

**National Instrument 43-101 Technical Report**

**on the**

**GOLD DROP PROPERTY**

Greenwood Mining Division  
Southern British Columbia, Canada

NTS Map Sheet 82E/2

Latitude: 49.175 degrees N      Longitude: 118.611 degrees E

Prepared for:

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## Table of Contents

	<b>Page</b>
1.0 SUMMARY	1
2.0 INTRODUCTION	5
3.0 RELIANCE ON OTHER EXPERTS	6
4.0 PROPERTY DESCRIPTION AND LOCATION	6
5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY	14
5.1 Accessibility	14
5.2 Climate	14
5.3 Local Resources and Infrastructure	15
5.4 Physiography	15
6.0 HISTORY	16
6.1 East Region (including Historic Gold Drop and North Star Mines)	17
6.2 Northwest Region (including Alice, Amandy, Lady of the Lake, Lakeview, Moonlight and Roderick Dhu Veins)	41
6.3 Additional Previous Work	46
7.0 GEOLOGICAL SETTING AND MINERALIZATION	47
7.1 Regional and Local Geology	47
7.2 Property Geology	49
7.3 Mineralization	50
7.3.1 Gold Drop - North Star (BC MINFILE 082ESE152, 153)	51
7.3.2 Amandy (BC MINFILE 082ESE126)	53
7.3.3 Other Mineralized Veins	53
8.0 DEPOSIT TYPES	56
9.0 EXPLORATION	57
10.0 DRILLING	57
11.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY	58
12.0 DATA VERIFICATION	60
13.0 MINERAL PROCESSING AND METALLURGICAL TESTING	60
14.0 MINERAL RESOURCE ESTIMATES	61
15.0 – 22.0 are omitted from this report since the property is not an Advanced Property	
23.0 ADJACENT PROPERTIES	61
24.0 OTHER RELEVANT DATA AND INFORMATION	63
25.0 INTERPRETATION AND CONCLUSIONS	63
26.0 RECOMMENDATIONS	66
27.0 REFERENCES	68
28.0 STATEMENT OF QUALIFICATION AND SIGNATURE PAGE	72

## List of Figures

	Page
Figure 1: Gold Drop Property Location Map - Southern British Columbia	10
Figure 2: Gold Drop Property Location Map - Kootenay Boundary Regional District	11
Figure 3: Gold Drop Property Mineral Tenure Map	12
Figure 4: Gold Drop Property Mineral Tenure Map and MINFILE Occurrences	13
Figure 5: Gold Drop - North Star Area Plan Map (source: Caron, 2014 - Figure 7)	22
Figure 6: North Star Workings Plan Map with Historical Sample Locations and Gold Analytical Values (source: Caron, 2014 - Figure 8)	23
Figure 7: Gold Drop Workings Plan Map with Historical Sample Locations and Gold Analytical Values (source: Caron, 2014 - Figure 10)	24
Figure 8: Kenar Resources 1983 Silent Friend Trench Location Map (source: Peto, 1983 - Figure 10)	26
Figure 9: Property Geology – Eastern Region (source: Caron, 2014 - Figure 6)	28
Figure 10: North Star Workings: #3 Level Plan Map (source: Caron, 2014 – Figure 9)	32
Figure 11: Ximen Mining 2014 Trench Location Map: Gold Drop – North Star Vein Area	34
Figure 12: Ximen Mining Gold Drop Trench 2014-1	35
Figure 13: Ximen Mining Gold Drop Trench 2014-2	36
Figure 14: Ximen Mining 2014 Trench Location Map: Ken Vein Area	40
Figure 15: Ximen Mining 2015 Prospecting Rock Sample Location Map: West Area	42

## **1.0 SUMMARY**

The Gold Drop property of Revolver Resources Inc. is centered approximately 9 kilometres northeast of Greenwood, in southern British Columbia, Canada. The property consists of 11 mineral claims and 9 crown grants covering an area of approximately 2150 hectares. The property covers geologically prospective ground in the Greenwood Mining Division. The property hosts numerous gold and silver bearing quartz vein occurrences, four of which were mined.

The property is subject to an option agreement between Revolver Resources Inc. and Ximen Mining Corp. Under the Agreement, Revolver may acquire a 100% interest in the property by making certain staged cash payments and share payments of common shares in the capital of Revolver to Ximen over a four year period equal to a total of \$400,000 in cash and such number of common shares equal to \$600,000, plus 1,000,000 common shares of Revolver within five business days following approval of the agreement by the TSX Venture Exchange and work expenditures on the property of \$1,000,000. Ximen will retain a 2.5% net smelter return royalty (NSR Royalty). Revolver may purchase 1% of the NSR Royalty for \$1,000,000. Upon the acquisition of the property by Revolver, Ximen will have a right for nine months thereafter to elect to form a joint venture with Revolver by paying to Revolver the amount of money equal to 30% of the total amount expended on the property by Revolver. If Ximen exercises this joint-venture right, Ximen and Revolver will enter into a joint venture for the exploration and development of the property.

The property is also subject to two underlying agreements. The property is subject to an agreement between Ximen Mining Corp. and 0979475 B.C. Ltd regarding all mineral claims and crown grants. Ximen has made all required payments for this agreement. This agreement is subject to a 2% Net Smelter Royalty (NSR). Ximen can purchase 1% of the NSR for \$1 million. Certain claims and crown grants in the eastern region of the property are subject to an agreement between 0979475 B.C. Ltd. and Edward Brown. The required payments have been made for this agreement. This underlying agreement is subject to a 2% NSR, of which 1% can be purchased for \$500,000, and a 3 kilometre area of interest from the boundary of the mineral claims covered by the agreement.

This report was prepared at the request of Revolver Resources Inc. to summarize historic work on the property (including that by Ximen since 2014), and, if warranted, to make recommendations for further work. A National Instrument 43-101 Technical Report on the Gold Drop property was completed by Linda Caron, M.Sc., P.Eng. for Ximen (effective date October 29, 2013; revised date January 21, 2014). The property has expanded and Ximen has conducted exploration on the property since the date of the Caron Technical Report.

The Property hosts 8 low-sulfide, gold and silver bearing quartz veins or quartz vein systems as documented in British Columbia MINFILE mineral occurrence records. These are the North Star

(082ESE152), Gold Drop (082ESE153), Amandy (082ESE126), Alice (082ESE225), Lady of the Lake (082ESE127), Roderick Dhu (082ESE125), Moonlight (082ESE224) and Lake View (082ESE056) MINFILE occurrences. These veins also contain lead and plus or minus copper, zinc. Other gold and silver bearing quartz veins reported within the property include the Ken, Silent Friend and Old Bird veins in the east region and local veins in the southern region. The historic Dentonia Mine (gold and silver bearing vein) occurs on an adjacent property.

The earliest historic work on the property occurred during the 1890's to early 1900's, when most of the veins were discovered. Most of the underground development - mining occurred during the mid-1920's to 1941. A few diamond drilling programs were conducted during the 1940's of which results are not available. Sporadic exploration has been conducted since the 1980's, some of which included surface and underground exploration sampling, local trenching and one small diamond drilling program. There was minor production in the 1980's from dump material. The 1981 drill program at the Gold Drop - North Star vein failed to intersect gold bearing veins. Possible contributing factors were poor core recovery, faulting, vein pinching, and gold nugget effect. Property-scale systematic exploration using modern techniques is lacking.

Small-scale intermittent mining was conducted at the Gold Drop, North Star and Amandy veins totalling 7572 tonnes with 5.2 g/t Au and 93.4 g/t Ag recovered. This included 5,067 tonnes of low grade material mined in 1934-35. Excluding this tonnage, recovery from the remaining 2505 tonnes was 13.1 g/t Au and 133.7 g/t Ag. Minor production is reported during 1940 at the Roderick Dhu vein totalling 25 tonnes mined and 19.9 g/t Au and 275 g/t Ag recovered.

“Metamorphic rocks of the Paleozoic Knob Hill Complex underlie the claims. These rocks have been intruded by granodiorite and diorite of the Jurassic - Cretaceous Nelson Plutonic suite and by biotite syenite and diorite / andesite dykes of the Eocene Coryell suite. Gold-bearing veins in the area post-date the Nelson intrusives and pre-date the Coryell suite. The area is complexly faulted, including north-trending, steeply-dipping strike-slip and normal faults, and low-angle detachment-type faults, both of which post-date mineralization” (Caron, 2014).

The Gold Drop - North Star vein is reported to be “a highly irregular vein, which pinches and swells from narrow quartz stringers or gouge-filled zones to a massive vein greater than 3.5 m wide”; having variable dips to the east; and “abrupt deflections in strike and dip of the vein structure are common, along with splits, splays, faulting, lensing, and intrusion by narrow irregular dykes” (Caron, 2014). “In some places, thickened portions of the vein and ore shoots occur at abrupt changes in vein attitude” (Caron, 2014). Linda Caron outlined multiple sets of faults in the North Star workings during 2013, some post-dating the vein. Caron noted “pods and lenses of pyrite with lesser galena, chalcopyrite, sphalerite, tellurides and minor free gold” in the vein (Caron, 2014).

Since the Caron Technical Report, Ximen conducted trenching during 2014 in the eastern region of the property and limited local prospecting. The trenching was mainly in the area of the Gold Drop - North Star vein plus a few trenches near the Ken vein shaft. The trenches were mapped for host rock lithology and quartz veins in June 2015. A total of 50 grab samples of quartz vein bedrock and rubble were collected in and adjacent to the trenches, some barren of sulfides and others with pyrite plus or minus galena, chalcopyrite and possible tellurides. The 2015 observations and analytical results further establish the erratic distribution and nugget effect of gold at the Gold Drop - North Star vein system. The historical and 2015 analytical results also reveal a correlation between some higher gold and silver values and higher lead values (some with higher copper values).

Two Ximen trenches (T14-5 and T14-6) follow the North Star part of the vein approximately north from the area of historic underground workings. The vein in these trenches pinches and swells with local off-shoots or splays. Numerous flakes of visible gold occur in one small part of the vein (was not sampled), an example of the nugget effect. Numerous grab samples of quartz vein (with plus or minus pyrite) from these two trenches returned insignificant gold assays to 1.73 g/t Au. A sample of quartz vein rubble with pyrite, galena and chalcopyrite returned 7.03 g/t Au and 48 g/t Ag. Two intersecting trenches (T14-3 and T14-3A) further south and northwest of the Upper North Star Adit reveal the complexity of the vein(s), with two or more quartz veins of variable strike and dip and variable width; and shearing. A wide part of one vein (greater than 1 metre wide) with nil sulfides was systematically grab-sampled, with all samples returning less than 1 g/t Au. Grab samples from a near-by quartz vein (up to 50 centimetres wide) with pyrite and galena returned 12.2 g/t Au and 78 g/t Ag; and 12.55 g/t Au and 100 g/t Ag. A sample of similarly mineralized quartz rubble near this trench returned 159 g/t Au and 744 g/t Ag.

Two Ximen trenches were excavated in the area of the Gold Drop workings. One trench west of the workings (T14-1) exposed narrow (up to 30 centimetres wide) northwest striking quartz veins. One vein grab sample with pyrite, galena and chalcopyrite returned 19.95 g/t Au, possibly representing an ore shoot. The second trench (T14-2), immediately west of the Upper Gold Drop Adit, exposed a northeast striking quartz vein (up to 1.2 metres wide), possibly being the Gold Drop vein or a splay off the main vein. Grab samples of this pyrite bearing quartz vein returned 0.33 - 2.4 g/t Au. Trenching approximately 860 metres further east at the Ken vein shaft exposed a discontinuous, narrow (up to 30 centimetres wide) northeast striking quartz vein. This vein contains pyrite, chalcopyrite, malachite and galena. Two grab samples of the vein returned 0.51 and 0.81 g/t Au.

Ximen conducted very limited prospecting in the southeast and northwest regions of the property during 2015. No quartz veins were located in the southeast region. A few open-cuts or shallow shafts were located in the northwest region in the area of the Amandy occurrence. Metasediment float samples (some with quartz veins) from this region returned anomalous gold values (up to 0.032 ppm Au).

A two - phase \$600,000 program is recommended to further explore the property and to assess the potential for small-scale mining of high-grade gold and silver bearing quartz veins. It is recommended the work be focused in five priority areas.

The first priority is the area of the historic Gold Drop - North Star workings, located in the east region of the property. Historic mining and sampling (including more recent sampling in 2013 and 2015) has indicated higher grade gold and silver locally in the vein with reported samples exceeding 1 oz. / t Au and 10 oz. / t Ag. Historic sampling has also indicated gold and silver distribution in the vein to be erratic with ore shoots and a nugget effect. Other priority areas within the property include the northwest region at the Alice, Amandy, Lady of the Lake, Lake View, Moonlight and Roderick Dhu MINFILE veins; southwest region in an area of a reported gold bearing vein in a historic trench; east region at the Silent Friend, Old Bird and Ken veins; and southern region in the area of reported ‘Highland Valley Resources’ vein. Gold (plus or minus silver) has been reported at all of these veins. Limited historical mining was conducted at the Amandy and Roderick Dhu veins as discussed previously.

The Phase I budget is \$100,000 and includes rehabilitation and surveying of high priority parts of the Gold Drop - North Star underground workings followed by underground geological mapping and systematic vein sampling. Phase I also includes structural mapping and systematic vein channel sampling in select 2014 trenches in the Gold Drop - North Star area. Phase I work in the other priority areas includes locating historic workings and creation of a base map; and surface geological mapping and vein sampling. All geological mapping should include structural measurements.

Recommended Phase II work at the Gold Drop - North Star vein and other priority areas includes exploration at specific veins based on Phase 1 results and bulk sampling of gold and silver bearing veins to evaluate gold and silver grade. Exploration at select priority areas would include orientation geochemical and geophysical surveys and potential subsequent detailed surveys; and trenching with systematic geological mapping and vein channel sampling. Trenching may involve cleaning out of historic trenches such as at Silent Friend and Old Bird. Additional rehabilitation of parts of the North Star and Gold Drop working and rehabilitation of workings in the northwest region may be warranted followed by additional geological mapping and systematic sampling. Bulk sampling at the Gold Drop - North Star vein and other veins would target parts of veins, both at surface and underground, that are of sufficient size and potential grade to support small scale - high grade mining. Phase II is contingent on Phase I and has a budget of \$500,000. Regional scale geological mapping - prospecting and sampling would be included in Phase II. Very limited diamond drilling utilizing short holes can be considered where ore shoots and structure are known.

There may be justification to extend certain underground workings following Phase I and II work.

## **2.0 INTRODUCTION**

The author was commissioned by Revolver Resources Inc. to complete this report on the company's Gold Drop property, located in southern British Columbia (Figures 1 and 2). A previous National Instrument 43-101 Technical Report on the Gold Drop Property was completed by Linda Caron, M.Sc., P.Eng., for Ximen Mining Corp (effective date of October 29, 2013, revised date of January 21, 2014). Revolver acquired the property to explore for, and if warranted, develop and mine gold and silver bearing veins. The property has expanded since the date of the Caron Technical Report, with some mineral claims being dropped and subsequent mineral claims being staked over the same area plus additional areas and crown grants being acquired in the southern region of the property. Ximen conducted exploration on the property during 2014 and 2015 following the Caron Technical Report, consisting of prospecting, trenching, geological mapping (of trenches) and rock sampling. The purpose of this report is to summarize historical work on the property (most of which was summarized in the Caron Technical Report) including more recent exploration by Ximen on the property subsequent to the Caron Technical Report; to make recommendations for further work, if warranted; and to provide a report that conforms to National Instrument 43-101 specifications.

The author is a Qualified Person, as defined by National Instrument 43-101, and is independent of Revolver Resources Inc. The author has no interest in the Gold Drop property or in claims in the vicinity of the property. The author visited the property during nine days in June 2015.

The Gold Drop property consists of 11 mineral claims and 9 crown grants (Figure 3). Revolver Resources Inc. entered an option agreement with Ximen Mining Corp. in June 2016, to acquire a 100% interest in the Gold Drop property in exchange for certain staged cash and share payments plus certain work expenditure requirements which are summarized in Section 4.0 of this report.

Eight British Columbia MINFILE gold - silver - lead (plus or minus copper, zinc) quartz vein type occurrences are documented within the property (Figure 4). These MINFILE occurrences are North Star (082ESE152), Gold Drop (082ESE153), Amandy (082ESE126), Alice (082ESE225), Lady of the Lake (082ESE127), Roderick Dhu (082ESE125), Moonlight (082ESE224) and Lake View (082ESE056). Other similar mineralized quartz veins are reported within the property.

The author has made an effort of use plain language throughout this report. Abbreviations in this report conform to standard industry usage and are listed in Appendix 1. The report contains some technical terms and abbreviations which may not be familiar to the reader. A reputable geological dictionary should be consulted. Historical mineral exploration and mining data for British Columbia is typically documented in the Imperial System with units of length being reported in feet and inches, mass in tons, and precious metal grade in ounces per ton. More recent exploration and mining data for British Columbia is generally reported in metric units such as centimetres or metres

for length; metric tonnes for mass; and grams per tonne (g/t) (which equals parts per million (ppm)) or parts per billion (ppb) for precious metal grade. Historical information in this report includes both Imperial System units and metric units. Relevant conversion factors between Imperial and metric units are listed in Appendix 1. All costs noted in this report are in Canadian dollars. Trench and samples locations referenced in this report for 2015 Ximen work (including accompanying Figures 11 - 15) are referenced to the 1983 North American Datum (NAD83).

The Author has relied in part upon work and reports completed by others in previous years in the preparation of this report as identified under this Section 2 and Section 27 of this report. The author has assumed that the previous documented work on the property and in the region is valid and has not encountered any information to discredit such work. Thorough checks to confirm the results of such work and reports have not been done. Unless otherwise stated, the author has not independently confirmed the accuracy of the data.

### **3.0 RELIANCE ON OTHER EXPERTS**

No outside opinions were sought with respect to any aspects of this report. While title documents and option agreements were reviewed for this study as identified under Section 2 and Section 4 of this report, this report does not constitute nor is it intended to represent a legal, or any other, opinion as to the validity of the title. The title and option information were relied upon to describe the ownership of the property, claim summary and summary of the terms of the applicable option agreements. The author accepts full responsibility for all portions of this report.

### **4.0 PROPERTY DESCRIPTION AND LOCATION**

The Gold Drop property is located in southern British Columbia (Figures 1 and 2) within NTS 082E02 and the Greenwood Mining Division, and centered approximately 9 kilometres northeast of Greenwood. The property is centered at approximately latitude 49° 10' 31" N and longitude 118° 36' 39" W and covers parts of Jewel Lake including its entire northern half. Mount Roderick Dhu is located in the northern region of the property. Mount Pelly is located in the eastern region of the property. The Jewel Lake Provincial Park is located at the north end of the Jewel Lake.

The property consists of 11 mineral claims (6 MTO mineral claims and 5 legacy mineral claims) and 9 crown grants, listed in Table 1 and plotted on Figure 3. These mineral claims and crown grants together cover an area of approximately 2150 hectares. Some of the tenures are overlapping.

The property covers 8 British Columbia MINFILE occurrences (Figure 4). These are North Star (082ESE152), Gold Drop (082ESE153), Amandy (082ESE126), Alice (082ESE225), Lady of the

Lake (082ESE127), Roderick Dhu (082ESE125), Moonlight (082ESE224) and Lake View (082ESE056). These are gold - silver - lead (plus or minus copper, zinc) quartz vein occurrences, with varying amounts of historical surface and / or underground workings. Other similar mineralized veins are documented on the property as per British Columbia mineral assessment reports.

The property is subject to an option agreement between Revolver Resources Inc. and Ximen Mining Corp, dated in June 2016. Under the Agreement, Revolver may acquire a 100% interest in the property by making certain staged cash payments and share payments of common shares in the capital of Revolver to Ximen over a four year period equal to a total of \$400,000 (\$100,000 each year) in cash and such number of common shares equal to \$600,000 (\$150,000 of common shares each year subject to a minimum of 250,000 shares each year), plus 1,000,000 common shares of Revolver within five business days following the approval of the agreement by the TSX Venture Exchange and work expenditures on the property of \$1,000,000 (subject to a minimum of \$150,000 of expenditures on the property each year). Ximen will retain a 2.5% net smelter return royalty (NSR Royalty). Revolver may purchase 1% of the NSR Royalty by paying \$1,000,000 to Ximen. Upon the acquisition of the property by Revolver, Ximen will have a right for nine months thereafter to elect to form a joint venture with Revolver by paying to Revolver the amount of money equal to 30% of the total amount expended on the property by Revolver. If Ximen exercises this joint-venture right, Ximen and Revolver will enter into a joint venture for the exploration and development of the property.

The Revolver - Ximen option agreement is subject to an underlying agreement between Ximen Mining Corp and 0979475 B.C. Ltd. (a company wholly owned by Allan Beaton), dated October 29, 2013 and amended November 2, 2013. The TSX Venture Exchange accepted the agreement in February 2014. This covers the entire Gold Drop property. As per this agreement, Ximen can acquire a 100% undivided interest in the Gold Drop property by making payments of cash and Ximen shares to 0979475 B.C. Ltd. as follows: \$25,000 cash payment on signing of the agreement; \$15,000 cash payment and 150,000 Ximen shares upon TSX Venture Exchange approval; \$60,000 cash payment and 250,000 Ximen shares on the first anniversary of TSX Venture Exchange approval; and a final payment of \$75,000 cash and 350,000 Ximen shares on the second-year anniversary of the TSX Venture Exchange approval. All required payments have been made to 0979475 B.C. Ltd. as of the date of this report. The agreement is subject to a 2% Net Smelter Royalty (NSR). Ximen can purchase half 1% of the NSR for \$1 million. The 11 mineral claims and 2 of the crown grants are registered to 0979475 B.C. Ltd., being held in trust for Ximen.

The Revolver – Ximen option agreement is also subject to an underlying agreement, dated June 20, 2013, between 0979475 B.C. Ltd. and Edward Brown regarding seven mineral claims (title numbers 214228, 215696, 215697, 215698, 215699, 509785 and 509786) and crown grants DL

1165 and DL 2853. These particular mineral claims and crown grants are located in the eastern region of the property. The required cash payments have been made for this agreement. This agreement is subject to a 2% NSR, of which 1% can be purchased at any time for \$500,000. This agreement is also subject to a 3 kilometre area of interest from the boundary of the mineral claims covered by the agreement.

**Table 1: Gold Drop Property Mineral Claims and Crown Grants**

<b>Title No.</b>	<b>Lot No.</b>	<b>Name</b>	<b>Registered Owner</b>	<b>Good To Date</b>
1021394		RHOD	0979475 B.C Ltd.	2016/Aug/07
1021882		AMANDY	0979475 B.C Ltd.	2016/Aug/26
1031181		GOLD DROP	0979475 B.C Ltd.	2016/Sep/27
1031185		GOLD DROP 2	0979475 B.C Ltd.	2016/Sep/27
214228			0979475 B.C Ltd.	2021/Aug/15 (1)
215696		KEN 1	0979475 B.C Ltd.	2021/Aug/15 (1)
215697		KEN 2	0979475 B.C Ltd.	2021/Aug/15 (1)
215698		KEN 3	0979475 B.C Ltd.	2021/Aug/15 (1)
215699		KEN 4	0979475 B.C Ltd.	2021/Aug/15 (1)
509785		gold drop 1	0979475 B.C Ltd.	2021/Aug/15 (1)
509786			0979475 B.C Ltd.	2021/Aug/15 (1)
KC76127	DL 3596S	Hill	Ximen Mining Corp.	
KC76128	DL 3597S	Cox	Ximen Mining Corp.	
KC76129	DL 3597S	Cox	Ximen Mining Corp.	
KC76130	DL 3598S	May	Ximen Mining Corp.	
KC76131	DL 3599S	Land	Ximen Mining Corp.	
KC76132	DL 3600S	Shaw	Ximen Mining Corp.	
KC76133	DL 3601S	Bill	Ximen Mining Corp.	
KB17064	DL 1165	North Star	0979475 B.C Ltd.	
KB17065	DL 2853	Cairngorm	0979475 B.C Ltd.	

1: Subject to an assessment report being submitted on or before September 5, 2016

Mineral claims in the province of British Columbia may be maintained either by registering exploration and development work that was performed on the claim or submitting a payment instead of exploration and development. Exploration and development work is defined in section 1 of the *Mineral Tenure Act Regulation* as either physical exploration and development or technical exploration and development. Some examples of physical exploration and development are trenches, open cuts, adits, pits, shafts and other underground activity for the purposes of collecting samples or other geological or technical information. Some examples of technical exploration and

development are prospecting; geological surveys and studies; geophysical surveys; geochemical surveys; mineral resource or ore reserve calculations; and drilling. The reader is advised to consult the Ministry of Energy and Mines for a complete list of allowable activities to maintain claims. Changes to the *Mineral Tenure Act Regulation* came into effect on July 1, 2012. All claims at that time were treated as if they were in their first anniversary year for assessment purposes as of the date of the implementation (July 1, 2012). This change affected seven of the older Gold Drop property mineral claims (claim nos. 214228, 215696, 215697, 215698, 215699, 509785 and 509786). These seven mineral claims are currently considered to be in anniversary year 4 for assessment purposes. The other four mineral claims were staked after July 1, 2012. Claim numbers 1021394 and 1021882 are considered to be in anniversary year 3 while claim numbers 1031181 and 1031185 are considered to be in anniversary year 2.

Annual work requirements to maintain a mineral claim are:

- \$5 per hectare for anniversary years 1 and 2;
- \$10 per hectare for anniversary years 3 and 4;
- \$15 per hectare for anniversary years 5 and 6; and
- \$20 per hectare for subsequent anniversary years

Cash-in-lieu of work to maintain a mineral claim are:

- \$10 per hectare for anniversary years 1 and 2;
- \$20 per hectare for anniversary years 3 and 4;
- \$30 per hectare for anniversary years 5 and 6; and
- \$40 per hectare for subsequent anniversary years

Title to crown grants is maintained by making annual mineral land tax payments of \$1.25 per hectare by July 2 of each year. The required tax payments for the 9 crown grants were made in 2015.

In February 2014 Ximen received a Notice of Work permit from the British Columbia Ministry of Energy and Mines allowing up to 20 drill sites and up to 25 excavator trenches on the Gold Drop property. The permit is valid until December 1, 2018. A Notice of Work permit is required for any surface or underground exploration involving mechanical disturbance.

Ximen Mining Corp. and 0979475 B.C. Ltd. hold under-surface rights only to the Gold Drop property. The majority of the property is crown land. There is privately owned land locally within and adjacent to the Gold Drop property. Private land within the property includes lots along the west part of Jewel Lake, in the southwest region of the property and one lot west of Jewel Lake primarily within mineral claim 1021394.

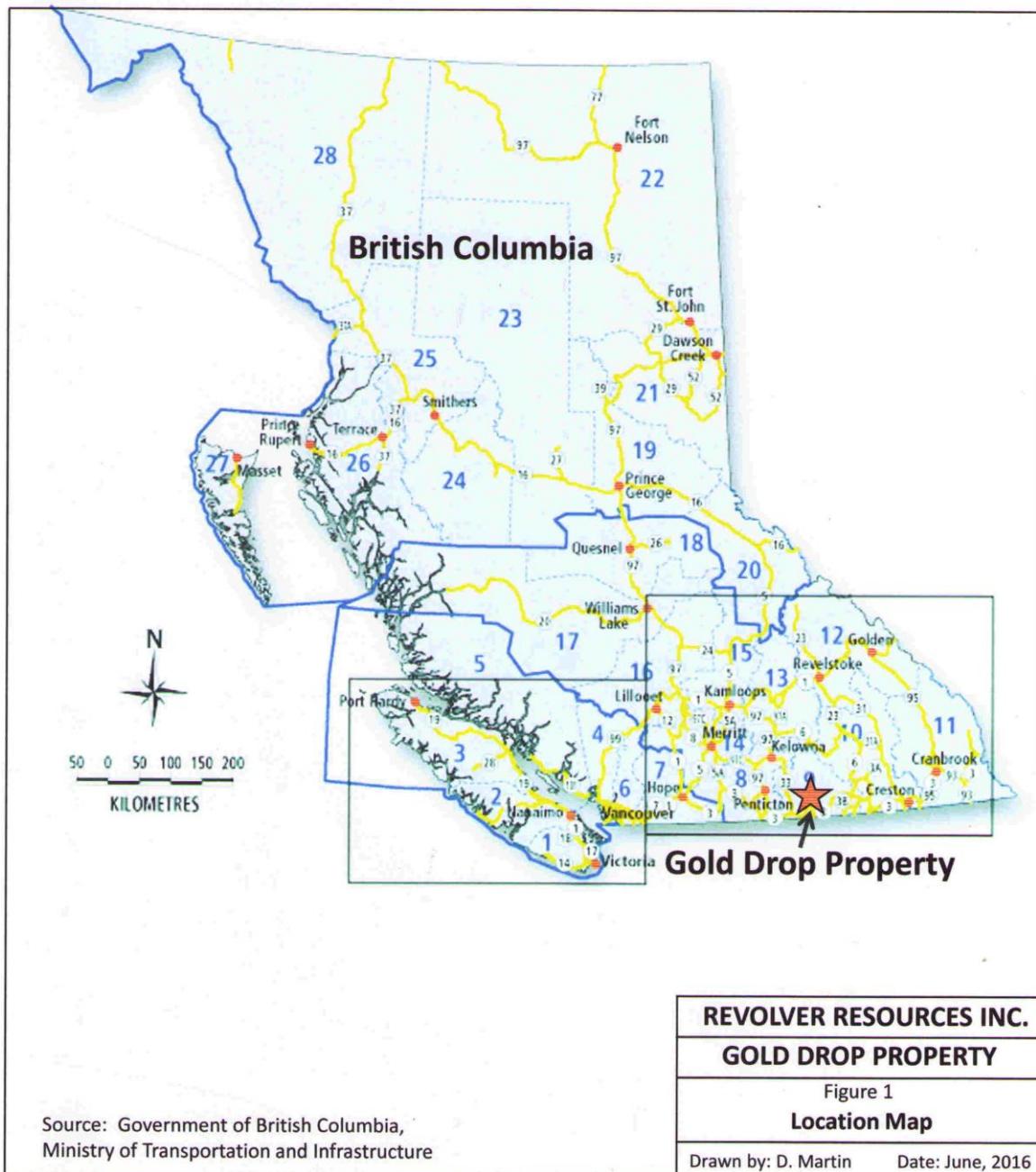


Figure 1: Gold Drop Property Location Map - Southern British Columbia

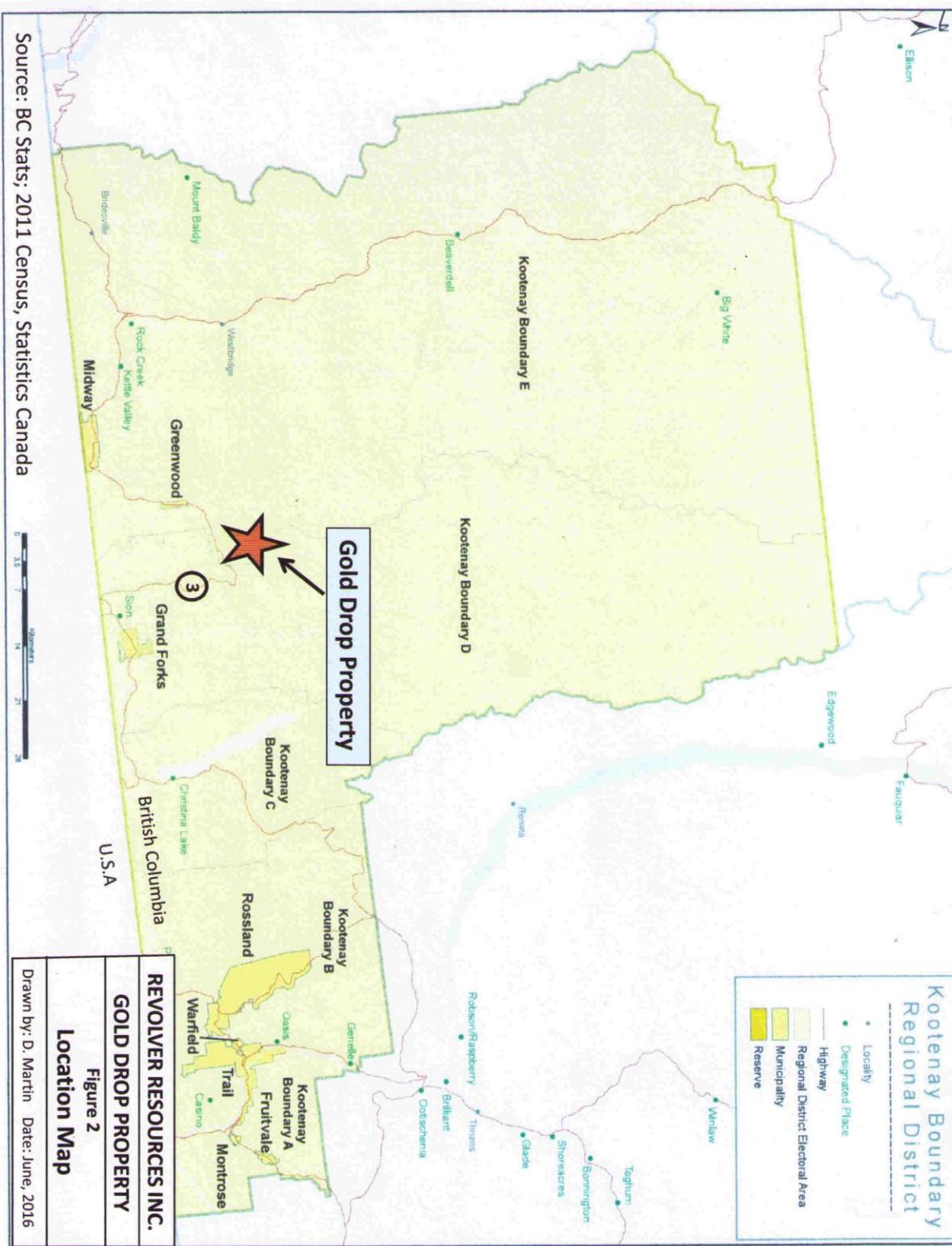


Figure 2: Gold Drop Property Location Map - Kootenay Boundary Regional District

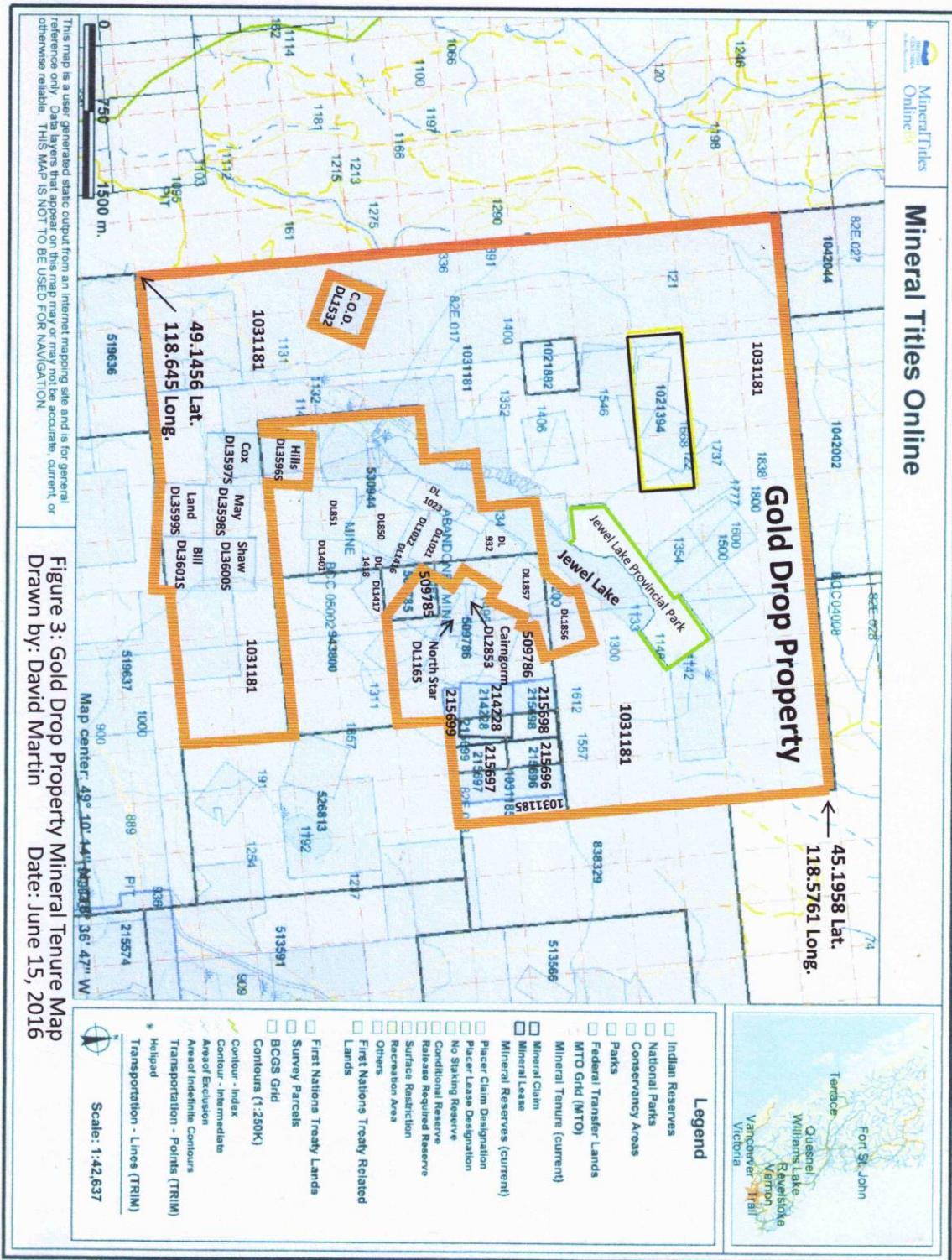
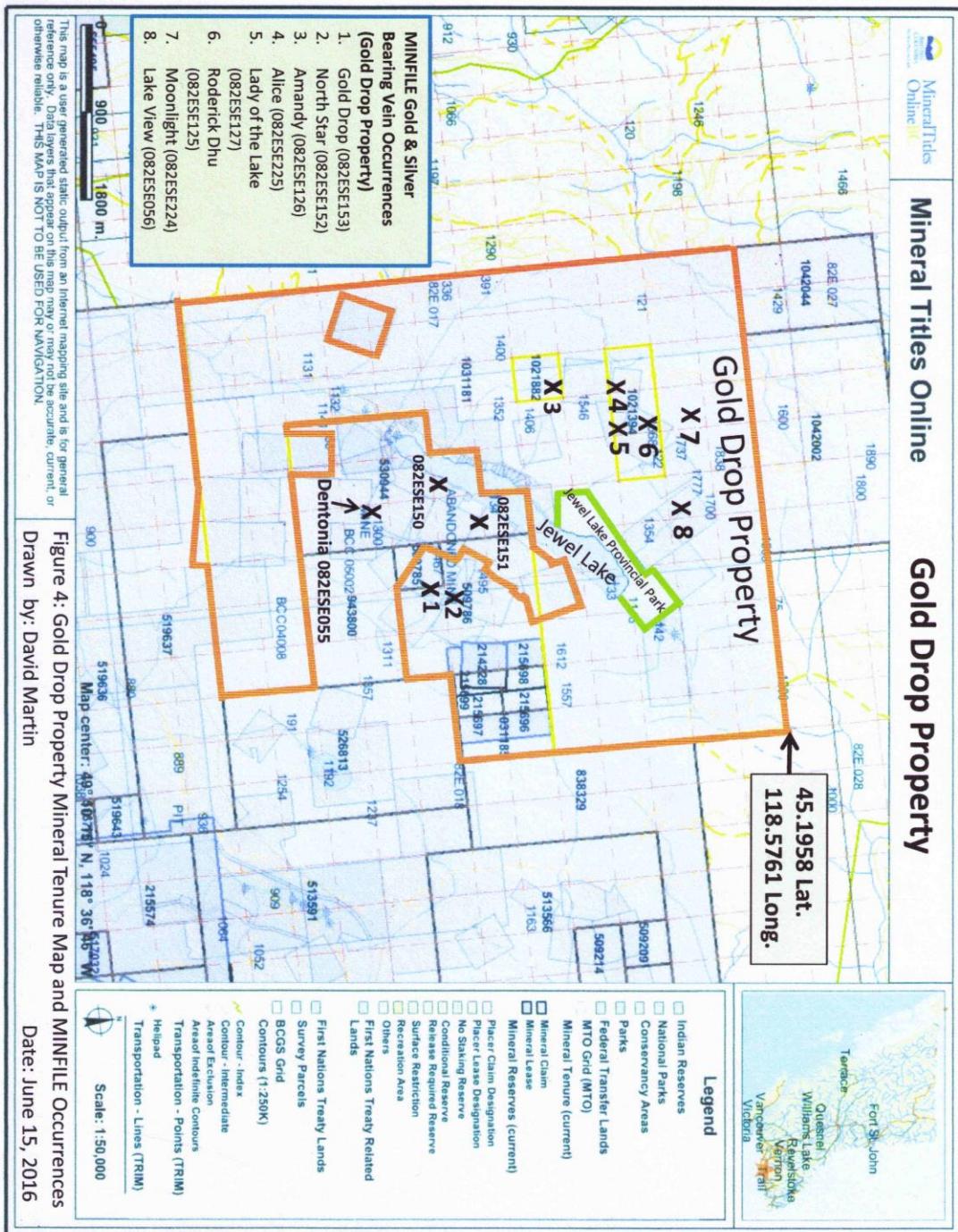


Figure 3: Gold Drop Property Mineral Tenure Map



The author is unaware of any First Nations communities in the area of the Gold Drop property. The author is unaware of any treaty lands, or treaty-related lands on or in the vicinity of the property. Several historic mine and prospect workings occur on the Gold Drop property, representing a potential safety hazard. These include adits, open cuts and shafts. There are small waste dumps locally on the property. The author is unaware if these small waste dumps constitute a significant environmental liability. All of the ore that was historically mined on the property was processed off-site. There are no formal mill or tailings sites on the property.

## **5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY**

### **5.1 Accessibility**

The Gold Drop property has good road access. The property can be accessed from Greenwood by following Highway 3 north for approximately 2.5 kilometres, then following the Boundary Creek Road northwest for approximately 1 kilometre, then following the Jewel Lake Road northeast for approximately 5 to 6 kilometres to the southwest region of the property. The Jewel Lake Road continues into the property to the southwest part of Jewel Lake. This road continues along the western shore of Jewel Lake. The Jewel Lake - Eholt Road leads east from the Jewel Lake Road and accesses the southeast region of the property. To access the historic Gold Drop and North Star mines sites, the Jewel Lake - Eholt Road is followed east from the Jewel Lake Road intersection for approximately 3 kilometres (through the historic Dentonia mine site) at which point a road leads north for approximately 1 kilometre to the historic workings. Six MINFILE occurrences are located west-northwest of Jewel Lake. This area is accessed by following the steep Roderick Dhu fire lookout road which leads west-northwest from the Jewel Lake Road immediately opposite the Jewel Lake Resort campground. Several spur roads provide 4-wheel drive - ATV access to other parts of the property.

### **5.2 Climate**

“The climate is moderately dry, with hot summers and little rainfall. Snowfall is in the order of 2-3 metres and the property is generally snow free from early May to late October. Water is available, seasonally, from a small pond or several small creeks on the property, or from Jewel Lake” (Caron, 2014).

### **5.3 Local Resources and Infrastructure**

Limited services are available in nearby Greenwood, including motels, bed and breakfasts, campsites and RV parks; rental properties; restaurants; grocery stores; and fuel. Greenwood has a population of approximately 700. Grand Forks, with a population of approximately 4,000, is located approximately 40 kilometres east along Highway 3 from Greenwood. Grand Forks offers more extensive services. “Most services needed for exploration are available in Grand Forks” (Caron, 2014). The closest regional airports to the property are located in Castlegar and Penticton with an international airport located in Kelowna.

Roads and trails access parts of the Gold Drop property, including Jewel Lake; the Gold Drop - North Star working; and to Mount Roderick Dhu. A campground exists at Jewel Lake Provincial Park, located at the north end of the lake. Cabins and a campground are located at the Jewel Lake Resort, located at the south end of the lake. “Power is available on the property, to Jewel Lake. A low voltage powerline also runs up Roderick Dhu Mountain to service the fire lookout tower, passing approximately 150 metres east of the Amandy workings. Power is also available approximately 1 km southwest of the Gold Drop - North Star workings, at the former Dentonia mine site” (Caron, 2014).

### **5.4 Physiography**

The property is approximately centered on Jewel Lake, an elongated northeast trending lake. The lake is bounded by Mount Pelly to the east and Mount Roderick Dhu to the west-northwest. Mount Roderick Dhu occurs in the northern region of the property with a summit elevation of 1838 metres. Mount Pelly occurs in the eastern region of the property with a summit elevation of 1612 metres. Elevation at Jewel Lake is 1135 metres. The topography varies within the property from gentle to steep. Topography is steep on both sides of Jewel Lake (slopes of Mount Pelly and Mount Roderick Dhu). The elevation is also lower in the northeast region of the property (northeast of Jewel Lake, east of Mount Roderick Dhu and north of Mount Pelly) being less than 1160 metres. Elevation decreases from Mount Roderick Dhu toward the northwest region of the property to approximately 1240 metres. Topographic highs occur locally in the west region of the property, some exceeding 1400 or 1500 metres elevation. Topography is gentle to moderate in the southern-most region of the property with elevation generally between 1060 and 1300 metres. “Outcrop on the property is variable, typically averaging less than 10%. In general, rock exposure is better in steeper portions of the property but is scarce in the more gently sloping areas” (Caron, 2014).

## 6.0 HISTORY

The Gold Drop property occurs within the historic Jewel Lake Mining Camp (also referred to as Long Lake). Gold bearing veins were first discovered on the property during the 1890s. The majority of historic work within the property occurred at the Gold Drop, North Star and Amandy veins. Mine production figures for Gold Drop, North Star and Amandy as per BC MINFILE reports and the Caron Technical Report are listed in Table 2. Significant work was reported at multiple vein occurrences north - northeast of Amandy including minor production at the Roderick Dhu vein. Historic exploration was sporadic in other parts of the property. The historical Dentonia Mine, which occurs on an adjacent property, is discussed in Section 23.0 of this report.

**Table 2: Historical Production Records at North Star, Gold Drop and Amandy**

	Tonnage mined (1)	Au recovered	Au grade	Ag recovered	Ag grade
	Tonnes	Grams	g/t	Grams	g/t
<b>Amandy</b>					
1936-37	214	2,550	11.92	45,006	210.31
1939-41	845	8,087	9.57	151,098	178.81
<b>Total</b>	<b>1,059 tonnes (1165 tons)</b>	<b>10,637 gm Au</b>	<b>10.04 g/t Au (0.29 oz./t Au)</b>	<b>196,104 gm Ag</b>	<b>185.18 g/t Ag (5.41 oz./t Ag)</b>
<b>Gold Drop</b>					
1926-28	12	747	62.25	4,541	378.42
1931-32	31	1,399	45.13	7,215	232.74
1933-40	137	2,147	15.67	14,059	102.62
1941	114	560	4.91	3,079	27.01
1980	40 (3)	92	2.30	4,728	118.20
1988	1	75	75.00	2,272	2272.00
<b>Total</b>	<b>335 tonnes (369 tons)</b>	<b>5,020 gm Au</b>	<b>14.99 g/t Au (0.44 oz./t Au)</b>	<b>35,894 gm Ag</b>	<b>107.15 g/t Ag (3.13 oz./t Ag)</b>
<b>North Star</b>					
1919	2	-	-	6,221 (2)	3110.50
1932	115	4,883	42.46	27,246	236.92
1933	34	778	22.88	3,763	110.67
1934-35	5,067	6,594	1.30	372,303	73.48
1936-40	960	11,445	11.92	65,752	68.49
<b>Total</b>	<b>6,178 tonnes (6810 tons)</b>	<b>23,700 gm Au</b>	<b>3.84 g/t Au (0.11 oz./t Au)</b>	<b>475,285 gm Ag</b>	<b>76.93 g/t Ag (2.25 oz./t Ag)</b>

1: source BC MINFILE 082ESE126, 152, 153 and National Instrument 43-101 Technical Report on the Gold Drop Property (Caron, 2014).

2: recovered gold is not reported. Caron speculated “the unusually high Ag reported may be a result of combined Ag and Au” (Caron, 2014).

3: The Caron Technical Report states this 40 tonnes was from the North Star dump.

## **6.1 East Region (including Historic Gold Drop and North Star Mines)**

The historic Gold Drop and North Star mines (BC MINFILE Nos. 082ESE153 and 082ESE152) are located in the east region of the Gold Drop property, east of Jewel Lake. Previous work in this area dates back to the 1890s. Earlier work is documented in numerous Annual Reports of the British Columbia Minister of Mines between 1896 and 1946, being referred to as Annual Reports in subsequent paragraphs and Sections. Work from 1980 and after is documented in various published reports including British Columbia mineral assessment reports.

**1895 - 1902:** The 1896 and 1897 Annual Reports document initial work. The first claim (Gold Drop claim) was staked by Joseph Hetu. The owners of this claim by 1897 were L. Bosshart and F. Dittmer. At Gold Drop a 100 foot (30 metre) tunnel, two shallow shafts and “free gold” were reported. Other claims were staked during this period within the limits of the current Gold Drop property with crown grant status being achieved on many. The North Star and Cairngorm crown grants remain valid in this part of the property (Figure 3). At North Star two shallow shafts were reported. Assays of quartz vein material were reported to confirm gold. There is no recorded production during this period.

**1919:** BC MINFILE reports 2 tonnes mined in 1919 at North Star with 6221 gm silver recovered.

**1925 - 1930:** Louis Bosshart is again reported as the owner of the Gold Drop claim (1925 Annual Report). Open cuts and tunnels were reported at Gold Drop. “Free gold” in quartz and “gold tellurides” were reported. The 1925 Annual Report states assays for five samples from open cuts and short tunnels, listed in Table 3:

**Table 3: Gold Drop Rock Samples from Open Cuts and Short Tunnels  
(1925 Annual Report of BC Minister of Mines)**

<b>Sample No.</b>	<b>Au (oz. / ton)</b>	<b>Ag (oz. / ton)</b>	<b>Pb (%)</b>
1	11.40	42	3
2	2	17.5	
3	0.30	1.2	
4	17.56	88.7	6.9
5	2.44	16.3	

The 1928 Annual Report states two tunnels at Gold Drop. The lower tunnel was driven approximately 150 feet (45.7 metres). The 1930 Annual Report states the lower tunnel was extended. These are currently referred to as the Upper and Lower Gold Drop Adits. BC MINFILE reports production at Gold Drop during 1926 - 1928 of 12 tonnes mined with 747 gm gold and 4541 gm silver recovered (29 kg lead recovered from the 3 tonnes mined in 1926-1927).

**1931 - 1932:** The 1931 Annual Report states the claims at Gold Drop and North Star were optioned by R. L. Clothier and associates. An extension of the Gold Drop vein was reported to be uncovered approximately 200 feet (61 metres) uphill and northeast of the upper tunnel portal, with “free gold”, tellurides, pyrite and lesser amounts of galena reported in quartz. Approximately 30 tons was sorted from this exposure, a shipment later made to the Trail smelter. Reported development included “open-cuts, shallow shafts and tunnels on the vein”. The northeast trending vein was reported to be “a few inches up to 5 feet in width” (1.5 metres), being traced approximately 1,000 feet (305 metres) from the Gold Drop to the North Star claim. The vein was reported to split in the upper Gold Drop tunnel with one branch continuing northeast and the other branching to the right (still northeast in later reports). This second vein was reported to be 15 - 54 inches (0.38 - 1.37 metres) wide and higher grade. Approximately 12 tons from this vein was shipped to the smelter. The upper Gold Drop tunnel and east drift were extended as per the 1932 Annual Report. Reported work at North Star included cleaning of the lower tunnel, stopes and shipments to the Trail smelter. The quartz vein in the stopes was reported to be a few inches to 4 feet (1.22 metres) wide with “free gold”, pyrite, galena, and “occasional specks of chalcopyrite.”

Reported production during 1931-1932 at Gold Drop as per the BC MINFILE report was 31 tonnes mined with 1399 gm gold and 7215 gm silver recovered. Reported production at North Star during 1932 was 115 tonnes mined with 4,883 gm gold, 27,246 gm silver, 3509 kg lead and 63 kg zinc recovered.

**1933:** The Gold Drop claim was controlled by Dentonia Mines Ltd by 1933 (1933 Annual Report). The company was developing the Dentonia vein on the adjoining property. The Gold Drop vein was described as a parallel vein and was reported as not being developed at that time. However the 1933 Annual Report states that “during the year lessees of this property as well as the North Star made shipments of ore to the smelter.” The 1934 and 1935 Annual Reports state W. E. McArthur conducted work at North Star in 1933, including extending the main adit and shipping ore. BC MINFILE reports 34 tonnes mined at North Star in 1933 with 778 gm gold, 3763 gm silver and 479 kg lead recovered and 28 tonnes mined at Gold Drop with 840 gm gold and 4914 gm silver recovered.

**1934 - 1935:** Superior Mines Ltd. acquired the North Star group of claims in 1934 (including North Star and Cairngorm Fraction crown grants) and continued underground development and mining as

per the 1934 and 1935 Annual Reports. This is the period of highest production. These Annual Reports describe the vein and summarize work done, stating two shafts, numerous open-cuts and underground development. The two adits are referred to as No. 1 (Upper) Adit and No. 2 (Lower) Adit. Ore was piled separately on a dump. The 1935 Annual Report provides a plan map of the North Star workings with geology. Reported assays for three dump samples are:

- 0.16 oz. / ton Au and 0.8 oz. / ton Ag
- 0.16 oz. / ton Au and 0.8 oz. / ton Ag
- 0.19 oz. / ton Au and 0.4 oz. / ton Ag

A sample from “an 8 - 10 inch stringer of heavy sulfides from the winze on the No. 2 adit-level” was reported to assay 2.06 oz. / ton Au and 10.4 oz. / ton Ag, 6% Pb, 2% Zn and 2% Cu (1935 Annual Report).

BC MINFILE reports 5,067 tonnes mined at North Star during 1934-1935 with 6,594 gm gold, 372,303 gm silver, 4852 kg lead and 5220 kg zinc recovered. The recovered gold grade is significantly lower than that reported in other periods. The Caron Technical Report states “some of the ore was shipped to the smelter in Trail for processing. Other ore may have been processed in the Providence mill in Greenwood which was owned and operated by Superior Mines at that time” (Caron, 2014). The 1986 Livgard Consultants Ltd. report states that North Star muck was treated in the Superior mill in Greenwood (Livgard, 1986). BC MINFILE reports 16 tonnes mined at Gold Drop in 1934 with 342 gm gold and 3,328 gm silver recovered.

**1936 – 1941:** Greenbridge Gold Mines Ltd. acquired claims in this area in 1936 including North Star and conducted development and mining at North Star. The 1936 Annual Report describes the north-south striking, east dipping quartz vein at North Star in detail, stating width of inches to 4 feet (1.22 metres), being “highly irregular” and “ore-shoots are not continuous and are localized principally at abrupt changes in attitude of the vein.” Reported assays for six underground quartz samples are listed in Table 4.

**Table 4: North Star Underground Samples (1936 Annual Report of BC Minister of Mines)**

<b><u>Sample No.</u></b>	<b><u>Au (oz. / ton)</u></b>	<b><u>Ag (oz. / ton)</u></b>	<b><u>Pb (%)</u></b>
1 (24 inch wide quartz)	0.40	1.6	1.3
2 (29 inch wide quartz)	0.10	0.1	
3 (24 inch wide quartz)	3.90	16.5	
4 (grab of fines in stope)	0.20	1	trace
5 (16 inch quartz)	0.36	0.8	0.5
6 (8 inch quartz)	trace	trace	

BC MINFILE states 960 tonnes mined at North Star during 1936-1940 with 11,445 gm gold and 65,752 gm silver recovered and plus 315 kg lead and 24 kg zinc recovered from 429 tonnes mined during 1937. The 1939 Annual Report states ore was shipped to Trail. The 1941 Annual Report states operations at Gold Drop under lease to Messrs. Halstrom and Schuberg with ore being shipped to Trail. BC MINFILE states 207 tonnes mined at Gold Drop during 1938-1941 with 1,525 gm gold and 8,896 gm silver recovered.

**1946:** Boundary Gold Mines Ltd. conducted diamond drilling, exploring the Gold Drop vein (1946 Annual Report). Drill results are not available. The vein was reported to strike 030 degrees and dip 40 - 65 degrees to the southeast, being a few inches to approximately 5 feet (1.5 metres) wide. The 1946 Annual Report summarises previous work within the two Gold Drop adits. The Lower Adit was reported to intersect the vein approximately 220 feet (67 metres) from the portal, then followed the vein for 55 feet (16.8 metres) of which a “small part of it was stoped.” The Upper Adit was reported to be approximately 80 feet (24 metres) northeast of the Lower Adit stope and approximately 16 metres higher in elevation than the Lower Adit. The Upper Adit was reported to intersect the vein after approximately 20 feet (6 metres), where it then followed the vein for approximately 70 feet (21 metres) to where the vein splits. The two vein splits were followed for 80 and 250 feet (24 and 76 metres). Small stopes are reported along both splits. Figure 7, reproduced from the Caron Technical Report, is a plan map of the Gold Drop vein and historic workings.

**1981 – 1986:** In 1981 Kenar Resources Ltd. acquired claims that covered parts of the current Gold Drop property. Rehabilitation of Gold Drop and North Star mine workings was completed and surface and underground sampling completed. The 1986 Livgard Consultants Ltd. report for Kenar and the Caron Technical Report for Ximen include maps displaying workings and rock samples / analytical results. Figures 5, 6 and 7 are reproduced from the Caron Technical Report. The surface and underground chip samples and reported analyses are listed in Table 5 (Livgard, 1986 and Caron, 2014). Of note, four underground chip samples of similar width (11-12 inches or 0.28 - 0.30 metres) from the Upper North Star Adit were reported to return 0.017, 0.11, 0.126 and 0.264 oz. / ton Au. Another sample from this adit was reported to return 4.6 oz. / ton Au and 22.8 oz. / ton Ag. Reported highlights from surface samples of the North Star vein were 0.293 oz. / ton Au and 1.12 oz. / ton Ag; and 1.36 oz. / ton Au and 7.28 oz. / ton Ag. The highlight from Gold Drop underground sampling was a 1.0 foot (0.3 metre) wide sample collected at the branch in the Upper Adit (location of vein split), reported to return 0.455 oz. / ton Au and 2.42 oz. / ton Ag.

A muck sample from the Upper North Star Adit was reported to assay 1.13 oz. / ton Au and 5.82 oz. / ton Ag. Seven reported muck samples from the Upper North Star Adit dump along 12 to 17 foot (3.6 - 5.2 metre) sections were reported to average 0.107 oz. / ton Au and 0.48 oz. / ton Ag.

**Table 5: North Star and Gold Drop Chip Samples – Kenar Resources  
(Caron, 2014 & Livgard, 1986)**

<b>North Star Rock Samples:</b>				
<b>Sample No.</b>	<b>Surface/UG</b>	<b>Width (feet)</b>	<b>Au (oz./ton)</b>	<b>Ag (oz./ton)</b>
1607	Surface	1.0	0.009	0.04
1608	Surface	1.0	0.004	0.01
1609	Surface	1.2	0.085	0.56
1610	Surface	2.0	0.003	0.01
1611	Surface	5.0	0.008	0.15
1612	Surface	1.5	0.103	0.70
2048	Surface	unknown	1.36	7.28
4870	Surface	unknown	0.112	0.13
4876	Surface	unknown	0.293	1.12
4878	Surface	unknown	0.022	0.05
4880	Surface	unknown	0.115	1.13
4881	Surface	unknown	0.004	0.18
4882	Surface	unknown	0.016	0.32
4887	Surface	unknown	0.034	0.05
Adit vein	UG (Upper Adit)	unknown	0.01	21.8
3	UG (Upper Adit)	unknown	4.6	22.8
1602	UG (Upper Adit)	1.0	0.11	0.47
1603	UG (Upper Adit)	1.0	0.264	1.23
1604	UG (Upper Adit)	1.0	0.017	0.04
1605	UG (Upper Adit)	0.9	0.126	0.71
<b>Gold Drop Rock Samples:</b>				
<b>Sample No.</b>	<b>Surface/UG</b>	<b>Width (feet)</b>	<b>Au (oz./ton)</b>	<b>Ag (oz./ton)</b>
1	UG (Upper Adit)	1.0	0.036	0.16
2	UG (Upper Adit)	1.0	0.016	0.06
3	UG (Upper Adit)	1.0	0.455	2.42
4	UG (Upper Adit)	0.4	0.012	0.05
5	UG (Upper Adit)	0.4	0.018	0.11
6	UG (Lower Adit)	0.1	0.004	0.02
7	UG (Lower Adit)	2.5	0.006	0.03
8	UG (Lower Adit)	3.0	0.034	0.64
9	UG (Lower Adit)	5.7	0.020	0.08

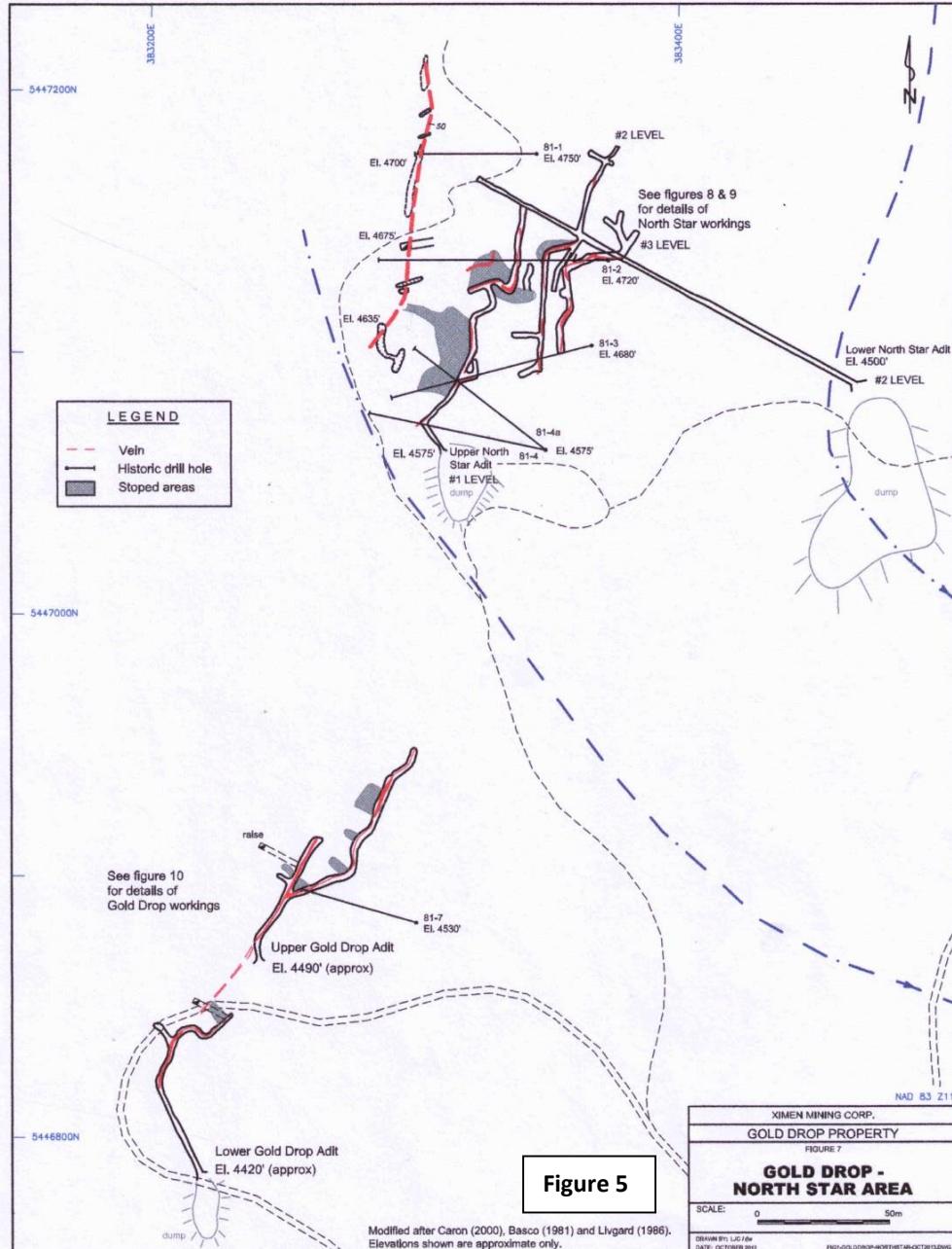


Figure 5: Gold Drop - North Star Area Plan Map (source: Caron, 2014 - Figure 7)

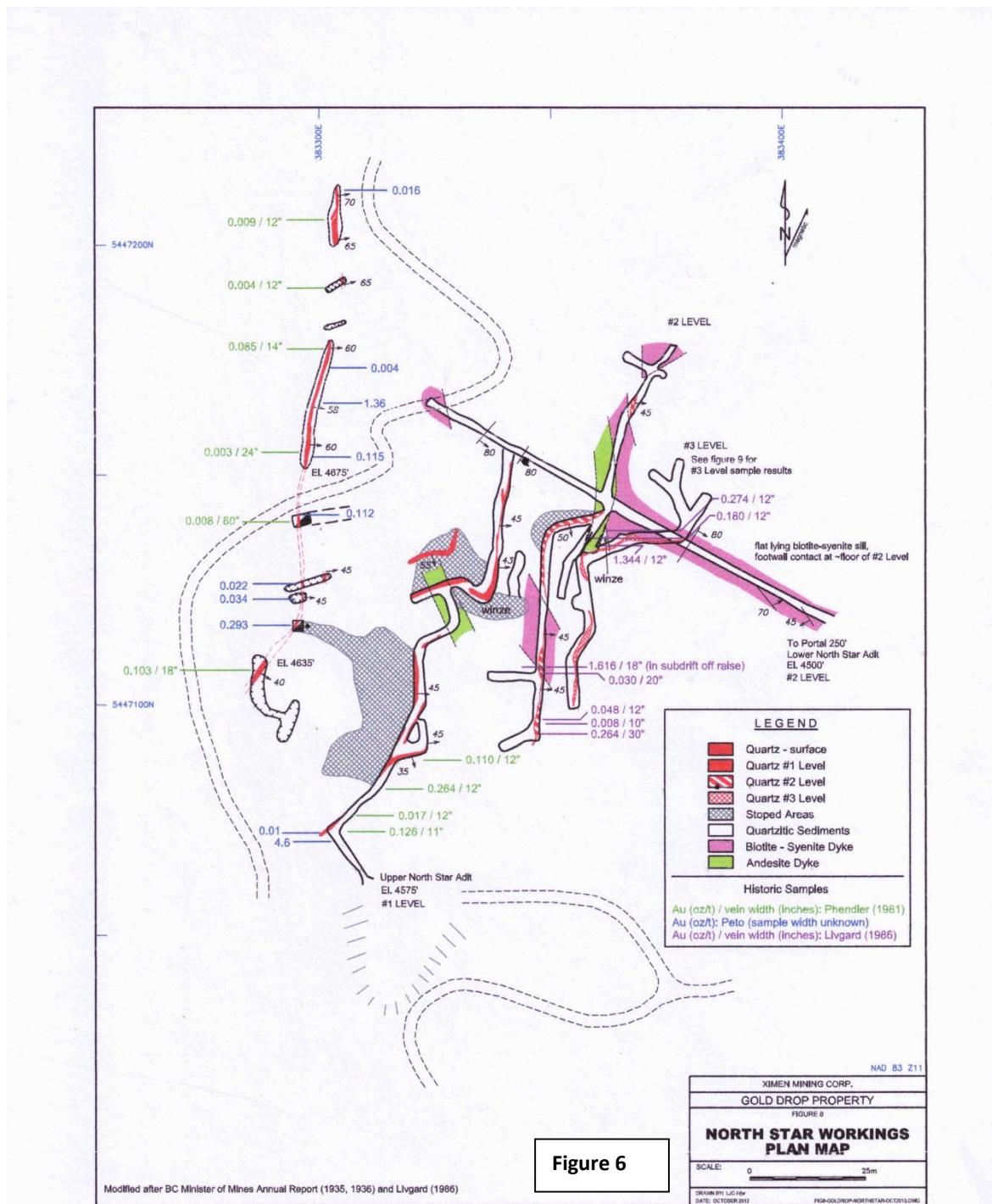
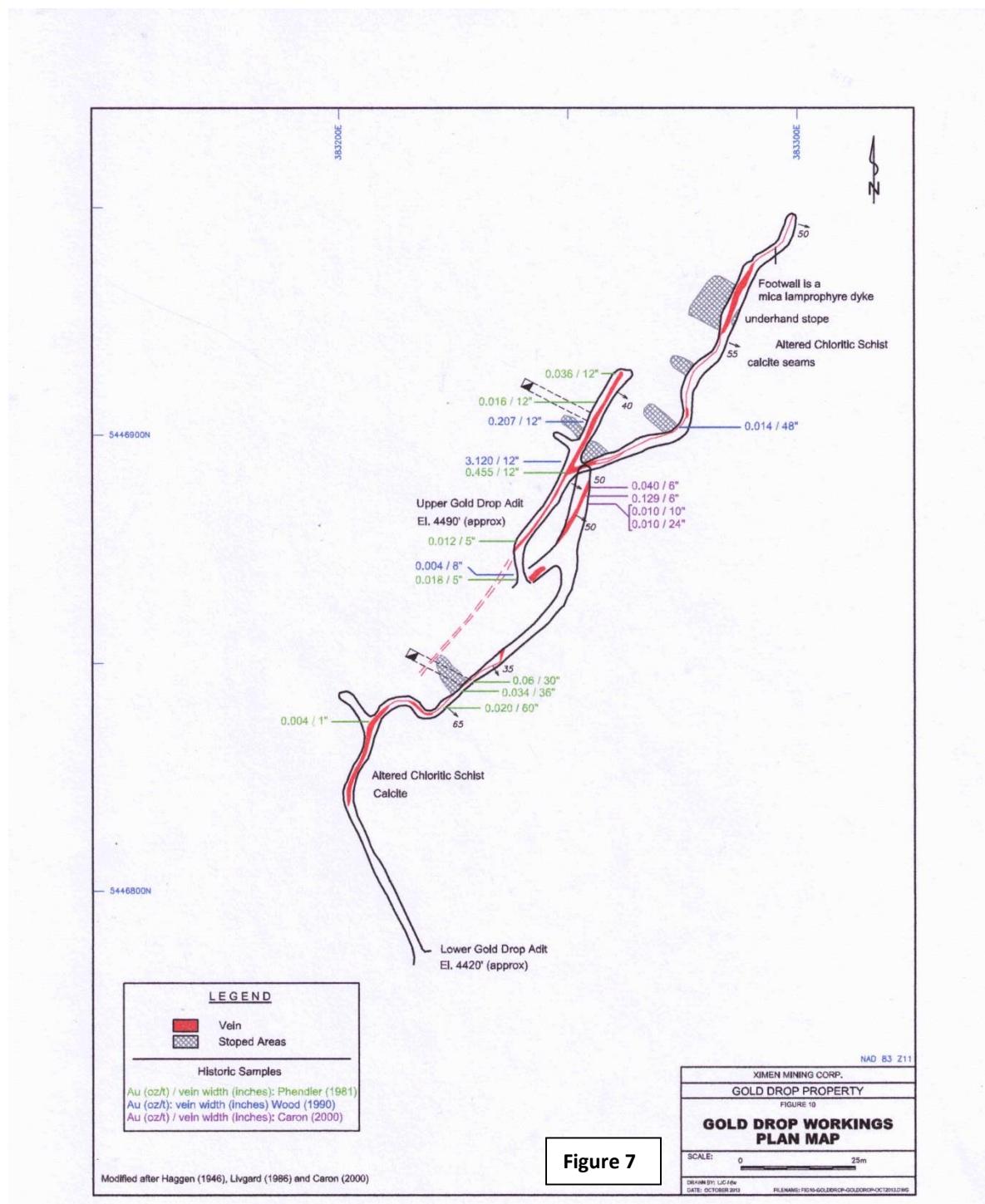


Figure 6: North Star Workings Plan Map with Historical Sample Locations and Gold Analytical Values (source: Caron, 2014 - Figure 8)



**Figure 7: Gold Drop Workings Plan Map with Historical Sample Locations and Gold Analytical Values (source: Caron, 2014 - Figure 10)**

Roy Kregosky collected eight samples in 1986 within the North Star No. 2 level for Livgard Consultants Ltd. (Livgard, 1986). Five of the samples were reported to exceed 0.10 oz. / ton Au and 1.0 oz. / ton Ag, each reported to exceed 0.1% Pb. A few reported assay highlights from this sampling included:

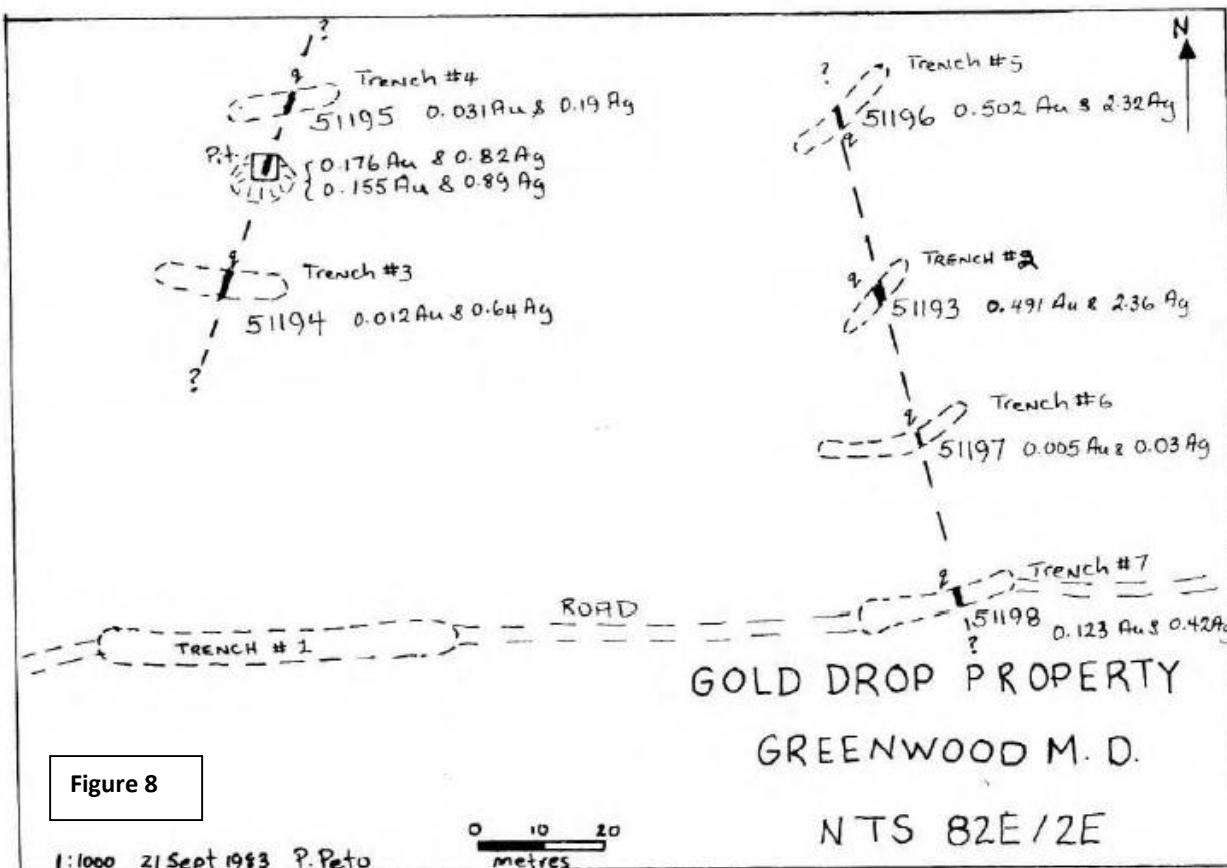
- 0.30 metre pyrite and galena bearing quartz vein sample (#2 level winze) returned 1.344 oz. / ton Au, 4.84 oz. / ton Ag and 0.47% Pb.
- 0.45 metre pyrite and galena bearing quartz vein sample (#2 level) returned 1.616 oz. / ton Au, 8.45 oz. / ton Ag and 0.74% Pb.

The 1986 Livgard Consultants report states elevations for the North Star and Gold Drop adits in metres. Reported elevations for the Lower and Upper Gold Drop adits are 1,347 m and 1,369 m. Reported elevations for the Lower and Upper North Star adits are 1,372 m and 1,394 m. This report summarized previous work on the property and makes a number of recommendations, some of which included rehabilitation of parts of the underground workings and additional underground development; opening up of old caved in portals; underground detailed geological mapping; and systematic channel sampling of quartz veins / mineralized areas.

“Forty tonnes of material from the North Star dump was shipped to the Trail smelter, returning an average grade of 2.3 g/t Au and 118.2 g/t Ag” (Caron, 2014, referencing Phendler, 1981). BC MINFILE states this is from Gold Drop (1980) with 92 gm gold, 4728 gm silver, 681 kg lead, 160 kg zinc and 44 kg copper recovered.

Kenar Resources completed six BQ-size diamond drill holes in 1981 (1584 feet - 483 metres) (Assessment Report No. 9961 - Basco, 1981). The holes are plotted on Figure 5 (reproduced from the Caron Technical Report). “Holes 81-1 through 81-4a tested the North Star vein over a strike length of 120 m, at shallow depth below the historic workings” (Caron, 2014). These five holes were drilled at 45 and 60 degree dips to the southwest, west and northwest with hole lengths of 64.9 to 90.5 m. They did not intersect quartz veining. The best assay was 0.022 oz. / ton Au over 0.46 m (pyrite noted in fractures) in hole 81-2. Hole 81-7 was drilled at a 45 degree dip to the northwest (71.6 m hole length) under the Upper Gold Drop Adit. It reportedly intersected a 2 foot quartz vein under the workings but with nil gold. There is a gap in the hole numbering (holes 81-5 and 81-6 do not exist). Reported core recovery was poor with “up to 50% of some core intervals was missing and apparently ground away” (Livgard, 1986). Linda Caron provided an opinion in the Technical Report “that the 1981 drilling was unsuccessful not only because of poor core recovery, but due to unrecognized faulting which has offset the vein. More care is required in identifying an interpreting dykes and faults when drilling and mapping than appears to have been employed in the Kenar drill program.” (Caron, 2014).

Kenar completed geological mapping; soil and rock sampling; and trenching during 1983 (Assessment Report No. 11932 - Peto, 1983), covering a broader area. A quartz float sample collected approximately 900 metres northeast of the North Star workings in the former Silent Friend crown grant was reported to return 1.523 oz. / ton Au, 6.86 oz. / ton Ag, 9169 ppm Pb and 3016 ppm Cu. Another quartz sample from this area at an old pit was reported to return 0.155 oz. / ton Au. Seven trenches were completed in this area, exposing quartz veins interpreted to be two quartz veins. Reported samples and assays from these trenches are shown on Figure 8 (re-produced from Peto, 1983) and listed in Table 6 (Peto, 1983 and Livgard, 1986).



**Figure 8: Kenar Resources 1983 Silent Friend Trench Location Map (source: Peto, 1983 - Figure 10)**

**Table 6: Silent Friend Trench Samples – Kenar Resources (Livgard, 1986 & Peto, 1983)**

Sample No.	Trench No.	Width (m)	Au (oz./ton)	Ag (oz./ton)
51193	2	0.50	0.491	2.36
51194	3	0.40	0.012	0.64
91195	4	0.10	0.031	0.19
51196	5	0.20	0.502	2.32
51197	6	0.10	0.005	0.03
51198	7	0.25	0.123	0.42

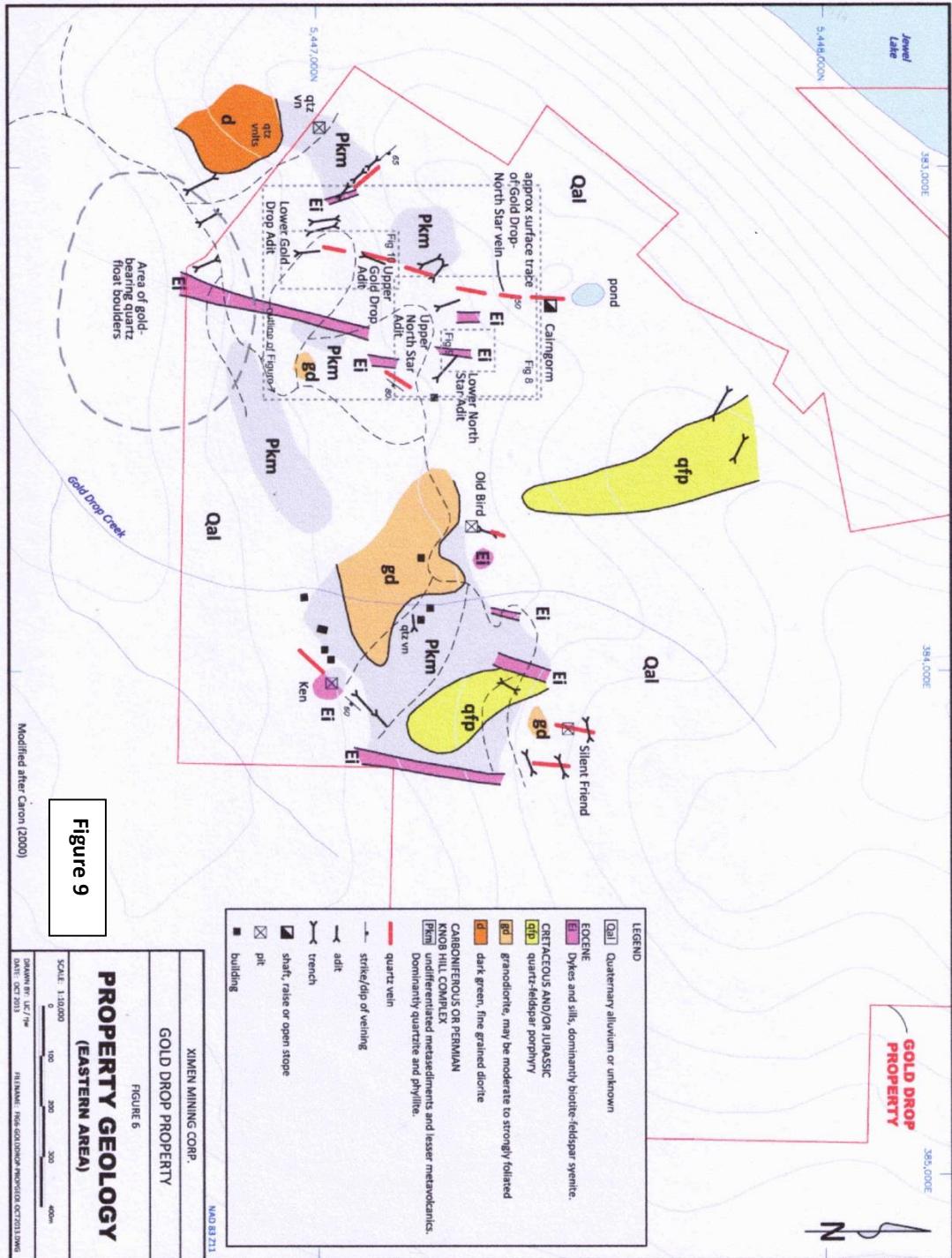
Other reported highlights of the 1983 sampling by Kenar Resources (Peto, 1983) are:

- Quartz sample at a shaft south of Silent Friend and approximately 800 m east of the Gold Drop workings returned 0.548 oz. / ton Au, 3.47 oz. / ton Ag, 20263 ppm Pb and 10911 ppm Cu. This was later referred to as the Ken vein (Caron, 2014).
- Quartz sample from or adjacent to a pit and trench approximately 300 m east of the North Star workings returned 0.214 oz. / ton Au, 1.21 oz. / ton Ag and 6645 ppm Pb (former Old Bird Crown Grant).
- Trench samples approximately 100 - 150 m west - northwest of the Upper Gold Drop adit returned 0.064 oz. / ton Au and 0.181 oz. / ton Au.
- Scattered gold-bearing quartz float boulders south - southeast of the Gold Drop workings being within and adjacent to the current Gold Drop property. Samples from three boulders were reported to return 0.891 oz. / ton Au and 6.62 oz. / ton Ag; 0.446 oz. / ton Au and 2.60 oz. / ton Ag; and 0.303 oz. / ton Au and 1.53 oz. / ton Ag. The Caron Technical Report states “trenching was done in an attempt to locate the source of the float boulders, without success” (Caron, 2014).

These areas of mineralized veins and boulders are displayed on Figure 9 (reproduced from the Caron Technical Report).

Kenar completed soil geochemical surveys in 1981 and 1983 covering the Gold Drop - North Star vein and adjacent areas (Assessment Reports Nos. 9961 and 11932 - Basco, 1981 and Peto, 1983). The gold detection limit for these samples was very high (3 ppm) with no samples exceeding this limit.

“In 1984, Coastech Research Inc. of North Vancouver was contracted to complete floatation tests on a 500 pound sample of vein material (with an average grade of 0.358 oz. /t Au). Details of the



**Figure 9: Property Geology – Eastern Region (source: Caron, 2014 - Figure 6)**

metallurgical testing are unknown, but Wood (1990) reported that the best recovery (88% Au, 91.3% Ag) was achieved from a lead-copper concentrate” (Caron, 2014).

The Caron Technical Report states that “Edward Brown worked as a mining contractor for Kenar Resources during this period, through his privately owned company, Solex Energy. Mr. Brown acquired claims covering the Gold Drop - North Star area from Kenar Resources as settlement for monies owing for work completed” (Caron, 2014).

**1988:** BC MINFILE reports that one tonne was mined at Gold Drop during 1988 with 75 gm gold, 2,272 gm silver, 48 kg lead and 9 kg copper recovered.

**1990:** Douglas Wood completed a Preliminary Report for Solex Energy in 1990 documenting surface and underground sampling (Wood, 1990). Four vein samples were collected in the Upper Gold Drop Adit, including two 12 inch (0.3 metre) wide samples reported to return 7110 ppb Au and 47.8 ppm Ag; and 99999 ppb Au, 229.3 ppm Ag, 14776 ppm Pb and 5814 ppm Cu. This second sample was collected at the branch in the adit where the vein splits. An Upper Gold Drop dump sample was reported to assay 57878 ppb Au and 198.8 ppm Ag. Five samples were collected in the Kenar Silent Friend trenches. The highlight was a quartz vein sample from Trench 8 reported to assay 7841 ppb Au. Three quartz samples at or near the Ken vein shaft (south of Silent Friend) were reported to return:

- 0.41 metre sample: 5867 ppb Au, 38.9 ppm Ag, 14291 ppm Pb and 10917 ppm Cu.
- Dump sample: 6030 ppb Au, 51.9 ppm Ag, 21743 ppm Pb and 8846 ppm Cu.
- Grab sample: 20730 ppb Au, 97.2 ppm Ag, 3801 ppm Pb and 1648 ppm Cu

**1998 – 1999:** A Prospectors Assistance Program Prospecting Report (Caron, 2000) documents work by Edward Brown. “During 1998, Ed Brown, Doug Redden and Clem Cyr rehabilitated the lower Gold Drop adit and began drifting to intersect the Gold Drop vein about 80 feet below the upper level” during which “30 metres of drifting was completed” (Caron, 2000). “During 1999, the Lower Gold Drop adit was extended to intersect the Gold Drop vein at the point where the split, visible in the Upper adit, occurs. This split was hit after drifting for about 40 metres. The vein was then drifted on for 10 metres to the southwest, and for 20 metres to the northeast” (Caron, 2000). The vein was reported to be “very irregular, in strike, dip, width and character” (Caron, 2000).

“Eight samples were collected from the Lower Gold Drop adit”, seven of vein material (Caron, 2000). The best reported assay was 0.129 oz. / ton Au and 1.06 oz. / ton Ag, for a 6 inch sample (Figure 7, reproduced from the Caron Technical Report) “about 3 metres back from the final face” (Caron, 2000). It was reported that visible gold was apparent in vein in the final face and a bulk sample was collected for mill testing at the test plant in Greenwood. “Four 20 kg samples of sorted

vein material were ground in a rod mill, then run through gravity and floatation circuits. Approximately 65% of the gold was recovered through the gravity circuit, with the remainder coming off in the flotation circuit. Specific details regarding grind size, reagents and total gold recovery are unavailable. The samples indicated a head grade of 0.75 oz. / ton Au” (Caron, 2014).

Edward Brown conducted prospecting during 1999, including attempted blast trenching. This was reported to be “largely unsuccessful, because the amount of overburden made drilling the blast holes difficult” (Caron, 2014). Reported prospecting highlights included (Caron, 2000):

- Quartz sample from dump near old pit northwest of Upper Gold Drop adit returned 4740 ppb Au, 39.3 ppm Ag and 8361 ppm Pb.
- Quartz vein sample at Silent Friend returned 2070 ppb Au, 40.2 ppm Ag, 7429 ppm Pb and 4209 ppm Cu.
- Quartz vein (reported to strike north and dip east) from old trench north of Upper North Star workings and approximately 40 m south of old Cairngorm pit returned 14000 ppb Au, 64.0 ppm Ag and 6645 ppm Pb.

**2013:** A. J. Beaton Mining conducted underground rehabilitation on the North Star workings during 2013 to allow for Ximen’s due diligence program. “The Lower North Star adit (#2 Level) was rehabilitated from the portal to the winze (a distance of approximately 100 m) to ensure safe access. The winze was then rehabilitated from the #2 to the #3 Level, including replacing the ladders, and finally the #3 Level was rehabilitated” (Caron, 2014). The vertical distance between the floors of these two levels was reported to be 13 metres with the winze reported to have a 48 degree slope (Caron, 2014).

In 2013, Linda Caron “completed geological mapping on the North Star #2 and #3 levels, with particular attention to pre- and post-ore structures” (Caron, 2014). This was part of Ximen’s due diligence program. Caron stated “fine-grained, dark grey to brown, quartz-biotite rich metasediments” on #2 and #3 levels; “a flat-lying biotite syenite sill of the Eocene Coryell suite cuts the biotite sediments on the North Star #2 Level”; and “the North Star vein is exposed in the winze and in the #3 Level” being “hosted by quartz-biotite metasediments, in the footwall of the biotite syenite sill” (Caron, 2014). Caron stated “the #3 Level follows the vein along strike for about 55 m”; “the area is complexly faulted and the vein is truncated by faults at both ends”; the vein “is a massive white quartz shear vein, with faulted footwall and hanging wall contacts, that is highly irregular in strike, dip and width” and its strike “varies from 0-90 degrees, while the dip ranges from 10-65 degrees E/S” (Caron, 2014). Caron stated “the vein pinches and swells, along both its strike and dip, from less than 20 cm to greater than 1 m in true width, averaging approximately 40 cm”; it “commonly splits and splay into multiple narrow veins or veinlets, within the wider vein structure”; and “generally, wider portions of the vein coincide with abrupt changes in

the vein strike and dip”. Regarding the vein, Caron stated the “sulfide content is low, generally less than 2%, and is dominantly pyrite with less galena” occurring “primarily as coarse disseminations, with lesser clots and narrow irregular fine-grained bands” (Caron, 2014).

Linda Caron collected nine samples from the North Star vein on the #3 Level (same vein as exposed in the winze), being part of Ximen’s due diligence program. The samples are plotted on Figure 10 (reproduced from the Caron Technical Report). The samples and reported results are listed in Table 7 (Caron, 2014).

**Table 7: 2013 Sample Results, North Star Vein, #3 Level (winze vein) (Caron, 2014)**

Sample	Width cm	Type	Au g/t	Ag g/t	As ppm	Cu ppm	Pb ppm	Zn ppm
5451	20	Chip	11.25	52.1	3	271	2340	317
5452	100	Grab	1.67	11.9	7	173	6760	111
5453	22	Chip	81.00	427.0	4	6	664	7
5454	30	Chip	0.72	3.9	<2	3	11	3
5455	18	Chip	0.08	0.4	<2	2	14	2
5456	80	Chip	0.69	2.9	11	5	54	5
5457		select grab	2.24	12.8	2	40	165	11
5458	55	Chip	0.51	2.4	<2	32	39	18
5459	30	Chip	4.16	35.6	<2	9	17	2

**2014 - 2015:** Ximen Mining Corp. conducted excavator trenching and prospecting on the Gold Drop property during 2014 – 2015 subsequent to the Caron Technical Report. Fourteen trenches were excavated in the east region of the property during the summer of 2014. Twelve of the trenches are in the area of the Gold Drop - North Star vein (Figure 11). Two trenches are at the Ken vein, adjacent to the shaft (Figure 14). Geological mapping of bedrock was conducted in the trenches in June 2015. Detailed structural mapping was not completed. Rock samples were also collected during June 2015 within and adjacent to trenches for geochemical analysis. The author assisted during this mapping and sampling. This work was supervised by Allen Beaton, P.Eng.

Fifty grab rock samples were collected from or adjacent to the Ximen trenches. These samples were sealed and transported daily to the Ximen - owned house in Greenwood. At the completion of the sampling program, the rock samples were transported by an Ximen representative from Greenwood to ALS Minerals in North Vancouver. At ALS Minerals, the samples were crushed to 90% less than 2 mm, riffle split off 1 kg, and the split being pulverized to 95% passing 106 microns. All samples were analyzed for gold by Fire Assay and Atomic Absorption Spectroscopy (AAS) (30 gm nominal

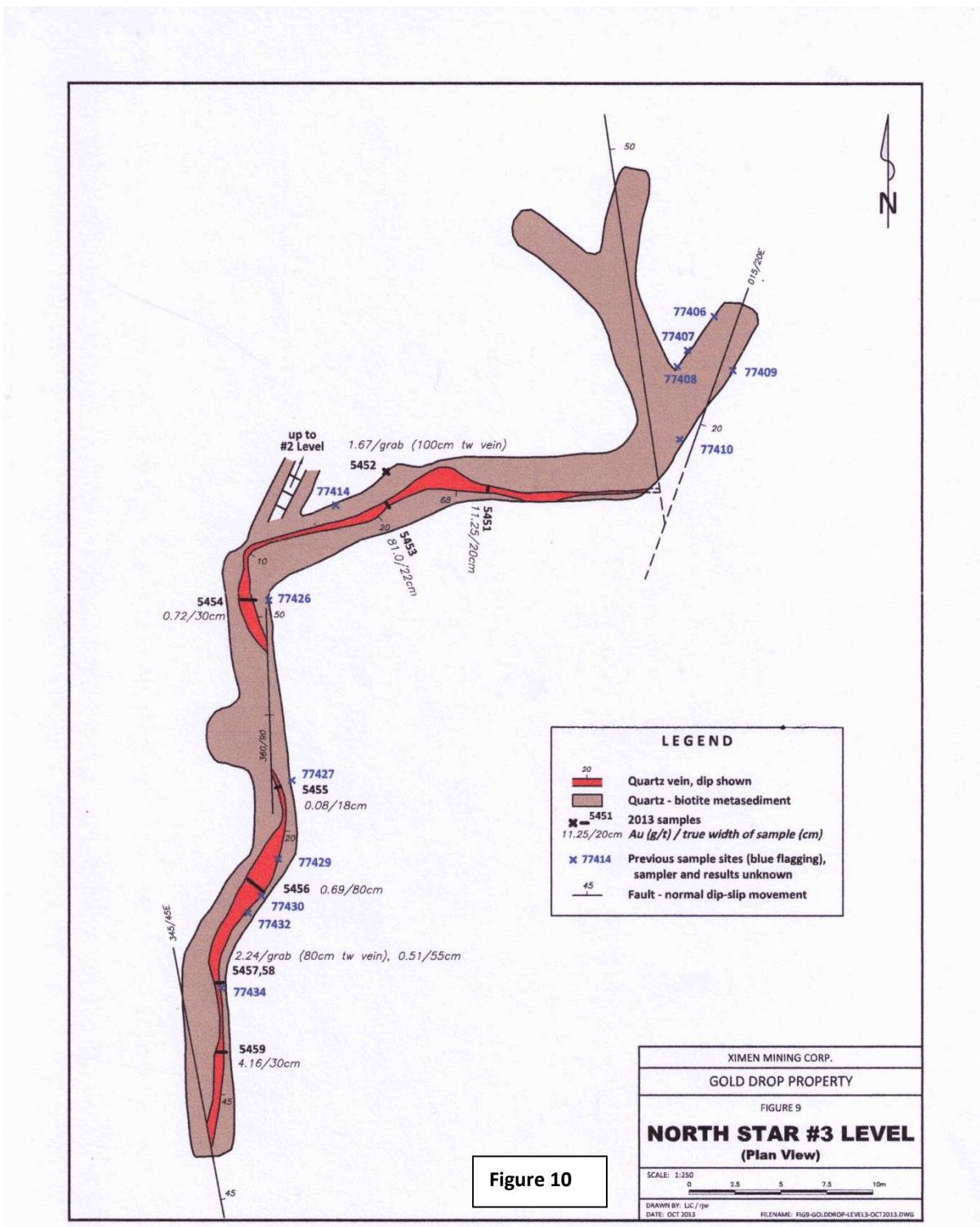


Figure 10: North Star Workings: #3 Level Plan Map (source: Caron, 2014 – Figure 9)

sample weight) and one sample (GD-R-15-25) also analyzed for gold by Fire Assay and Gravimetric Finish (30 gm nominal weight). Twenty-five of the samples were also analyzed for 33 elements (including silver, copper, lead and zinc) by Four Acid digestion and Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP-AES). ALS Minerals conducted Quality Control procedures consisting of analysis of blank, standard and duplicate samples. The trenches and sample analyses are discussed as follows:

**Trench 2014-1:** This northwest trending, 46 metre long trench is located west of the Gold Drop workings. Historic trenches were reported in this area as per Kenar Resources and Edward Brown reports. The southeast end of the trench is approximately 105 metres southwest of the Upper Gold Drop Adit. The trench exposes bedrock of metasediments and narrow, discontinuous, northwest striking and variably dipping quartz veins (Figure 12). The quartz veins in this trench were measured to strike 300 to 325 degrees; dip 58 degrees northeast to 75 degrees southwest; and be 5-30 cm wide. Two grab samples of quartz vein bedrock were collected in the central part of the trench with pyrite, galena and possible telluride (possible ore shoot). Sample GD-R-15-3 contained more galena plus some chalcopyrite. The analytical results included (ppm = g/t):

- GD-R-15-12: 1.21 ppm Au, 14 ppm Ag & 560 ppm Pb
- GD-R-15-13: 19.95 ppm Au, 26 ppm Ag, 3390 ppm Pb & 2120 ppm Cu

**Trench 2014-2:** This northeast trending, 21 metre long trench is located north of the Lower Gold Drop Adit and southwest of the Upper Gold Drop Adit (east end of the trench approximately 30 metres southwest of the Upper Gold Drop Adit). The east end of the trench is also close to a vertical shaft. The trench exposes bedrock of metasediments and a quartz vein of variable width (Figure 13). The quartz vein appears to strike northeast and dip southeast. It is unclear to author if this vein is the Gold Drop vein or a splay off the Gold Drop vein. One section of the vein is at least 1.2 metres wide. The vein is locally hematite stained; and locally contains pyrite and / or yellow mica. Three grab samples of quartz vein bedrock were collected in different parts of the trench, returning:

- GD-R-15-14: 2.41 ppm Au & 14 ppm Ag
- GD-R-15-15: 1.48 ppm Au & 12 ppm Ag
- GD-R-15-16: 0.33 ppm Au

**Trench 2014-3 and 2014-3A:** These two intersecting trenches are located close to and up-hill from the Upper North Star Adit. The southeast end of the trench is approximately 25 metres northwest of this adit.

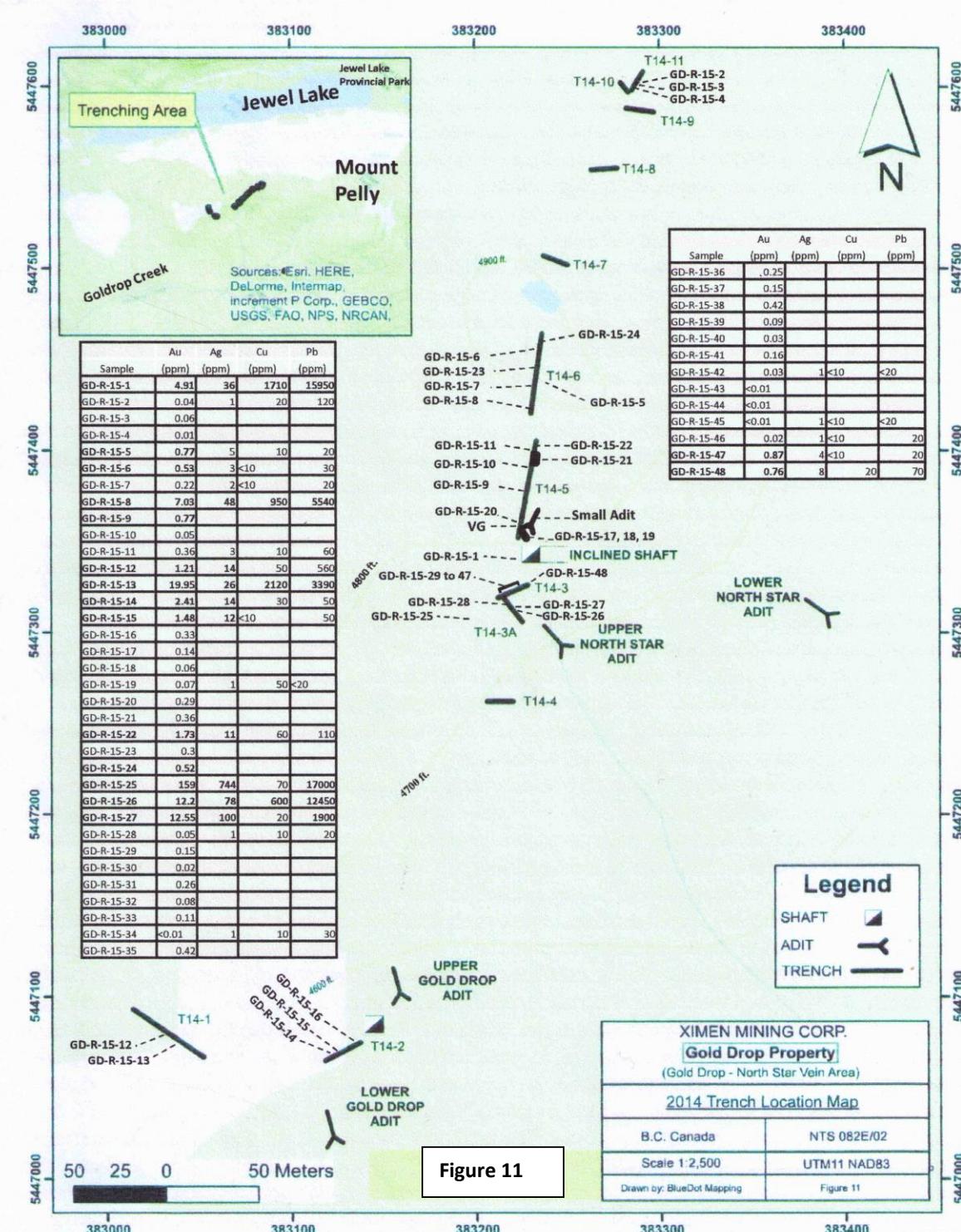


Figure 11: Ximen Mining 2014 Trench Location Map: Gold Drop – North Star Vein Area

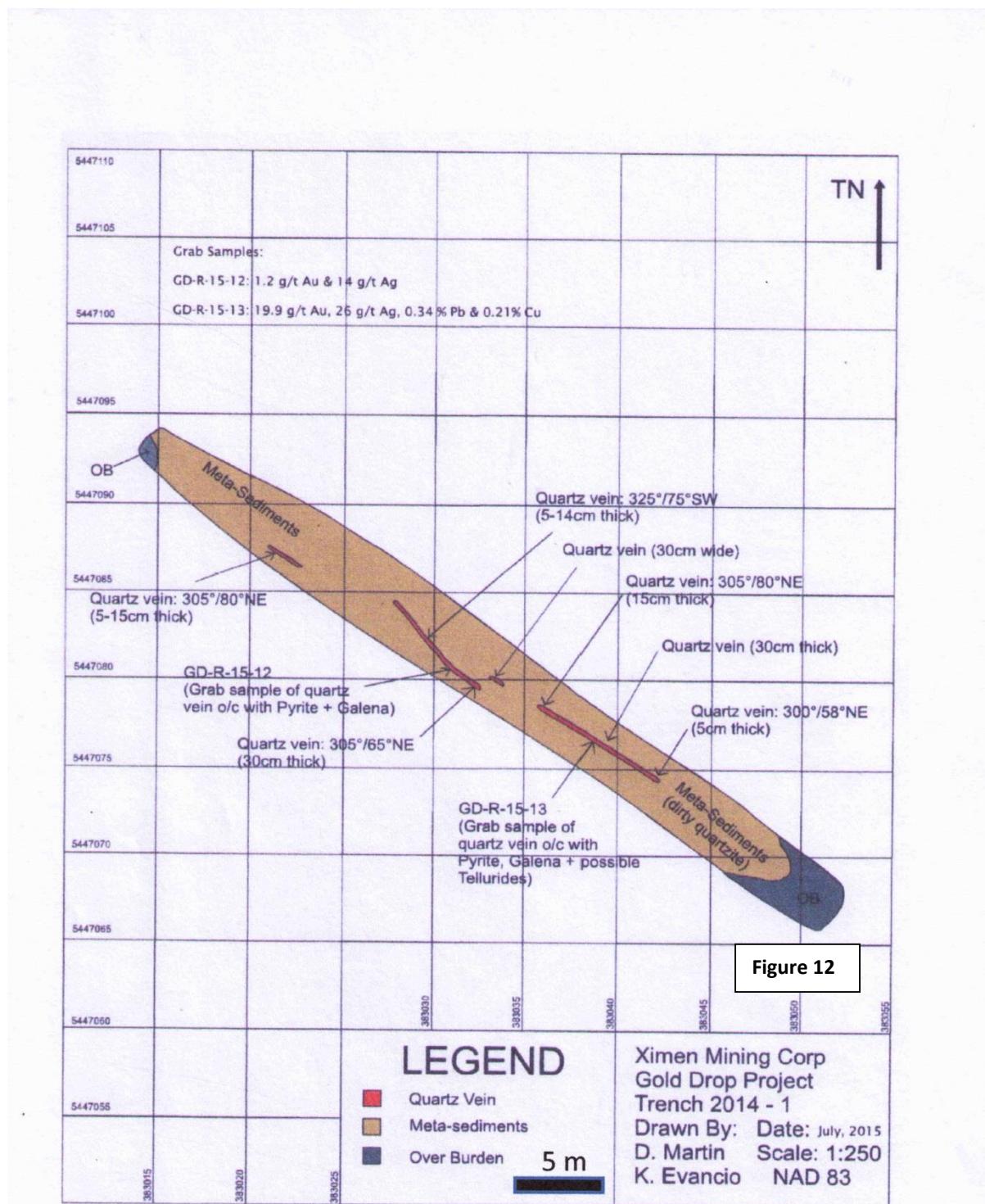
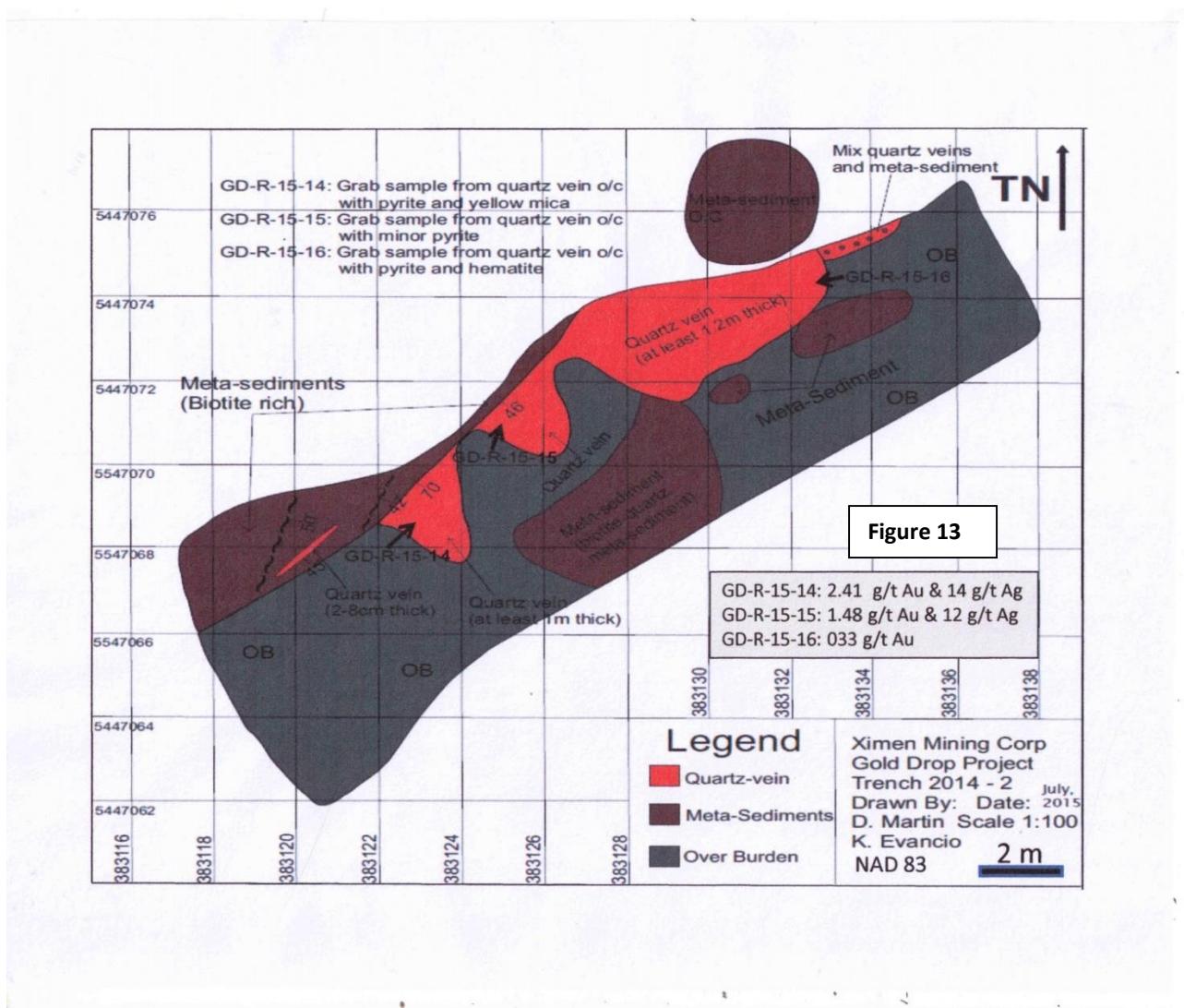


Figure 12: Ximen Mining Gold Drop Trench 2014-1



**Figure 13: Ximen Mining Gold Drop Trench 2014-2**

The long dimension of Trench 2014-3A trends northwest and is steep, following the hill slope for approximately 24 metres. Metasediment bedrock is exposed in this part of the trench being cut by a northeast striking (020 - 025 degrees), southeast dipping (35 - 40 degrees) quartz vein. It appears that the majority of this vein was removed by the excavator, with the vein being mainly exposed in the wall of the trench. The vein is generally 15-50 cm wide but pinches out in the southeast lower end of the trench and appears to be faulted off in the up-dip higher northwest region of the trench. It is locally rusty with local pyrite, galena and chalcopyrite, possibly representing an ore shoot. Three bedrock grab samples were collected from this vein at approximately 2-3 metre intervals from southeast to northwest along the dip of the vein (GD-R-15-26 to GD-R-15-28). Two adjacent samples spaced approximately 3 metres apart returned significant results:

- GD-R-15-26: 12.2 ppm Au, 78 ppm Ag, 12450 ppm Pb & 600 ppm Cu
- GD-R-15-27: 12.55 ppm Au, 100 ppm Ag & 1900 ppm Pb

The northwest end of Trench 2014-3A joins the western end of Trench 2014-3. Trench 2014-3 trends northeast and follows the contour of the hill for approximately 12 metres until it ends at a historic open-cut or possible raise. Metasediments are still exposed in this part of the trench. A thick quartz vein is exposed along part of the north wall of the trench. There is shearing evident at its west end. This quartz vein is in places at least 1.5 metres wide and has local hematite staining. The strike of this vein is predominantly 055-70 degrees, dipping 45-65 degrees southeast. This vein narrows within 3-4 metres of the northeast end of the trench to less than 30 cm wide. This vein was systematically sampled with 20 grab samples (GD-R-15-29 to GD-R-15-48) collected at approximate 1 metre intervals along its strike and dip. These samples returned nil to low levels of gold with the best sample being GD-R-15-47 (0.87 ppm Au) at its northeast end where it starts to pinch. Multi-element analyses for five of these samples returned insignificant results for silver, lead, zinc and copper.

A vertical bedrock exposure occurs at the northeast end of Trench 2014-3 adjacent to the open-cut or raise. Two narrow (10-50 cm) quartz veins are evident cutting metasediments on this vertical exposure, striking 040 - 045 degrees and dipping 45-55 degrees southeast. A grab sample of one of the veins (GD-R-15-48) returned 0.76 ppm Au.

Multiple large blocks of quartz vein material were excavated out of Trench 2014-3A and placed in a small clearing west of the trench adjacent to the access road. Some blocks of quartz have galena and are speculated by the author to be from the vein in the mid-lower part of Trench 2014-3A, probably from the area of samples GD-R-15-26 and 27. A grab sample was collected from one large block of quartz (block being approximately 2 x 1.5 x 0.4 metres) with pyrite and galena. The sample (GD-R-15-25) returned 159 ppm Au, 744 ppm Ag and 17000 ppm Pb.

**Trench 2014-4:** This east-west trending, 14 metre long trench is located approximately 50 metres south of Trench 2014-3A. Bedrock is exposed in the central part of the trench consisting of felsic porphyry (quartz phenocrysts).

**Trench 2014-5:** This is a slightly northeast trending, 54 metre long trench. Its southern end is approximately 65 metres northwest of the Upper North Star adit. The southern end of the trench borders an open-cut / adit joining North Star underground workings. The trench exposes bedrock of metasediments and a north to slightly northeast striking quartz vein for most of its length. The quartz vein varies from approximately 50 cm wide to in places greater than 1.8 metres wide and dips 45 - 60 degrees east. The vein contains pyrite and is locally hematite-stained. Visible gold grains were noted by Allen Beaton in a small part of the vein near the southern end of the trench

within a few metres of the open-cut / adit. The author also observed the gold grains. Overburden is locally deeper in the northern part of the trench with exposed bedrock more erratic. Part of the northern end of the trench was filled with water at the time of sampling. Metasediments and quartz veins are still exposed in this part of the trench. Other northeast trending quartz veins (15-70 cm wide) are exposed in the northern part of this trench, possibly being splays off the main vein. The main vein narrows at the northern-most end of the trench to 7-45 cm wide.

Nine grab samples of quartz vein bedrock were collected for analyses (GD-R-15-9 to GD-R-15-11 and GD-R-15-17 to GD-R-15-22). The small area of visible gold was not sampled during the June program as Ximen management instructed this part of the vein to be left intact. Sample GD-R-15-20 was collected approximately 1 metre north of the visible gold and returned 0.29 ppm Au. Samples GD-R-15-9 (middle of trench) and GD-R-15-22 (north end of trench) exceeded 0.50 ppm Au, returning 0.77 ppm Au and 1.73 ppm Au respectively.

An historic decline or raise is located approximately 5 metres south of, and down a steep slope from the southern end of Trench 2014-5. A quartz vein is exposed in this shaft. Quartz vein rubble is abundant adjacent to this decline / raise, some with significant amounts of galena and chalcopyrite. A grab sample (GD-R-15-1) was collected from this rubble and returned 4.91 ppm Au, 36 ppm Ag, 15950 ppm Pb and 1710 ppm Cu.

**Trench 2014-6:** This north trending, 52 metre long trench starts approximately 15 metres north of the north end of Trench 2014-5. This trench exposes bedrock of metasediments and a narrow northwest to northeast striking quartz vein. The vein is displaced by a fault in the southern part of the trench. The vein in the trench dips 50-78 degrees east, is 4-80 cm wide and locally contains pyrite. A shallow open-cut occurs along the west edge of the trench. A piece of quartz vein rubble with pyrite, galena and chalcopyrite was collected in the southern end of the trench. This sample (GD-R-15-8) returned 7.03 ppm Au, 48 ppm Ag, 5540 ppm Pb and 950 ppm Cu. Four samples of the quartz vein bedrock were collected. These are samples GD-R-15-6, GD-R-15-7, GD-R-15-23 and GD-R-15-24, returning 0.53 ppm Au, 0.22 ppm Au, 0.30 ppm Au and 0.52 ppm Au. A sample of quartz vein rubble (GD-R-15-5) on the east side of the trench returned 0.77 ppm Au.

**Trench 2014-7:** This east-west trending, 14 metre long trench is located approximately 35 metres northeast of Trench 2014-6. It is relatively deep (2-3 metres) with metasediment bedrock exposed along the southeast and west walls. No samples were collected.

**Trench 2014-8:** This east-west trending, 14 metre long trench is located approximately 60 metres northeast of Trench 2014-7. This trench exposes metasediment bedrock at its east end. No samples were collected.

**Trench 2014-9:** This east-west trending, 17 metre long trench is located approximately 30 metres northeast of Trench 2014-8. Metasediment bedrock is exposed in its western end and quartz-feldspar porphyry bedrock is exposed in the central - eastern part of the trench along the southern wall and part of the trench floor. Two narrow quartz veins (12-15cm wide) cut the metasediments, one striking north and the other striking northeast. No samples were collected.

**Trench 2014-10:** This northwest trending, 8 metre long trench is approximately 5 metres north of Trench 2014-9. It is at least 3 metres deep with no bedrock exposed. Although no bedrock is exposed, it is noted here to indicate that overburden is locally relatively deep.

**Trench 2014-11:** This is the northern-most of the 2014 trenches, located approximately 300 metres northeast of the Upper North Star Adit. Its deeper south end is within 1 metre of Trench 2014-10. This 9 metre long trench trends northeast. It exposes bedrock of metasediments and a northeast striking (southeast dipping) quartz vein, both intruded by quartz porphyry in the southern part of the trench. The quartz vein is narrow (2-30 cm) and contains pyrite. Bedrock grab samples GD-R-15-2 and GD-R-15-3 were collected from the quartz vein while grab sample GD-R-15-4 was collected from the porphyry bedrock. The three samples all returned less than 0.10 ppm Au.

**Trench 2014-12:** This trench is located at the Ken vein adjacent to the historic shaft (Figure 14). This shaft is approximately 840 metres east of the Upper Gold Drop Adit. This 19 metre long trench trends northeast, its southwest end being adjacent to the shaft. The trench exposes metasediments. A northeast striking (050 degree strike, 65 degree southeast dip) quartz vein cuts the metasediments adjacent to the shaft. The vein is up to 30 cm wide and contains pyrite, galena, chalcopyrite and malachite. It pinches out 3 metres northeast of the shaft and reappears after 3 metres near the east wall of the trench (potentially continuing east of the trench.) Two bedrock grab samples were collected from the vein close to the shaft which returned:

- GD-R-15-49: 0.51 ppm Au, 6 ppm Ag, 2260 ppm Pb & 1870 ppm Cu
- GD-R-15-50: 0.81 ppm Au, 7 ppm Ag, 2550 ppm Pb & 360 ppm Cu

**Trench 2014-13:** This trench is located 14 metres northeast of the Ken vein shaft and 1 to 2 metres north of Trench 2014-12 (Figure 14). This trench trends northwest and is only 8 metres long. It exposes metasediments.

Ximen conducted limited prospecting during 2015 within the Gold Drop property. Prospecting was conducted in the southeast region of the property along an older partially grown-in trail leading south from the Jewel Lake – Eholt Road. This trail enters the property at approximately 383280 East and 5445815 North (NAD 83 Zone 11) where it was prospected southeast from this point to a clearing at approximately 383350 East and 5445620 North. From this point, the trail turns to the

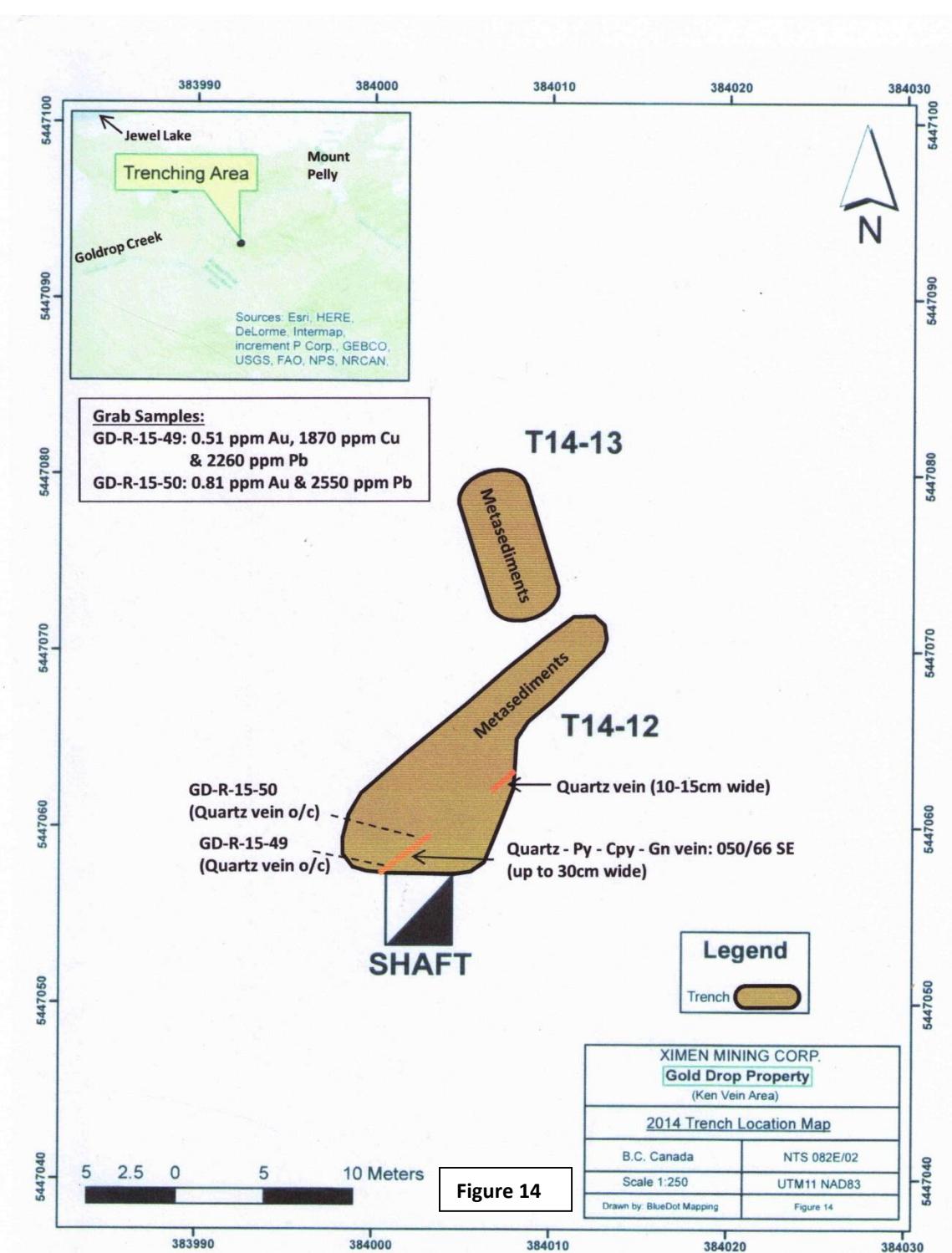


Figure 14: Ximen Mining 2014 Trench Location Map: Ken Vein Area

west-northwest and was prospected to approximately 383170 East and 5445710 North. No outcrops or quartz vein float were observed. No samples were collected. The author participated during this one-day exercise in this region.

Prospecting was conducted in the northwest region of the property along the steep road leading to Mount Roderick Dhu. Prospectors reported three open-cuts (or shallow shafts) in the area of the historic Amandy workings at the following locations (NAD 83 Zone 11):

- Open-cut 1: 381428E and 5449038N
- Open-cut 2: 381433E and 5449008N
- Open-cut 3: 381459E and 5448866N

Numerous metasediment float samples were collected in this northwest region (Figure 15). Three silicified metasediment samples (1252451, 1252452 and 1252453) with quartz veining and pyrite were submitted to ALS Minerals in North Vancouver. At ALS Minerals, the samples were crushed to 70% less than 2 mm; riffle split off 250 grams; with the split portion pulverized to better than 85% passing 75 microns. Each sample was analyzed for gold by Fire Assay and Atomic Absorption Spectroscopy (AAS) and analyzed for 33 elements by Four Acid and Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP-AES). The three samples returned low levels for gold (0.024 to 0.032 ppm Au). Sample 1252452 returned the high value for arsenic (249 ppm As) while sample 1252451 at the peak of Mount Roderick Dhu returned the high value for copper (135 ppm Cu).

## **6.2 Northwest Region (including Alice, Amandy, Lady of the Lake, Lakeview, Moonlight and Roderick Dhu Veins)**

The Alice, Amandy, Lady of the Lake, Lake View, Moonlight and Roderick Dhu gold and silver bearing veins (MINFILE Nos. 082ESE126, 082ESE225, 082ESE127, 082ESE056, 082ESE224 and 082ESE125) are located in the northwest region of the Gold Drop Property, west - northwest of Jewel Lake (Figure 4). Historic work in this area dates back to the mid - 1890s, being documented in Annual Reports of the BC Minister of Mines (referred to as Annual Reports in subsequent paragraphs) and BC mineral assessment reports.

**1896 - 1903:** The 1896 Annual Report states a 100 foot long tunnel (30 metres) at Lake View. The 1897 Annual Report states the owners at Lake View to be C. L. Thommet and R. and H. Wood and re-states the tunnel to be 100 feet in length on a quartz vein that is nil to 5 feet (1.5 metres) wide with “a good percentage of galena, pyrrhotite, iron and copper pyrites” and tellurides. This report states a 35 foot deep shaft (10.7 metres) was sunk “near the tunnel mouth” which intersected an 18 inch (0.46 metres) wide quartz - pyrrhotite vein with “high assay values in gold and silver.”

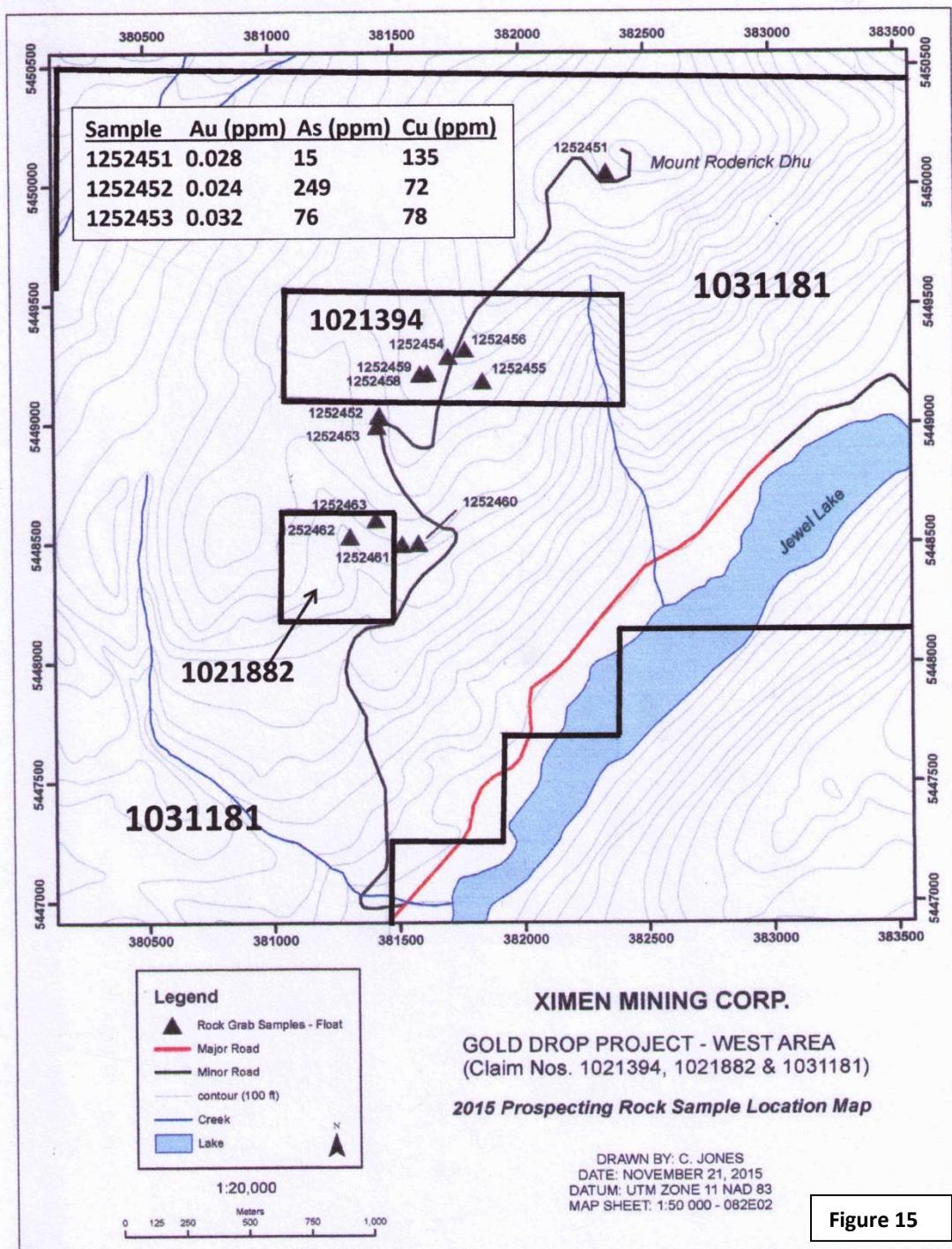


Figure 15: Ximen Mining 2015 Prospecting Rock Sample Location Map: West Area

The 1897 Annual Report states owners at Roderick Dhu to be Messrs. R. Wood, J. B. Jones et al. This report states Vein No. 1 to be 2 to 14 inches (5 - 36 cm) wide consisting of quartz, galena, pyrite and tellurides with a 50 foot (15 metres) shaft sunk on the vein (the vein was not traced far). The report states Vein No. 2 is “barren-looking white quartz 4 to 6 feet wide” (1.2 - 1.8 metres) with nil or little exploration. The 1903 Annual Report states underground work was completed to “get out a few trial shipments of ore” The smelter returns were reported to be of “sufficient importance to encourage the lessees to continue development.” The 1921 Annual Report states the Roderick Dhu shaft sunk in 1903 was 75 feet (23 metres) in depth and “some ore stoped out to the surface for 100 feet to the south of the shaft.”

The 1896 Annual Report states a 50 foot (15 metres) deep shaft at Alice. The 1897 Annual Report states the owner to be Sir Charles Ross Nelson. This report states the Alice quartz vein was traced for 200 feet (61 metres), being 12 - 18 inches (0.30 - 0.46 metres) wide with galena, pyrite and pyrrhotite.

The 1987 Annual Report states the Amandy vein (referred to as Amanda) in the southern end to be “15 to 18 inches wide, of quartz with galena, blonde and pyrites out-cropping at one place.” The report states at the north end “is another out-crop 4 feet wide, of barren-looking quartz, and small shafts have been sunk on each of these exposures.” The reported owner was Chas. Collier et al.

**1921:** The 1921 Annual Report states the Roderick Dhu quartz vein on surface to be 2 inches to 1 foot (0.05 - 0.30 m) wide and “carried values of 1.12 oz. in gold and 1.50 oz. in silver to the ton.” The report states that the “lead could be traced for about 500 feet north-east, where another shaft had been sunk 25 feet in the quartz” where it “seemed to be more or less barren of values.”

The 1921 Annual Report states the quartz lead at Moonlight is “partially developed by open-cuts and shallow shafts.” This report stated the quartz lead to have a “width from 10 inches to 2 feet and traceable over a distance of 1000 feet” (305 m). The report states that “the vein is not well mineralized, as far as the development shows, carrying values of 0.10 oz. in gold and 4 oz. in silver to the ton.”

The 1921 Annual Report states work at Lady of the Lake (also called Electric) consisting of prospecting, cleaning of previous open-cuts and driving a 50 foot tunnel (15 metres). The report states “for 12 feet in from the mouth of the open-cut and tunnel good ore was struck, averaging about 1 foot in width and carrying 1.68 oz. in gold, 22.9 oz. in silver, and 1.6 % lead to the ton.” The report indicates the vein to then pinch out for 12 feet (“vein was crushed for about 12 feet”) and re-appear near the face, being “only quartz barren of values.” The vein was reported to strike magnetic north and dip east.

**1934 - 1941:** Annual Reports state E.C Henniger and associates as owners of Amandy. Reported workings as of 1934 include 10 open-cuts and shafts to 15 foot (4.6 metres) depth on the main vein. This vein was reported as a few inches to 10 feet (3 m) wide, striking north to northwest and dipping 60 degrees northeast. The vein was reported to be traced for over 1000 feet (305 m) from the Alice claim to the south. The quartz vein was reported to host “pyrite, with lesser amounts of galena, sphalerite and probably gold telluride” (1934 Annual Report). Parallel and branch veins were also reported with work also stated on these veins. The 1934 Annual Report also states an older 40 foot deep (12 metres), 30 degree inclined shaft with a short drift to the north. The 1934 and 1935 Annual Reports state assays for quartz samples. These are listed in Table 8 (Caron, 2014).

The 1941 Annual Report states the property was operated under lease by W. E. McArthur with drifting, shaft sinking and mining conducted. Material was shipped to Trail. MINFILE reports 1,059 tonnes mined at Amandy during 1936 - 1941 with 10,637 gm gold and 196,104 gm silver recovered. MINFILE reports 25 tonnes mined at Roderick Dhu during 1940 with 498 gm gold and 6,874 gm silver recovered.

**Table 8: Amandy Vein - Historical Sample Results: 1934 – 1935**  
(Caron, 2014; 1934 and 1935 Annual Reports of BC Minister of Mines)

Sample	Au oz/t	Ag oz/t	Description
No. 1	0.50	8.0	width unknown
No. 2	0.70	42.0	width unknown
No. 3	0.80	8.0	width unknown
Open Cut G	0.20	5.0	12' wide
Open Cut G	0.30	6.0	Chip 7' x 7'
Open Cut G	1.10	14.0	Select grab, honeycombed quartz
Shaft H	0.30	5.0	54" wide
Shaft H	0.04	0.2	24" wide
Shaft H	Trace	3.0	12" wide
Shaft H	0.50	5.5	87" wide
Shaft H	0.24	3.5	48" wide
Shaft H	0.30	3.5	24" wide

**1946 - 1947:** Amandy was purchased by Quatsino Copper-Gold Mines Ltd. in 1946 as per the 1946 Annual Report. The company dewatered underground workings and conducted surveying and sampling. The 1947 Annual Report states Quatsino conducted a diamond drilling program during 1947 “on the Amandy, Amandy Fraction and Alice Mineral Claims”. The program consisted of 19 holes (totalling 2,257 feet - 688 metres). The report described a 50 foot (15 m) deep shaft on the Amandy vein and “230 feet of drifting northward from the bottom of the shaft.” The drilling tested “to a maximum depth of 280 feet below the shaft-collar in the vicinity of the old workings” with

only one “good intersection” being “150 feet south of and about 20 feet lower than the shaft collar”. The report states “much of the drill-core was dyke material which, being post-mineral, may have obliterated considerable sections of the vein.” The 1947 Annual Report does not provide hole locations or drill core sample assays.

**1967 - 1969:** The 1967 Annual Report states J. A. Millican completed two short diamond drill holes (totalling 61 feet - 18.6 metres) in the area of the Roderick Dhu occurrence and “took some random magnetometer readings.” The hole locations and results were not provided. Field geological and photogeological investigations were conducted in this area during 1969, reported by P. Haman for J.A. Millican (Assessment Report No. 1814 – Haman, 1969).

**1980 - 1983:** Guy Allen briefly prospected the area of the Lake View occurrence in 1980, attempting to find the adit and shaft (Assessment Report No. 08709 - Allen, 1980). The shaft and adit were not located during this limited work. Mr. Allen reported finding a historic trench which contained a rusty quartz vein. A sample of quartz pieces from a dump area was reported to assay 5.0 oz. / ton Ag and nil gold. Kenar Resources Ltd. prospected the same area in 1981 (Assessment Report No. 09910 – Kregosky, 1981). The historic adit was found. A quartz vein was reported at the adit, reported to pinch and swell (up to 75 cm wide), striking 340 degrees (near vertical). The vein was reported to contain malachite staining and minor azurite. Chalcopyrite and pyrite were reported on fractures. Two chip samples of the vein were reported to assay 0.242 oz. / ton Au and 2.33 oz. / ton Ag; and 0.134 oz. / ton Au, 2.92 oz. / ton Ag and 0.33% Cu (sample widths not reported).

Kenar Resources Ltd. conducted a VLF-EM16 geophysics survey in the area of the Lake View occurrence during 1983 (Assessment Report No. 11932 – Peto, 1983). The conclusion was “the VLF results are uniformly monotonous and no conductor is discernable” (Peto, 1983).

Bay Ann Resources explored this area in 1983 (Assessment Report No. 11464 – Spencer, 1983). Bay Ann reported finding an old adit and pit at the Lady of the Lake occurrence. The report states that the adit “followed a quartz vein up to 0.75 metres wide trending 340 degrees and dipping 50 degrees east” (Spencer, 1983). The vein was reported to pinch out after 30 metres. A grab sample of quartz from the adit dump was reported to assay 0.36 oz. / ton Au and 5.20 oz. / ton Ag. A sample across 0.7 metres of the vein was reported to return insignificant results. A quartz vein was reported approximately 180 metres north of the adit in a small pit of which a sample returned insignificant results. The company conducted soil sampling with samples reported up to 75 ppb Au. It was concluded that the survey did not indicate “any strongly anomalous areas” in the Amandy area or “any anomalous zones” in the Lady of the Lake area (Spencer, 1983)

In 1983 Blackmist Resources Inc. reported a grab sample of sulfide bearing vein material from an Amandy dump to assay 0.904 oz. / ton Au and 18.95 oz. / ton Ag (Assessment Report No. 11925 – Verley, 1983).

### **6.3 Additional Previous Work**

The following companies and individuals have reported exploration in the southern and western regions of the Gold Drop property as per BC mineral assessment reports:

- Granby Mining Company Limited and Phoenix Copper Company Limited conducted magnetometer and electro-magnetic geophysics surveys during 1959 that covered part of the southeast region of the Gold Drop property (Assessment Report No. 00297 – Matthew, 1959). A magnetic anomaly was reported (reported to be large and circular), part of which may be within the Gold Drop property.
- Grandby Mining Company Limited conducted an induced polarization (IP) geophysics survey during 1966 that covered part of the southeast region of the Gold Drop property (Assessment Report No. 00809 – Huntec Limited, 1966).
- King Resources Company conducted a magnetometer survey during 1969 that covered part of the southern region of the Gold Drop property (Assessment Report No. 02113 – Smith, 1969).
- Roanoke Explorations Ltd. conducted a soil geochemical survey during 1978 that appears to have covered the southwest corner of the Gold Drop property (Assessment Report No. 07297 – McLeod, 1979). Most of this survey was south of the Gold Drop property.
- Shandon Resources Inc. conducted soil geochemical surveys during 1983 and 1984 that covered the southwest region of the Gold Drop Property (Assessment Report Nos. 11897 and 13900 – Sheppard, 1983 and 1985). A few samples were reported to return 95 and 115 ppb Au.
- Blackmist Resources Inc. conducted geological mapping; prospecting; and stream sediment and soil geochemical surveys during 1983 that covering part of the west region of the Gold Drop property, west of Jewel Lake (Assessment Report No. 11925 - Verley, 1983). Multiple soil samples exceeded 100 ppm Cu (up to 124 ppm Cu). The claim of Blackmist Resources at that time was south of the Amandy occurrence. A 33 cm wide quartz vein (exposed for 2 m) was reported on the Blackmist claim of which a chip sample across the vein was reported

to assay 0.032 oz. / ton Au. The Blackmist report mentions another gold-bearing quartz vein south of their claim referred to as the C.O.D.

- John Kucherhan conducted a VLF-EM geophysics survey in 1985 that covered part of the western region of the Gold Drop property (Assessment Report No. 14088 – Kregosky, 1985). A northeast trending conductor was reported west of Jewel Lake.
- The 2013 assessment report by Linda Caron for the adjacent Dentonia Property (Report No. 34363) referenced a 1985 report by W.W. Cummings for Highland Valley Resources Ltd. The Caron report states that Highland Valley discovered a gold bearing quartz vein which was reported to return 0.39 oz./ton Au over 4 feet (1.2 metres). The vein was referred to as the “Highland Valley Resources vein” (Caron, 2013). Caron reported finding the vein in 2013, being “100-150 m south of the Dentonia property boundary” (Caron, 2013) which would place it in the southern region of the Gold Drop property.
- Glendale Resources Inc. conducted diamond drilling during 1988 consisting of 10 holes totalling 2966 feet (904 metres) (Assessment Report No. 17579 – Cummings, 1988). The program was conducted in the southwest region of the Gold Drop property and adjacent enclosed C.O.D. DL 1532 crown grant. Glendale provided a historical overview of the C.O.D. gold bearing quartz vein which is discussed in Section 23.0 of this report. Four holes were drilled within the C.O.D. crown grant of which the vein was intersected close to the shaft (reported 0.216 oz. / ton Au and 2.53 oz. / ton Ag over 2.5 feet). Six holes were drilled west - southwest of this crown grant, located within the Gold Drop property with the best reported sample being 0.024 oz. / ton Au over 3.5 feet (1.1 metres). The Glendale reports states trenching was completed in 1986, tracing the C.O.D. vein south of the crown grant (into area of current Gold Drop property). Trenching exposed “banded chalcedonic quartz” (Cummings, 1988) of which a grab sample was reported to assay 0.608 oz. / ton Au and 3.38 oz. / ton Ag.

## **7.0 GEOLOGICAL SETTING AND MINERALIZATION**

### **7.1 Regional and Local Geology**

The regional geology of the Greenwood area was summarized by Linda Caron in the National Instrument 43-101 Technical Report on the Gold Drop Property, referencing previous studies including Massey (2006), Fyles (1990), Church (1986), Little (1983) and Monger (1967). The reader is referred to the above sources for further details on regional geology.

“The Boundary District is situated within Quesnellia, a terrane which accreted to North America during the mid-Jurassic. Proterozoic to Paleozoic North American basement rocks are exposed in the Kettle and Okanogan metamorphic core complexes. These core complexes were uplifted during the Eocene, and are separated from the younger overlying rocks by low-angle normal (detachment - type) faults. The distribution of the younger rocks is largely controlled by a series of faults, including thrust faults (related to the accretionary event), and Tertiary extensional and detachment faults” (Caron, 2014).

“The oldest of the accreted rocks in the Greenwood area are late Paleozoic volcanics and sediments. These rocks are separated into the Knob Hill Complex and overlying Attwood Formation. Rocks of the Knob Hill Complex are of dominantly volcanic affinity, and consist mainly of chert, greenstone and related intrusives, and serpentinite. The serpentinite bodies of the Knob Hill Complex represent part of a disrupted ophiolite suite which have since been structurally emplaced along Jurassic thrust faults. Serpentinite is also commonly remobilized along later structures. Commonly, these serpentinite bodies have undergone Fe-carbonate alteration to listwanite as a result of the thrusting event. Locally, sediments and volcanics (largely argillite, siltstone, limestone and andesite) of the late Paleozoic Attwood Formation unconformably overlie the Knob Hill Complex” (Caron, 2014).

“The Paleozoic rocks are unconformably overlain by the Triassic Brooklyn Formation, represented largely by limestone, clastic sediments and pyroclastics. Both the skarn deposits (i.e. Phoenix and Buckhorn deposits) and the gold-bearing volcanogenic magnetite - sulfide deposits (i.e. Lamefoot and Overlook deposits) in the district are hosted within the Triassic rocks. In the eastern part of the district, Jurassic sediments and volcanics of the Rossland Group are widespread. In the Greenwood area, volcanic rocks that overlie the limestone and clastic sediments of the Brooklyn Formation may be part of the Brooklyn Formation, or they too may belong to the younger Rossland group” (Caron, 2014).

“At least four separate intrusive events are known regionally to cut the above sequence, including the Jurassic-aged alkali intrusives (i.e. Lexington porphyry, Rossland monzonite, Sappho alkalic complex), microdiorite related to the Triassic (Brooklyn) greenstones, Cretaceous-Jurassic Nelson and Valhalla intrusives, and Eocene Coryell (and Scatter Creek / Herron Creek) dykes and stocks” (Caron, 2014).

“In the Greenwood area, Fyles (1990) has shown that the pre-Tertiary rocks form a series of thrust slices, which lie above a basement high-grade metamorphic complex. At least five thrust slices are recognized, all dipping gently to the north, and marked in many places by bodies of serpentine. Massey (2006) proposed a possible sixth thrust fault along the Eholt Creek valley. The Gold Drop property would sit in the upper plate of the sixth thrust slice” (Caron, 2014).

“Eocene sediments and volcanics unconformably overlie the older rocks. The oldest of the Tertiary rocks are conglomerate and arkosic and tuffaceous sediments of the Kettle River Formation. These sediments are overlain by andesitic to trachytic lavas of the Marron Formation. The Marron volcanics are in turn unconformably overlain by sediments, lahar and volcanics of the Oligocene Klondike Mountain Formation. The Klondike Mountain sediments are widespread in the Curlew - Republic area in Washington State, but are absent or largely absent in the Greenwood area” (Caron, 2014).

“Three main Tertiary fault sets are recognized, an early, gently east-dipping set, a second set of low-angle west-dipping, listric normal (detachment-type) faults, and a late, steeply dipping, north to northeast-trending set of right or left lateral or west side down normal faults (Fyles, 1990). Epithermal gold mineralization, related to Eocene structural activity, has been an important source of gold in the Curlew-Republic area in Washington State” (Caron, 2014).

“The Tertiary rocks are preserved in the upper plates of low-angle listric normal (detachment - type) faults related to the uplifted metamorphic core complexes, in a series of local, fault-bounded grabens (i.e. Republic graben, Toroda graben) (Cheney and Rasmussen, 1996; Fyles, 1990). In the Greenwood area, as series of low angle detachment-type faults occur (from east to west, the Grandby River, Thimble Mountain, Snowshoe, Bodie Mountain, Deadwood Ridge, Windfall Creek, and Copper Camp faults). These faults have taken a section of the Brooklyn stratigraphy and sliced it into a series of discrete blocks, each separated by a low angle fault. The “detachment” faults displace pre-Tertiary mineralization, however current thinking attributes at least some of the gold in these pre-Tertiary deposits to the low angle Tertiary faults that underlie them” (Caron, 2014).

## **7.2      Property Geology**

“Property-scale geological mapping has not been completed on the Gold Drop property. Limited mapping has been done in the eastern area, in the vicinity of the Gold Drop - North Star vein systems” (Caron, 2014). Recent geological mapping included that by Linda Caron in 2013 at the North Star workings for Ximen during the Ximen due diligence program and trench mapping by Ximen in 2015. The geology in the eastern region of the property in the area of the Gold Drop - North Star, Silent Friend, Ken and Old Bird veins is presented in Figure 9 (reproduced from the Caron Technical Report).

The area of the Gold Drop property has expanded in the southern, western and northern regions as compared to the property extent at the time of the Caron National Instrument 43-101 Technical Report on the Gold Drop Property (effective date October 29, 2013; revised date January 21, 2014). Summaries of property geology as per the Caron Technical Report are repeated in this report with some minor modifications due to the change in the outline of the property.

“The property is underlain by metasediments and lesser metavolcanics of the Knob Hill Complex, which have been intruded by intrusives of three different ages. Metamorphic rocks include beige to brown “dirty” quartzite, quartz-biotite schist, micaceous schist, argillite and hornfels, quartz-augen gneiss, and fine grained greenstone to chlorite schist. Bedding is only locally evident, but where observed appears to trend northwest and dip vertically or moderately to the northeast (Hedley, 1941). Generally, there is insufficient outcrop to identify contacts between different the metamorphic rock types. Metasediments may be massive, with a blocky fracture, or where biotite content is particularly high, they can be weakly schistose. Adjacent to faults, moderate chlorite alteration is common” (Caron, 2014).

“Intrusives include granodiorite and diorite of the Nelson Plutonic suite, quartz feldspar porphyry, possibly of the Jurassic Lexington suite, and biotite syenite and diorite / andesite dykes of the Eocene Coryell suite. Granodiorite is widespread in the southern part of the property (part of the Greenwood stock)” (Caron, 2014) and occurs in the northern region of the property (Massey et al, 2006). “Granodiorite also occurs as a small plug east of the Gold Drop - North Star vein. Diorite is exposed a short distance southwest of the Gold Drop workings. Quartz-feldspar porphyry occurs as two north trending bodies to the east of the Gold Drop - North Star vein. The more westerly of these quartz-feldspar porphyry bodies may represent the fault off-set of the eastern unit” (Caron, 2014). “Eocene dykes and sills, dominantly biotite-feldspar syenite” are reported in the area of the Gold Drop - North Star, Silent Friend, Ken and Old Bird veins (Figure 9, reproduced from Caron, 2014).

“Post-mineral faulting on the property includes both north-trending, steeply-dipping strike-slip and normal faults, and flat to low-angle detachment-type faults of Tertiary age. Sense of movement on the Tertiary faults on the Gold Drop property is unknown, but regionally, movement on detachment faults is top to the west. Eocene dykes are commonly emplaced along these post-mineral faults” (Caron, 2014).

### **7.3 Mineralization**

The Gold Drop property contains eight British Columbia MINFILE mineral occurrences (Figure 4). These are gold and silver bearing quartz veins which also contain lead and plus or minus copper, zinc. Other mineralized quartz veins are documented on the property as per British Columbia mineral assessment reports. The veins on the property are “low-sulfide gold-bearing quartz veins, hosted by metamorphic rocks of the Knob Hill Complex, that are typical of veins in the Jewel Lake area” (Caron, 2014). Mineralized quartz veins in one area in the southwest region of the property are reported to be hosted by granodiorite. The Gold Drop Property is adjacent to the historic Dentonia Mine which is described in Section 23.0 of this report. The Dentonia vein “is the type-example for this style of veining in the area. On the Dentonia property, the age of the vein system is

bracketed by the (pre-vein) Nelson granodiorite and the (post-vein) Eocene dykes. This is believed to be true for other veins in the area, including those on the Gold Drop property” (Caron, 2014).

### **7.3.1 Gold Drop - North Star (BC MINFILE 082ESE152, 153)**

The Gold Drop - North Star vein is located in the eastern region of the Gold Drop property. It is located approximately 500 metres east of, and approximately parallel to, the Dentonia vein, which occurs on the adjacent property. This gold and silver bearing quartz vein also contains lead, zinc and copper. “The North Star quartz vein is the northern extension of the adjoining Gold Drop quartz vein to the south” (BC MINFILE 082ESE152). Figure 5 is a plan view of the Gold Drop - North Star vein and historic workings (reproduced from Caron, 2014).

As stated in the Caron Technical Report, “the Gold Drop - North Star vein is a low-sulfide quartz vein hosted within metasediments, that is typical of the style of veining in the Jewel Lake camp” (Caron, 2014). Caron states the vein “strikes north-northeast and has been traced on surface and in underground workings, intermittently for a strike length of over 400 m, and over an elevation range of about 80 m” (Caron, 2014). It “is a highly irregular vein, which pinches and swells from narrow quartz stringers or gouge-filled zones to a massive vein greater than 3.5 m wide. Dips are variable, varying from about 20-70 degrees to the east, and averaging about 50 degrees east. Abrupt deflections in strike and dip of the vein structure are common, along with splits, splays, faulting, lensing, and intrusion by narrow irregular dykes. In some places, thickened portions of the vein and ore shoots occur at abrupt changes in vein attitude. In other places, the vein dwindle or splits at these abrupt changes in attitude. Vein gangue is typically dense white quartz, but in some places the vein is strongly crystalline and in other places brecciated and re-cemented. Mineralization consists of pods and lenses of pyrite with lesser galena, chalcopyrite, sphalerite, tellurides and minor free gold. In general, the rocks hosting the vein are unsheared and unaltered” (Caron, 2014). Figure 6 is a plan view of the North Star vein and historic workings (reproduced from the Caron, 2014).

Linda Caron conducted underground mapping during 2013 on the North Star #2 and #3 Levels. As stated in the Caron Technical Report, “the area is complexly faulted. A flat-lying biotite syenite sill of the Eocene Coryell suite cuts biotite metasediments on the North Star #2 Level. The North Star vein is exposed in the winze and in the #3 Level, in the footwall of the biotite syenite sill. The contact of the vein with the overlying sill is obscured by timbering in the upper portion of the winze” (Caron, 2014). Caron reported observing “at least 3 different sets of post-vein faults” in these underground levels (Caron, 2014). Fracture - fault sets as observed by and reported in the Caron Technical Report are:

“Set 1: A N-NW trending, moderate east dipping set. Typical orientation is 345/45-50E. Faults of this set truncate the North Star vein on strike at both ends of the #3 Level” (Caron, 2014).

“Set 2: A N-NW trending, flat to gently east or west-dipping set. Faults of this set control the emplacement of the biotite-syenite sill, but also occur elsewhere, cutting the metasediments. They may be younger than the faults of set 1(as observed at the north end of the #3 Level) thus also post-date and offset veining” (Caron, 2014).

“Set 3: A NE trending, steeply dipping set. These faults post-date both the vein and the biotite syenite sill. They can be observed on #2 Level, as multiple close-spaced gouge-filled fault zones, with a typical orientation of 035/80NW-90” (Caron, 2014).

“Set 3a: N-S trending, steeply dipping faults. A fault of this set (360/90) cuts the vein on the #3 Level. The vein is pinched to a few cm in width and dragged along the fault structure. Slickensides indicate dip-slip movement along the fault. Several other faults of similar orientation are observed on the #2 Level. This set of structures may be part of the same set of structures as set 3, or may be a distinct set of structures” (Caron, 2014).

“Set 4: In the #2 Level, a steep, wavy prominent tight fracture trends NW, approximately parallel to the strike of the adit. Locally, slickensides with strike-slip movement occur along the fracture but there does not seem to be any significant displacement along this structure. The age relationship of this fracture/fault set to the vein and to Sets 1-3a is unknown” (Caron, 2014).

Intermittent small scale historical production at Gold Drop and North Star occurred predominantly at and prior to 1942 as discussed in Section 6.0. Combined total production from both North Star and Gold Drop is reported to be 6,513 tonnes mined with recovery averaging 4.4 g/t Au and 78.5 g/t Ag. As stated in the Caron Technical Report and noted by the author of this report, the tonnes mined increased at North Star during 1934-1935 with gold and silver grade decreasing (relative to other years). Reported production at North Star during these two years was 5,067 tonnes mined with 1.3 g/t Au and 73.5 g/t Ag recovered. Grade control may not have been a priority during 1934-1935 at North Star. The average recovery for the remaining 1,446 tonnes mined at Gold Drop - North Star (omitting 1934-35 North Star production) was 15.3 g/t Au and 96.0 g/t Ag. The author speculates that grade control and observing ore shoots was practiced during this production.

Reported gold and silver analytical values for Gold Drop - North Star vein date back to the early 1900's as discussed in Section 6.0. Intermittent modern exploration since 1980 on the Gold Drop - North Star vein has been conducted by Kenar Resources, Douglas Wood (for Solex Energy) and Edward Brown as well as recent 2013 mapping - sampling by Linda Caron and 2015 sampling by Ximen, all being summarized in Section 6.0. Underground sampling at both the Gold Drop and North Star workings has produced highly variable reported gold and silver values. Highlights of chip sampling by Linda Caron in 2013 from North Star underground workings included samples returning 11.25 g/t Au and 52.1 g/t Ag (20 cm chip); and 81.0 g/t Au and 427.0 g/t Ag (22 cm chip) (Caron, 2014). However 4 of 7 chip samples reported by Caron returned less than 1 g/t Au and less than 4 g/t Ag indicating erratic distribution of mineralization in the vein due to ore shoots and nugget effect. Other vein samples since 1980 have been reported to exceed 1 oz. / ton Au as

summarized in Section 6.0. Kenar Resources completed a six-hole diamond drilling program testing the Gold Drop - North Star vein. Their holes at North Star failed to intersect quartz veining. Factors such as poor core recovery, post-vein faulting and pinching of the vein may have contributed to lack of success during this drilling. The single Kenar drill hole under the Gold Drop workings intersected a quartz vein but with insignificant levels of gold.

### 7.3.2 Amandy (BC MINFILE 082ESE126)

The Amandy gold and silver bearing quartz vein is located in the northwest region of the property, west of Jewel Lake. It also contains lead and zinc. The mineralized quartz vein is hosted by metasediments. MINFILE reports the quartz vein to occur in a “dominant fracture zone” and contains pyrite, galena, sphalerite and tellurides. The vein is reported to have been traced over 1000 feet (305 m), striking “between north and northwest, dip 60 degrees north-easterly, varying from a few inches to 10 feet in width, with cross-veins branching to the northeast” (1934 Annual Report of the BC Minister of Mines). MINFILE reports the vein to swing to the northeast in its northern region. Open-cuts and shallow shafts are reported over the length of the vein as discussed in Section 6.0. Historic gold and silver production from the vein occurred during 1936 - 1941 (1059 tonnes mined with 10.04 g/t Au and 185.18 g/t Ag recovered).

Reported vein sample assays include 0.30 oz. / ton Au and 5.0 oz. / ton Ag over 54 inches (1.37 m); 0.50 oz. / ton Au and 5.5 oz. / ton Ag over 87 inches (2.21 m), and 0.30 oz. / ton Au and 3.5 oz. / ton Ag over 24 inches (0.61 m) as discussed in Section 6 and listed in Table 8.

### 7.3.3 Other Mineralized Veins

Other veins are documented on the Gold Drop property as per BC MINFILE records and BC mineral assessment reports. The majority of these have not been explored recently.

**Alice (BC MINFILE 082ESE225):** The Alice gold and silver bearing quartz vein is located in the northwest region of the property, northwest of Jewel Lake and on the upper slope of Mount Roderick Dhu. This quartz vein also contains lead and zinc. MINFILE reports the Alice quartz vein to be a “northern extension” of the Amandy vein and hosted by metasediments. MINFILE reports mineralization in the quartz vein of pyrite, pyrrhotite, galena, sphalerite and tellurides. The vein is reported to be 12 to 18 inches (0.30 - 0.46 metres) wide and traced for 200 feet (61 metres) (1897 Annual Report of the BC Minister of Mines).

**Lady of the Lake (BC MINFILE 082ESE127):** The Lady of the Lake gold and silver bearing quartz vein (also called Electric and Skipper) is located in the northwest region of the property, northwest of Jewel Lake and on the upper slope of Mount Roderick Dhu. MINFILE reports “a

quartz fissure-vein is hosted in north-northeast striking and east dipping metasedimentary rocks”, the vein appearing “to be in a fracture zone that roughly parallels the bedding / foliation” and contains pyrite, galena and telluride mineralization. Open-cuts and a 50 foot (15 metre) adit are reported (1921 Annual Report of the BC Minister of Mines). The vein was reported to average approximately 1 foot (0.3 metres) in width and to “carry 1.68 oz. in gold, 22.9 oz. in silver, and 1.60% lead to the ton” (1921 Annual Report of the BC Minister of Mines). Bay Ann Resources reported the vein to be up to 0.75 metres wide at the adit, striking 340 degrees and dipping 50 degrees east (Spencer, 1983). A grab sample of quartz from the adit dump was reported to assay 0.36 oz. / ton Au and 5.20 oz. / ton Ag (Spencer, 1983). A 0.4 metre wide, northwest striking, steep dipping quartz vein was reported in a small pit 180 metres north of the adit (Spencer, 1983).

**Lake View (BC MINFILE 082ESE056):** The Lake View gold and silver bearing quartz vein is located in the northwest region of the property, northwest of Jewel Lake and on the upper slope of Mount Roderick Dhu. The vein also contains lead and copper. MINFILE reports “a quartz-fissure vein in a shear / fracture zone that roughly parallels the bedding / foliation planes of the host metasedimentary rocks.” MINFILE reports “the vein strikes 340 degrees with near vertical dips to the east” and contains “galena, pyrrhotite, pyrite, chalcopyrite and telluride with prominent malachite staining and minor azurite.” A 100 foot (30 metre) long adit and 35 foot (10.7 metre) deep shaft are reported with the vein being nil to 5 feet wide (1.5 metres) (1896 and 1897 Annual Reports of the BC Minister of Mines). The vein at the adit was sampled in 1981 by Kenar Resources. Two chip samples (widths not reported) from the vein were reported to assay 0.242 oz. / ton Au and 2.33 oz. / ton Ag; and 0.134 oz. / ton Au, 2.92 oz. / ton Ag and 0.33% Cu (Kregosky, 1981).

**Moonlight (BC MINFILE 082ESE224):** The Moonlight gold and silver bearing quartz vein is located in the northwest region of the property, northwest of Jewel Lake and on the upper slope of Mount Roderick Dhu. The vein also contains lead. MINFILE reports “a quartz-fissure vein” which “appears to be in a fracture zone that roughly parallels the bedding / foliation planes of the host meta-sedimentary rocks.” The metasediments strike north - northeast and dip east. The 1921 Annual Report of the BC Minister of Mines reports the vein to be 10 inches to 2 feet wide (0.25 - 0.61 metres wide) and traceable for 1000 feet (305 metres) with “values of 0.10 oz. in gold and 4 oz. in silver to the ton.” MINFILE reports it is “sparsely mineralized with galena, pyrite and telluride.” Open-cuts and shallow shafts are reported (1921 Annual Report of the BC Minister of Mines). No recent exploration is reported.

**Roderick Dhu (BC MINFILE 082ESE125):** The Roderick Dhu gold and silver bearing quartz vein is located in the northwest region of the Gold Drop property, northwest of Jewel Lake and on the upper slope of Mount Roderick Dhu. The vein also contains lead. MINFILE reports “a quartz fissure-vein is hosted in north-northeast striking and east dipping metasedimentary rocks” with the

quartz vein appearing “to be in a prominent fracture zone that roughly parallels the bedding foliation planes” and contains “galena, pyrite and telluride.” Two quartz veins are reported with one appearing to be the mineralized vein. Vein No. 1 is reported to be 2 to 14 inches (5 - 36 cm) inches wide with reported gold and silver while Vein No. 2 is 4 to 6 feet (1.2 - 1.8 m) wide and “barren-looking” (1897 Annual Report of the BC Minister of Mines). The 1921 Annual Report of the BC Minister of Mines states the mineralized vein is 2 inches to 1 foot wide (0.05 – 0.3 metres) and traced for approximately 500 feet (152 m) to the northeast and was reported to carry “values of 1.12 oz. in gold and 1.50 oz. in silver to the ton.” Shafts are reported at both ends of this vein with some production from the southern shaft and “more or less barren” at the northern shaft (1921 Annual Report of the BC Minister of Mines). MINFILE reports 25 tonnes mined at Roderick Dhu during 1940 with recoveries of 19.9 g/t Au and 275.0 g/t Ag.

**Gold Drop West:** A series of trenches and blast pits approximately 100 metres west of the Upper Gold Drop Adit were reported to expose a “narrow northwest-trending quartz vein within black siliceous argillite” (Caron, 2014). The vein is described as “a white quartz vein with up to 5% sulfides that, where exposed, averaged 25 to 50 cm in width” (Caron, 2014). A quartz dump sample near an old pit was reported to return 4740 ppb Au (Caron, 2000). Samples collected in 1983 were reported to return 0.064 oz. / ton Au and 0.181 oz. / ton Au (Peto, 1983).

**South of Gold Drop:** Gold and silver bearing quartz float boulders were reported south - southeast of the Gold Drop workings during 1983, being located within and adjacent to the current Gold Drop property. Reported assays from three separate boulder samples are 0.303 oz. / ton Au and 1.53 oz. / ton Ag; 0.446 oz. / ton Au and 2.60 oz. / ton Ag; and 0.891 oz. / ton Au and 6.62 oz. / ton Ag (Peto, 1983). At the time, the mineralized boulders were speculated to be “transported from mine dumps during road construction” (Peto, 1983). The Caron Technical Report states an opinion that the “source of the boulders remains uncertain” (Caron, 2014).

**Old Bird:** The Old Bird showing is located approximately 300 metres east of the North Star workings. A grab sample was reported to return 0.214 oz. / ton Au, 1.21 oz. / ton Ag and 6645 ppm Pb (Peto, 1983). At this site “a 10 m deep shaft and a hand dug trench expose a crystalline and brecciated north-trending quartz vein within metasediments” (Caron, 2014).

**Silent Friend:** The Silent Friend quartz veins are located approximately 900 metres northeast of the North Star workings in the eastern region of the property. Trenching in 1983 by Kenar Resources exposed “two narrow (10-50 cm), erratically mineralized, north-trending quartz veins that extend at least 300 metres” (Peto, 1983). The Caron Technical Report states that “a 45 cm wide quartz vein, hosted in metasediments, is poorly exposed in an old exploration pit and nearby (backfilled) exploration trenches” and “contains up to 5% fine grained sulfides / tellurides” (Caron, 2014). Trench samples collected in 1983 of the east vein were reported to return up to 0.491 oz. / ton Au

and 2.36 oz. / ton Ag over 50 cm width; and 0.502 oz. / ton Au and 2.32 oz. / ton Ag over 20 cm width (Peto, 1983 and Livgard, 1986). Samples from the west vein were reported to return up to 0.176 oz. / ton Au at the old pit (Peto, 1983).

**Ken:** The Ken quartz vein is located approximately 400 metres south of the Silent Friend veins. “An inclined shaft and two short adits have been dug on a narrow, northeast trending vein” (Caron, 2014). A 1983 grab sample at or near the shaft was reported to return 0.548 oz. / ton Au, 3.47 oz. / ton Ag, 20263 ppm Pb and 10911 ppm Cu (Peto, 1983). Another grab sample at the shaft was reported to return 20730 ppb Au and 97.2 ppm ton Ag (Wood, 1990). A 16 inch (0.41 m) sample across the quartz was reported to return 5867 ppb Au, 38.9 ppm Ag, 14291 ppm Pb and 10917 ppm Cu (Wood, 1990). The Caron Technical Report stated the “vein may be the southern continuation of the Silent Friend vein system” (Caron, 2014).

**West - Southwest Region of Gold Drop property:** Gold-bearing quartz veins are documented in west-southwest region of the property adjacent to the C.O.D. crown grant. An early 1980’s chip sample across a 33 cm wide northeast trending quartz vein was reported to return 0.032 oz. / ton Au (Verley, 1983). Trenching west-southwest of the C.O.D. crown grant exposed “banded chalcedonic quartz” of which a grab sample was reported to assay 0.608 oz. / ton Au and 3.38 oz. / ton Ag (Cummings, 1988). Drilling in this area indicated granodiorite.

**Southern Region of Gold Drop property:** A gold-bearing quartz vein is reported in the southern region of the property. Linda Caron reported finding the ‘Highland Valley Resources’ vein in this area in a 2013 assessment report for the Dentonia Property (Caron, 2013). In this report, Caron references a private 1985 report by W.W. Cummings for Highland Valley Resources in which the vein was reported to return 0.39 oz. / ton Au over 4 feet (1.2 m). Caron located the vein, stating it to be “100-150m south of the Dentonia property boundary” (Caron, 2013) which would be within the southern region of the Gold Drop property.

## **8.0 DEPOSIT TYPES**

The Caron Technical Report describes the deposit type for mineralization on the Gold Drop property and provides examples of other similar deposits near the property and general Greenwood area. The “mineralization on the property belongs to the Au-quartz vein deposit type” (Caron, 2014). “Other names for this deposit style are mesothermal gold-quartz veins, shear-hosted lode gold veins, structurally-controlled veins, and low-sulfide gold-quartz veins” (Caron, 2014). The eight MINFILE vein occurrences are reported as Alkalic intrusion-associated Au deposit type.

“Au-quartz veins are a common deposit type, both globally and in the Greenwood area. Veins can be hosted within a wide variety of lithologies. They have strong structurally controls, including brittle and ductile fault zones, fold limbs and fold noses, bedding planes, and competency contrasts within the host rocks. Depending on the host rocks and structural conditions, deposit style varies from breccias, stockwork zones, saddle veins, horsetails, duplex structures and ductile veins. Both high-grade low-tonnage deposits and lower-grade bulk tonnage deposits are part of this deposit type. Tabular (high-grade) veins tend to occur in more competent host rocks, while veinlets, stringers and stockworks form in less competent lithologies and within broad fracture zones” (Caron, 2014).

“Veins commonly have sharp contacts with the wallrock. The gangue is quartz or quartz-carbonate and sulfide content is low, typically less than 5%. Sulfides consist primarily of pyrite, arsenopyrite, galena, sphalerite, chalcopyrite. Tellurides and native gold are also common. Textures can include massive, ribboned or banded quartz” (Caron, 2014).

“Numerous examples of gold-silver mineralization in Au-quartz veins occur in the Greenwood area. Veins may be hosted within Cretaceous - Jurassic Nelson intrusives or within adjacent country rock. Examples in the Greenwood area include the Dentonia (Jewel) vein, on the Dentonia Property that adjoins the Gold Drop property, and the Providence mine near Greenwood” (Caron, 2014). The Dentonia vein is discussed further in Section 23.0. The author cautions the reader that information on these properties has not been verified by the author, nor is this information necessarily indicative of mineralization on the Gold Drop property.

## **9.0 EXPLORATION**

Revolver Resources Inc. has not completed any exploration on the Gold Drop property. Historical exploration including the most recent exploration by Ximen Mining Corp. is summarized in Section 6.0.

## **10.0 DRILLING**

Revolver Resources Inc. has not completed any drilling on the Gold Drop property. Limited historical drilling has been conducted locally on the property:

- In 1946 Boundary Gold Mines Ltd. conducted diamond drilling at the Gold Drop vein (1946 Annual Report of the British Columbia Minister of Mines). Hole locations and results are not available.

- In 1947, Quatsino Copper-Gold Mines Ltd. conducted diamond drilling at the Amandy vein and possibly extending to the Alice vein (1947 Annual Report of the British Columbia Minister of Mines) consisting of 19 holes, totalling 2,257 feet (688 metres). Drilling included the area of the main Amandy shaft, testing “to a maximum depth of 280 feet below the shaft-collar in the vicinity of old workings” with only one “good intersection” reported “150 feet south of and about 20 feet lower than the shaft collar” (1947 Annual Report of British Columbia Minister of Mines). It was reported that “much of the drill-core was dyke material which, being post- mineral, may have obliterated considerable sections of the vein” (1947 Annual Report of the British Columbia Minister of Mines). Hole locations and assays are not available.
- In 1981 Kenar Resources Ltd. conducted diamond drilling testing the Gold Drop - North Star vein. The program consisted of six holes totalling 1584 feet (483 metres). Five holes tested the North Star part of the vein, testing the vein at shallow depths under the historic workings. These holes did not intersect quartz veining although core recovery was reported to be poor (Livgard, 1986). Veins may have been ground away. Dykes were intersected in each hole, possibly obliterating veins. The best assay was 0.022 oz. / ton Au over 0.46 metres (pyrite noted along fractures). The final hole was drilled under the Upper Gold Drop Adit. It reportedly intersected a 2 foot quartz vein but with insignificant amounts of gold.

## **11.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY**

Revolver Resources Inc. has not conducted any sampling on the Gold Drop property.

The most recent sampling on the Gold Drop property was conducted in 2015 by Ximen Mining Corp. Ximen collected 50 grab rock samples during June 2015 in the area of the Gold Drop - North Star vein and Ken vein shaft. The samples of bedrock and rubble were collected in and adjacent to Ximen trenches. The samples were collected by Allen Beaton, P.Eng., Kevin Evancio and the author of this report. The rock samples were placed in plastic sample bags. The bags were sealed and transported to the Ximen-owned house in Greenwood at the end of each field day for secure storage. At the conclusion of the sampling, the samples were transported by an Ximen representative from the Greenwood house to the ALS Minerals facility in North Vancouver, BC for preparation and analysis. The samples were crushed to 90% less than 2 mm; riffle split off 1 kg; the split being pulverized to 95% passing 106 microns. All samples were analyzed for gold by Fire Assay and Atomic Absorption Spectroscopy (AAS) (30 gm nominal sample weight). One sample (GD-R-15-25) was also analyzed for gold by Fire Assay and Gravimetric Finish (30 gm nominal weight). Twenty-five of these samples were later analyzed for 33 elements by Four Acid digestion and Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP-AES). ALS Minerals

conducted Quality Control (QC) procedures consisting of analysis of blank, standard and duplicate samples.

Ximen prospectors collected grab samples of float in the northwest region of the property in August and September 2015. The samples were placed in plastic sample bags and sealed. The bags were transported to the same Greenwood house at the end of each field day for secure storage. Three of the samples were transported by an Ximen representative from Greenwood to the ALS Minerals facility in North Vancouver, BC for sample preparation and analysis. The samples were crushed to 70% less than 2 millimetres; riffle split off 250 grams; the split being pulverized to better than 85% passing 75 microns. The pulverized portions were then analyzed for gold by Fire Assay - AAS and analyzed for 33 elements by Four Acid digestion and ICP-AES. ALS Minerals conducted QC procedures consisting of analysis of blank, standard and duplicate samples.

Nine samples were collected by Linda Caron in 2013 at the North Star workings as part of Ximen's due diligence program. The samples were transported to the ALS Minerals facility in North Vancouver. The samples were crushed to 70% less than 6 mm followed by pulverizing the entire sample to 85% passing 75 microns. The samples were analyzed for gold by Fire Assay - AAS and for 35 elements by Aqua Regia ICP-AES.

ALS Minerals is independent of Revolver Resources Inc. The ALS Minerals laboratory in North Vancouver (2103 Dollarton Hwy.) is a certified laboratory having received a Certificate of Accreditation from the Standards Council of Canada.

Most of the historic work on the property was during and prior to 1950, being focused on known veins with open-cuts, shallow shafts, adits, drifting and small scale mining reported as well as a few diamond drilling programs. This work is documented in Annual Reports of the British Columbia Minister of Mines. Information regarding sample preparation, analytical techniques and security for this earlier work is not available. Laboratory certificates for these samples are unavailable.

Periodic historical exploration and sampling is documented during 1978 - 1999 in parts of the property including soil and stream silt sampling; rock sampling (both surface and underground); and drill core sampling. The author cannot find statements regarding security or lack of security in exploration reports covering this period other than a statement in the Kenar Resources report that core boxes were "stored and covered with canvas" near the drill sites (Basco, 1981). The author can only find a few references to sample preparation in exploration reports covering this period. Crushing and pulverizing to minus 100 mesh is reported in one Acme Analytical Laboratories certificate for some Kenar Resources rock samples (Peto, 1983). Sample preparation information was reported for soil and rock samples collected by Bay Ann Resources Inc. Soil samples were reported to be screened to minus 80 mess (screened fraction being analyzed) and rock samples

crushed and pulverized using a ceramic plated pulveriser by Min-En Laboratories Ltd. (Spencer, 1983).

Many historical exploration reports during 1978 - 1999 included signed laboratory certificates by various laboratories (Acme Analytical Laboratories, General Testing Laboratories, SGS Supervision Services, Chemex, Kamloops Research & Assay Laboratory, and Min-EN Laboratories), some stating digestions used (including aqua regia, and HCL and HNO<sub>3</sub>), and some stating analytical techniques including Fire Assay, ICP and AA. Analytical methods are missing for some reports during this era.

In the author's opinion, the sample preparation, security, and analytical procedures for rock samples collected by Ximen during 2013 to 2015 is adequate. Information on sample preparation and security is generally lacking for samples collected and reported prior to Ximen's work. The author cannot provide an opinion that sample preparation and security was adequate for samples collected prior to that by Ximen. Analytical procedures are not available for samples collected and reported prior to 1950. The author cannot provide an opinion that the analytical procedures utilized for these samples was adequate. Analytical procedures are reported for some samples collected after 1980. It is the author's opinion that these analytical procedures are generally adequate for this era.

## **12.0 DATA VERIFICATION**

A significant portion of the exploration work on the Gold Drop property was conducted before 1950, with sporadic exploration conducted since 1980. Most of the historical work prior to 1950 is not documented in any detail. There has been minor modern exploration in the property. Sporadic exploration since 1978 is documented in more detail. The available data from historic exploration programs has been reviewed by the author.

The author has visited the Gold Drop, North Star and Ken veins on the property. The author assisted in surface sampling and geological mapping at these zones during June 2015 and during limited prospecting in the southeast region of the property under the supervision of Allen Beaton, P.Eng. The results of this sampling have been described in Section 6.0. Verification sampling was not conducted by the author at any of the other zones of mineralization on the property. The Caron Technical Report states that "most of the historic workings are badly sloughed so that the veins are not well exposed, or cannot be safely accessed. Most of the dumps have been thoroughly "picked over" and, in the 1990's, quartz vein material was removed from a number of the dumps for select small-scale processing" based on personal communication between Linda Caron and Edward Brown (Caron, 2014). Caron stated "the grade of any quartz remaining on the dumps may under-represent the actual grade of the veins" and "additional sampling of dump material was not deemed

meaningful” (Caron, 2014). The author did not attempt to sample dump material during the June 2015 program.

It is the author’s opinion that, with the exception of the Ximen data, the exploration data used in this report is not adequate. The pre-Ximen data does not conform to current Exploration Best Practices Guidelines. None of the pre-Ximen sampling programs utilized any internal quality control or quality assurance procedures.

### **13.0 MINERAL PROCESSING AND METALLURGICAL TESTING**

Revolver Resources Inc. has not conducted mineral processing or metallurgical testing on samples from the Gold Drop property. Some historical metallurgical testing has been conducted, as discussed in Section 6.0. Specific details regarding such historical mineral processing, metallurgical testing methodology and results are unavailable.

### **14.0 MINERAL RESOURCE ESTIMATES**

No mineral resource estimates have been made for the Gold Drop property.

### **15.0 – 22.0**

*These sections are omitted from this report as the property is not considered an “Advanced Property”.*

### **23.0 ADJACENT PROPERTIES**

Valid mineral claims and crown grants owned by various individuals and companies occur adjacent to the Gold Drop property. Mineralization on adjacent properties is not necessarily indicative of mineralization that may be contained within the Gold Drop property. The author has not verified the data regarding mineralization on any adjacent property.

The most significant reported mineralization of the adjacent properties appears to be on the Dentonia property (east-southeast of Jewel Lake), site of the Dentonia quartz vein and historic Dentonia (or Jewel) Mine (MINFILE No. 082ESE055). BC MINFILE states total production of 124,644 tonnes mined intermittently between 1900 and 1985 with 1,348,459 gm gold (10.8 g/t Au), 8,054,963 gm silver (64.6 g/t Ag) and 167,997 kg lead recovered. Very minor amounts of copper,

zinc and cadmium are also reported to have been recovered. Most of the historical production at the Dentonia Mine occurred during 1912-1916 and 1934-1943. More recent minor production is reported for 1974, 1975, 1984 and 1985. Four inclined shafts are reported plus adits. MINFILE states the most important of these are the Jewel shaft and the Enterprise adit crosscut. The Jewel shaft connects workings on five levels and serviced the main ore body to a 120 metre depth. The Ethiopia adit occurs in the northern part of the vein (MINFILE No. 082ESE151). The MINFILE report for Ethiopia states minor production in 1922, 1939 and 1940, totalling 34 tonnes with 311 gm gold (9.1 g/t Au) and 23,420 gm silver (688.8 g/t Ag) recovered.

MINFILE states the Dentonia quartz vein “ranges widely in attitude with strikes varying from 000 to 050 degrees averaging about 020 degrees and dipping between 30 and 60 degrees southeast”; the “vein structure exposed over a length of approximately 1828 metres”; generally “cutting granodiorite in the south, metasedimentary rocks in the north, and intervening metavolcanic rocks”; and having an average width of “0.9 metres to a maximum of 4.8 metres.” MINFILE states mineralization in quartz of “mostly pyrite and galena with minor amounts of sphalerite, chalcopyrite, tellurides and some native gold.” Caron states “the vein is a low low-sulfide vein, with sulfides occurring as disseminations, streaks and small pockets in a quartz gangue” and “ore occurs in shoots along the vein structure” (Caron, 2014). Caron states “identified ore controls include deflections in the strike and dip of the structure, and competency changes in the host rock” (Caron, 2014).

The Lakeside quartz vein (MINFILE 082ESE150) occurs northwest of the Dentonia vein and closer to Jewel Lake. MINFILE states this northeast striking, southeast dipping vein occurs in a shear zone. It is reported to be 20-91cm wide. MINFILE states minor historic production during 1939-1941 of 156 tonnes mines with 1804 gm gold (11.6 g/t Au) and 16,143 gm silver 103.5 g/t Ag) recovered.

The Gold Drop property surrounds the C.O.D. (DL 1532) crown grant southwest of Jewel Lake. A 70 foot deep (21 m) shaft was reported to have been sunk on a gold bearing quartz vein around 1900 (Cummings, 1988). Samples collected from the shaft in 1904 and 1935 were reported to return 0.50 and 0.75 oz. / ton Au (Cummings, 1988). Trenching and diamond drilling has been reported at this occurrence. A 1988 drill hole was reported to intersect 0.216 oz. / ton Au and 2.53 oz. / ton Ag over 2.5 feet (0.76 m) “a few feet north of the shaft” (Cummings, 1988).

The Eholt copper-gold-silver-molybdenum skarn occurrence (MINFILE No. 082ESE239) is located on another property east of the Gold Drop property (approximately 1-2 kilometers east of the eastern boundary of mineral claim no. 1031185). This occurrence has multiple other names, including Dead Honda, Rambler and Eholt Mountain. MINFILE states “numerous old pits, shallow shafts, trenches and short adit” at the Eholt occurrence. A 1995 diamond drill hole by Orvana

Minerals Corp. in the Dead Honda Zone was reported to intersect 2.7 g/t Au and 0.28% Cu over 27.8 meters (Parish, 2012). A 2011 diamond drill hole by Open Gold Corp. in the Dead Honda Zone was reported to intersect 1.4 g/t Au and 0.8% Cu over 18.9 meters (Parish, 2012). At the Rambler showing, “located 1.3 km north north-west of the Dead Honda showing” channel samples were reported to return “2.6% Cu and 4.0 g/t Au over 4.5m” (Parish, 2012).

The Jewel Creek copper-silver skarn occurrence (MINFILE No. 082ESE164) is located on an adjacent property approximately 1.5 kilometres south of the southwest corner of the Gold Drop property. A 1.2 meter sample was reported to return 0.82% Cu and 0.35 oz. / ton Ag (McLeod, 1979). Of note, historic copper, gold and silver production occurred at multiple skarn deposits further southeast, south and southwest of the property in the general area of Greenwood and / or Highway No. 3. Some of the larger skarn deposits included the Phoenix, Mother Lode, Greyhound and Oro Denoro deposits.

## **24.0 OTHER RELEVANT DATA AND INFORMATION**

The author is not aware of any additional information or data that is relevant to the Gold Drop property.

## **25.0 INTERPRETATION AND CONCLUSIONS**

The Gold Drop property hosts multiple gold and silver bearing quartz veins or quartz vein systems. These include 8 British Columbia MINFILE vein occurrences plus other mineralized veins documented in mineral assessment reports. Most of these mineralized quartz veins have reported historic surface and / or underground workings. MINFILE historic production records for four of these occurrences (Gold Drop, North Star, Amandy and Roderick Dhu) indicate high gold and silver grades at these veins. Historic exploration data, including limited Ximen exploration data, also indicate high grade gold and silver locally in the veins (with reported samples exceeding 1 oz. / ton Au and / or 10 oz. / ton Ag). Modern exploration is lacking for many of these occurrences.

The historic data suggests the quartz veins should be evaluated for small tonnage - high grade potential due to various factors. Historic data indicate the various mineralized quartz veins to be narrow, generally less than 1 metre wide (some veins locally wider). This data also indicates high variability of gold and silver grades for some of the veins (Gold Drop, North Star and Silent Friend for example) due to factors such as free gold nugget effect, erratic mineralization and ore shoots within veins. Data is lacking to determine if this is the case for all of the documented gold and silver bearing veins. The author has observed the free gold nugget effect in one of the Ximen

trenches at the North Star vein. Samples collected by Linda Caron in 2013 at the North Star vein returned highly variable analytical results with two chip samples reported to return 11.25 g/t Au and 81.00 g/t Au (and 427 g/t Ag) while four other chip samples were less than 1 g/t Au and less than 4 g/t Ag.

“Concentration of mineralization in ore shoots along the vein structure” is stated in the Caron Technical Report (Caron, 2014). Understanding ore shoots is essential to exploring and mining the veins on the property. For the North Star vein, Caron stated “in some places, thickened portions of the vein and ore shoots occur at abrupt changes in vein attitude” (Caron, 2014). Caron also described ore controls for the adjacent Dentonia vein, stating “ore controls include deflections in the strike and dip of the structure, and competency changes in the host rock” (Caron, 2014).

Historic data, including the 2015 Ximen data, for some veins indicate galena and / or chalcopyrite in the ore shoots. This data is mainly for the Gold Drop, North Star, Ken and Silent Friend veins. Data is lacking to conclude this for other veins although some early reports indicate this relationship also exists at the Lake View and Lady of the Lake veins. This is apparent in one of the 2014 Ximen trenches uphill and northwest of the Upper North Star adit. Sampling of a wider section of unmineralized quartz produced nil to low gold and silver values. However another vein in an adjoining trench contained galena (plus or minus chalcopyrite), interpreted by the author to be an ore shoot. Grab samples of this mineralized quartz returned high levels of gold (up to 12.55 g/t Au) and significant silver (up to 100 g/t Ag). Another Ximen trench west of the Gold Drop workings may also contain an ore shoot in a narrow vein with a grab sample of galena and chalcopyrite bearing quartz vein returning high levels of gold (19.95 g/t Au). Further systematic sampling is required at the various veins.

The Gold Drop - North Star vein in particular is reported to be highly irregular, with abrupt changes to strike and dip, and splits and splays occurring. The author observed such plays at North Star trenches. Data is lacking to make conclusions on the irregularity of the other veins within the property. Post-vein faulting is also present as noted at the North Star vein by the author and stated in the Caron Technical Report.

These factors of narrow vein width, vein irregularity, faulting and erratic grade and ore shoots favour the small scale - high grade mining option. Historic production records for Amandy, Gold Drop, Roderick Dhu and for most years at North Star support this. The anomaly in the historic production was 1934-35 at North Star when reported tonnes mined increased with a corresponding significant decrease in gold recovery indicating lack of grade control. The Caron Technical Report stated that “since custom milling opportunities exist in the district, the property does not necessarily need to support a stand-alone mine/mine operation to be viable. Even a small or modest tonnage of

high grade ore could potentially be profitable to extract, given the excellent infrastructure of the region and the property itself” (Caron, 2014).

Modern exploration is lacking for most of the property. The most recent historical work involved sampling by Ximen in 2015 at trench sites in the eastern region and limited rock sampling during prospecting elsewhere. The majority of reported mineralized veins have not been explored since the 1980’s. This represents a unique opportunity in the author’s opinion. The most extensive exploration has been conducted in the eastern region in the areas of the Gold Drop, North Star, Old Bird, Silent Friend and Ken veins. Most of this was completed prior to 2000. The northwest region of the property hosts 6 MINFILE occurrences, yet has not been explored since the 1980s. The lack of modern exploration data, minimal bedrock exposure and small target size in terms of narrow veins, localized ore shoots, and nugget effect create challenges in terms of what techniques are useful. The locations of some historic workings are known, others are not. Establishing the locations of historic workings is critical in the initial phases of a modern exploration program.

Underground mapping and sampling at the Gold Drop - North Star vein has provided, in the author’s opinion, the most comprehensive data and understanding of the vein and mineralization. This includes structural mapping and sampling by Linda Caron in 2013 of part of the North Star underground workings, reported in her Technical Report. In the author’s opinion, this work should be continued to other remaining parts of the North Star underground workings and Gold Drop underground workings. Rehabilitation of these workings would be required followed by geological mapping including structures, and systematic sampling of veins to establish locations of ore shoots. Due to the erratic nature of the mineralization, bulk sampling of selected ore shoots is warranted in the author’s opinion to determine grade. In the author’s opinion the two historic adits at the Lake View and Lady of the Lake veins represent an opportunity to initially map and sample veins in the northwest region of the property along with any historic surface workings for other veins in this area. Rehabilitation of the Lake View and Lady of the Lake adits would be necessary.

Trenching has been a successful method of exploring veins in the eastern region of the property, exposing mineralized veins in the Gold Drop - North Star vein area and at the Ken and Silent Friend veins. It is the author’s opinion that additional trenching should be conducted in this region and other target areas on the property. Veins exposed in trenches should be systematically sampled including close-spaced channel sampling to define ore shoots. This would also allow for definition of ore shoots and bulk sample targets.

Historic diamond drilling within the property has been limited. Data for only one small drill program is available. This was the 1981 drill program testing the Gold Drop - North Star vein. This program (six holes) was not successful in intersecting the vein in the area of the North Star workings. Lack of understanding of structures, poor core recovery and dykes may be contributing factors. The single 1981 hole at the Gold Drop vein reportedly intersected the vein. However the

drill intersected vein contained insignificant gold content. In the authors' opinion, diamond drilling should not be used as the primary exploration tool but can be useful in certain situations. Diamond drilling in the author's opinion should only be considered after structure and ore shoots are understood. An example would be short holes where ore shoots have been identified in trenching. Ensuring good core recovery is critical during future drilling. Such drilling should involve large diameter drill core. The author agrees with Carron that "fences of drill holes are more suitable than single holes, for understanding the geometry of faults and dykes" (Caron, 2014).

Soil sample geochemistry has been completed locally within the property. One such survey in the area of the Gold Drop - North Star workings was inconclusive due to the unacceptable analytical detection limit of 3 ppm Au. Another soil geochemical survey in the area of the Amandy and Lady of the Lake veins did not reveal significant results (one sample of 75 ppb Au). Close spaced soil sample lines and sample spacing are necessary to be effective. Orientation surveys at known veins are warranted in the author's opinion. Anomalies such as lead and copper may indicate surface projections of ore shoots. The Silent Friend, Ken, Old Bird veins as well as any of the northwest region veins are candidates for orientation surveys. MMI surveys at known veins may detect mineralized veins.

Geophysics methods such as VLF-EM and magnetometer may be useful in defining geological contacts and structures (structures controlling veins and those offsetting veins).

The inadequacy of the exploration data creates, in the author's opinion, significant risks and uncertainties regarding the reliability or confidence of gold and silver content in documented veins within the property. These risks and uncertainties could reasonably impact the property's potential economic viability or continued viability. Proper systematic sampling (including bulk sampling) and analysis of the documented gold and silver bearing veins, with Quality Control and Quality Assurance Procedures utilized, is required to determine gold and silver content of the documented veins. A reasonable foreseeable impact of these risks and uncertainties is less than expected gold and silver content for some or all of the veins after systematic sampling. This could negatively impact the property's economic viability.

The property is at an early stage of exploration, and as such considered a high risk. The above interpretations and the following recommendations for work are based on the results of previous exploration programs, which are subject to a wide range of interpretation, with local trenching and drilling. There are no specific risks that the author foresees that would impact continued exploration and development of the property.

## **26.0 RECOMMENDATIONS**

A two-phase \$600,000 program is recommended by the author to explore the property and assess the potential for small-scale mining of gold and silver bearing quartz veins. The author recommends this work to be focused in multiple priority areas. Recommended Phase I work would focus entirely on documented mineralized quartz veins and vein systems to evaluate the potential of each for more advanced exploration and bulk sampling.

The recommended Phase I budget is \$100,000. The area of the historic Gold Drop - North Star workings is the first priority in the opinion of the author. Recommended Phase I work includes partial rehabilitation and surveying of underground workings to access areas of documented significant veins and mineralization; underground geological mapping and systematic vein sampling in select areas; and structural mapping and vein channel sampling in select 2014 trenches (2014-1, 2, 3, 3A, 5 and 6). There are multiple other priority areas in the opinion of the author. The southwest to northwest region of the property is a priority area or areas. This includes the area of the Alice, Amandy, Lady of the Lake, Lake View, Moonlight and Roderick Dhu occurrences. A gold bearing vein is reported in the southwest region of the property in a historic trench. The area of the Silent Friend, Ken and Old Bird veins in the eastern region of the property is a priority area. The southern region of the property at the 'Highland Valley Resources' gold bearing vein is a priority area. Recommended Phase I work in these other priority areas includes locating historic workings including trenches, open-cuts, adits and shafts and creation of a base map; and geological mapping and vein sampling of these documented gold bearing veins. Geological mapping should include structural measurements. The recommended Phase I budget is presented in Table 9.

**Table 9: Phase I Gold Drop Budget**

<b>Phase I Budget</b>	
<b>A./ Gold Drop - North Star Vein</b>	
i. Rehabilitation and surveying of underground workings - higher priority areas	\$30,000
ii. Underground geological mapping and systematic vein sampling	\$20,000
iii. Structural mapping and vein channel sampling - select 2014 trenches	\$10,000
<b>B./ East Region (Silent Friend, Ken, Old Bird), Northwest Region (Alice, Amandy, Lady of the Lake, Lake View, Moonlight &amp; Roderick Dhu), Southwest Region &amp; South Region ('Highland Valley Resources' Vein)</b>	
i. Locating historic workings & create base map	\$7,000
ii. Geological mapping and vein sampling	\$20,000
<b>D. / Reporting &amp; support</b>	
<b>Sub-total:</b>	<b>\$95,000</b>
<b>contingency</b>	<b>\$5,000</b>
<b>Total:</b>	<b>\$100,000</b>

Recommended Phase II work at the Gold Drop - North Star vein and other priority areas includes exploration at specific veins based on Phase 1 results and bulk sampling of gold and silver bearing veins to evaluate gold and silver grade. Exploration at select priority areas would include orientation geochemical and geophysical surveys and potential subsequent detailed surveys; and trenching with systematic geological mapping and vein channel sampling. Trenching may involve cleaning out of historic trenches such as at Silent Friend and Old Bird. Additional rehabilitation of parts of the North Star and Gold Drop working and rehabilitation of workings in the northwest region may be warranted followed by additional geological mapping and systematic sampling. Bulk sampling at the Gold Drop - North Star vein and other veins would target parts of veins, both at surface and underground, that are of sufficient size and potential grade to support small scale - high grade mining. Phase II is contingent on Phase I and has a budget of \$500,000. Regional scale geological mapping – prospecting and sampling would be included in Phase II. The recommended Phase II budget is presented in Table 10.

**Table 10: Phase II Gold Drop Budget**

<b>Phase II Budget</b>	
<b>A./ Rehabilitation and surveying of underground workings</b>	
Including geological mapping and systematic sampling	\$60,000
<b>B./ Bulk Sampling at selected gold and silver bearing veins.</b>	\$250,000
<b>C./ Excavator Trenching</b>	
Including geological mapping and systematic sampling at trench sites.	\$60,000
<b>D./ Soil Geochemistry</b>	
Orientation surveys plus follow-up grid-based surveys.	\$30,000
<b>E./ Geophysics</b>	
Orientation magnetic and VLF-EM surveys plus follow-up grid-based surveys.	\$15,000
<b>F./ Regional - scale geological mapping, prospecting and sampling.</b>	\$15,000
<b>G. / Permitting, Reporting &amp; Support</b>	\$20,000
<b>Sub-total:</b>	<b>\$450,000</b>
<b>contingency</b>	<b>\$50,000</b>
<b>Total:</b>	<b>\$500,000</b>

Very limited diamond drilling utilizing short holes can be considered where ore shoots and structure are known.

There may justification to extend certain underground workings following Phase I and II work.

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## **28.0 CERTIFICATE OF QUALIFIED PERSON**

I, David A. Martin certify that:

1. I am an independent consulting geologist residing at 120 Bishop Dr., Apt. 403, Fredericton, New Brunswick E3C 1B2.
2. I obtained a Bachelor of Science degree in Geology from the University of New Brunswick in 1984.
3. I have gained approximately 20 years of geological experience in the mineral exploration industry as an employee or a consultant primarily during various mineral exploration projects in New Brunswick. These exploration projects includes a variety of commodities including gold, silver, tin, tungsten, indium, molybdenum, copper, lead, zinc and antimony.
4. I am a member in good standing with the Association of Professional Engineers and Geoscientists of New Brunswick and Professional Engineers and Geoscientists Newfoundland and Labrador.
5. I visited the Gold Drop property for a duration of 9 days during June 2 – 10, 2015 under the supervision of Allen Beaton, P.Eng. At that time I assisted during geological mapping and sampling of trenches and during prospecting. I have visited the Gold Drop - North Star vein and the Ken vein.

I have reviewed the available data pertinent to the property, as listed in Section 27.0 of this report, and believe this data to be accurate. Based on my visit to the property and review of available data for the property, I believe the property to be of sufficient merit to justify the work programs recommended in this report.

6. I am independent of Revolver Resources Inc. as defined in Section 1.5 of National Instrument 43-101. I am also independent of the vendor (Ximen Mining Corp.) as defined in Section 1.5 of National Instrument 43-101.
7. I certify that by reason of my education, experience, and affiliation with a professional association (as defined by National Instrument 43-101) and past relevant work experience, I fulfill the requirements of a “qualified person” for the purposes of National Instrument 43-101.

**July 12, 2016**

8. I have prepared this Technical Report titled “National Instrument 43-101 Technical Report on the Gold Drop Property”, which has an effective date of July 12, 2016.
9. I have read National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and Companion Policy 43-101CP and Form 43-101F1 – Technical Report and certify that this Technical Report has been prepared in compliance with these instruments and forms.
10. As of the effective date of this Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
11. I am responsible for all sections of this report.

Dated this 12<sup>th</sup> day of July, 2016

Signed and Sealed “David A. Martin, P.Geo., B.Sc.”  
David A. Martin, P.Geo., B.Sc.

## APPENDIX 1

### Units of Conversion and Abbreviations

#### Abbreviations

ppb	parts per billion
ppm	parts per million
g	gram
gm	gram
g/t	grams per tonne
oz./ton	(troy) ounces per ton
oz./t	(troy) ounces per ton
%	percent
kg	kilogram
m	metre
cm	centimetre
o/c	outcrop
Au	gold
Ag	silver
Pb	lead
Zn	zinc
Cu	copper
As	arsenic

#### Conversions

1 gram	= 0.0322 troy ounces
1 troy ounce	= 31.1035 grams
1 ton	= 2000 pounds
1 tonne	= 1000 kilograms
1 gram / tonne	= 1 part per million = 1000 part per billion
1 troy ounce / ton	= 34.2857 grams / tonne
1 gram / tonne	= 0.0292 troy ounces / ton
1 kilogram	= 32.151 troy ounces = 2205 pounds
1 pound	= 0.4536 kilograms
1 inch	= 2.54 centimetres
1 foot	= 0.3048 metres
1 metre	= 39.37 inches = 3.2808 feet
1 mile	= 1.6093 kilometres
1 kilometre	= 0.6214 miles
1 hectare	= 10,000 square metres = 2.471 acres