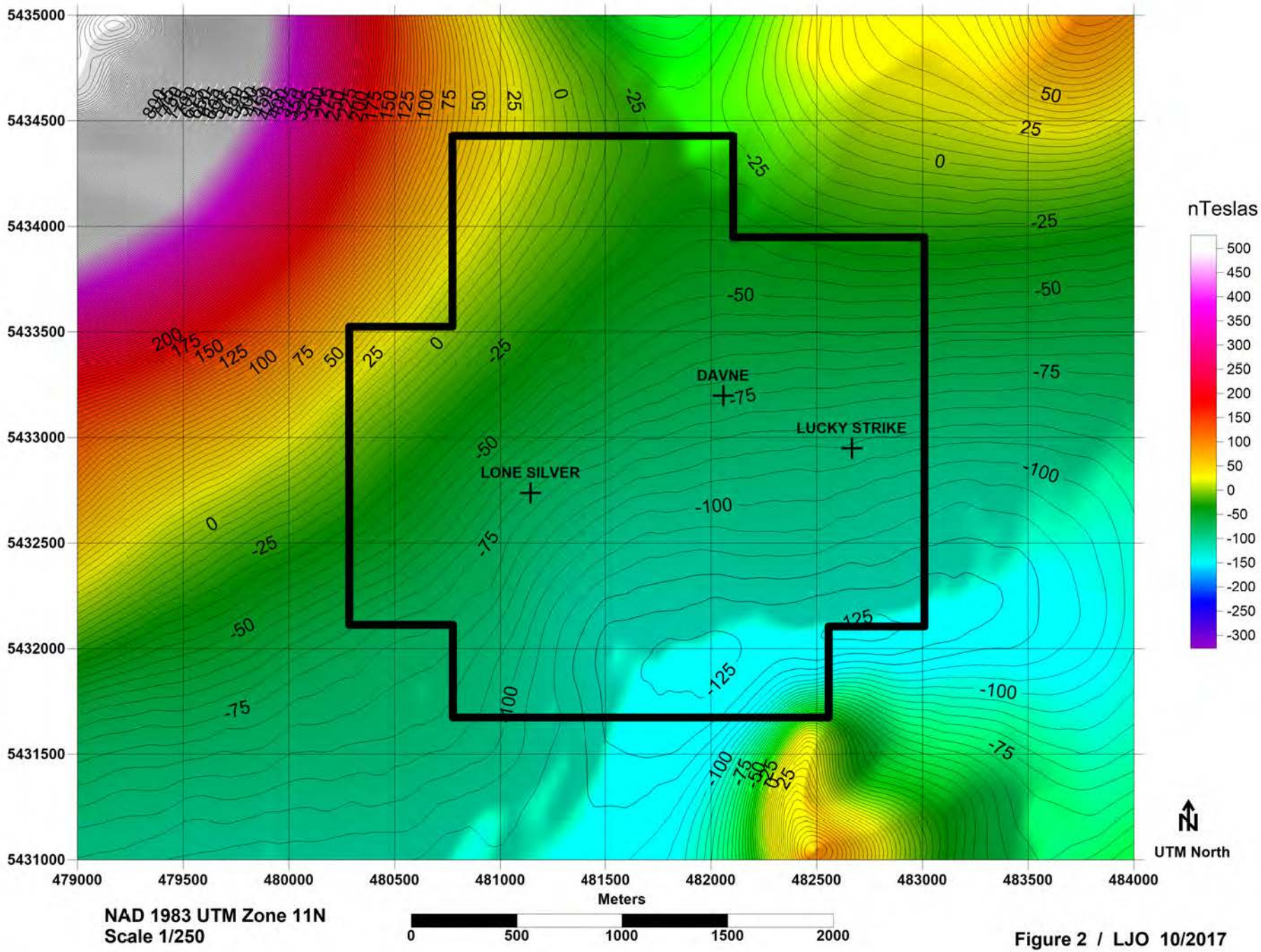
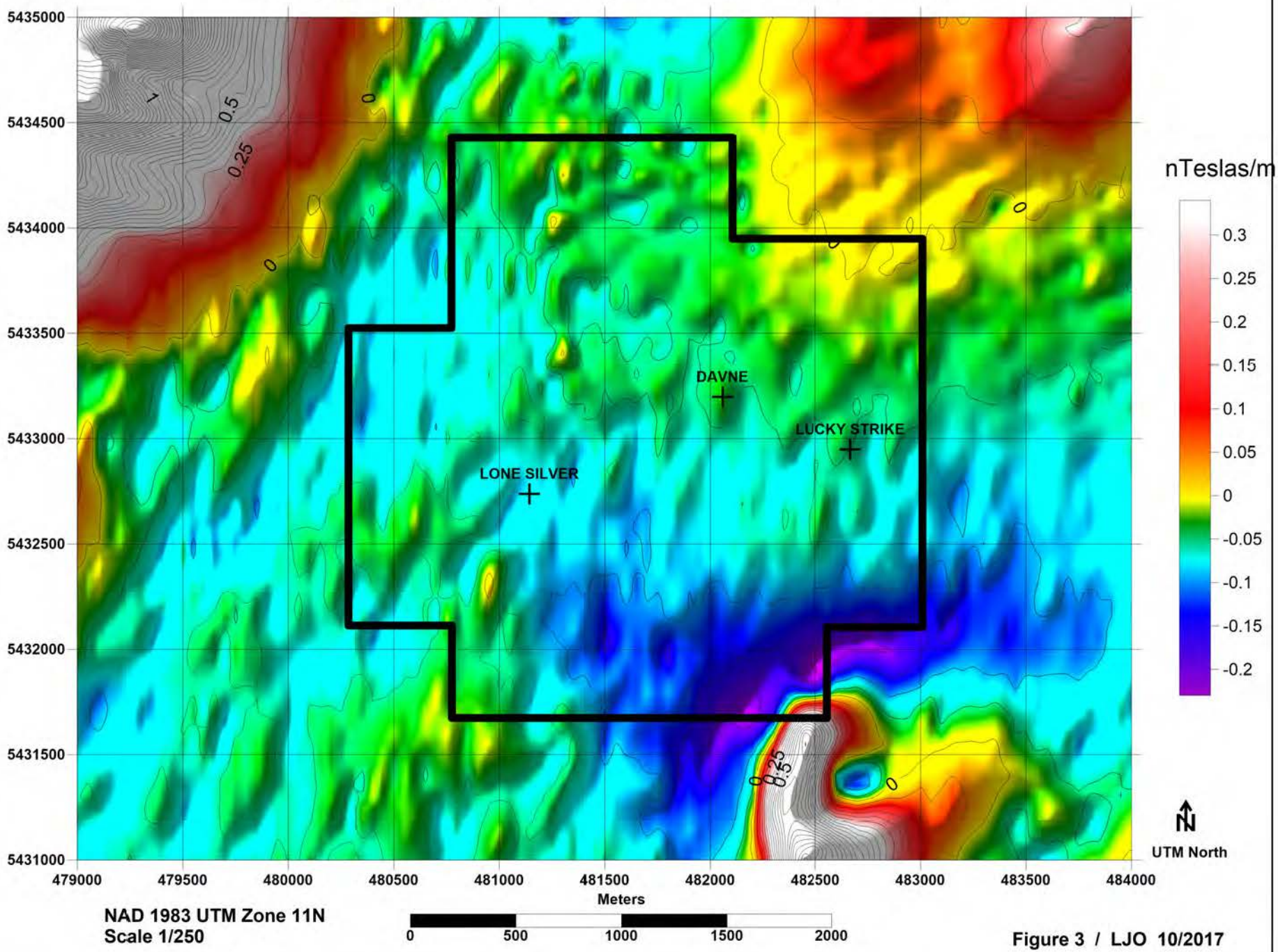


Figure 2 / LJO 10/2017


Gus Claim Area, Nelson Mining District, BC
Calculated Vertical Derivative of the TFM From 2010 HeliGEOTEM
5435000
5434500
5434000
5433500
5433000
5432500
5432000
5431500
5431000
479000
479500
480000
480500
481000
481500
482000
482500
483000
483500
484000
Meters
DAVNE
LUCKY STRIKE
LONE SILVER
nTeslas/m
0.3
0.25
0.2
0.15
0.1
0.05
0
-0.05
-0.1
-0.15
-0.2
UTM North
NAD 1983 UTM Zone 11N
Scale 1/250
0
500
1000
1500
2000
Figure 3 / LJO 10/2017

Gus Claim Area, Nelson Mining District, BC
Calculated Potential Field Tilt of the TFM From 2010 HeliGEOTEM

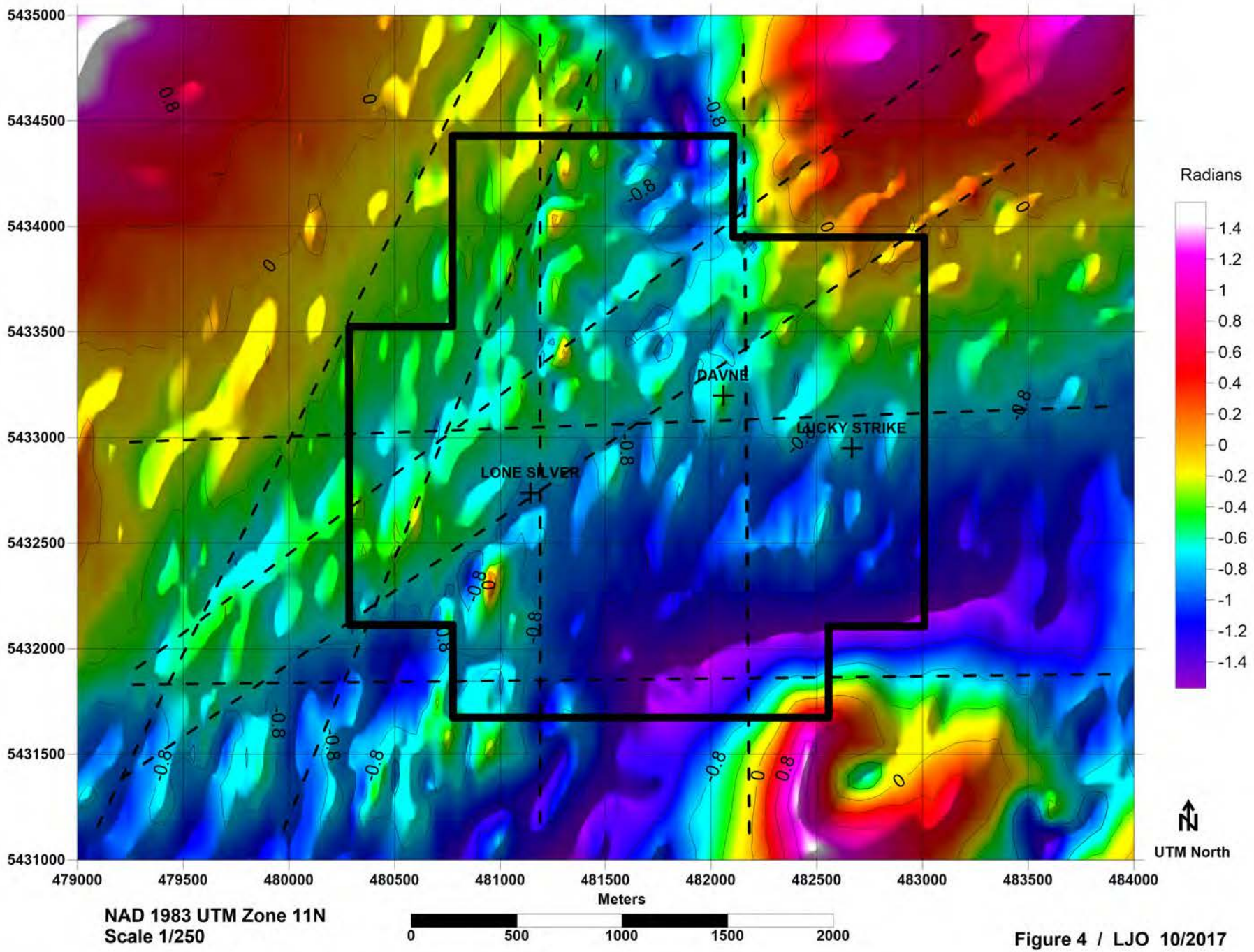
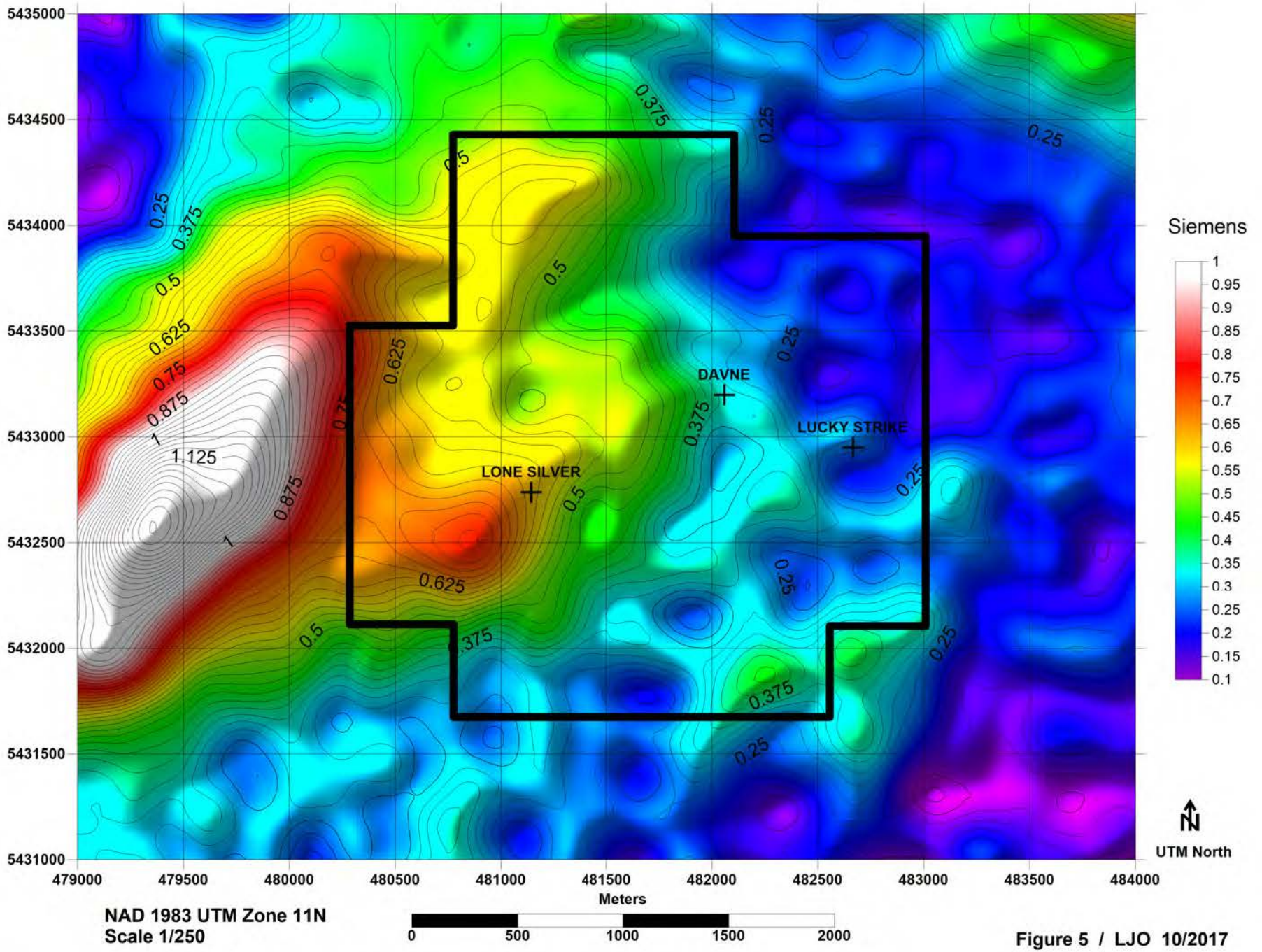


Figure 4 / LJO 10/2017

Gus Claim Area, Nelson Mining District, BC
EM Calculated Apparent Conductance From 2010 HeliGEOTEM

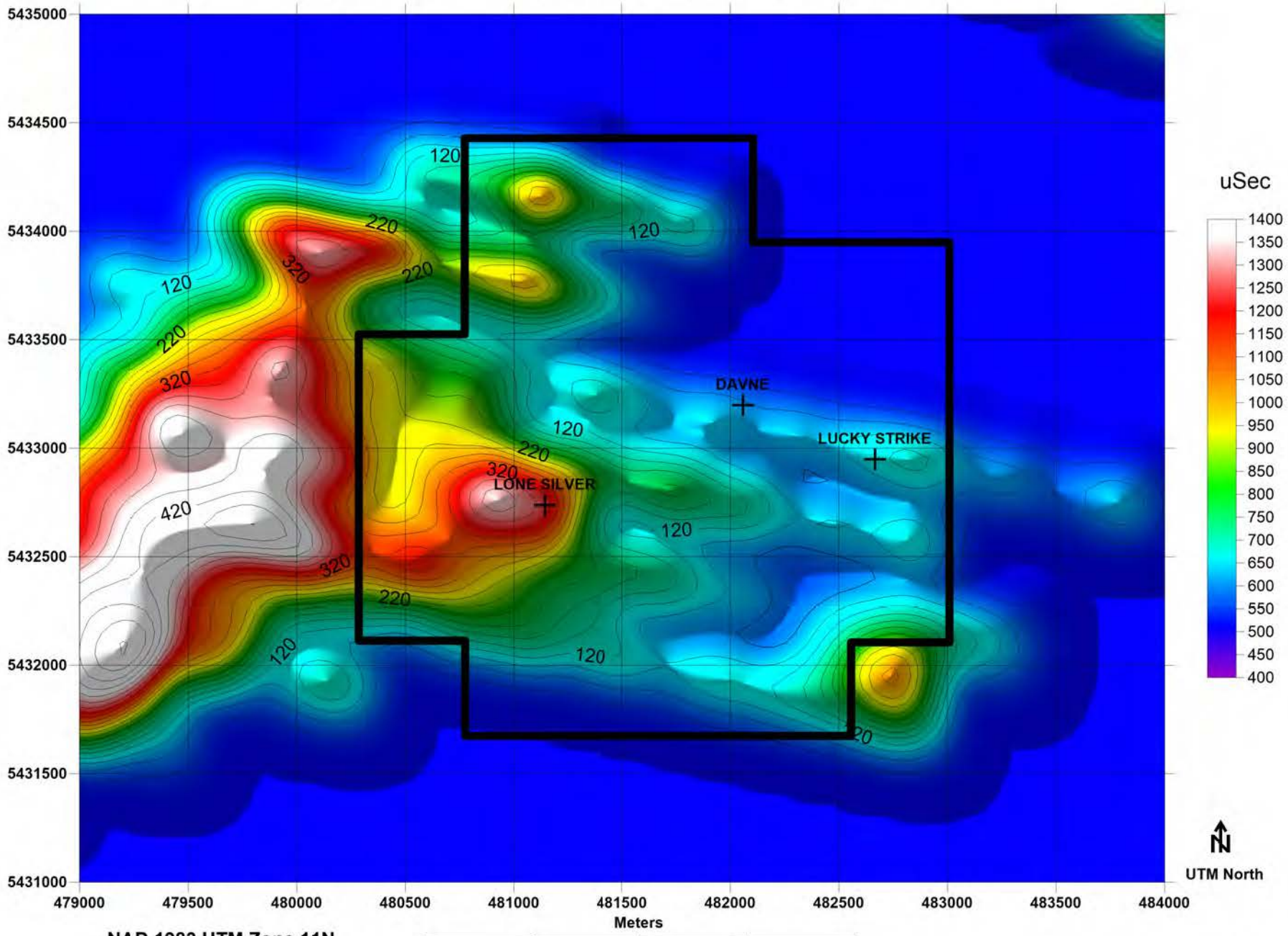


NAD 1983 UTM Zone 11N
Scale 1/250

0 500 1000 1500 2000

Figure 5 / LJO 10/2017

Gus Claim Area, Nelson Mining District, BC
EM Z Coil Calculated Decay Constant From 2010 HeliGEOTEM



NAD 1983 UTM Zone 11N
Scale 1/250

Figure 6 / LJO 10/2017

Surfer - [Plot2_karc*]

File Edit View Draw Arrange Grid Map Geoprocessing Tools Window Help

X: 2.844545 Y: 1.957898 W: 5.000955 H: 4.470102

Object Manager

- Map
  - Right Axis
  - Left Axis
  - Top Axis
  - Bottom Axis
  - Base-BC_bedrocks_ll83.shp
  - Base-minfile_bc_dd.shp
  - Contours-Kootenay Arc - 50m - MAG - Total Field - Champ
  - Image-Kootenay Arc - 50m - MAG - Total Field - Champ t
  - Contours-Kootenay Arc - 50m - MAG - 1st Vertical Derivat
  - Image-Kootenay Arc - 50m - MAG - 1st Vertical Derivative
  - Contours-Kootenay Arc - 50m - EM - Apparent conductan
  - Image-Kootenay Arc - 50m - EM - Apparent conductance,
  - Image-Kootenay Arc - 50m - EM - Z-coil decay constant, c

Property Manager - Map: Right Axis

General | Ticks | Scaling | Grid Lines | Info

Axis

Line prop...	
Axis plane	XY

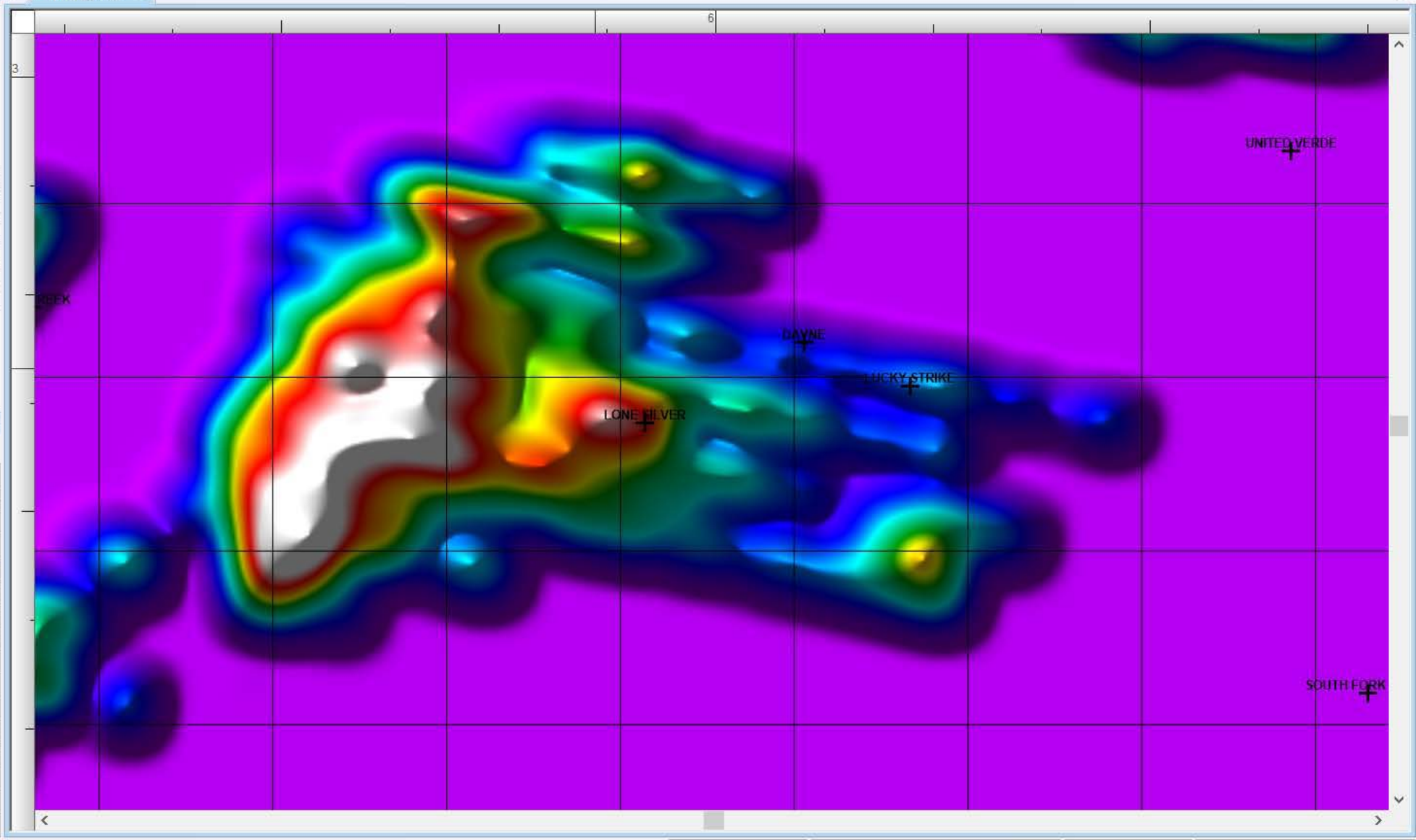
Title

Title text	
Offset along ...	0 cm
Offset from ...	0 cm
Angle (degre...	0
Font prop...	

Labels

Show	
Angle (degre...	270
Offset from ...	0.03527778 cm
Label For...	d.ddddddddddddd
Font prop...	

Plot2_karc*



Click to specify the center of zoomed area; esc exits

Map: Right Axis | X=480855.9m, Y=5433049m, Z=241.1... | 5.93 cm, 2.83 cm | 5.00 cm x 4.47 cm

Type here to search

4:11 PM
9/26/2017

Surfer - [Plot2_karc*]

File Edit View Draw Arrange Grid Map Geoprocessing Tools Window Help

X: 2.844545 Y: 1.957898 W: 5.000955 H: 4.470102

Object Manager

- Map
  - Right Axis
  - Left Axis
  - Top Axis
  - Bottom Axis
  - Base-BC_bedrocks_ll83.shp
  - Base-minfile_bc_dd.shp
  - Contours-Kootenay Arc - 50m - MAG - Total Field - Champ
  - Image-Kootenay Arc - 50m - MAG - Total Field - Champ t
  - Contours-Kootenay Arc - 50m - MAG - 1st Vertical Derivat
  - Image-Kootenay Arc - 50m - MAG - 1st Vertical Derivative
  - Contours-mag_phs.grd
  - Contours-Kootenay Arc - 50m - EM - Z-coil decay constan
  - Image-mag_phs.grd
  - Contours-Kootenay Arc - 50m - EM - Apparent conductanc
  - Image-Kootenay Arc - 50m - EM - Apparent conductance,
  - Image-Kootenay Arc - 50m - EM - Z-coil decay constant, c

Property Manager - Map: Image-mag_phs.grd

General | Layer | Coordinate System | Info

Input Grid

Grid file	C:\lou_home\DapDownload_d783596\D...

General

Colors	Custom
Interpolate p...	☑
Show color s...	☐

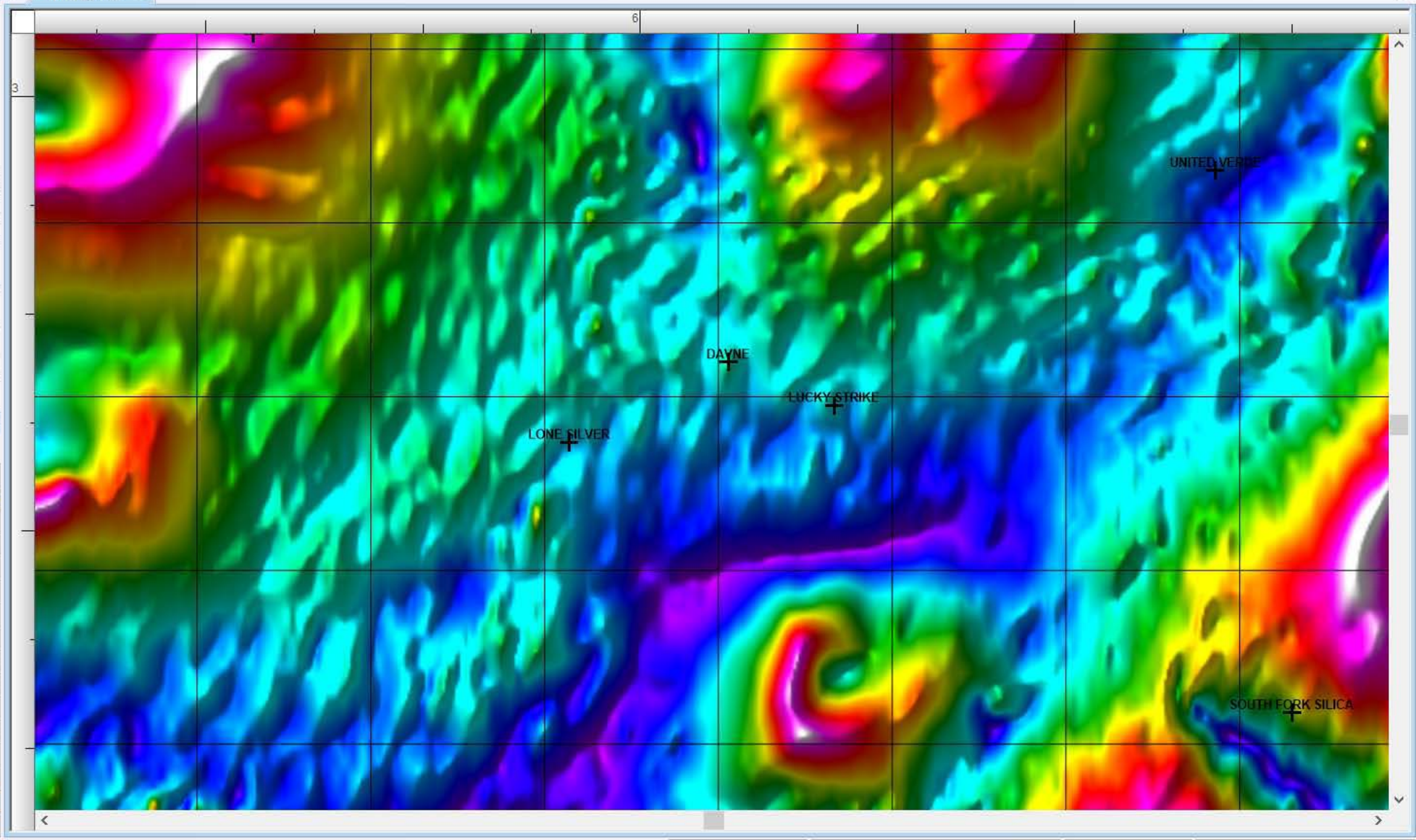
Hill Shading

Enable hill sh...	☑
Horizontal li...	135
Vertical light ...	60
Z scale factor	2000
Ambient ligh...	0.4824561404

Missing Data

Color	White
Opacity	100 %

Plot2_karc*



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Type here to search

2:18 PM
9/27/2017

Surfer - [Plot2_karc*]

File Edit View Draw Arrange Grid Map Geoprocessing Tools Window Help

X: 2.844545 Y: 1.957898 W: 5.000955 H: 4.470102

Object Manager

- Map
  - Right Axis
  - Left Axis
  - Top Axis
  - Bottom Axis
  - Base-BC_bedrocks_ll83.shp
  - Base-minfile_bc_dd.shp
  - Contours-Kootenay Arc - 50m - MAG - Total Field - Champ
  - Image-Kootenay Arc - 50m - MAG - Total Field - Champ t
  - Contours-Kootenay Arc - 50m - MAG - 1st Vertical Derivat
  - Image-Kootenay Arc - 50m - MAG - 1st Vertical Derivative
  - Contours-mag_phs.grd
  - Contours-Kootenay Arc - 50m - EM - Z-coil decay constan
  - Image-mag_phs.grd
  - Contours-Kootenay Arc - 50m - EM - Apparent conductanc
  - Image-Kootenay Arc - 50m - EM - Apparent conductance,
  - Image-Kootenay Arc - 50m - EM - Z-coil decay constant, c

Property Manager - Map: Image-mag_phs.grd

General | Layer | Coordinate System | Info

Input Grid

Grid file	C:\lou_home\DapDownload_d783596\D...

General

Colors	Custom
Interpolate p...	✓
Show color s...	

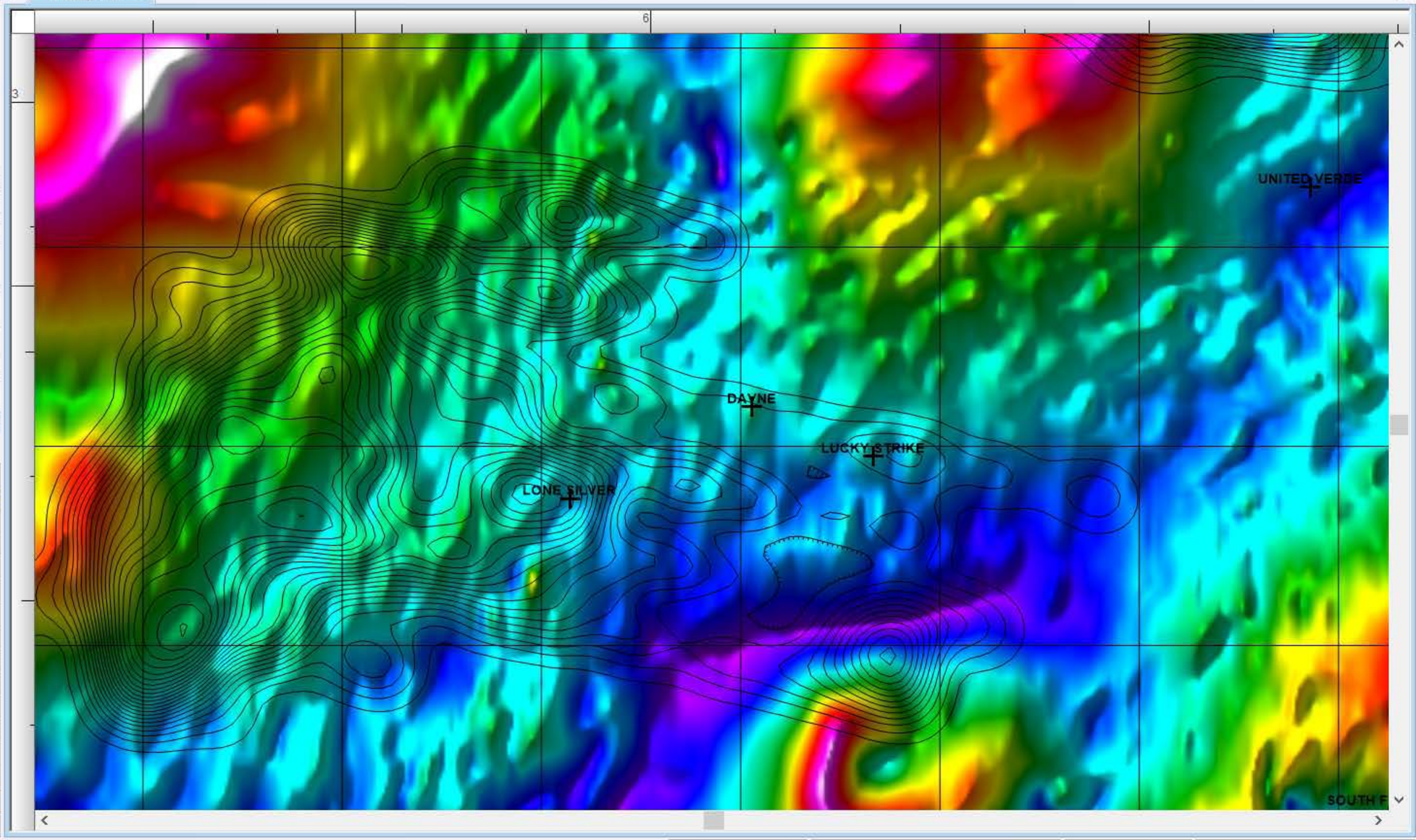
Hill Shading

Enable hill sh...	✓
Horizontal li...	135
Vertical light ...	60
Z scale factor	2000
Ambient ligh...	0.4824561404

Missing Data

Color	White
Opacity	100 %

Plot2_karc*



Drag up/down to zoom in/out; esc exits

Map: Image-mag_ph... X=480066.1m, Y=5433804m, Z=341.8... 5.85 cm, 2.91 cm 5.00 cm x 4.47 cm

Type here to search

3:31 PM
9/27/2017

A REPORT

ON

ELECTROMAGNETIC & MAGNETIC SURVEYING

GUS PROPERTY
SALMO AREA, BRITISH COLUMBIA
NELSON MINING DIVISION
49 ^{o} 3'N, 117 ^{o} 15'W
NTS 82F/03

Claims Surveyed: 504800

for

MO KAUFMAN

Spokane, Washington

by

PETER E. WALCOTT & ASSOCIATES LIMITED

Coquitlam, British Columbia

SEPTEMBER 2017

TABLE OF CONTENTS

APPENDIX

ACCOMPANYING MAPS

INTRODUCTION.

Between May 24th and 31st, 2017, Peter E. Walcott & Associates Limited undertook electromagnetic (EM) and magnetic surveying for Mo Kaufman over his Gus Property located in southern eastern British Columbia.

The Max-Min electromagnetic surveying was conducted on 9 lines using a 125m cable measuring 4 frequencies; 440,880, 1760, 3520 using an Apex Parametrics Max Min I-10.

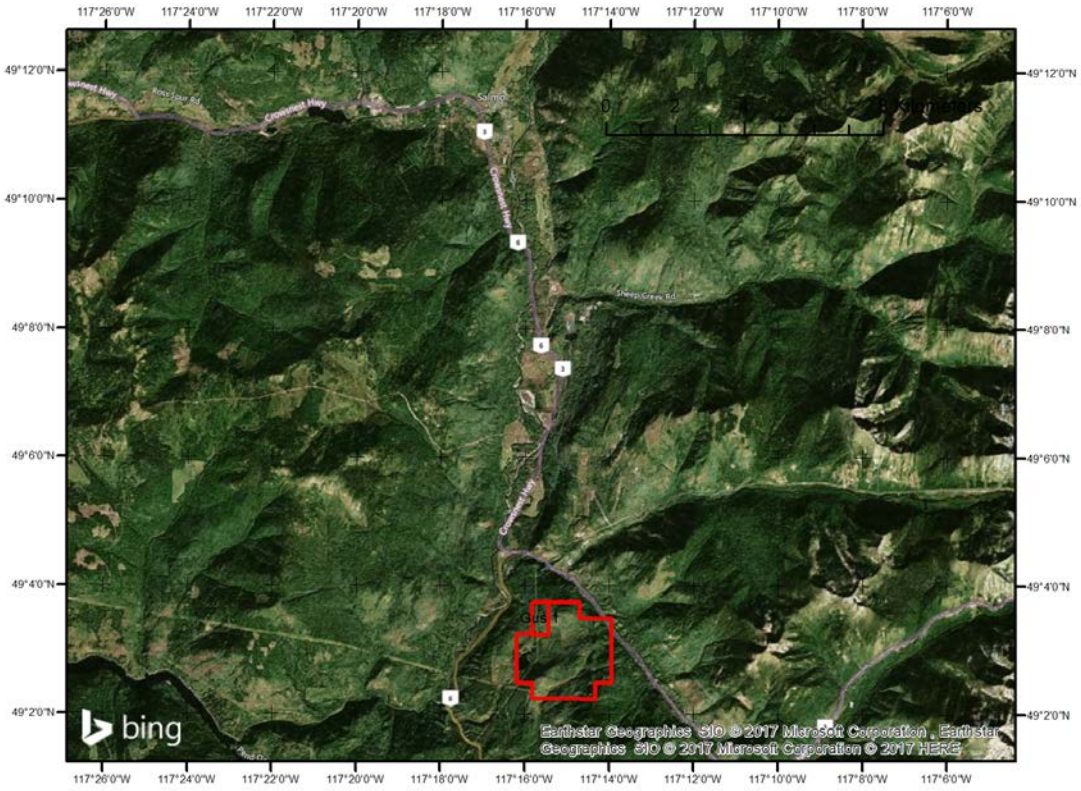
Survey lines were positioned and established by the geophysical crew under the direction of Mo Kaufman.

In addition to afore mentioned surveying, the horizontal and vertical positions of the line stations were obtained by using a Garmin handheld GPS unit.

PROPERTY LOCATION AND ACCESS

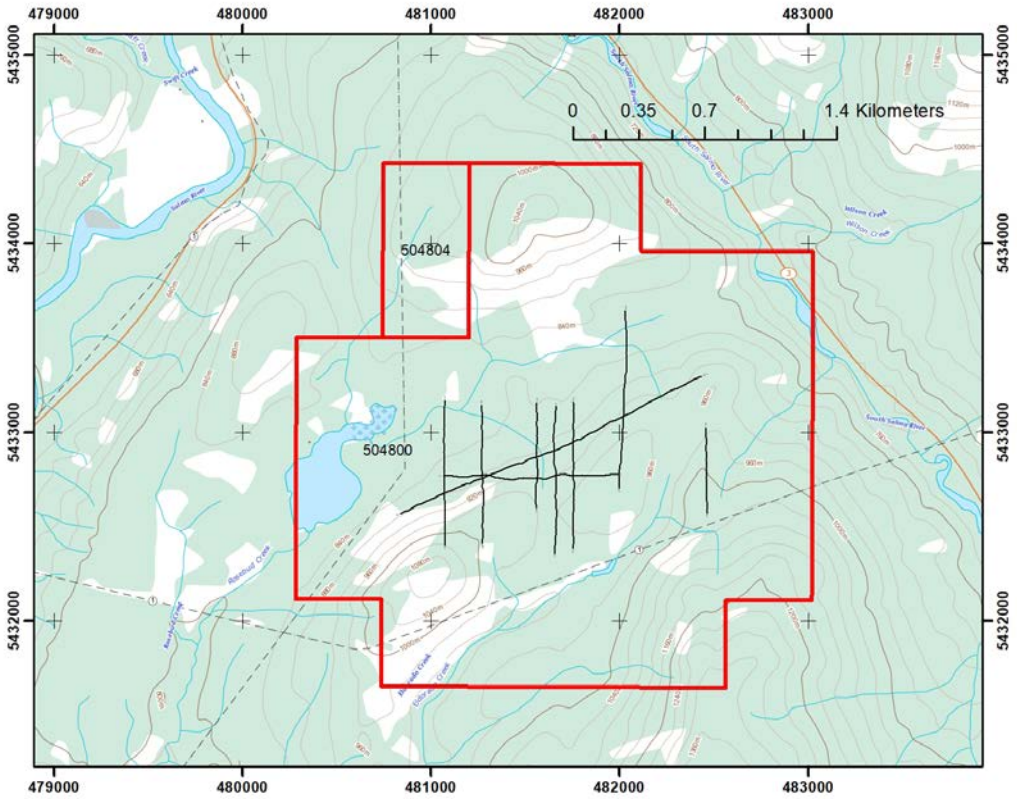
The Gus property is situated some 15 kilometres south of the community of Salmo, British Columbia.

Access to the survey area, was then gained via truck on utilizing Highway 6 and then from a series of forestry roads.



Property Location Map

PROPERTY LOCATION AND ACCESS con't



Claim and MaxMin Line Location Map

PREVIOUS WORK

The property and surrounding area has been the subject of much work over the years.

Ag-Au ore was shipped from the property from 1939 t0 1915, after which the property lapsed.

The claims were re-staked in 1936 and shipment of ore was resumed in 1938 and concluded in 1941.

Prospecting and geological work continued intermittently through the years, and in 1983 a small magnetic and vertical loop EM survey was conducted by the property owner E.R. Rockel.

Lacana carried out extensive soil and rock geochemical surveying in the late 80's, and optioned the property to Orvana Minerals Corp. who drilled one hole in 1992.

After the property was acquired by M.A. Kaufman, Lloyd Geophysics conducted a small VLF and magnetic survey around the old mine site in 1996.

Peter E. Walcott & Associates conducted a one linr gravity traverse acroos the conductor located on the 1996 VLF survey.

In 2004 L. O'Connor conducted a limited horizontal loop EM in and around the three old mines on the property.

For further information the reader is referred to reports written or held by M.A. Kaufman, P.Eng and to the Aris files of the B.C. government.

GEOLOGY

The area is mostly underlain by Lower Cambrian Laib Formation phyllites, middle Cambrian Nedway Formation silty limestones and Middle Ordovician Active Formation argillites, limestone and slates.

The property is mostly overburden covered and outcrops are sparse.

The property is traversed by the northeast trending southeast dipping Black Bluff Thrust Fault which causes the section to be overturned with the dolomites of the Nedway to the south in contact with the argillites of the Active to the north.

Mine production of the high grade silver-gold ores came from the three old mines on the property, to wit the Lone Silver, Davne and Lucky Strike, the veins and shoots of which appear to be structurally controlled.

For further information the reader is referred to the aforementioned reports by M.A. Kaufman from which the above was gleaned, and the respective Aris reports.

PURPOSE

The purpose of the survey was to replicate and relocate the anomalies located on the 2004 survey and to search for indications of additional high grade mineralization on the property.

SURVEY SPECIFICATIONS.

Max-Min Electromagnetic Survey.

The basic principle of any electromagnetic survey is that when conductors are subjected to primary alternating fields secondary magnetic fields are induced in them. Measurements of these secondary fields give indications as to the size, shape and conductivity of conductors. In the absence of conductors no secondary fields are obtained.

The survey was carried out using a Max-Min I-10 electromagnetic unit manufactured by Apex Parametrics of Metropolitan Toronto, Ontario.

Readings of the in phase and quadrature components of the secondary field were made with the coils in the coplanar mode, i.e. maximum coupled, every 25 metres along the picket lines at frequencies of 440, 880, 1760 & 3520 Hz. using a coil separation of 125 metres.

Corrections for topography were made using the % slope between each 25 metre station measured by the receiver operator using a handheld clinometer. In total, some 9.3 line kilometers of surveying was completed.

Magnetic Survey.

The magnetic survey was conducted using a GSM-19 Overhauser rover magnetometer equipped with GPS guidance along with a GSM-19 proton precession base magnetometer, both manufactures by GEM Instruments of Richmond Hill, Ontario.

These instruments measure variations in the total intensity of the earth's magnetic field to an accuracy of plus or minus one nanotesla.

The magnetometer survey was carried out in using GPS guidance over 14 lines on various orientation. Reading were taken at 1 second intervals along line. In total, some 12.5 line kilometers of surveying was completed.

Horizontal control.

The horizontal positions of the stations were recorded using a Garmin GPSmap 62CSx.

SURVEY SPECIFICATIONS cont'd.

Data Presentation.

The EM data is presented as profiles of In Phase and Quadrature of the respective frequencies at a scale of 1:2,000.

The magnetic data is shown as contours of total field intensity of the earth's field on a plan map of the grid at a scale of 1:5,000.

DISCUSSION OF RESULTS

The results of the magnetic survey showed the property to exhibit very little magnetic relief as was the case on previously done magnetic surveys.

A perusal of the map shows a small gradient increasing north westwards, perpendicular to the trace of the Black Bluff fault – the small intense high and lows should be ignored as due to local effects most probably cultural.

In fact the fault trace appears to follow the contact between the gridded green and orange data.

L 100E exhibits somewhat higher readings on either side of the fault.

The results of the EM survey should be studied in conjunction with those obtained on the 2004 survey by L. O'Connor as essentially the same traverses were read on three occasions.

The two most westerly lines have large in phase negative offsets due to the proximity to the power line as seen on the plot of the northerly trending lines.

On this plot three conductors are clearly discernible, the axes of which are labelled A, B and C.

Conductor A, with a strike length of over 200 metres, and undefined in both directions, exhibits moderate to good conductivity and dips shallowly to the north. Its width is indicated on the plot but its signature is likely one of multiple conductors close together.

It has been thoroughly described by O'Connor as he obtained essentially the same profile.

Conductor C, a complex conductive zone of considerable width, is only seen on a single traverse but exhibits similar conductivity to that of A.

It is probably the continuation of A – formational conductor? – though likely offset somewhat northwards by faulting or folding.

Anomaly B is a similarly striking conductor to A but is not well defined due to the large response to the north on L400 W.

The strong positive response(s) around the baseline on L400 W could be indicative of a flat lying conductor in the vicinity of the mine and thrust fault, or be the shoulder of the

DISCUSSION OF RESULTS cont'd.

negative response of B, or a combination of both.

It is located within an area of elevated soil geochemistry and smaller separation work would be needed to resolve this as well as to better define the multi conductor responses of A and C.

The east west traverse – the base line – and north easterly one with their results are shown on a separate plot.

The positive responses on these are attributable to shoulder responses from conductors A and C, and from traversing down the strike of the structure.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

Between May 24th and 31st, 2017, Peter E. Walcott & Associates Limited undertook limited magnetic and electromagnetic (EM) surveying on the Gus property, located near Salmo, B.C., for Mo Kaufman.

The magnetic survey showed the property to exhibit little magnetic relief.

Three conductor axes were located on the EM survey.

The responses of two of them were indicative of banded conductors within an overall conductive zone, and further smaller coil separation work would be needed to better define them.

The third is the least well defined but is located within a soil geochemical anomaly. It also would require further work to resolve its ambiguity.

Prior to undertaking further horizontal loop surveying VLF traversing could be tried to see if it can resolve the ambiguities especially with Conductor B as the causative sources are relatively shallow.

Respectfully submitted

PETER E. WALCOTT & ASSOCIATES LIMITED

Peter E. Walcott, P.Eng.
Geophysicist

Coquitlam, B.C.
September 2017

APPENDIX

COST OF SURVEY

Peter E. Walcott & Associates Limited undertook the survey on a daily basis providing a 4 man crew, Max-Min and Mag equipment, GPS, altimeters and a 4x4 truck at $2,850.00 per day.

Mobilization costs were $4,000.00, while fuel and accommodation were billed at $2,728.50, so that the total cost of services provided was $23,828.50.

PERSONNEL EMPLOYED ON SURVEY.

Name	Occupation	Address	Dates
Peter E. Walcott	Geophysicist	Peter E. Walcott & Associates Limited 111-17 Fawcett Rd. Coquitlam, B.C.	Sept 24th – 26th, 2017
Alexander Walcott	Geophysicist	"	Jul. 8th - 9th, 2017
T. Kocan	Geophysical Operator	"	May 24th – 31st, 2017
M. Magee	"	"	"
F. Cavallin	Geophysical Assistant	"	"
C.Bragg	"	"	'

481000 481200 481400 481600 481800 482000 482200 482400

5433600 5433400 5433200 5433000 5432800 5432600 5432400

100S 240S 240 S

59 E

GUS 8

483,000E

5,433,00N
NAD 27

LINE 1 E

LINE 0 E

L-100 E

L-400 E

L-600 E

GUS 10

GUS 12

GUS 13

GUS 11

GUS 9

GUS 3

GUS 1

LCP Gus 9

LCP Gus 14, 15

D899 N.

SITE 8

SITE 6

SITE 7

Au

C?(A?)

LINE GE

Zn, Au

240

DDH

D888 E

EAST

MK-03-34

swamp outcrop

Davne Mine

MK-03-17

Luck

Black Bluff Thrust Trend

4+00 E

CORONA BL

A

SITE 5

0% 1

LINE 0 N

50 S

Way Pt 30

Black Bluff Thrust Fault

CORONA LINE

Lone Silver Mine

B (A?)

D

SITE 3

SITE 4

SITE 1

SITE 2

MK-02-3, 4, 9, 11, 12

MK-02-2, 10

Laib phyllite
MK-03-30

swamp

WEST SOILS GEOCHEM ANOMALY

FINAL POST
Gus 16

GD 325N 175N 125N 75N 27N

GB 175N 170N 125N 75N 25N

GC 75W 50W

B0 N

L300E

D899 N.

Scale 1:2000

25 0 25 50 75 100 125 150
(meters)

NAD83 / UTM zone 11N

Mo Kaufmann

MAXMIN I-10 ELECTROMAGNETIC SURVEY
PROFILES OF IP/OP

GUS PROPERTY
SALMO AREA, BRITISH COLUMBIA
MAY 2017

PETER E. WALCOTT & ASSOCIATES LIMITED

481000 481200 481400 481600 481800 482000 482200 482400

5433600 5433400 5433200 5433000 5432800 5432600 5432400

L-600 E L-400 E L-100 E L 0 E L 100 E 59 E D999 N D888 E

L-401 E L-100 E L 0 E L100 E L360 E B0 N B0 N

C(A?) A B (A?) D

440 HZ
880 HZ
1760 HZ
3520 HZ
Scale 2 units/mm

Scale 1:2000
25 0 25 50 75 100 125 150
(meters)
NAD83 / UTM zone 11N

Mo Kaufmann

MAXMIN I-10 ELECTROMAGNETIC SURVEY
PROFILES OF IP/OP

GUS PROPERTY
SALMO AREA, BRITISH COLUMBIA
MAY 2017

PETER E. WALCOTT & ASSOCIATES LIMITED

481000
481200
481400
481600
481800
482000
482200
482400

5433600
5433400
5433200
5433000
5432800
5432600
5432400

L-600 E
L-400 E
L-100 E
L0 E
L100 E
L350 E
D888 E

B0 N
B0 N

C(A?)
A
B (A?)
D

440 HZ
880 HZ
1760 HZ
3520 HZ
Scale 2 units/mm

Scale 1:2000
25 0 25 50 75 100 125 150
(meters)
NAD83 / UTM zone 11N

Mo Kaufmann

MAXMIN I-10 ELECTROMAGNETIC SURVEY
PROFILES OF IP/OP

GUS PROPERTY
SALMO AREA, BRITISH COLUMBIA
MAY 2017

PETER E. WALCOTT & ASSOCIATES LIMITED

481000 481200 481400 481600 481800 482000 482200 482400

5433800 5433600 5433400 5433200 5433000 5432800 5432600 5432400

L7 N

L-600 E L-400 E L-200 E L-100 E L0 E L100 E

54900 54920 54940 54880

B0 N

L350 E

D888 E

L-600 E L-400 E L-200 E L-100 E L0 E L100 E

L13 E L12 E L-100 E L0 E L100 E

54840 54820 54800 54780

54996.6
54990.1
54983.6
54977.1
54970.7
54964.2
54957.7
54951.2
54944.7
54938.2
54931.7
54925.2
54918.7
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54879.8
54873.3
54866.8
54860.3
54853.8
54847.3
54840.9
54834.4
54827.9
54821.4
54814.9
54808.4
54801.9
54795.4
54788.9
54782.4
54776.0
54769.5
54763.0
54756.5

nT

Scale 1:5000

100 0 100 200 300

(meters)

MO KAUFMAN

GROUNDMAGNETIC SURVEY
CONTOURS OF TOTAL FIELD INTENSITY (nT)

GUS PROPERTY
SALMO AREA, BRITISH COLUMBIA
MAY 2017

PETER E. WALCOTT & ASSOCIATES LIMITED

Gus claims Claim Map

Mineral Titles Layers

- **Gus claims Tenure**
- **All Mineral Tenures**

Topographic Layers

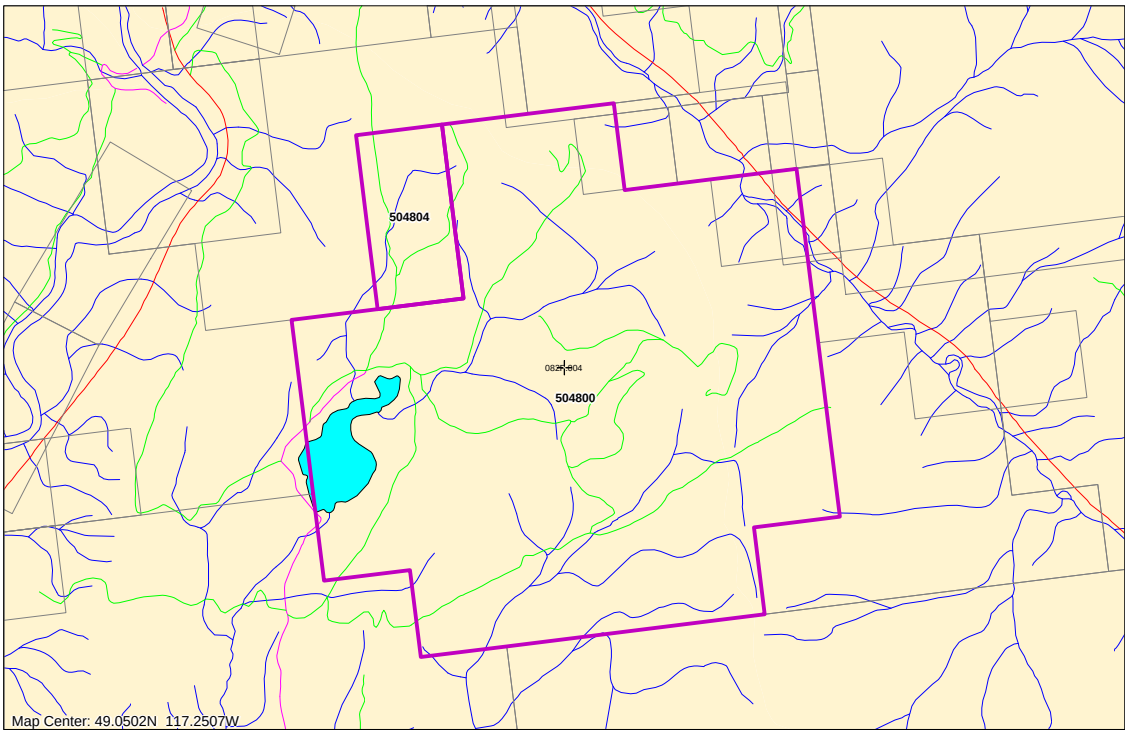
- **Railways 1:20K**
- **Roads 1:20K**
  - Gravel Road
  - Paved Road
  - Rough Road
- **Lakes 1:20K**
- **Rivers 1:20K**

Grid Layers

- **Grid 1:20K - labels**
- **Grid 1:20K - outline**

BC Border Layers

- **BC Border 1:50K**



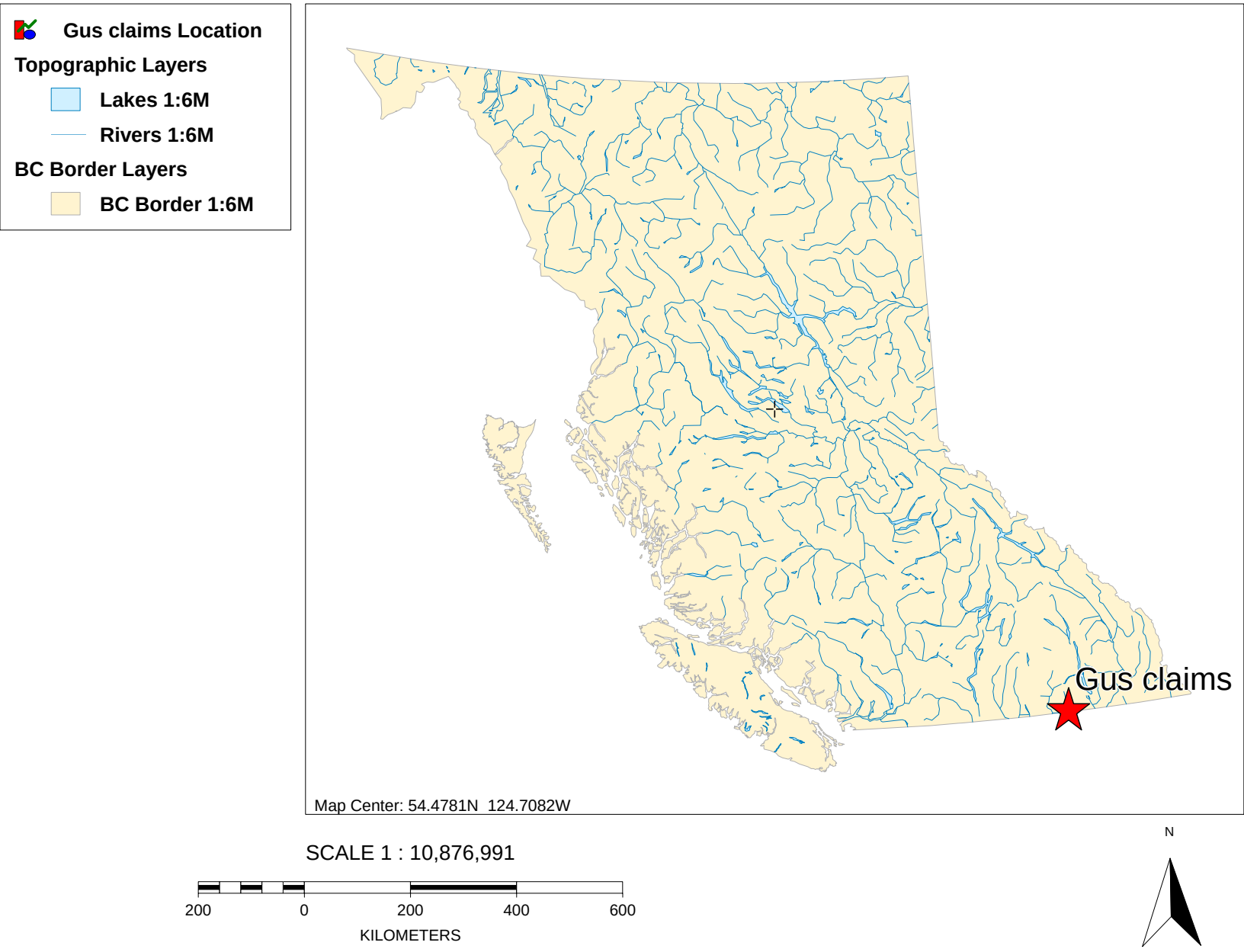
SCALE 1 : 39,913

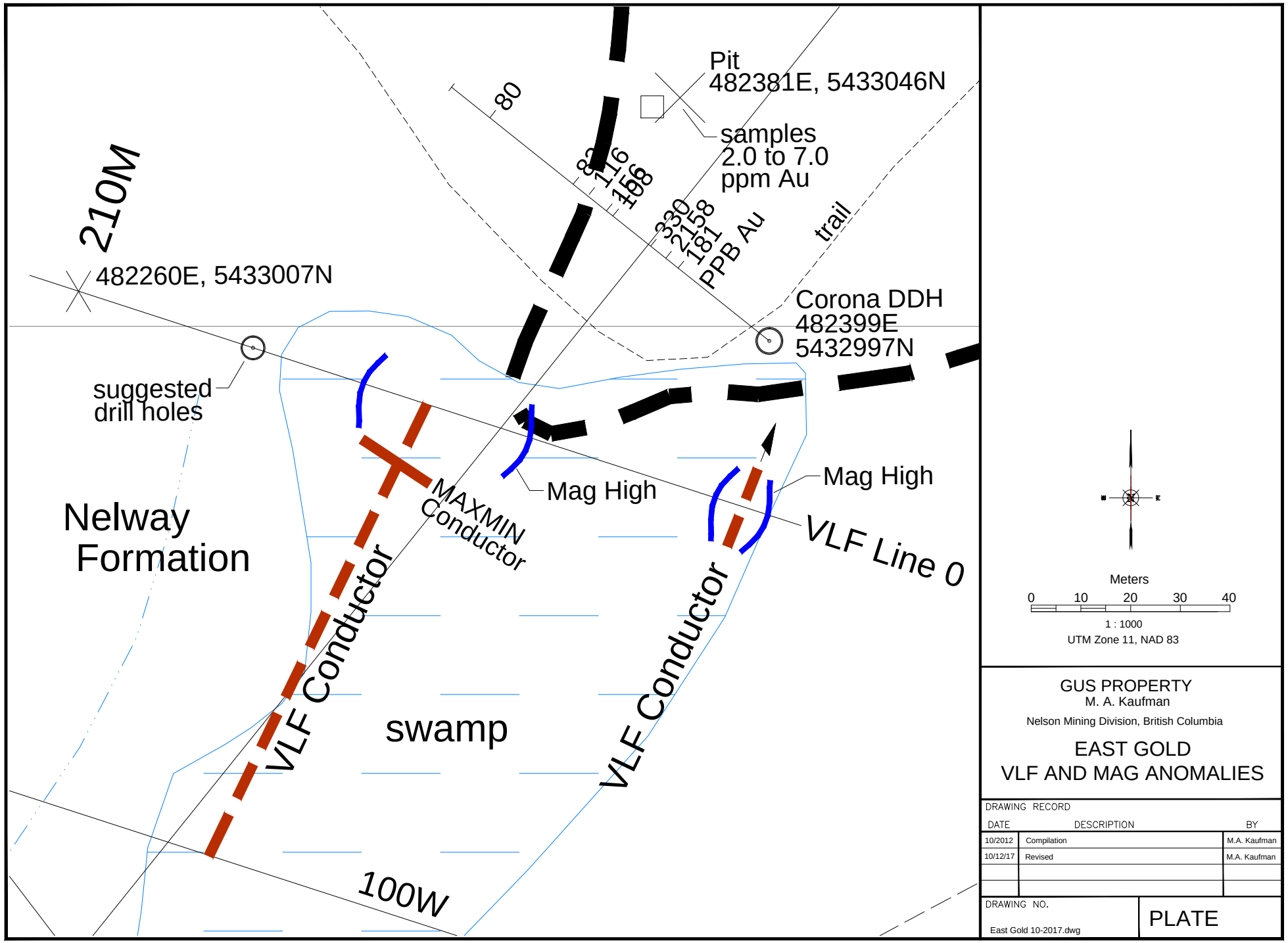
1 0 1 2 3

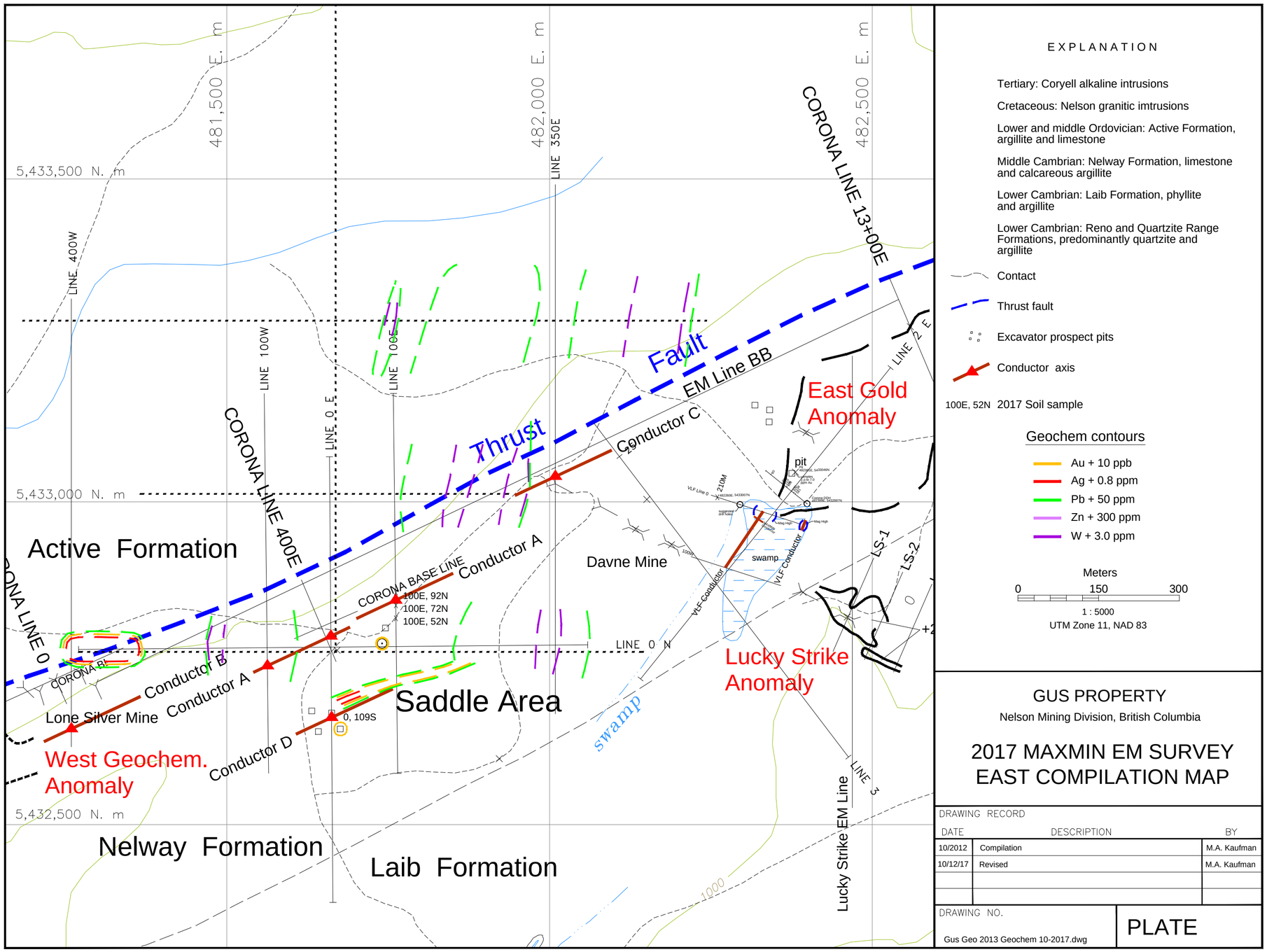
KILOMETERS

N

Gus claims Location Map




Pit
482381E, 5433046N
samples
2.0 to 7.0
ppm Au
80
82
116
156
188
330
2158
181
PPB Au
trail
210M
482260E, 5433007N
Corona DDH
482399E
5432997N
suggested
drill holes
Mag High
Mag High
MAXMIN
Conductor
VLF Conductor
VLF Conductor
VLF Line 0
Nelway
Formation
swamp
100W
Meters
0 10 20 30 40
1 : 1000
UTM Zone 11, NAD 83
GUS PROPERTY
M. A. Kaufman
Nelson Mining Division, British Columbia
EAST GOLD
VLF AND MAG ANOMALIES
DRAWING RECORD
DATE DESCRIPTION BY
10/2012 Compilation M.A. Kaufman
10/12/17 Revised M.A. Kaufman
DRAWING NO.
East Gold 10-2017.dwg
PLATE



EXPLANATION

Tertiary: Coryell alkaline intrusions

Cretaceous: Nelson granitic imtrusions

Lower and middle Ordovician: Active Formation, argillite and limestone

Middle Cambrian: Nelway Formation, limestone and calcareous argillite

Lower Cambrian: Laib Formation, phyllite and argillite

Lower Cambrian: Reno and Quartzite Range Formations, predominantly quartzite and argillite

Contact

Thrust fault

Excavator prospect pits

Conductor axis

100E, 52N 2017 Soil sample

Geochem contours

- Au + 10 ppb
- Ag + 0.8 ppm
- Pb + 50 ppm
- Zn + 300 ppm
- W + 3.0 ppm

Meters

0 150 300

1 : 5000

UTM Zone 11, NAD 83

GUS PROPERTY

Nelson Mining Division, British Columbia

2017 MAXMIN EM SURVEY EAST COMPILATION MAP

DRAWING RECORD

DATE	DESCRIPTION	BY
10/2012	Compilation	M.A. Kaufman
10/12/17	Revised	M.A. Kaufman

DRAWING NO.

Gus Geo 2013 Geochem 10-2017.dwg

PLATE

Rosebud Lake

5,432,800 N.

5,432,600 N.

5,432,400 N.

5,432,200 N.

480,600 E.

480,800 E.

481,000 E.

481,200 E.

481,400 E.

GUS 12

GUS 13

GUS 11

GUS 16

EM Line 0

EM Line BB

LINE 600 W

LINE 400 W

100 W

200 W

300 W

CORONA LINE 0

50 S

100 S

APPROX. OLD CORONA BASE LINE

Black Bluff Thrust Fault

escorpment

GPS, NAD 83
481,142E., 5,432,741N.

Dump muck - 0.6 opt Ag

Dump muck - 1.5 opt Ag

#3 Adit
El. 780m

Adit
collapsed
El. 840m

0.34 opt Ag

Dump rock
0.17opt Au, 4.10 opt Ag

#5 Adit
El. 785m

#1 Adit
El. 740m

#4 Adit
El. 845m

6.3 opt Ag

0.12 opt Au, 6.87 opt Ag

#2 Adit
collapsed

275 ppb Au, 14 opt Ag

3.0 opt Ag

2.0 opt Ag

0.1 opt Ag
0.1 opt Ag

1.2 opt Ag
dolomite
wall rock

1 meter vertical sample
Shear zone - 0.01 opt Au, 71 opt Ag
Dolomite - 0.12 opt Au, 5 opt Ag
Lower Vein - 0.9 opt Au, 33.5 opt Ag

400W,80S
blocky dolomite
banded dolomite, limey argillite

banded graphitic dolomite
banded dolomite
banded gray dolomite

400W,100S
400W,120S

Conductor B
Lone Silver Mine

600W,198S
600W,218S
600W,238S

Conductor B

MK-98-1
604, 105
-70 vert.

2016 GUS-01 - GUS-03

2016 GUS-08 - GUS-11

LEGEND

Sample point showing
Au ppm, Ag ppb, Pb ppm, Zn ppm
2016 Au assay results are in ppm.
All pre 2016 Au results are in ppb.
All other element results are in ppm.

Area of outcrop

Area of float, close to source

All rock observed is dolomite lime at the localities west of 500 W, it is sandy dolomite.

MK-98-1 Rock sample assay:
Ag <0.1 ppm, Pb <5 ppm, Zn 8 ppm

Maximin EM conductor peak

100E, 52N 2017 Soil sample

Geochem contours

- Au + 20 ppb
- Ag + 0.8 ppm
- Pb + 50 ppm
- Zn + 300 ppm

Meters
0 20 40 60 80 100
1:2000

GUS CLAIM GROUP

NELSON MINING DISTRICT, BRITISH COLUMBIA

WEST GEOCHEM ANOMALY - LONE SILVER MINE 2017 COMPILATION MAP

INCLUDING 2017 MAXMIN CONDUCTOR AXES AND SOILS SAMPLES FOLLOW UP

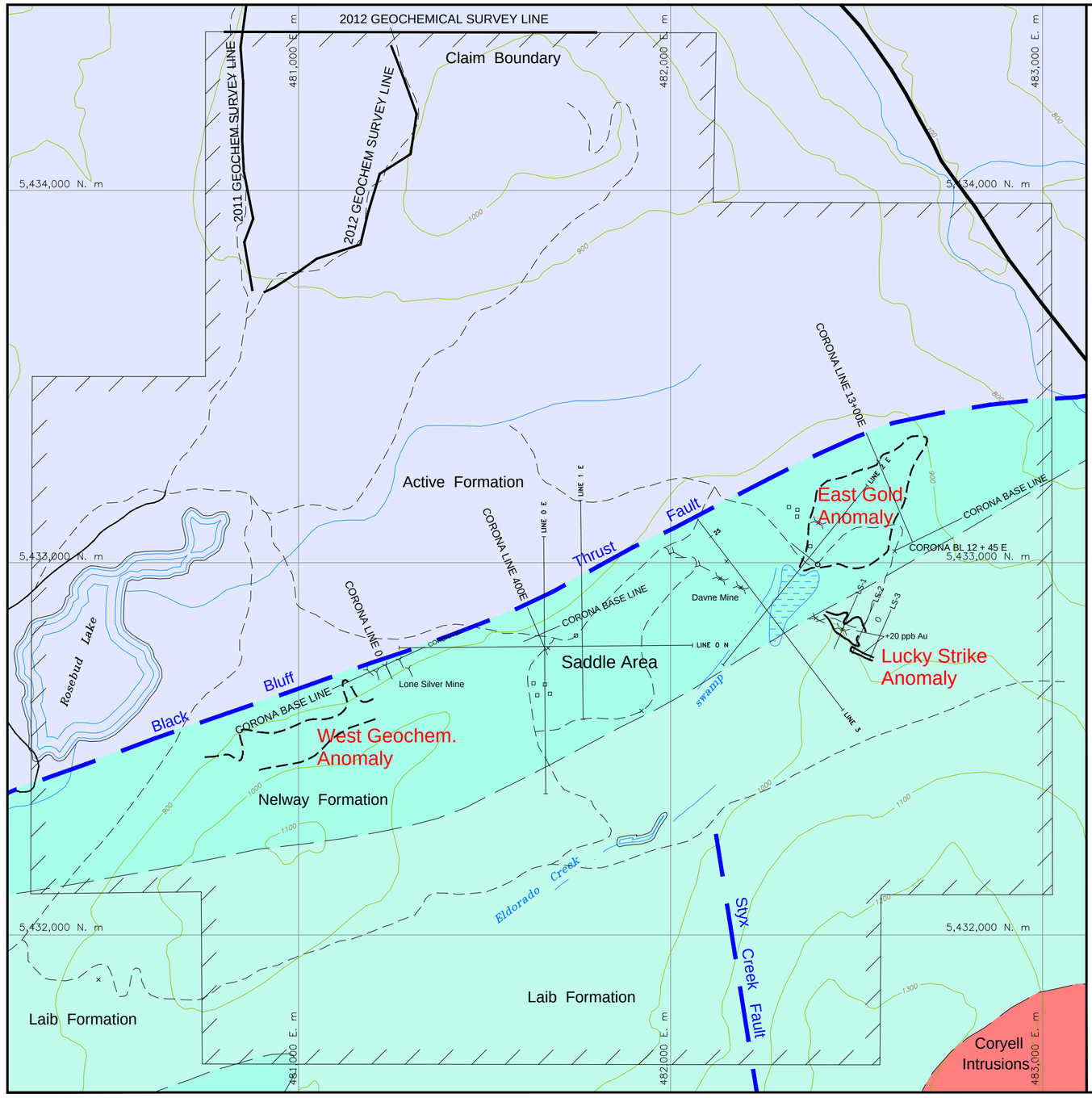
DRAWING RECORD

DATE	DESCRIPTION	BY
10/16/98	Compilation	M.A. Kaufman
12/10/15	Revised	M.A. Kaufman
10/12/17	Revised	M.A. Kaufman

DRAWING NO.

Gus-West Geochem - Lone Silver 10-2017.dwg

PLATE



EXPLANATION

- Tertiary: Coryell alkaline intrusions
- Cretaceous: Nelson granitic imtrusions
- Lower and middle Ordovician: Active Formation, argillite and limestone
- Middle Cambrian: Nelway Formation, limestone and calcareous argillite
- Lower Cambrian: Laib Formation, phyllite and argillite
- Lower Cambrian: Reno and Quartzite Range Formations, predominantly quartzite and argillite
- Contact
- Thrust fault
- Excavator prospect pits

Meters

0 250 500

1 : 10,000

UTM Zone 11, NAD 83

M. A. Kaufman

GUS PROPERTY

Nelson Mining Division, British Columbia

2012 REPORT

SOILS GEOCHEMICAL SURVEYS
2011 AND 2012

Oct. 10, 2012

ALS Canada Ltd.

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To: M.A. KAUFMAN
10805 EAST 23RD AVE
SPOKANE VALLEY WA 99206- 5677
USA

Finalized Date: 30- JUL- 2017
This copy reported on
31- JUL- 2017
Account: MAKAUF

CERTIFICATE KL17143211

Project: GUS

This report is for 10 Soil samples submitted to our lab in Kamloops, BC, Canada on 12- JUL- 2017.

The following have access to data associated with this certificate:

MIKE CATHRO	M.A. KAUFMAN	

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI- 21	Received Sample Weight
LOG- 22	Sample login - Rcd w/o BarCode
SCR- 41	Screen to - 180um and save both

ANALYTICAL PROCEDURES

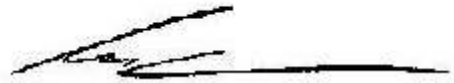
ALS CODE	DESCRIPTION	INSTRUMENT
Au- ICP21	Au 30g FA ICP- AES Finish	ICP- AES
ME- MS41	Ultra Trace Aqua Regia ICP- MS	

To: M.A. KAUFMAN
ATTN: M.A. KAUFMAN
10805 EAST 23RD AVE
SPOKANE VALLEY WA 99206- 5677
USA

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

***** See Appendix Page for comments regarding this certificate *****

Signature:



Colin Ramshaw, Vancouver Laboratory Manager

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Account: MAKAUF

Project: GUS

CERTIFICATE OF ANALYSIS KL17143211

Sample Description	Method	WEI- 21	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Recvd Wt.	Ag	Al	As	Au	B	Ba	Be	Bi	Ca	Cd	Ce	Co	Cr	Cs
	Units	kg	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
	LOR	0.02	0.01	0.01	0.1	0.02	10	10	0.05	0.01	0.01	0.01	0.02	0.1	1	0.05
L100E052N		0.39	0.43	2.92	9.4	<0.02	<10	260	0.97	0.49	0.27	0.67	41.9	8.5	22	2.26
L100E072N		0.29	0.36	2.86	61.4	<0.02	<10	190	0.90	0.55	0.24	0.56	41.9	9.3	25	2.34
L100E092N		0.45	0.56	2.69	9.0	<0.02	<10	250	0.84	0.58	0.29	0.62	39.7	9.3	25	2.28
L400W080S		0.37	0.25	2.17	5.5	<0.02	<10	210	0.63	0.36	0.28	0.34	36.2	9.7	25	2.08
L400W100S		0.38	0.29	1.91	5.0	<0.02	<10	220	0.51	0.34	0.32	0.33	31.2	7.2	21	1.84
L400W120S		0.32	0.18	2.40	8.7	<0.02	<10	200	0.98	0.26	0.53	0.32	56.0	15.1	18	1.50
L600W198S		0.33	5.32	3.05	10.3	0.10	<10	210	1.21	0.47	0.73	3.16	40.2	9.7	28	2.53
L600W218S		0.32	0.64	3.10	8.7	<0.02	<10	250	1.14	0.53	0.73	1.45	42.4	11.0	29	2.43
L600W238S		0.31	0.13	2.92	5.5	<0.02	<10	280	0.98	0.66	0.39	0.70	38.5	10.8	30	2.72
L000109S		0.32	0.53	2.62	9.1	<0.02	<10	200	0.72	0.42	0.26	0.71	40.0	8.6	23	2.05

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USA

Finalized Date: 30- JUL- 2017
Account: MAKAUF

Project: GUS

CERTIFICATE OF ANALYSIS KL17143211

Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Cu	Fe	Ga	Ge	Hf	Hg	In	K	La	Li	Mg	Mn	Mo	Na	Nb
	Units	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	%	ppm
	LOR	0.2	0.01	0.05	0.05	0.02	0.01	0.005	0.01	0.2	0.1	0.01	5	0.05	0.01	0.05
L100E052N		15.1	2.10	7.84	<0.05	0.15	0.03	0.029	0.13	14.9	19.7	0.31	504	0.71	0.03	2.32
L100E072N		22.1	2.19	7.56	0.05	0.18	0.04	0.027	0.17	18.9	19.9	0.34	220	0.65	0.03	2.40
L100E092N		26.8	2.20	7.29	0.06	0.20	0.04	0.024	0.18	17.8	20.2	0.38	180	0.69	0.03	1.98
L400W080S		24.2	2.23	6.14	0.05	0.05	0.02	0.024	0.24	19.1	19.5	0.57	298	1.32	0.02	1.70
L400W100S		17.0	1.88	5.31	<0.05	0.07	0.02	0.020	0.18	14.6	15.9	0.36	210	0.90	0.02	1.67
L400W120S		17.6	3.36	5.96	0.06	0.18	0.02	0.044	0.12	26.0	23.6	0.49	674	1.23	0.03	1.44
L600W198S		46.3	3.00	7.80	0.06	0.15	0.05	0.103	0.16	20.4	20.5	0.69	555	1.45	0.04	1.74
L600W218S		28.2	3.15	8.14	0.06	0.29	0.03	0.060	0.16	20.3	21.0	0.67	554	1.53	0.03	2.45
L600W238S		18.3	2.63	8.08	0.05	0.15	0.03	0.031	0.18	17.8	20.0	0.49	555	1.18	0.03	2.46
L000109S		16.8	2.15	6.92	<0.05	0.21	0.04	0.024	0.11	14.0	18.2	0.34	204	0.60	0.03	1.90

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Project: GUS

CERTIFICATE OF ANALYSIS KL17143211

Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Ni	P	Pb	Rb	Re	S	Sb	Sc	Se	Sn	Sr	Ta	Te	Th	Ti
	Units	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%
	LOR	0.2	10	0.2	0.1	0.001	0.01	0.05	0.1	0.2	0.2	0.2	0.01	0.01	0.2	0.005
L100E052N		30.0	2560	17.1	17.5	<0.001	0.01	0.33	3.5	0.5	0.8	24.5	0.04	0.02	3.8	0.111
L100E072N		29.3	2360	18.3	18.5	<0.001	0.01	0.40	4.2	0.5	0.7	20.3	0.04	0.02	4.5	0.108
L100E092N		27.9	1510	16.8	22.4	<0.001	0.01	0.41	4.0	0.6	0.7	23.5	0.02	0.02	5.0	0.108
L400W080S		31.5	1200	18.2	24.8	<0.001	0.01	0.67	3.1	0.5	0.5	18.7	<0.01	0.02	4.0	0.074
L400W100S		27.7	860	13.3	22.5	<0.001	0.01	0.50	2.5	0.4	0.5	19.1	<0.01	0.01	3.6	0.072
L400W120S		40.0	1190	35.9	16.1	<0.001	0.02	0.82	5.4	0.8	0.6	26.6	0.01	0.02	6.6	0.072
L600W198S		36.5	2870	600	28.1	<0.001	0.01	9.15	4.7	0.8	13.3	24.1	0.01	0.03	4.8	0.108
L600W218S		40.6	1760	160.5	29.5	<0.001	0.01	4.68	4.8	0.7	1.4	18.6	0.01	0.04	5.9	0.110
L600W238S		34.9	960	35.4	30.3	<0.001	0.01	0.99	4.0	0.5	0.9	17.6	<0.01	0.03	4.8	0.107
L000109S		25.2	2010	13.1	19.3	<0.001	0.01	0.34	3.3	0.3	0.7	17.8	0.03	0.01	5.0	0.102

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Account: MAKAUF

Project: GUS

CERTIFICATE OF ANALYSIS KL17143211

Sample Description	Method Analyte Units LOR	ME- MS41 Tl ppm 0.02	ME- MS41 U ppm 0.05	ME- MS41 V ppm 1	ME- MS41 W ppm 0.05	ME- MS41 Y ppm 0.05	ME- MS41 Zn ppm 2	ME- MS41 Zr ppm 0.5	Au- ICP21 Au ppm 0.001
L100E052N		0.18	0.83	35	1.70	7.27	194	10.1	0.002
L100E072N		0.19	1.10	40	2.38	11.00	148	13.4	0.003
L100E092N		0.21	1.13	39	1.96	9.80	136	14.8	0.002
L400W080S		0.23	0.90	45	0.61	9.61	133	2.9	0.003
L400W100S		0.17	0.57	34	0.60	5.22	117	3.7	0.001
L400W120S		0.16	0.73	34	0.34	19.40	95	9.6	0.001
L600W198S		0.27	1.16	71	2.16	18.45	939	10.6	0.301
L600W218S		0.32	0.78	68	1.25	15.60	333	18.0	0.005
L600W238S		0.24	0.74	47	1.10	9.34	172	8.5	0.002
L000109S		0.16	0.96	35	0.95	6.15	156	14.8	0.002

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CERTIFICATE OF ANALYSIS KL17143211

CERTIFICATE COMMENTS

ANALYTICAL COMMENTS

Applies to Method: Gold determinations by this method are semi- quantitative due to the small sample weight used (0.5g).
ME- MS41

LABORATORY ADDRESSES

Applies to Method: Processed at ALS Kamloops located at 2953 Shuswap Drive, Kamloops, BC, Canada.
LOG- 22 SCR- 41 WEI- 21

Applies to Method: Processed at ALS Vancouver located at 2103 Dollarton Hwy, North Vancouver, BC, Canada.
Au- ICP21 ME- MS41