

# **GEOLOGICAL REPORT AND SUMMARY OF FIELD EXAMINATION**



## **Upper Arkansas River: Mount Elbert Mining Co. LLC Willow Creek Mine Properties**

November 14, 2017

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## SUMMARY AND CONCLUSIONS

The MEMC Property ('Property') consists of two patented Mining Claim Parcels (The Glacier Fee land, 120 acres) and 54 unpatented placer claims (total 3,120 acres) current in taxes and fees and in good standing as of September 2017. The properties are located in the southern part of Lake County, Clear Lakes District, 10 to 18 km south of Leadville, Colorado. The land is held 100% by Mount Elbert Mining Co. LLC ("MEMC") as a result of various fee land purchase agreements completed prior to 1989 and progressive claim staking until 2014 to form the present land configuration.

This Property covers an area of Tertiary till and clastic sedimentary units which are not lithified, is overlain by Quaternary till and alluvial materials and is underlain in turn by Precambrian Basement Rocks in the Mount Elbert Uplift. The work in this report concentrated on the Jewel and Zorro Claims and the Glacier Patented Mining Lands, which are underlain by Tertiary Lilly Pond Till and the lower Tertiary Dry Union Formation. The Dry Union Formation is an upper Tertiary unit consisting of silts and clay, sandy and cobbly beds and lenses and localized debris flows which were deposited between glacial events during a period of active rifting and basin accumulation along the north/south trending axis of the Sawatch uplifts. Gold has been recovered since 1910 in these environments from the Quaternary alluvials down to the upper 50 feet of the Dry Union Formation (Parker (1974) and the Author's observations (2015 and 2017)). Historical reports and the drilling results from the adjoining Box Creek Dam project area clearly indicate that the highest gold concentrations lie within five feet of the Precambrian basement. The Precambrian Basement is also an important exploration target environment, as part of the Colorado Mineral Belt, the source of the mineralized till lobes, and abundant altered angular coarse clasts in the till and interglacial units. This important interface is present but has never been tested within the MEMC lands or any of the adjoining properties. The highest grades documented in the reports available to the author are from the Lilly Pond Tills (Lewicki 2006, 2013 and 2017).

The Property has been subject to an extended history of geological work, drilling, resource evaluation and mining with a focus within the Glacier Patents, the Jewel and Zorro Claims. The drilling results are not disclosed in detail and the geological information cited is generalized. The combined section including the Lilly Pond Till and Dry Union Formation ranges from 60 feet to more than 250 feet within the Property and much of the prospective volume remains untested and highly prospective. The periglacial lake sequence of the Dry Union Formation is significantly thicker in areas of paleocanyons within the Property and in the central parts of the Upper Arkansas Graben. For compliance with the historic data, citations in imperial units (notably in feet, cubic yards and ounces of gold) are repeated in this study. Only the most recent work is reported in grams per tonne as is reported by the certified lab used for these analyses.

Six large samples (average 40 kg, extracted with an excavator) collected and tested by Greg Lewicki and reported in 2008 returned values much higher than those cited in previous production and drilling results, with a range of 0.12 to 1.2 ounces gold per ton, as opposed to the resource and previous sample grades which show a range from background levels to

0.084 ounces per ton across 20 to 30 foot (3 to 6 meters) composite widths. This new data coupled with increasing recognition of the limitations of traditional scrubbing and gravity gold recovery methods in this dominantly glacial material suggest that a continuing stage of test work and assays and refined metallurgical and recovery studies will be valuable in defining the ultimate value of this Property area. The Author of this report has been unable to verify any of this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

The first phase of recommended work is a vibrasonic drilling program to provide reliable samples from the surface to Pre-Cambrian bedrock surface of the Lilly Pond Till, the Dry Union Formation, the underlying unconformity and the basement, each of which are environments with potential to host gold mineralized material of interest. The holes will be placed within the fee lands and claims on the lower slopes of the Lilly Pond Till. The program is intended to provide a systematic array with some correspondence to the historic drilling. It will provide more reliable sampling, allow complete testing of the sections, and will include a thorough program of quality control, geometallurgy, recovery methodology and geology. The Phase I program will consist of 3,200 feet (1000 meters) of vertical holes ranging from about 25 to 80 meters in depth and will be supported by a field laboratory for sampling, logging, mineralogical examination, and size fraction analysis. The Dry Union Formation varies significantly in thickness due to bedrock topography and the influence of extensional Sawatch faults in the Tertiary basin geometry. Twenty samples representing the spectrum of environments will be sent to a contract laboratory in Quebec for more detailed mineralogical study including detailed microscopy and SEM/Microprobe testing to confirm metallic and gangue mineralogy, and the location of the gold particles. The hole spacing, geological controls and detailed mineralogical/recovery studies are planned to support an evaluation of the resource model that will meet the standards established by CIM best practices. This is contingent on the assay and mineralogical study results, geological continuity and geostatistics, and will presumably lead to additional studies to fully evaluate the property.

Subject to TSX-V Exchange approval of the transaction, a lease agreement with Mt. Elbert Mining Company (MEMC) defines Western Troy's rights to explore and develop the Willow Creek Mine property. As consideration for the Transaction, Western Troy has agreed to pay a 5% Net Smelter Return ("NSR") royalty on simple water and gravity recovery methods, and a 3% NSR royalty on production from bedrock. The NSR on bedrock production may be reduced to 2% by payment to MEMC of US\$2 million. Western Troy has agreed to pay MEMC a Net Proceeds Interest (NPI) of twenty five percent (25%) from the production and sale of Alluvial Production Minerals using standard water and mechanical/vibratory/gravity separation techniques, and an NPI of twenty percent (20%) from the production and sale of Alluvial Production Minerals whereby crushing or milling or leaching of the rocks and gravels is required to free the gold from the rocks, and an NPI of fifteen percent (15%) from the production and sale of Alluvial Production Minerals whereby crushing and/or milling, together with leaching is required to recover the gold from crushed and/or milled substrate. Finally, Western Troy has agreed to pay an NPI of ten percent (10%) from the production and sale of Bedrock Production

Minerals. The NPI is to be calculated based on mine site operating cash flow through the 2018 operating season, and will include capital spending incurred thereafter.

The transaction in its current form was disclosed in the news release dated October 5, 2017 by Western Troy Capital Resources Inc. (TSX-V: WRY) entitled “Western Troy Announces Renegotiation of Agreement to Lease a Gold Property Near Leadville, Colorado and Announces Upsized Non-Brokered Private Placement”.

Western Troy will issue to MEMC 1,000,000 Series A common share purchase warrants of the Company. Each Series A warrant shall entitle the holder to acquire one common share of the Corporation at an exercise price of C\$0.05, exercisable for a period of two (2) years from the date of issuance of the warrants. Western Troy also will issue to MEMC 250,000 Series B common share purchase warrants of the Company. Each Series B warrant shall entitle the holder to acquire one common share of the Corporation at an exercise price of C\$0.05, exercisable for a period of 120 days from the date of issuance of the warrants. The securities issued will be subject to a four month and one day statutory hold period.

Western Troy is committed to pay MEMC minimum advance NSR royalties and NPI of US\$25,000 upon signing, US\$100,000 by April 30, 2019, and US\$2 million per year beginning in 2020. Western Troy may terminate the agreement at any time. Should Western Troy terminate the agreement after the 2017 evaluation program, it will be required to provide MEMC with a National Instrument 43-101 report on its evaluation program.

The author has reviewed and verified the status of the mineral claims and fee lands through review of corporate documents, receipts provided by the BLM, county and state tax filing receipts, and digital review through the LR 2000 system of the Bureau of Land Management. This documentation confirms that the unpatented claims cited herein are in good standing effective September 1, 2015 and the Glacier fee lands are duly owned by the Company and compliant in tax filings and environmental permitting. The Author was introduced to the property in October 2015, its history and some key field relationships by Mr. Jim Irwin, a retired mining engineer and resident in the area.

The lands to the east and downstream from the Property are part of the Box Creek Dam and alluvial mining project initiated by the City of Aurora, Colorado, as part of expanding its water and energy resources in the Twin Lakes area and the Mt. Elbert Forebay Reservoir. The alluvial materials in the Aurora Package of Properties have been subject to two programs of geological mapping, ground geophysics, drilling and engineering work (URS Corporation, 2014), as part of a plan to excavate a reservoir basin through alluvial gold mining and construction of a substantial dam embankment. The City of Aurora plans to develop a reservoir in the valley, possibly within 30 years.

Essentially all of the water in the district is controlled by various entities including the City of Aurora, the State Water Engineer, and the Upper Arkansas Valley Water Conservation District. Sufficient water for exploration and mining is available at reasonable cost through these entities, although there could be curtailment of water use in especially dry years.

## **GLOSSARY OF TERMS RELATING TO MINING AND MINERAL PROPERTIES**

“bcm” means bank cubic meter, a measure of the in situ volume of alluvial material. This is frequently used or cited in terms of ounces of gold per bank cubic meter. In this study for historic reasons grades are cited as ounces per cubic yard, ounces per bank cubic meter, ounces per short ton (oz/ton) and most recently grams per metric tonne or parts per million.

“bcy” means bank cubic yard

“BLM” Means the United States Bureau of Land Management, the US Federal Agency responsible for administration of public lands including mineral claims, environmental permits and other land and resource matters.

“Claim” Means one US lode or placer mineral claim staked and filed using the rules and guidelines provided by the BLM and Lake County. Each claim requires annual renewal and notice correspondence and fees due prior to September 1 each year. This report is dedicated to lands held by Mount Elbert Mining Company LLC and reference only to claims in the adjoining lands held by third parties including the City of Aurora which may be of interest to the Company in the future.

“DDH” means a diamond drill hole

“diamond drill” means a machine designed to rotate under pressure, using an annular diamond studded cutting tool to produce a more or less continuous sample of the material that is drilled.

“EM” means an electromagnetic geophysical survey method. This is of special interest in this report because the geotechnical studies cited herein use EM profiles to map the resistivity of surficial and bedrock materials and, in conjunction with three stages of drilling for which the data are available help to define the depths from the current surface to the scoured surface of the Dry Union Formation and the underlying contact of the Dry Union Formation with the Idaho Supergroup bedrock. This provides indirect but useful information for consideration of the exploration target volumes within the Property.

“IP” means a geophysical survey testing for dispersed sulfide minerals and resistive altered zones using induced polarization methods. No IP surveys are cited in this report.

VLF means a survey measuring interaction of very low frequency electromagnetic signals with conductive zones in the earth’s subsurface.

“g/t” grams per (metric) tonne.

“km” means kilometres.

“m” means metres.

“mag” means a total field magnetic geophysical survey.

“mineralization” means a natural aggregate of one or more minerals, which has not been delineated to the extent that sufficient average grade or dimensions can be reasonably estimated or called a “deposit” or “ore”.

“my” means million years.

“Ore” means mineralized material which has been documented through systematic exploration, sampling, recovery studies and economic modeling in the context of a feasibility study to be of sufficient value to warrant profitable development and mining. Further exploration or development expenditures may or may not be warranted by such an occurrence depending on the circumstances.

“ounce” means troy ounces precious metal. This report concentrates on recoverable gold content but the alluvial gold particles also contain silver and traces of other metals.

“ppb” means concentration of an element measured in parts per billion.

“ppm” means concentration of an element in parts per million or grams per metric tonne.

“pgm” means platinum group metals (Pt, Pd, Os, Ir, Rh).

“gpt” means concentration of an element in grams per tonne, equivalent to ppm.

“grams per tonne” means concentration of an element equivalent to parts per million.

“RCD” means reverse circulation drilling by a machine designed to rotate under pressure, using a tri-cone cutting tool to penetrate alluvial materials and bedrock or unconsolidated material and to return that material with the recirculation of the drilling water. While this drilling method is relatively inexpensive the samples are mixed, modified by interaction with water, and generally provide less reliable technical data concerning the alluvial materials which are the focus of this study.

“strike length” means the longest horizontal dimension of a body or zone of material in bedrock, and is generally used to describe the scale of an exploration or mining target with mineralized material.

“Vibrasonic Drilling” means the drilling method recommended for the program proposed for this property which utilizes a six inch outer casing, an internal casing with a carbide cutting edge to collect an unmixed, undisturbed true width of loosely consolidated material. This provides reliable sample material, does not mix different types of material, does not pulverize oversized material which must be evaluated separately from the finer fractions. Unlike the Mud Rotary and RCD drilling it provides the opportunity to correctly represent the stratigraphy, grade, and geometallurgy of the materials of interest.

## CONVERSIONS

The following table sets forth certain standard conversions from the Standard Imperial units to the International System of Units (or metric units).

<u>To Convert From</u>	<u>To Multiply By</u>
Feet to Metres	0.3048
Metres to Feet	3.281
Miles to Kilometres	1.609
Kilometres to Miles	0.621
Acres to Hectares	0.405
Hectares to Acres	2.471
Grams to Ounces (troy)	0.032
Ounce (troy) to Grams	31.103
Tonnes to Short tons	1.102
Short tons to Tonnes	0.907
Grams per ton to Ounces (troy) per ton	0.029
Ounces (troy) per ton to Grams per tonne	34.438

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## **INTRODUCTION AND TERMS OF REFERENCE**

Preparation of this report was undertaken on behalf of Western Troy Capital Resources Inc., 82 Richmond Street East, Toronto, Ontario, Canada M5C 1P1, as part of documenting the merits of the Property for a contemplated transaction and planning of a program of evaluation and potential development.

This report includes a summary of historic activity and the geological setting of this part of Colorado. The area has an extensive history of prospecting, development and mining with emphasis on the famous Leadville Mining District but with significant gold production from Tertiary and Quaternary alluvial deposits. The disturbance from alluvial mining is evident from surface features such as tailings, mounds of oversized materials rejected from past dragline and dredge mining operations. This information was provided by published and internal company reports, test work by the US Bureau of Mines, and mapping by the US Geological Survey. The author has benefited from a review of this previous work and 23 days of field work (geological mapping, examination, sampling and test pitting) in the district, during October and November 2015 and two site visits during May and July of 2017.

The Author is a Qualified Person as defined by NI 43-101 and is a registered professional geoscientist in the Province of British Columbia. After earning a B.Sc. in Geology at the University of Oregon and an M.Sc. in Economic Geology and Geochemistry at the University of Toronto, he has spent more than 35 years working with major mining companies (Rio Tinto, Texasgulf and Homestake/Barrick), and consulting for private operations and junior exploration groups identifying and developing mineral deposits worldwide. His work with Rio Tinto and Texasgulf was concentrated in the Canadian Cordillera Geological Environments comparable to the Subject Property Area. During the last five years working in glacial and alluvial gold, laterite and saprolite, and polymetallic deposits in North and South America and West Africa, he has refined his skills in evaluating and planning the operation of alluvial gold, platinum and diamond operations and recognized the special opportunities these deposits represent. This report is provided as an independent review, and without direct or indirect participation in the subject property or the affiliated companies.

## **RELIANCE ON OTHER EXPERTS**

The Author has reviewed and verified the status of the mineral claims and fee lands through review of corporate documents, receipts provided by the BLM, county and state filing receipts, and digital review through the LR 2000 system or the Bureau of Land Management. This documentation confirms that the unpatented claims cited herein are in good standing effective September 1, 2017, and the Glacier and other fee lands are duly owned by the Company and compliant in tax filings and environmental permitting.

## PROPERTY DESCRIPTION AND LOCATION

The Upper Arkansas Alluvial property of Mount Elbert Mining Company ('Property') consists of 54 unpatented placer claims totaling 3,120 acres and two parcels of fee land totaling 120 acres, for a total of 3,240 acres. The parcels are located in southern Lake County, Colorado Township 10 and 11 S, Range 30 and 31, Sixth Principal Meridian, Colorado.

The lands are plotted for this report in Figure 1, on published USGS topographic base maps.

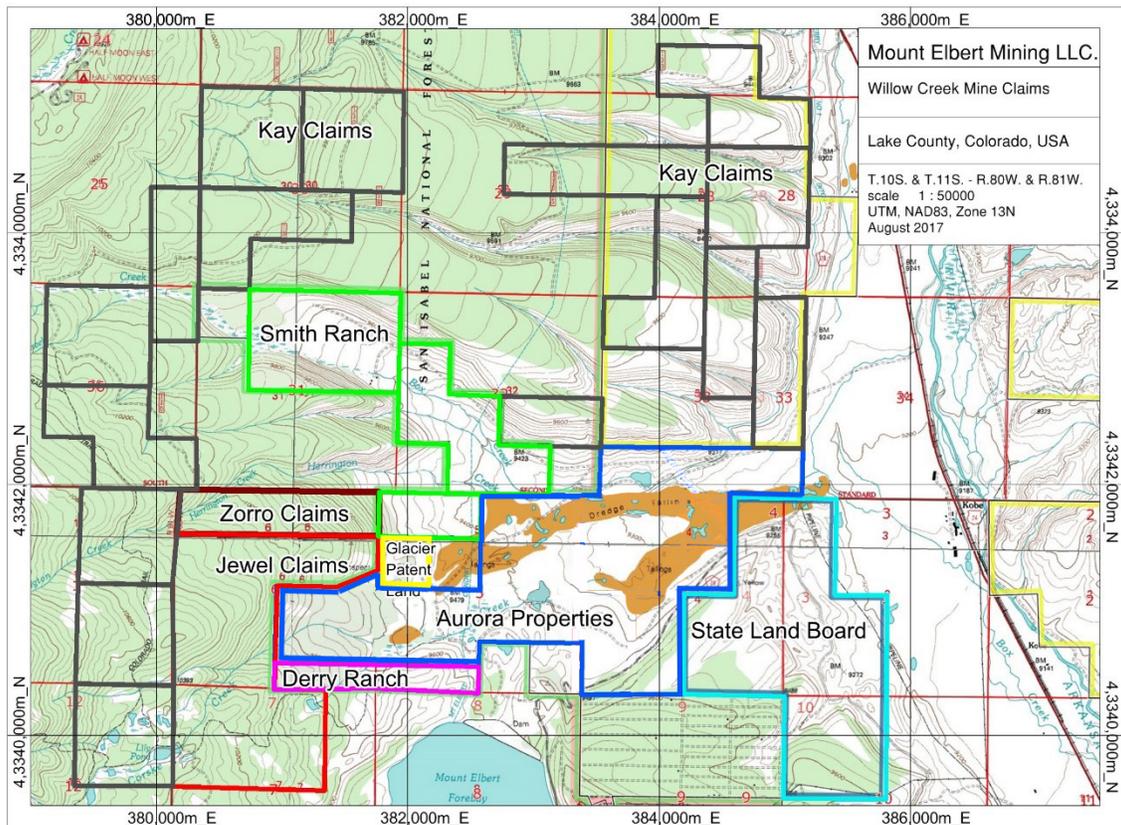


Figure 1: Upper Arkansas Alluvial Property Claim Map on a Topographic Base Map. The Claims are Plotted in Twp: 10 and 11, Range: 80 and 81, Sixth Principal Meridian, Lake County, Colorado. The area outlined in violet in this map is the Derry Ranch Fee (Private) land which is included in the MEMC/Western Troy transaction.

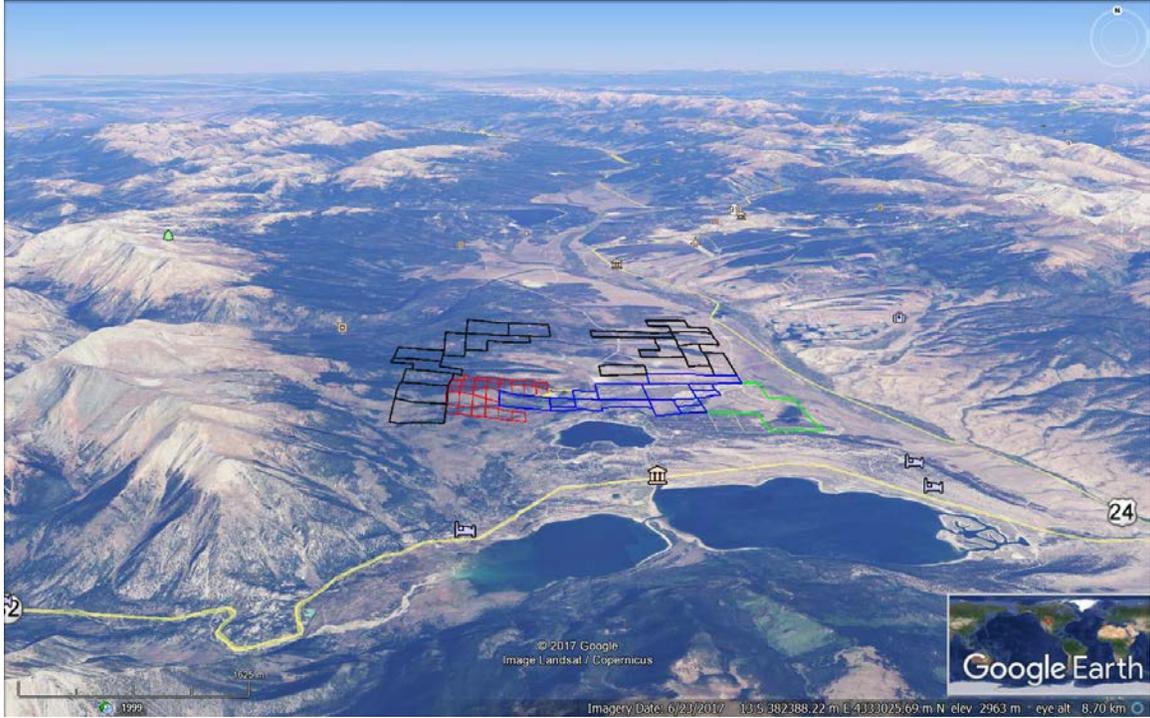


Figure 2: Upper Arkansas Alluvial Property Claim Map on a Google Earth Satellite Base Map. The Lands of interest in this report are those coded in Red (the fee lands and unpatented mining claims which are the Willow Creek Mine area and the focus of this work), and the Kay Claims (black) which are also part of this lease agreement, Lake County, Colorado. The blue area is held by the City of Aurora, and although it has extensive alluvial tailings on the surface, it is not under consideration as part of this project. The other lands are not subject to detailed discussion in this report.

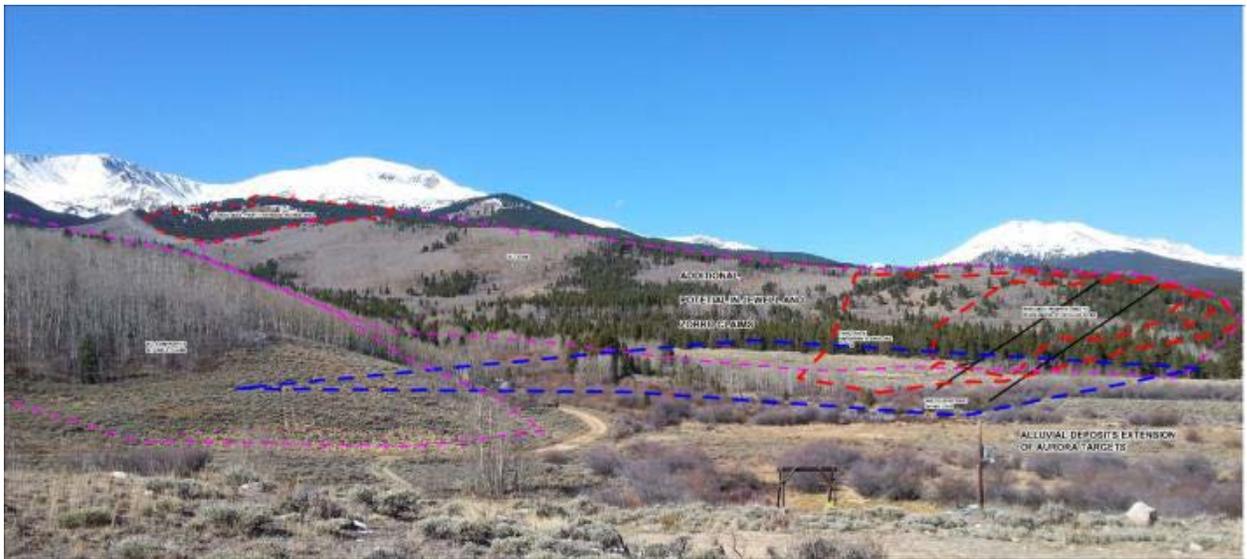
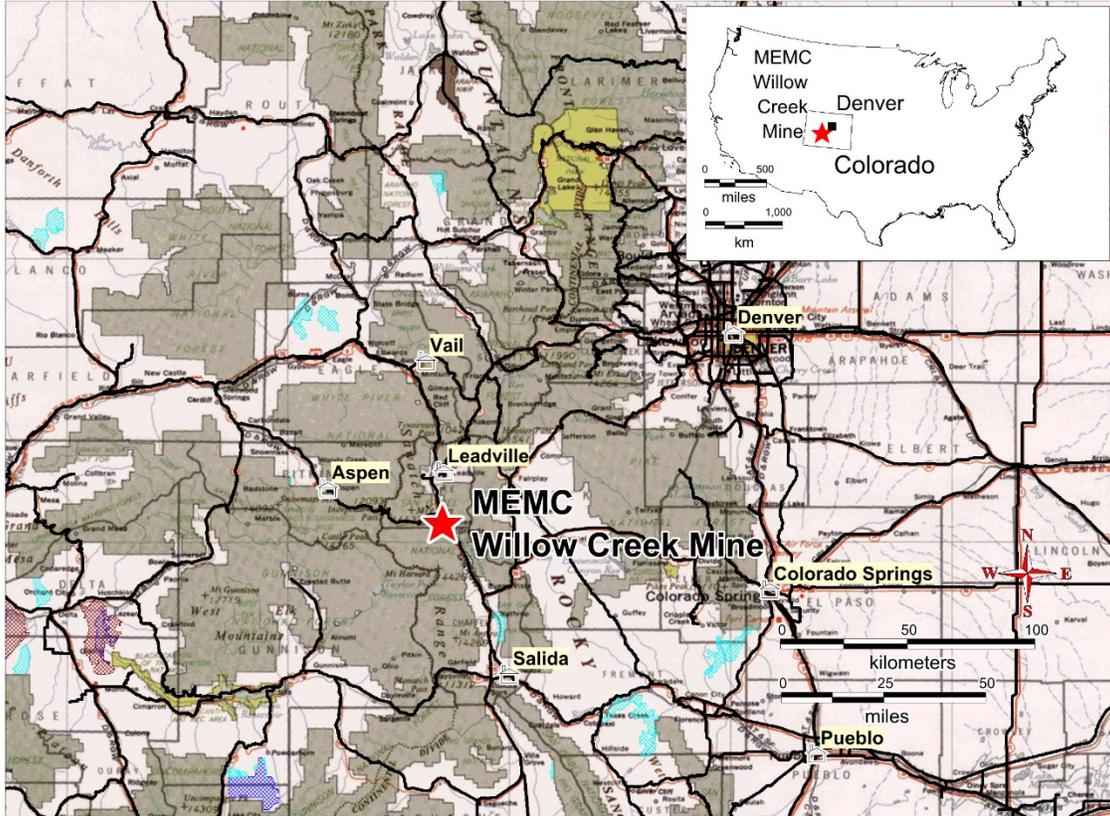


Figure 3: Field Panoramic Photo with Priority Target Areas, Willow Creek Mine.



**Fig 4: Location Map.**

**Fee Simple Property:**

1. A 40 acre parcel of land as shown in Warranty Deed of record in Book 542, Page 810, as recorded in the Lake County Clerk's Office in Lake County, Colorado.
  
2. An 80 acre parcel of land as shown in Warranty Deed of record in Book 616, Page 787, as recorded in the Lake County Clerk's Office in Lake County, Colorado.

**Table 1: Unpatented Mining Claims:**

The following unpatented placer mining claims in LAKE County CO, more particularly known as:

<b>Serial No.</b>	<b>Claim Name/No.</b>	<b>Disposition</b>
CMC275153	KAY 1	ACTIVE
CMC275154	KAY 2	ACTIVE
CMC275155	KAY 3	ACTIVE
CMC275156	KAY 4	ACTIVE
CMC275157	KAY 5	ACTIVE
CMC275158	KAY 6	ACTIVE
CMC275159	KAY 7	ACTIVE
CMC275160	KAY 9	ACTIVE
CMC275161	KAY 10	ACTIVE
CMC275162	KAY 11	ACTIVE
CMC275163	KAY 12	ACTIVE
CMC275164	KAY 13	ACTIVE
CMC275165	KAY 14	ACTIVE
CMC275166	KAY 15	ACTIVE
CMC275167	KAY 17	ACTIVE
CMC275168	KAY 18	ACTIVE
CMC277755	JEWEL #2	ACTIVE
CMC277756	JEWEL #3	ACTIVE
CMC277757	JEWEL #4	ACTIVE
CMC277758	JEWEL #6	ACTIVE
CMC277759	JEWEL #8	ACTIVE
CMC277760	JEWEL #10	ACTIVE
CMC277761	JEWEL #11	ACTIVE
CMC277762	JEWEL #12	ACTIVE

<b>Serial No.</b>	<b>Claim Name/No.</b>	<b>Disposition</b>
CMC277763	JEWEL #13	ACTIVE
CMC277764	JEWEL #14	ACTIVE
CMC277765	JEWEL #15	ACTIVE
CMC277766	JEWEL #16	ACTIVE
CMC277767	JEWEL #18	ACTIVE
CMC277768	JEWEL #20	ACTIVE
CMC277769	JEWEL #22	ACTIVE
CMC277770	JEWEL #24	ACTIVE
CMC277771	JEWEL #26	ACTIVE
CMC277772	JEWEL #27	ACTIVE
CMC277773	JEWEL #28	ACTIVE
CMC277776	Zorro #1	ACTIVE
CMC277777	Zorro #2	ACTIVE
CMC277778	Zorro #3	ACTIVE
CMC277779	Zorro #4	ACTIVE
CMC277780	Zorro #5	ACTIVE
CMC277781	Zorro #6	ACTIVE
CMC277782	Zorro #7	ACTIVE
CMC277783	Zorro #8	ACTIVE

Subject to TSX-V Exchange approval, the transaction includes a lease agreement with Mt. Elbert Mining Company (MEMC) as disclosed in the news release dated October 5, 2017, by Western Troy Capital Resources Inc. (TSX-V: WRY) entitled “Western Troy Announces Renegotiation of Agreement to Lease a Gold Property Near Leadville, Colorado and Announces Upsized Non-Brokered Private Placement”.

The Agreement defines Western Troy’s rights to explore and develop the Willow Creek Mine property. As consideration for the Transaction, Western Troy has agreed to pay a 5% Net Smelter Return (“NSR”) royalty on simple water and gravity recovery methods, and a 3% NSR royalty on production from bedrock. The NSR on bedrock production may

be reduced to 2% by payment to MEMC of US\$2 million. Western Troy has agreed to pay MEMC a Net Proceeds Interest (NPI) of twenty five percent (25%) from the production and sale of Alluvial Production Minerals using standard water and mechanical/vibratory/gravity separation techniques, and an NPI of twenty percent (20%) from the production and sale of Alluvial Production Minerals whereby crushing or milling or leaching of the rocks and gravels is required to free the gold from the rocks, and an NPI of fifteen percent (15%) from the production and sale of Alluvial Production Minerals whereby crushing and/or milling, together with leaching is required to recover the gold from crushed and/or milled substrate. Finally, Western Troy has agreed to pay an NPI of ten percent (10%) from the production and sale of Bedrock Production Minerals. The NPI is to be calculated based on mine site operating cash flow through the 2018 operating season, and will include capital spending incurred thereafter.

Western Troy will issue to MEMC 1,000,000 Series A common share purchase warrants of the Company. Each Series A warrant shall entitle the holder to acquire one common share of the Corporation at an exercise price of C\$0.05, exercisable for a period of two (2) years from the date of issuance of the warrants. Western Troy also will issue to MEMC 250,000 Series B common share purchase warrants of the Company. Each Series B warrant shall entitle the holder to acquire one common share of the Corporation at an exercise price of C\$0.05, exercisable for a period of 120 days from the date of issuance of the warrants. The securities issued will be subject to a four month and one day statutory hold period.

Western Troy is committed to pay MEMC minimum advance NSR royalties and NPI of US\$25,000 upon signing, US\$100,000 by April 30, 2019, and US\$2 million per year beginning in 2020. Western Troy may terminate the agreement at any time. Should Western Troy terminate the agreement after the 2017 evaluation program, it will be required to provide MEMC with a National Instrument 43-101 report on its evaluation program.

As stated herein, the land package includes fee lands which are held 100% without encumbrances by MEMC and federal alluvial mining claims which are subject to annual renewal each year prior to September 1 via payments to the U.S. Bureau of Land Management and notification of intent to hold to Lake County.

Within the patented or fee lands environmental impact permits are secured and bonded through the State. MEMC holds mining permits in good standing with the State of Colorado and Lake County to allow for surface mining of gold using gravity methods. These permits have been maintained since 1983. The Colorado Division of Mines and Geology Permit number is M-1983-11. A new 112 full impact permit was granted in 2012 for 44 acres within the Glacier Fee land. A pit of approximately 3.5 acres exists adjacent to the processing area with feed or fines and water into settling ponds and stockpiles of oversize and fine rejects adjacent to the existing trommel, vibrating screen, sluice, spiral concentrator, and Knelson Concentrator. Pursuant to results and development of an updated mining plan, this may be expanded within the private lands.

The Property is subject to defined, bonded and limited historical environmental liabilities. All mining impacts to date lie within the fee lands and are duly permitted and bonded. The alluvial claims are subject to the administration of the BLM and the United States Forest Service (USFS). The author completed a field tour with USFS representatives October 28, 2015, to discuss potential drill site locations and the use of existing access routes from previous drilling and logging activities. In this jurisdiction securing a permit for initial drilling, called a 'Notice', requires detailed planning and demonstration that new impacts are less than five (5) acres. In the case of MEMC, the contemplated impacts were less than three (3) acres utilizing the existing roads. As of this date MEMC has a notice permit in place and may proceed with the planned exploration. Significant changes to the schedule of work require notification to the USFS and confirmation thereby, but this has not been a problem to date.

In the event that a more comprehensive program is contemplated, the company must apply for a 'Plan of Operations' which allows for much more disturbance, higher reclamation bonds, archeological, environmental impact and biological studies. Securing this Plan of Operations may require six or more months depending on the public comments, specific impacts, and staff allocation within the USFS. This process was initiated during the summer of 2017.

The private lands are sufficient for construction of site infrastructure and processing facilities in addition to the permitted mining. The author has encountered no indications of obstacles to access, title, right of way or the ability to perform work on the Property.

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

The property lies 10 to 18 km south of Leadville, Colorado, along the lower west slope of the upper Arkansas River Valley at altitudes which range from 9400 to 11000 feet above mean sea level. The mean elevation of the known alluvial and till hosted gold deposits and exploration targets is about 9700 feet.

The property is accessed by traveling along paved and well maintained US Highway 24, approximately 8 miles south of Leadville to Lake County Road 10, then approximately 4 miles along County Roads 10 and 24, then approximately 1 mile along local private access roads. The higher portions in the western portion of the Property, including the Western Portions of the Kay, Jewel and Zorro Claims are accessible only on foot or revegetated old drilling and logging roads. US Highway 24, and County Road 10 and 24 are maintained year around but the final stage along private access roads is not passable with conventional vehicles during the winter months (late November to April) depending on the annual variations in snowfall.

The region has a seasonal subalpine climate with warm dry summers and cold winters. The average snow pack in the valley is six inches but periodic winter storms lead to accumulations up to five feet. The working season for surface exploration and alluvial

mining is May to late October or early November. Conditions were suitable for field work in 2017 until approximately November 25. Diurnal temperature variations are in the range of fifteen to twenty degrees (F) as is typical for the alpine areas in the Rocky Mountains of Colorado.

Leadville had a permanent population of 2602 based on the 2010 census. Leadville has an extended history of bedrock and alluvial mining including the famous polymetallic manto and vein systems of Leadville, the Climax Molybdenum Mine, and numerous alluvial mining districts. The climate supports limited ranching but fodder crops require irrigation. The total reported gold production from the district is approximately 3.5 million ounces (Parker, 1974). The principal activities are mining and tourism. The potential for commercial development of the Box Creek dam and alluvial mining project have raised local expectations for economic growth and support from the community. High tension power lines provide grid electrical power to the Arkansas River Valley. Access to power and labor are excellent, and personnel and materials not available in Leadville are present in the metropolitan Denver area 2 hours east along US Highways 24 and 91, and Interstate highway 70. The property is covered by pine and Aspen trees, with very little commercially viable timber, with some grasslands and willows in the lower elevations. The area supports a constantly migrating population of Elk and Deer with some black bears and coyotes.

The fee lands provide clearly defined mining rights with availability of areas for tailings, waste piles and processing plant sites. The Company has not considered heap leaching as an option for this project because of the climate and proximity to the planned Box Creek Reservoir.

## **HISTORY**

The Clear Lakes and Upper Arkansas River areas were the focus of active alluvial production from 1865 to 1880. Alluvial mining continued in discrete areas including Box Creek from 1900 to 1915 and 1945 to 1952. Berry (1988) reports a cumulative declared total of 300,000 ounces but this historical review suggests that production in the district was much more than this published estimate. Production cited in private company reports including the Property and immediately surrounding lands suggests production of more than 100,000 additional ounces between 1878 and the present time as outlined in this section of the report. The Box Creek drainage which hosts the Property and the adjoining Aurora Properties (the Box Creek Dam and alluvial mining project) has produced an estimated 400,000 ounces of gold including published data for Box Creek and other data from other properties in the district (Parker (1974)). The Author of this report has been unable to verify any of this information it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report. The Box Creek (Aurora) lands are distinct and separate from the Lands subject to this report as documented in Figure 1. Gold was discovered in the eastern portion of the Box Creek Drainage in 1879 (now owned by the City of Aurora). Reports on early operations declared recovery of \$1,000 per day during the period of production until about 1890. Between 1890 and 1940 alluvial

operations worked about 3.2 km of the lower Box Creek drainage up to the Derry lands, but not onto the MEMC property. C.V. Hallenbach owned and operated the properties in the 1930's. Hallenbach conducted some hand trenching just to the east of the Subject Property. Garner, an associate of Hallenbach, also conducted a program of hand trenching. The Derry Placers west and down slope from the MEMC lands were active between 1915 and 1950. Again, this area is now owned by the City of Aurora. Gold Production during the period 1915 to 1950 was estimated to be about 89,000 raw ounces, as reported by the Cooley Gravel Company and the Mt. Elbert Mining Co., LLC (Wright 2008). The Morton Partners report cites that the Empire Dredging Company and Hallenbach conducted dragline operations in the Derry Placers with declared recovered grade of 0.008 oz/ton (0.014 grams per cubic meter) during this period. Total gold recovery was not disclosed. Again, the Author of this technical report has been unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

The Garner Claims (now primarily in the Jewel Claim group which is now controlled by MEMC) were located in 1953 and drilled in 1963. Geological logs and sample results are not available to the Author but the results were utilized in subsequent resource calculations. In 1963 a pit was excavated and mined in Willow Creek Claim #2, with production of 8,000 tons, but no declared gold recoveries. Fred Garner conducted exploration work in the area between 1947 and 1980, including eleven drill holes. Morton Partners report, that Garner commissioned, encountered a weighted mean average grade of 0.0476 ounces Au per ton. Corresponding work by the USGS and USBM in the south half of the Willow Creek Claim #2 reported an average grade of 0.082 oz/ton but no total production figures. This land corresponds to the Glacier Patented Land on the maps presented herein. Parker (1974) documented alluvial gold deposits throughout Colorado and reported the following for the Box Creek basin which is adjacent to but not within the subject Property:

- Gold Produced since 1934 averaged 76.5% Au and 23.2% Ag
- Gold is recovered throughout the section but 95% of the gold is recovered within six feet of bedrock.
- The gold grains were fine and heavy with a few nuggets to ½ inch and no flour or flake gold.

The Author of this technical report has been unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

Mr. John Malette of Leadville acquired the Corske Property in 1980 and reported mining 4000 cubic yards between 1980 and 1983. The Corske Property is just north of the unpatented Jewell and Zorro claims now controlled by MEMC. Unconfirmed verbal reports (Wright 2008) indicate that he recovered 59 ounces of gold from this 4000 cubic yards. Wright (op. cit.) reports that subsequent assay testing of the tailings pond showed that only 33% of the gold in the materials processed was recovered and that the reconciled gold grade was about 0.03 ounces per ton. The Author of this technical report has been

unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

Mr. Michael Jelen secured an option to purchase what is now the MEMC Property and a small portion of property which is now owned by Aurora in 1983 and completed an eight hole drilling program in 1983. Jelen exercised the option to purchase the property and the small portion of Aurora ground in 1984 and reported an average production head grade of 0.048 oz/ton but no total production figures. In 1985 Intermountain Minerals Exploration Inc. (INMINCO) completed a comprehensive report (Hyak, 1985) which is appended to Wright (2008). Hyak reported grab samples from slumped Dry Union Formation in the lower Box Creek Drainage with values of one to three grams per cubic yard. He also cited 250 to 285 foot deep drill holes adjacent to the Hayden Leases which lie south of the existing Glacier Patent Lands and the Jewel Claims in lands currently held by the City of Aurora which documented depth to bedrock and that his testing mapped gold zones above and below the false bedrock of the upper contact of the Dry Union Formation. He stated that richer deposits could be expected along the underlying bedrock interface. The Hyak observations, although they were based on work east and south of the Glacier Patented lands, are consistent with the model developed during this study and emphasize the potential importance of testing the full section within the Property. The Author of this technical report has been unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

In 1986 the Intermountain Mining Company negotiated a lease/option to purchase agreement with Jelen and Son Inc. This venture was active in exploring the MEMC Property between 1986 and 1987 including four drill holes ranging from 49 to 79 feet in depth. The results of this work documented an average grade of 0.044 ounces gold per ton. The venture suspended activity in 1988 but Mr. Jelen held the Willow Creek Claims until 1990. Mr. Jelen died in mid-1990 and the claims were passed to his heirs. The fee lands and claims were then acquired by MEMC.

American Gold Resources (“AGR”) as reported in Berry (1988) completed a program of detailed mapping, 14 trenches, subordinate ground geophysical work (orientation magnetic and EM-34 profiles), and 13 vertical reverse circulation drill holes for a total of 1300 feet. Most of this work was north of the study area in the Property, in the sector now partly covered by the Kay claims which are part of the subject transaction but have not been subject to field evaluation in this study nor are they included in the Phase I work proposal. Only four of these holes are in the Study area, defined as those fee lands and mineral claims excluding the Kay claims. All were stopped at 100 feet, all were collared and terminated in the upper part of what was interpreted as the Dry Union Formation, and AGR did not disclose analytical results from these holes. The topography in this area suggests that these may be younger periglacial sediments and not the Dry Union Formation.

While AGR did recognize the importance of the Jelen Pit (now the MEMC Property), AGR did not hold that land at the time and the work was localized further north in and between the lands now held by the Kay Claims. The Berry program provided good geological data

and recommendations to acquire and explore the Box Creek and Jelen/Lilly Pond areas (now the study area within the MEMC lands) but most of the results reported by AGR were uneconomic and many samples from this program were not assayed.

Berry (op. cit.) cited a contracted metallurgical study by International Processing Resource Corporation to evaluate gravity and leach recovery in the fee lands included in the transaction with the issuer. The calculated grades using a combination of gravity and leach recoveries, notably in sample TDU-4 in the Jelen/Lilly Pond target area showed a grade of 1632 mg/bcy compared to a gravity head grade of 12 mg/bcy and replicate sampling with much lower values. He concluded that 66% of the gold in this area is bound in mineral fragments and magnetite, and that viable recovery required a combination of closed circuit gravity and cyanide leaching. Consequently grades estimated by grain counts or gravity concentrates are not reliable in this glacial fluvial environment. The Author of this technical report has been unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

Jim Owens (cited by Lewicki's updated report 2017) completed four 100 foot vertical holes within the MEMC Property. He also completed two 100 foot vertical holes in lands SW of the Glacier Fee Lands and south of the Jewel Claims in a site outside of the subject Property.

Jensen (1988) reportedly prepared and analyzed 18 samples from holes 65, 65 and 66 within the MEMC Property and drillhole 63 which lies in land outside of the subject Property. The samples were submitted by the principals of MEMC and evidently the samples were selected from holes drilled in 1988 by Jim Owens, an active participant at the time in MEMC. Owens reportedly prepared the samples by air drying assisted by a space heater/ blower for 48 hours, blended and sieved to 4 Tyler mesh (-3/8 inches). He reported the gross weight of the screened material and oversize, but this sampling was designed to correlate with the size fractions being processed in the operating alluvial recovery system. He apparently did not analyze the oversize material.

The screened material was reportedly split and pulverized to -200 mesh using a ring and puck pulverizer. One sample with a high rock flour content not readily amenable to simple sieving was manually crushed, air dried, split through a one inch splitter, and pulverized in a ring and puck pulverizer to -200 mesh. The ground samples were subsampled and a ½ assay subsample was fire assayed for gold, noting that the assays did not separate gold and silver. So the values were based on total precious metal content and not gold alone. The reported precious metal concentrations ranged from two samples with values below the reported detection limit of 0.02 ounces per ton, up to three high samples, representing intervals in holes 63, 64 and 65, with values of 0.50 oz/ton across 5 feet, 0.48 oz/ton across 5 feet, and 0.52 oz/ton across five feet in sequences with ranges between 0.12 oz/ton to 10.9 oz/ton. The protocol did not distinguish between free gold amenable to gravity concentration and gold within or attached to gangue or black sands. He recommended size classification and analyses of each subsample to evaluate the optimal fraction for gold

concentrations and the potential for gold in the silicate oversize which would warrant different recovery methods.

Jensen (1988) also prepared and analyzed 23 samples from the alluvial concentration process which was active at the time. These samples were collected and submitted by the principals of MEMC. They included black sand concentrates, raw feed, samples from the sluice carpets, sand screw belt feed and sand screw waste, concentrates from a vibrating spiral bowl, and a grab sample of silt and sand from the reject conveyer belt. These samples were prepared by air drying blending, sampled by a 'modified cone and quartering method', dried, split and pulverized by a ring and puck pulverizer to -200 mesh. The ½ assay ton aliquots (14.58 grams) were tested by fire assay with gravimetric finish, and four samples were re-sampled and analyzed for silver using wet (aqua regia or nitric and hydrochloric acid) digestion with AA finish. His reports also included a nominally 0.5 oz Au per ton standard which was probably an internal standard inserted by Jensen in the sample sequence.

The values reported from the black sands were consistent in the range 0.06 to 0.08 ounces precious metal per ton. MEMC and Jensen processed two loader buckets and sampled the feed in the process line. The samples labelled 'in carpets' from both buckets were the most mineralized with values between 0.16 to 0.71 ounces per ton, the samples labeled 'top carpets' were lower, between a 0.01 oz/ton detection limit and 0.07 oz/ton. This sampling provided some insights into the efficiency of the gravity processing methods employed and the proportion of the material amenable to gravity concentration. For example the two samples labeled 'sand screw conveyor' had values of 0.05 and 0.23 oz/ton and the samples labelled 'sand screw waste' had values of 0.06 and 0.47 oz/ton. These sample data, if they can be relied upon, suggest that the gravity recovery of detrital gold was not optimized in the tested plant configuration and water flow rates.

Jensen resampled four of the samples for a wet digestion (aqua regia) with AA finish for silver. He mentioned that the cupola method understated the silver values. The four AA results ranged from 0.1 to 0.15 ounces per ton and the associated gold values ranged from 0.08 to 1.4 ounces per ton. The resulting gold/silver ratios vary considerably. Some of these samples were black sand and one, with the highest value, was a sample from the sluice carpet.

Jensen (1988) also processed 14 surface samples from prospecting within the Property claims now part of the Property which have been renamed as they were relocated by MEMC, and possibly from other sites in the region. The sample listing included claim names which are clearly outside of the Property including the proximal Leadville area. The samples were dried, split, and pulverized in a ring and puck pulverizer to -200 mesh. The ground samples were analyzed in 1/2 assay ton aliquots by fire assay with a gravimetric finish for gold. The values ranged from 0.08 to 1.83 oz/ton precious metal but the source locations are not documented except by citation of the claims as named at that time. Some may be from a regional sampling but most were taken within the areas now defined as the Property which was re-staked in a 2014 consolidation of all the Jewel and Zorro Claims.

The Jensen values, particularly those from the drill holes, were considered positive but were not certified and are of uncertain value. All were from samples across specified widths within the upper Dry Union formation in a stratigraphic interval with a history of positive samples and production. They did not clarify the proportion of precious metals recoverable from a properly optimized gravity concentration plant. The use of ½ assay ton aliquots is not optimal for this type of material. Jensen is not a certified analytical lab, the procedure involved no independent QA/QC, and the samples were submitted without a demonstrated chain of custody by concerned parties in MEMC. This information is cited for historic reasons only and the same areas will be tested with more rigorous methodology in the recommended Phase I program as outlined herein. All of the Jensen/Owens work outlined in the previous paragraphs are not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

Wright (1988) assembled a comprehensive summary of previous work, without new drilling or metallurgical studies, and prepared a report for Harrison Western Mining Company. He documented, based on the limited area of drill testing, that the gold content of ‘proven, probable and possible reserves’ were respectively 211,603 oz, 58,128 oz, and 127,690 oz at the 90% confidence level. This was based on a statistical analysis, and the ‘proven’ reserve included lands now controlled by MEMC. He discounted the grade with factors which varied with each category of ‘reserves’. His proven reserve category used grade discounted to 50%. His probable and possible categories were discounted with factors of 25% and 10% respectively. He suggests that this work was “crude, despite being conservative’ but a clear indication of the potential for enhancement of the resources. He suggested that additional drilling will increase the resources. Based on this approach, which was further constrained by Monte Carlo Simulation to minimize the impact of high values, he estimated the average overall grade at the 90% confidence level to be 0.028 oz/ton Au. These resource calculations, which utilized data that pre-dated the Harrison Western work, and the mathematical approach used, presumed to provide a more conservative and therefore more reliable resource estimate. However the methods used do not comply with CIM or AIME best practices, do not disclose in detail the analytical methods, detailed geological setting and controls and do not use resource categories which would be acceptable for NI 43-101 disclosures. The resource estimates are based on manual polygonal calculations, include historic gold values from unknown and therefore not verifiable laboratories and are therefore cited for historic reasons only and not to be considered in decisions for investment in the Property. A qualified person has not done sufficient work to classify this historic estimate as current mineral resources or mineral reserves, and the issuer is not treating the historic estimate (and other previous estimates) as current mineral resources or mineral reserves. The Author has been unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

Wright (op. cit.) discussed open pit mining methods, pit slopes, and pit design (limited to the claims as defined in the Corske programs and further limited to the drilled ‘reserves’ using mineral resource categories which are not acceptable for NI 43-101 disclosure). He included development and exploration drilling in the operating plan and presumed that the targets were readily subject to expansion.

Greg Lewicki (2006, 2013, 2017) completed an updated resource/reserve model which was nominally more conservative than the estimates cited in Wright (2008) in that he limited the perimeter of influence of the drill holes to 200 feet, the depth in Glacial Materials to 30 feet, the depth of alluvial outwash materials to 20 feet, and omission of the lands not held at that time by MEMC. He also collected four large (average 40 kg) samples, two from within the Glacier Fee lands at the Mine Site and two from adjoining claims, with reported gold values from agitated cyanide leach testing ranging from 0.12 to 1.2 ounces per ton. This was verified by a subsequent sample from the production pit assayed by Aqua Regia/AA with a gold concentration of 1.0 ounces per ton. These values were not considered in his resource estimates but suggested that the historic data used in the two documented estimates and the MPL feasibility study understated the true in situ gold potential, probably due to the poor recovery of fine gold in the churn drillholes and the gold content of mineral aggregates which are rejected as oversize during traditional screening and scrubbing processes. Lewicki further emphasized the importance of complete processing and recovery in comparison with traditional gravity recovery methods due to the high proportion of very fine gold and gold encased in minerals such as magnetite, clay aggregates and lithic clasts. Consequently the modeling of included grades, the estimates of volume and value, provide some new and potentially useful data. The Author has been unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

Lewicki (2017) prepared an updated report considering current land status and other new information. He did not consider the 1988 holes drilled by Jim Owens or the Jensen assays in his updated resource evaluation. Mr. Lewicki is a Professional Engineer and a Qualified Person but his terminology was not consistent with CIM best practices and he utilized some historic analytical data which cannot be verified nor compiled in detail. He utilized the drilling results ranging from the Morton Partners drilling in 1968 and other drilling to date excluding the Owens drillholes. No geological logs or sample assay reports are available for most of these drillholes, and the repeated surface sampling suggests that the churn drillholes which form the basis of much of the resource model fail to recover fine free gold. Therefore his 'reserve' estimates are cited for historic purposes only and are not considered current mineral resources or reserves by the Issuer. Morton used the terms "proven, probable" in its resource estimation. For "proven reserves, Morton included the first 30 feet of drillholes in till and 20 feet in reworked outwash, and an area of influence of 200. Morton's "probable reserves" follow the same assumptions but allow an area of influence of 300 feet for each drillhole. In addition, Morton allowed "probable reserves" to include the complete drilling depth of each hole. Lewicki modified the Morton reserves by applying a cutoff grade of 0.01 ounces per ton. All calculations were simple weighted means without geostatistics or capping. Lewicki calculated the combined 'measured' resources for the MEMC controlled property at 250,898 ounces of gold with an average grade of 0.0431 ounces per ton. The combined 'indicated resources' are 62,478 ounces with a weighted mean grade of 0.0239 ounces per ton. The Author has been unable to verify this information and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

The reader must regard the historic resource estimates with caution, and useful for historic context only. The geological details, the level of documentation, the laboratories and methods utilized, and the data modeling are not consistent with prevailing CIM or AIME Best Practices or the guidelines of NI 43-101. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

The recommendations of this report, based on review of these varied reports, focus on a proposed vibrasonic drilling program with large and reliable samples, careful systematic studies of total contained gold in addition to gold recoverable by gravity methods, gold localized in black sands, mineralized aggregates which contain entrapped gold, and the gold concentrations in progressively coarser fractions (as was suggested by Lewicki's work). Proper evaluation of the geometallurgy of these diverse materials and the consequential optimal flow sheet is fundamental to attempting to calculate a resource model that meets the requirements of NI 43-101. This is complicated by the environmental sensitivity of the MEMC properties, because the source drains to the future Aurora Box Creek Reservoir site, which may preclude the use of cyanide or other leachates to optimize recovery from regrinding of the coarser fractions. These matters are discussed in more detail in the sections specific to metallurgical and recovery studies and historic resource estimates.

Tetra Tech (2008), in a report dedicated exclusively to the adjacent property which covers the Aurora Box Creek basin and dam project, reported a program of geological and engineering studies dedicated to evaluation of the potential borrow materials for dam construction and evaluation of alluvial gold deposits in the Box Creek Reservoir basin in Lake County, Colorado. The Tetra Tech (op. cit.) and URS Corporation (2014) work was primarily dedicated to site selection for the planned dam and evaluation of the available materials for construction. Along with a quantification of construction materials, the study concluded that fine gold was recovered from all samples, and that the gold could be recovered by mining while processing borrow materials during construction or mined prior to construction. The report declined to address the economic feasibility of the placer operation and was focused on dam and materials engineering. The drill samples were sieved to ¼ inch and processed on a vibrator gold recovery table. They were subsequently panned and subject to gold grain counts. The gold grain count data were plotted as isopachs within the widely spaced array of drillholes. Gold grains were most concentrated in the center of the valley and near bedrock within the Corske Creek steam channel.

## **GEOLOGICAL SETTING AND MINERALIZATION**

The subject Property lies within the upper Arkansas River Valley, which is interpreted as a failed continental rift and an extension of the Rio Grande Rift (Tweto and Case, 1972). The upper portion of this setting, in which the project area is located, was characterized by

numerous north trending faults flanking the valley and rapid filling from 28 to 30 my to about ten my before the present time. This rifting followed mid Tertiary reactivation of Laramide tectonic blocks which were coincident with Laramide porphyry intrusions and development of the Colorado Mineral Belt. The Leadville polymetallic district (30 to 34 my) and Climax molybdenum deposit (28 to 32 my). Rifting and graben formation evolved by 20 to 25 my. The younger volcanic and sedimentary sequences were eroded during rapid uplift which was most enhanced in the Sawatch Range including Mt. Elbert, leaving the Precambrian basement exposed with minimal relics of younger rocks. It is presumed, but not rigorously demonstrated, that the lode gold systems coeval with the Leadville and Climax type systems hosted by the Precambrian basement, and are the source of the gold in the upper Arkansas River alluvial gold deposits. Within the subject Property, the gold targets are localized in specific facies of the Tertiary Glacial and alluvial fan complexes and related Tertiary sedimentary units. Each drainage and fan complex throughout the region has distinct stratigraphy and mineral potential.

Within the Box Creek/Mt. Elbert Drainages, the Tertiary units are the Perry Peak and Dry Union Periglacial sediments, with unconsolidated or poorly cemented sandy debris flows, altered rhyolite porphyry clasts, quartz vein blocks, and rusty pyritic Precambrian rock fragments ranging from quartzite, porphyritic leucogranite, biotite quartz gneiss, granitic gneiss, and pyrite rich mafic lithologies. Some clasts observed in worked areas of the Glacier Fee lands are dense epidote/magnetite rocks with are generally also pyritic and are interpreted as skarn material from the basement. The upper Box Creek drainage includes a clay-rich facies of this sequence, now recognized as the upper 15 meters of the Dry Union Formation and its contact with the overlying Quaternary Lilly Pond Till. This is a host for the subject Property in what was cited in the literature as Jelen's Pit (the Glacier Fee lands). Berry (1988) reports that 'practically every glacial fan is either anomalous in gold or was mined for placer gold from 1860 to 1875. All major placer production in the upper Arkansas Valley was from Tertiary glacial or glacial/fluviol units or (in the case of Box Creek) Quaternary alluvial deposits which reworked the Tertiary and Quaternary glacial/fluviol sequence.

Berry (1988) reported that the alluvial gold in the area ranged from 760 to 800 fine. He also emphasized the importance of the area around the Jelen Pit (now the Glacier Fee Land and a focus for work by MEMC). 50% to 70% of the gold in glacial outwash and alluvial fan sediments like the Dry Union Formation is fine gold bound in lithic fragments and clay aggregates. Only 50% in one cited sample was free gold. Consequently he emphasized the importance of agitated leach analysis in evaluating the recoverable gold content of the materials. He further recommended completion of a ground magnetic and shallow reflection seismic geophysical program to assist in mapping paleochannels in the Dry Union Formation and the Dry Union/basement contact (cited in this report as 'basal gravels').

The significant mineralized zones inferred for the Subject Property include the gold bearing till of the Lilly Pond lobe, with continuity from the southern boundary of the lands to the northern boundary for a minimum north/south dimension of 2 km and extending from the eastern margin of this till unit within the fee lands, to 3 km or more westward up the slopes

of Mt. Elbert. The Lilly Pond till varies from thickness of 0 meters at its eastern perimeter to more than 80 meters in the western and uphill portion of the Property.

Underlying the Lilly Pond Till and exposed within the Property is the upper portion of the Dry Union Formation. This consists of alluvial outwash interbedded with periglacial lake sediments. The alluvial outwash has a higher, but not properly quantified, proportion of free gold as flakes and small nuggets than the overlying till. This host sequence is approximately 15 meters in thickness within the Property. The data available from historic work suggest that, with the exception of two mud rotary holes within the Glacier Fee Land, anomalous gold values exist in this key interval throughout the Property. The section is fully preserved in this area and this environment is a key target for exploration with emphasis on the recoverability of the gold. Lewicki (2008) suggested that the outwash facies was less continuous in gold values than the till, and he considered this in defining more restricted projections for his historic resource estimates. The author has not completed sufficient geological and assay work to verify this interpretation.

The grade, geometry and continuity of any possible gold mineralized material in the underlying mid to lower Dry Union and Idaho Supergroup is unknown. The author has observed free gold in angular to rounded cobbles of sheared, silicified and potassic altered granitoid and varied compositions of gneiss in cobbles. But no drilling, systematic analytical and geological studies have been completed in these materials. This work is included in the recommended Phase I program as part of the geometallurgical and sampling procedures.

The gold potential of the lower portions of the Dry Union Formation, with varied facies including gravel, rock flour rich water laid sand and mud, and varied proportions of interbedded gravels, warrants testing but is not documented by the data available. Systematic studies of this environment are part of the recommended Phase I program. Production from the subject claims is not well documented. MEMC has conducted test work since 1989 and has experimented with recovery methods without significant production. Previous alluvial mining is cited in historic reports but the location and recovered gold content are not reliably known and some of the production clearly occurred in land not currently part of the Property.

## **DEPOSIT TYPES**

The most directly applicable geological model for exploration of the Property is detrital gold bearing glacial till of the Tertiary Lilly Pond/Mt. Elbert Lobe, disseminated and detrital gold concentrated by alluvial mechanisms in the underlying Dry Union Formation, and further concentration of gold within two meters of the underlying contact of the Dry Union clastics with the Precambrian Idaho Supergroup metamorphic and igneous basement. Gold in all stratigraphic units is localized by facies, with debris flows and alluvial paleochannels more enriched and accompanied by increased black sand concentrations. Only the Lilly Pond and Dry Union units have been tested by mining, pitting or drilling, and the third environment for gold concentration, the Dry Union/basement contact, is

inferred based on documentation by Parker (1974) in the nearby Box Creek alluvial gold district and later citations by Hyak (1985). The areas known to contain these features extend beyond the Property. The visible abundance of the Idaho Supergroup bedrock in angular fragments in samples with elevated gold values suggests that quartz veins, breccias, sheared and altered granitoid rocks of the bedrock represent significant exploration targets. Correspondingly the depth of the Dry Union Tertiary periglacial unit varies significantly as a result of extensional faulting coeval with the accumulation of this lake bed and outwash complex, from less than twenty meters to more than 500 meters. Consequently contemplated drilling to test the bedrock should be preceded by resistivity and/or seismic profiles to map the interfaces between till, outwash, clay rich lake sediments and the basement interface. When this has been done and suitable sections identified, some of the planned drill holes should be extended to secure at least ten feet of reliable sample material as part of the systematic exploration of the claims. The bedrock in these enriched drainages has never been tested, and paleocanyons in the basement contact zones are priority targets for testing the outwash and gravels in this undulating interface.

## **EXPLORATION**

The issuer has not completed significant exploration work in the Property beyond its due diligence in considering the transaction. The first such work is recommended in this report. The remainder of the historic exploration is reviewed in the History summary in this report.

## **DRILLING**

The issuer has not completed drilling programs within the property. Historic drilling, with its limitations and distribution both within and beyond the subject Property, is cited in the History section of this report. The location and reported results from these various phases of drilling ranging from the Morton Partners, American Gold Resources, and Harrison Western, may be utilized in orientation of planned drilling programs but not documented in sufficient detail to be utilized in a current resource model.

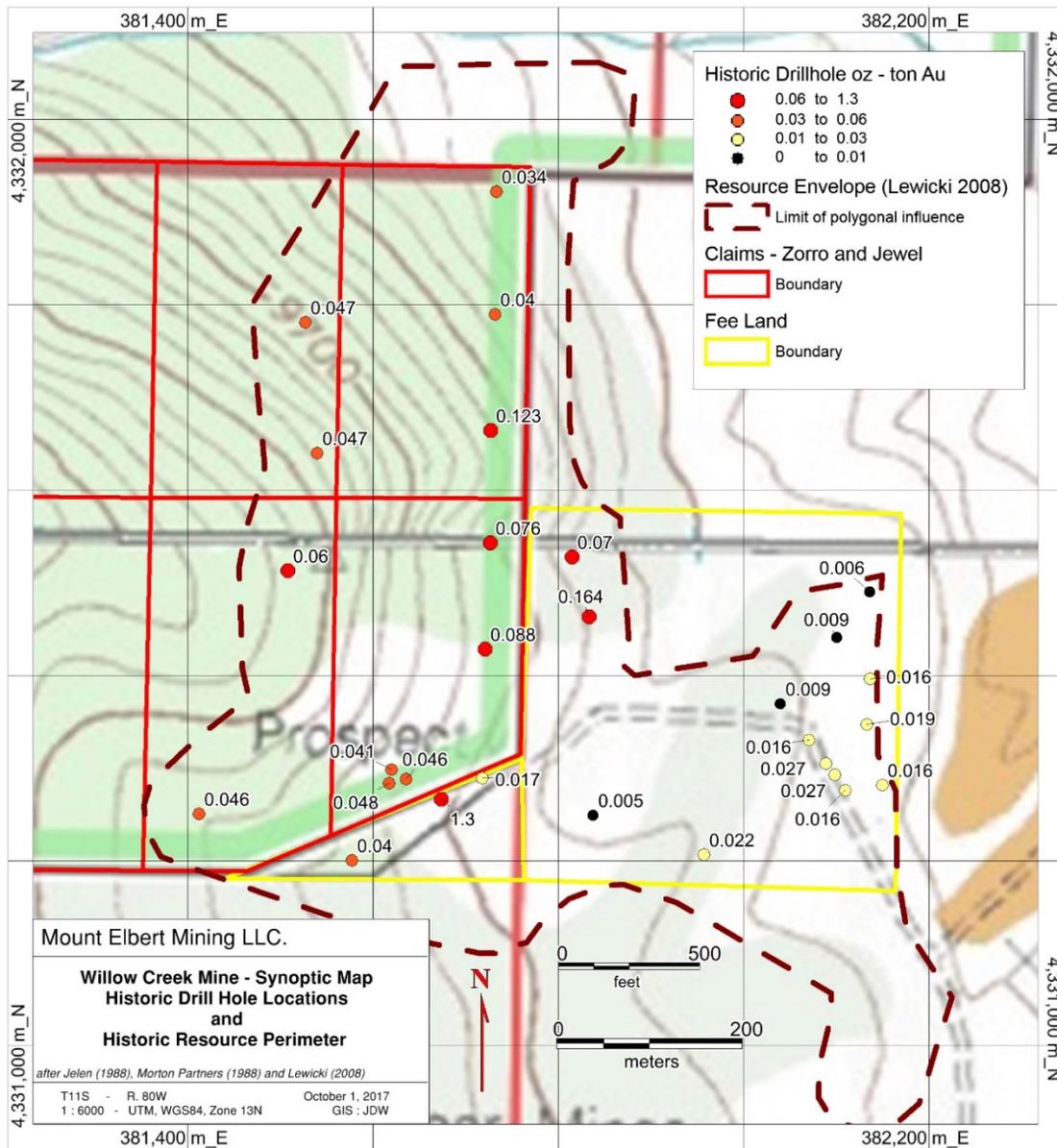


Figure 5: Synoptic Map of the Willow Creek Mine area with Historic Drill Hole Locations and historical mean gold values excluding materials below thirty feet after Jelen (1988), Morton Partners (1988) and Lewicki (2008).

## **SAMPLE PREPARATION ANALYSIS AND SECURITY**

The samples cited in this section were collected by the Author, in the company of Rex Loesby (CEO of Western Troy Capital Resources Inc.) during a site visit May 18 and 19, 2017. The samples were collected personally by the Author in diverse environments including Lilly Pond Till, Dry Union Formation, and a random selection of oversized cobble and alluvial process rejects were selected to help understand the gold concentration in various environments. The sampling was limited to conveniently available surface materials, some of which had been processed in alluvial recovery test work by MEMC since 2000. The Samples were held in secure custody and shipped by the Author via FEDEX from Denver directly to American Assay Laboratories in Reno Nevada (an ISO 1002 certified laboratory for analysis for gold and silver), independent of the Author and Western Troy Capital Resources

The samples were received by American Assay, the numbers checked against the shipping list, air dried, weighed and jaw crush to 85% passing -6 mesh, roll crushed to 85% passing -10, then split with a Jones Riffle Splitter, then 250 grams was ring and puck pulverized to 90% passing -150 mesh, then a 30 gram aliquot was mixed with a lead based flux, then cupolaed and fire assay, dissolved with aqua regia and analyzed for gold silver, and platinum group metals. The silver values (included in Schedule C) were low. The gold values were also generally low, with the exception that a surface composite sample of Lilly Pond till with matrix collected within the Jewel Claims had a gold concentration of 0.947 ppm. A panned concentrate of the fines from the same sample was reported to hold (using FA/ Gravimetric Assay) 78.9 grams gold per tonne with the ICP-PGM method 116.9 grams gold per tonne. The other samples were all reported as containing less than 0.1 grams per tonne. The reported PGM values were generally low. Palladium values ranged from the detection limit of 0.001 gram per tonne to a high of 0.07 grams per tonne in the panned concentrate. Platinum values were correspondingly low. American Assay Laboratories is independent from the Author, MEMC and the Issuer.

Table 2: Results and Sample Description from May Field Visit.

MEMC WILLOW CREEK MINESURFACE SAMPLES May 19 20 Site Visit				
PGM results as listed Schedule C were below levels of economic interest.				
NUMBER	Location	Description	Au FA/ Grav PPM	Au ICP -PGM-30 PPM
2014438860	Glacier Fee Pit	Pit Waste Composite Backfill from Jelen Work	0.007	
2014438802	Jewel Claims Lower Road	Composite sample of Lilly Pond Till including cobbles lower road Jewel claims	0.947	
2014438803	Glacier Fee Pit	Rock Sample graitoid gneiss pit waste pile	0.024	
2014438804	Glacier Fee Pit	Rock Sample Bull Quartz breccia no visible sulphide relics	0.008	
2014438805	Glacier Fee Pit	Rock Sample Rusty but fresh rhyolite porphyry from tertiary body above the Lilly Pond till lobe Rubble in pit spoils	0.005	
2014438806	Glacier Fee Pit	Chip Sample across 2 vertical meters previously mined now backfill in Glacier Fee Land Pit.	0.094	
2014438808	Glacier Fee Pit	Rock Sample granite porphyry clast no rusty weathering or veining	0.013	
2014438809	Glacier Fee Pit	Rock Sample frech biotite quartz plagioclase gneiss rounded	0.021	
2014438810	Glacier Fee Pit	Middlings reject from MEMC test screen and wash plant.	0.005	
2014438817	Glacier Fee Pit	Composite sample of coarse reject from most recent trommel work.	0.005	
2014438819	Glacier Fee Pit	Composite of transitional till to Dry Union in spoils adjoining upper settling pond. Note that this was in the immediate area of one of only two historic drillholes with negative results.	0.01	
2014438820	Glacier Fee Pit	Rock Sample foliated leucogranite gneiss same location.	0.005	
2014438821	Glacier Fee Pit	Composite of the south 1/2 of a trench in the eastern part of the Glacier Patent fine rock flour dominated	0.005	
2014438822	Glacier Fee Pit	Same location but north 1/2	0.003	
2014438823	Glacier Fee Pit	Raw sample of 20 to 60 mesh rejects from last work with the Knelson Concentrtor MEC	0.006	
2014438824	Glacier Fee Pit	Manual Panned Concentrate of fines from the same material	0.006	
2014438825	Jewel Claims Lower Road	Manual Panned Concentrate of fines from Lilly Pond Till	78.9	116.9

## DATA VERIFICATION

The author certifies that sufficient Quality Controls/Quality Assurance (QA/QC) protocols have been employed in the preparation, collection, storage, transport, and security of the samples collected by the Author in May, 2017, and that analytical procedures employed are adequate to ensure professional and credible results from that sampling.

The data review and synthesis included all available historic data with emphasis on the most recent work and the reports dated 2000 to 2008 by Greg Lewicki. The data cited by Lewicki vary in their sources and analytical methods and as a whole cannot be verified by the Author. The Independent data verification by the author is limited to field observations and the samples collected personally by the Author in May 2017, in which chain of custody was ensured, a certified standard was submitted by the author and tested within the statistical range of confirmation for that standard, and the sample preparation standards described in the data sample analysis and security section of this Report and are adequate, in the Author's opinion.

The work which supports this report included a thorough review of historic work by multiple professionals and corporate operators, and a field examination was planned to confirm the geological setting and, as exposure permits, confirm the presence of mineralized material and environments with the potential to host mineralized material. This began with field checking of the drill hole collars, field verification of the visible contacts between the till lobes, outwash, and the Dry Union Formation. The review and compilation of data, integration of reported previous work, field examination and sampling were all planned and executed to validate the data presented herein. On these foundations this report is valid and accurate in providing a basis for further work.

## **MINERAL PROCESSING AND METALLURGICAL TESTING**

The subject property and surrounding properties have been subject to various stages of metallurgical testing with emphasis on gravity recovery of the prevailing fine grained gold and leach recovery from mineral aggregates which do not report to gravity concentrates.

The Colorado School of Mines Research Institute (1984) received three 55 gallon barrels of mineral material provided by Mike Jelen and processed for US Mineral Exploration Inc. Only one barrel was cited in the letter report. The material was screened to -3/8 inch mesh and the reject was weighed and deemed to have no gold, but was not analyzed. The fines were scrubbed and processed with a Knelson concentrator. The results showed a total content of 0.015 ounces per ton of which 0.012 ounces per ton was free gold which reported to the gravity concentrate. On the basis of subsequent work with a Knelson Concentrator by Lewicki (2008) and rejection of all of the +3/8 mesh fraction it is probable that the estimated grades were understated because they excluded the black sands and the oversized mineral aggregates.

Mike Jelen (1987) conducted test analyses and Wilfley Table tests with drilling samples from the 1986 and 1987 drill holes in lands currently called the Jewel Claims and the Glacier Fee Land in the Property. This work was conducted by Core Mineral Recoveries Inc., Lakefield Research, Barringer Laboratories and Hazen Research. With the exception of the work reported by Lakefield (1987) as cited by Lewicki (2008) the values were consistent with the previous work, and documented fine free gold in the range of 0.012 to 0.087 ounces per ton. The Lakefield work reported low gravity recoveries and Lewicki (2008) suggested that the processing methods were questionable.

Nadasdy (2001) processed three samples which ranged from 2.9 to 3.7 kg in weight. These were subjected to agitated cyanide leach testing and showed gold concentrations which ranged from 0.127 to 1.340 ounces per ton. He further noted that crushing of oversized clasts in the leach residues liberated an additional 0.075 ounces per ton and that the slow leach times indicated the presence of coarse free gold within silicate gangue. This is the first documentation that the coarser cobbles in the gravels host significant gold values and prompted Lewicki to consider crushing all of the material to ensure liberation from mineralized cobbles. The extraction rates including the residue processing ranged from 90.6% to 99.78%.

Kunter (2004) presented two letter reports concerning six samples in the range of 20 to 25 kg. provided by Lewicki. His fire assay results ranged from 0.10 to 1.8 ounces per ton, and aqua regia results from the same samples ranged from 0.5 to 1.1 oz/ton. He noted relatively low cyanide extraction rates in run of mine material and concluded that the majority of the gold is coarse or entrained in mineral grains, encapsulated in silica, or hosted by cobbles which would require grinding to achieve full recoveries.

The results from these progressively more refined studies suggest that gold mineral associations and recoveries varied among the facies sampled, that a combination of gravity crush and leaching is optimal for recoveries, and that further work is required to confirm the importance of gold in oversized material which is generally rejected in alluvial processing. Consequently a stage of crushing, before or after initial gravity processing, and audit sampling of oversized material, are both warranted in refining the flow sheet for the project. It is further noted that the grades documented by complete crushing of the samples, with or without cyanide leaching, were much higher than those recognized using conventional screening and gravity methods.

The tests cited in these studies utilized samples which reasonably represent the various types and styles of mineralization with emphasis on the outwash facies of the upper Dry Union Formation and the transition into the Lilly Pond Till lobe. Much less work has been applied to the till despite the historic reports of gold values, continuity and the scale of the till target with the exception of informal test work which documents a higher proportion of recoverable free gold in the reworked outwash facies than in the till. The author's observations suggest that the clasts in the till hold a higher percentage of the gold than the outwash so, although the reported grades and continuity are good, the environment has been overlooked in test mining and metallurgy due to lower gravity gold recovery. No metallurgical work has been undertaken to evaluate the lower portions of the Dry Union sequence which have a higher proportion of periglacial mud (rock flour) and are less amenable to efficient scrubbing and gravity gold recovery.

## **MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES**

No resource calculations have been disclosed which meet the standards for disclosure established by NI 43-101 or CIM best practices for the subject Property. Neither MEMC nor Western Troy have disclosed a current mineral resource for the property. A series of historical resource estimates, both limited to and extending beyond the subject Property, are cited in the History Section of this report.

## ADJACENT PROPERTIES

S

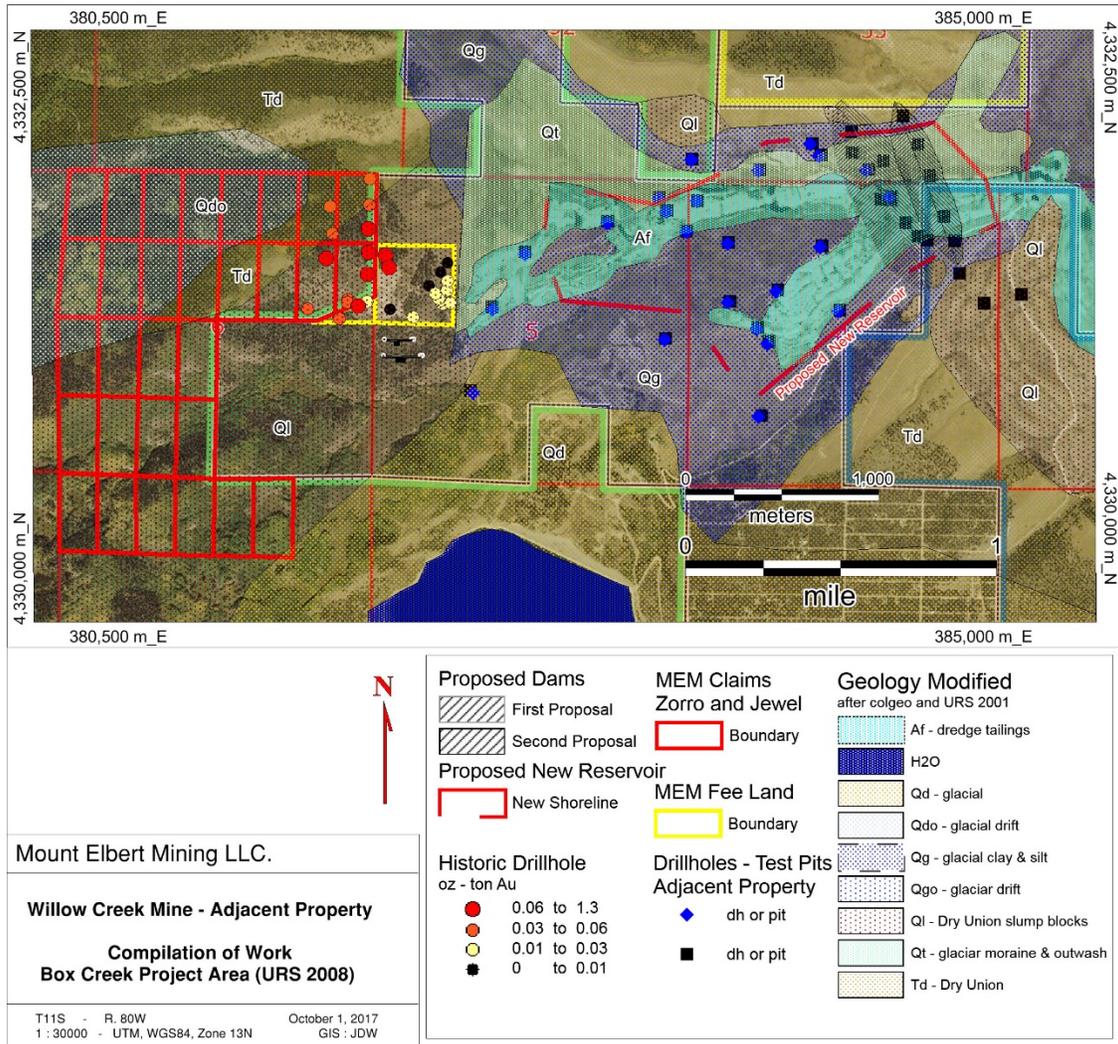


Figure 6: Compilation of work in the Box Creek Project Area (URS 2008) and its relationship with the Willow Creek Mine Property. Simplified by Jesse Wellman (2017).

The Upper Arkansas Alluvial claims and patented lands of MEMC are contiguous with the Derry Ranch fee lands and the Aurora (Box Creek Basin) Dam and alluvial Mining Project lands. The respective land positions are outlined in Figure 1. A more detailed presentation of the geology and work reported from the Box Creek Basin Lands is presented in Figure 5. Both of these adjoining properties have yielded significant gold production since 1878 and are documented in the History section of this report. No resources are disclosed for these adjacent properties but the Aurora (Box Creek Basin) project is subject to an active project of exploration and evaluation intended to define a viable alluvial gold resource for development and operation concurrent with the construction of the Box Creek Dam (John Peterson CEO of Cathedral Mining Corporation, pers. Com. (2017)). The city of Aurora and the Colorado State Land board are the property owners and Cathedral Mining

Corporation had a placer gold mining lease with the option to develop and mine the alluvial gold deposits. This agreement expired in early 2017. Cathedral has released very little information beyond a general public comment by John Peterson that ‘the gold values were higher than expected’. The historic productivity of the Box Creek basin and the growing data set from the test work by Tetra Tech (2008), URS Corporation (2014), suggest that alluvial gold recovery may be integrated with borrow production for dam construction to optimize this development program. The mining project, if properly organized, may have the advantage of stripping and segregation of barrow materials for the dam while gaining access to the underlying and adjacent gold enriched zones. The size and apparent continuity of the gold bearing zones as reported are also very positive components of the project. Neither URS, Cathedral (op.cit.) nor Tetra Tech (op. cit.) report gold concentrations or assays. The Author has been unable to verify this information as cited in Tetra Tech (2008) and URS Corporation (2014) and it is not necessarily indicative of the mineralization on the MEMC Property that is the subject of this technical report.

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

The MEMC land position covers a key position in the Upper Arkansas River Alluvial Mining Region and has the highest reported grades in such materials in this region, with particular reference to the anomalous values associated with the Lilly Pond Till and its byproduct alluvial sedimentary materials.

The property is well located with community support from Leadville and only two expressions of concern (USFS pers. Com. 2017) were reported from the nearby Twin Lakes Community (USFS 2017). Permitting for exploration has been efficient and cooperative with the limitation that the existing roads are utilized and new impacts are limited to three acres or less. More advanced permitting will require more work. Permitting for alluvial production and gravity processing in the Glacier Fee and adjoining parts of the Jewel Claims overseen by the USFS has been advanced by MEMC (Dennis Sonnenschein pers. Com. 2017) pending a mining plan. Permitting for a grinding and crushing circuit to liberate free gold from silicate aggregates and oversize without leaching is not problematic. Treatment of oversize and rejects in a grinding/CIP or thio leach circuit will require more work and assurances that the milling complex and tailings disposal will be zero discharge and deemed suitably responsible. Whereas the use of cyanide leach technology may be problematic in the property area due to the location of the site immediately upstream from the planned Box Creek reservoir, other sites within trucking distance might be considered as warranted as the project is more completely evaluated. The adjoining Box Creek Dam and alluvial development project, in which the City of Aurora and the Colorado Land Board are active players clearly has administrative and community support.

The subject Property is adjacent to and upstream from the Box Creek Basin and is the apparent source area for the gold in the Corske Creek drainage. Subject to verification of the values, this suggests that the future for successful exploration and development of the

subject Property will be positive and will serve the needs of the community which needs economic growth, employment, and responsible resource management.

Despite the very encouraging historic and more recent results (Lewicki 2000 to 2008 and 2017), additional verification, sampling, and metallurgical studies will be needed to establish a reliable sample database, geological model, and reliable recovery flow sheet in support of a current resource disclosure. Verifying the true grade and scope of the various gold bearing zones is a high priority for the orderly development of the project.

## **INTERPRETATION AND CONCLUSIONS**

The Mount Elbert Mining Co. LLC Willow Creek Project is a Property of Merit with an extended history of prospecting and mining. Both field and historic evidence for volumes of gold mineralized material warrants systematic exploration and the orderly definition of a current resource consistent with CIM best practices. The samples collected from a sample collected from an undisturbed exposure of the lower Lilly Pond till in the brief field visit in May 2017 showed a range of values from a predominance of very low gold concentrations, to significant anomalies. The results suggest that nugget effects will be a significant factor in evaluating this Property.

The combined factors of exploring the entire prospective section and the historical evidence for high grades at the Quaternary Lilly Pond Till/Dry Union and Dry Union/Idaho Supergroup contacts coupled with recognition that the geometallurgy of the mineralized till suggest that the historic production data understate the potential of the Property. The different gold bearing assemblages including fine free gold as flakes, wires, less commonly nuggets, gold within black sands, gold within fine to medium sized silicate aggregates, and coarser material, all offer potentially recoverable gold and must all be addressed to fully demonstrate the importance of the property. The historic data and the author's observation of surface stratigraphy and the distribution of evidence for gold mining suggest that the proportion of nuggets and coarser grains amenable to gravity processing is relatively higher in the upper 50 feet of the Dry Union Formation and associated outwash. This contrasts with the substantial volumes represented by the Lilly Pond Till or the lower parts of the Dry Union Formation.

Alluvial mining and processing will be limited by climate, with operations reduced between November and April due to prevailing temperatures and snow. It is contemplated that during this season gold bearing black sands, clay size fraction fines and mineralized oversize material may be ground and processed or trucked for off-site processing to maintain operating cash flow. If the results so warrant, larger scale bulk mining and milling can be conducted on a year round basis but the work to date has not evaluated the targets to support such consideration.

The most evident risk and uncertainty associated with the project lies in the distribution of free gold which is sufficiently coarse for efficient gravity recovery. This is related in part to the heritage of analytical results which remains to be verified by the sampling in the

recommended program. Whereas the author has stated that visible free gold and historic operations are most localized in the upper 50 feet of the Dry Union Formation and transition to Lilly Pond till, this interpretation has not been rigorously verified. The proposed work program will undertake to address and qualify this matter.

Pursuant to completion of the recommended work, Western Troy will have a more realistic understanding of the viability of short term surface mining and gravity recovery versus a more complete flow sheet requiring crushing of mineral aggregates and cobbles prior to gravity processing and followed by a closed circuit recovery facility for optimal recovery. The use of cyanide for heap leaching is problematic in this location due to climate and environmental sensitivity, but this does not preclude development of a discharge-free flow sheet for long term development.

Access to process water may be obtained by negotiation with the City of Aurora, the Colorado State Engineer, and the Upper Arkansas Valley Water Conservation District.

## **RECOMMENDATIONS**

### **Phase I:**

Although none of the historic resource models are compliant with prevailing disclosure standards and none of the drilling sample data can be verified for compliance purposes, a simple program of systematic test pitting as recommended by Greg Lewicki in 2008, and systematic vibrasonic drilling to penetrate the surficial section into the true bedrock, has the potential to provide an enhanced understanding of the property and materials for metallurgical and recovery studies. Consideration of drilling to test the Precambrian unconformity which is the contemplated source for the gold in the Lilly Pond Till lobe and the upper portion of the Dry Union Formation should be preceded by geophysical work such as resistivity profiles and/or seismic profiles. This will allow for optimal and realistic target definition within this variable stratigraphic interval, at reasonable economically useful depths from the current surface.

The first phase of recommended work is a vibrasonic drilling program to provide reliable samples from the surface through the Lilly Pond Till, the upper portion of the Dry Union Formation, and if possible the Pre-Cambrian bedrock surface between the Dry Union Formation and the basement, each of which are environments with the potential to host gold mineralized material of interest. The holes will be placed within the Fee Lands held by MEMC and the placer claims administered by the USFS, to provide a systematic array or data with some correspondence to the historic drilling, but generally deeper to test the complete target sequence. More reliable sampling methods, QA/QC, complete testing of the sections, and a thorough program of geometallurgy, recovery methodology, and geology will be included in the Phase I program. The program includes drilling of 3200 feet of vertical holes with depths ranging from about 90 feet to more than 250. Field sample preparation will include logging, mineralogical examination, size fraction analysis, sample split secure storage, and sample bagging for shipment to a certified laboratory for assay.

Twenty samples, including full core representing the spectrum of environments, will be sent to a contract laboratory in Quebec for more detailed mineralogical studies including detailed microscopy and SEM/Microprobe testing to confirm metallic and gangue mineralogy.

The hole spacing, geological controls, and detailed mineralogical/recovery studies are planned to support the evaluation of the resources that is consistent with CIM best practices. Only after the results have been evaluated and the continuity of mineralized material has been quantified, can the appropriate resource estimate factors be defined.



## REFERENCES

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- Berry, Robert C (1988) “Summary Report and Geological Evaluation American Gold Resources Corporation Twin Lakes Project Lake County, Colorado”; Private Company Report for American Gold Resources Corporation, 38 pages plus an excluded appendix.
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- Morton Limited Partners LLC (1988): Willow Creek Claims Placer Gold Mine, Section 6, Township 11S, County of Lake, Colorado, Mine Plan and Financial Document for Stage 1 Development March 1988; Private Company Report with appendices; only figures and appendices were available in references available, for a total of 58 pages.

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Tweto, O., Moench, R.H., and Reed, J.C. (1978) Geologic Map of the Leadville 1 x 2 deg Quadrangle, Northwestern Colorado: Miscellaneous Investigation Series, Map I-999, United States Geological Survey.

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Widmann, Bartos, McCalpin, and Jackson (2004) Geologic Map of the Copper Mountain Quadrangle, Summit, Eagle, Lake and Park Counties, Colorado; Colorado Geological Survey Open File Report 03-20.

SCHEDULE A: STATEMENTS OF QUALIFICATION AND CONSENT.

**STATEMENT OF QUALIFICATIONS**

**David A. Bending, M.Sc., P.Geo (BC)**

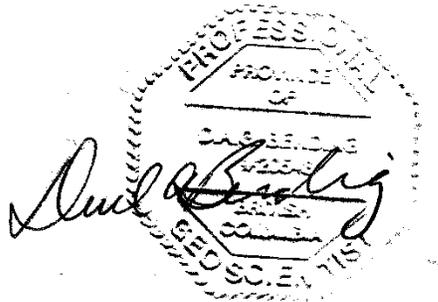
September 9, 2017 updated October 5 9, and 23, 2017

I, David A. Bending, M.Sc., P.Geo, of 4410 Mountaingate, City of Reno, State of Nevada 89519, hereby certify:

1. That I am registered as a Professional Geoscientist #20548 in the Province of British Columbia and have maintained my status as such since initial registration in August 1993.
2. That I have earned a degree of Bachelor of Science in Geology in the University of Oregon in 1976 and Master of Science in Geology in 1983.
3. That I have practiced my profession in the field of mineral exploration and mining continuously since 1976.
4. That I have 35 years of experience in evaluation, discovery and development of metals and mineral deposits in North and South America, Europe, Asia and Africa.
5. That I have extensive professional experience and detailed knowledge of mineral and metals Exploration and Mining issues including but not limited to the Western United States and the State of Colorado.
6. That I have read the definition of “qualified person” as defined in National Instrument 43-101 (“**NI 43-101**”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
7. That I undertook field work between October 1 and November 25, 2015, reviewed and compiled all available technical reports and correspondence, and conducted further field work in May and July 2017 followed by project to prepare this Report entitled **GEOLOGICALREPORT AND SUMMARY OF FIELD EXAMINATION Upper Arkansas River: Western Troy Mineral Resources Inc, Toronto, Ontario.**
8. That I personally conducted the examination and data review disclosed in the Report evaluated the cited previous work, and am responsible for the content of the Report.
9. That except as disclosed herein I have had no prior direct involvement with the property that is the subject of the Report.

10. That I was contracted to prepare the Report by Western Troy Mineral Resources Inc as an independent professional geologist. I have no interest in the properties described herein, nor any securities of any company associated with Western Troy Mineral Resources Inc or any affiliated companies, nor do I expect to receive any such interest. I am independent of Western Troy Mineral Resources Inc. applying all of the tests in section 1.5 of NI 43-101.
11. That I have read NI 43-101 and Form 43-101F1, and the Report has been prepared in compliance with that instrument and form.
12. That, as at the effective date of the Report, to the best of my knowledge, information and belief, the Report contains all scientific and technical information that is required to be disclosed to make the Report not misleading.
13. That I consent to the use of this Report for corporate purposes including use in a Prospectus or Statement of Material Facts for the purpose of private or public financing, subject to the condition that I must be cited as the Qualified Person responsible for the cited representations and that any such disclosures are subject to my approval.

Dated in Reno, Nevada this the 23rd day of October 2017.



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David A. Bending, M.Sc. P. Geo

## CONSENT OF QUALIFIED PERSON

**TO:** British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
United States Securities and Exchange Commission  
(collectively, the “**Commissions**”)

Dear Sirs/Mesdames:

**Re:** GEOLOGICAL REPORT AND SUMMARY OF FIELD EXAMINATION  
Upper Arkansas River: Mount Elbert Mining Co. LLC Properties

Pursuant to Section 8.3 of National Instrument 43-101 – Standards of Disclosure for Mineral Projects, this letter is being filed with the report entitled GEOLOGICAL REPORT AND SUMMARY OF FIELD EXAMINATION Upper Arkansas River: Mount Elbert Mining Co. LLC Properties, Lake County Colorado, dated September 9, 2019 and revised October 9, and 3rd 2017, of which the undersigned is the author.

The undersigned hereby consents to the public filing of the Report with the Commissions and to the written disclosure of the Report in the continuous disclosure filings of MEMC LLC, its successors and assigns and in particular Western Troy Mineral Resources Inc

I, David Bending, do hereby consent to the public filing of the technical report entitled “GEOLOGICAL REPORT AND SUMMARY OF FIELD EXAMINATION Upper Arkansas River: Mount Elbert Mining Co. LLC Properties” by Western Troy Mineral Resources Inc. (the “Issuer”) with the TSX Venture Exchange under its applicable policies and forms in connection with the transaction disclosed in the news release entitled “WESTERN TROY ANNOUNCES RENEGOTIATION OF AGREEMENT TO LEASE A GOLD PROPERTY NEAR LEADVILLE, COLORADO AND ANNOUNCES UPSIZED NON-BROKERED PRIVATE PLACEMENT” published October 3, 2017 to be entered into by the issuer and I acknowledge that the Technical Report will become part of the Issuer’s public record.

Dated October 23<sup>rd</sup>, 2017.

*{signed} David A. Bending* \_\_\_\_\_

Per: David A. Bending M.Sc., P.Geo  
B.C. Professional Geoscientist Reg. 20548 (August 1993)  
Gold Exploration Management Services Inc.  
4410 Mountaingate, Reno, Nevada 89519  
Tel: (775) 746-3951 Cell: (775) 750-0450  
Email: [dabending@cs.com](mailto:dabending@cs.com)

**SCHEDULE B: CLAIM AND LAND TITLE STATUS AND TITLE**

**Fee Simple Property:**

1. A 40+/- acre parcel of land as shown in Warranty Deed of record in Book 542, Page 810, as recorded in the Lake County Clerk's Office in Lake County, Colorado.
2. An 80 acre parcel of land as shown in Warranty Deed of record in Book 616, Page 787, as recorded in the Lake County Clerk's Office in Lake County, Colorado.

**Unpatented Mining Claims:**

The following unpatented placer mining claims in LAKE County CO, more particularly known as:

**Unpatented Mining Claims:**

The following unpatented placer mining claims in LAKE County CO, more particularly known as:

<b>Serial No.</b>	<b>Claim Name/No.</b>	<b>Disposition</b>
CMC275153	KAY 1	ACTIVE
CMC275154	KAY 2	ACTIVE
CMC275155	KAY 3	ACTIVE
CMC275156	KAY 4	ACTIVE
CMC275157	KAY 5	ACTIVE
CMC275158	KAY 6	ACTIVE
CMC275159	KAY 7	ACTIVE
CMC275160	KAY 9	ACTIVE
CMC275161	KAY 10	ACTIVE
CMC275162	KAY 11	ACTIVE
CMC275163	KAY 12	ACTIVE
CMC275164	KAY 13	ACTIVE
CMC275165	KAY 14	ACTIVE
CMC275166	KAY 15	ACTIVE
CMC275167	KAY 17	ACTIVE
CMC275168	KAY 18	ACTIVE
CMC277755	JEWEL #2	ACTIVE
CMC277756	JEWEL #3	ACTIVE
CMC277757	JEWEL #4	ACTIVE
CMC277758	JEWEL #6	ACTIVE
CMC277759	JEWEL #8	ACTIVE
CMC277760	JEWEL #10	ACTIVE
CMC277761	JEWEL #11	ACTIVE
CMC277762	JEWEL #12	ACTIVE
CMC277763	JEWEL #13	ACTIVE
CMC277764	JEWEL #14	ACTIVE

<b>Serial No.</b>	<b>Claim Name/No.</b>	<b>Disposition</b>
CMC277765	JEWEL #15	ACTIVE
CMC277766	JEWEL #16	ACTIVE
CMC277767	JEWEL #18	ACTIVE
CMC277768	JEWEL #20	ACTIVE
CMC277769	JEWEL #22	ACTIVE
CMC277770	JEWEL #24	ACTIVE
CMC277771	JEWEL #26	ACTIVE
CMC277772	JEWEL #27	ACTIVE
CMC277773	JEWEL #28	ACTIVE
CMC277776	Zorro #1	ACTIVE
CMC277777	Zorro #2	ACTIVE
CMC277778	Zorro #3	ACTIVE
CMC277779	Zorro #4	ACTIVE
CMC277780	Zorro #5	ACTIVE
CMC277781	Zorro #6	ACTIVE
CMC277782	Zorro #7	ACTIVE
CMC277783	Zorro #8	ACTIVE

SCHEDULE C: AMERICAN ASSAY LAB ASSAYS AND DOCUMENTATION OF CERTIFICATION.

SP0118900  
FINAL REPORT

 **American Assay  
Laboratories Inc.**  
1500 GLENDALE AVE.  
SPARKS, NV USA 89431-5902  
Ph. (775) 356-0606, Fax. (775) 356-1413  
EMAIL: info@allabs.com

**Western Troy Capital Resources**

COPIES TO : Rex Loesby  
:  
:  
:  
:

CLIENT REFERENCE No: 2014438860-2014438825 RECEIVED : 26-May-2017  
NO. SAMPLES : 17 REPORTED : 20-Jun-2017  
MAIN SAMPLE TYPE : ROCK

**COMPANY DISCLAIMER :-**

When small samples are submitted, AAL may process the sample at smaller than specified weights to retain some pulp for quality control re-assay. When Values exceed upper limits, AAL will run an Over Range analysis, to establish a more accurate Value. Additional cost will apply.

Due to USDA Soil Quarantine programs - all foreign and some domestic soil material must be decontaminated by drying @ 125c for 48 hours, which will result in loss of Mercury (Hg).

**NEVADA LEGISLATIVE DISCLAIMER :-**

The results of this assay were based solely upon the content of the sample submitted. Any decision to invest should be made only after the potential investment value of the claim or deposit has been determined based on the results of assays of multiple samples of geological materials collected by the prospective investor or by a qualified person selected by him and based on an evaluation of all engineering data which is available concerning any proposed project. Nevada State Law NRS 519.130.

ANALYSIS	ANALYTICAL METHOD	UNIT	LOWER LIMIT	SIGNATORY
Wt	BRPP2KG	kg	0.01	
Au	ICP-PGM30	ppm	0.001	
Au	GRAVAu30	ppm	0.103	
Pd	ICP-PGM30	ppm	0.001	
Pt	ICP-PGM30	ppm	0.002	
Ag	ICP	ppm	0.2	

 Catherine McElroy  
c.mcelroy@americanassay.com  
American Assay Laboratories  
an Administration  
email: catherine.mcelroy@americanassay.com  
info@americanassay.com  
2017/06/20 11:30:21 -0700

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Cover Page

SP0118900  
FINAL REPORT



**American Assay  
Laboratories Inc.**

1500 CLARENCE AVE.  
SPARKS, NV USA 89431-5902  
Ph. (775) 356-0606, Fax. (775) 356-1413  
EMAIL: aa1lab@arbnet1.net

### Western Troy Capital Resources

ANALYSIS	ANALYTICAL METHOD	UNIT	LOWER LIMIT	SIGNATORY
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Cover Page 2

SP0118900  
FINAL REPORT



1500 CLARENDALE AVE.  
SPARNS, NY USA 89431-5902  
Ph. (775) 356-0606, Fax. (775) 356-1413  
EMAIL: aa11@assaylab.com

	Abbreviation	Definition	
Preparation	DIP	Sample Destroyed in Preparation	
	DIS	Sample Destroyed in Shipment	
	ISS	Insufficient Sample Submitted	
	SDI	Sample Diesel Impregnated	
	SHI	Sample Hydraulic Impregnated	
	SNR	Sample Not Received	
Analysis	STD - ??	International Reference Material Standard	
	STD - AAL##	AAL generated standard material	
	BLANK	AAL Laboratory Silica Blank	
	DTF	Data to Follow	
	DL	Detection Limit of Method	
	< or -	Less Than Lower Detection Limit of Method	
	>	Greater than Upper Limit of Method	
	N/A	Not Analyzed	
	NR	Not Reported	
	(R) column	Laboratory repeat weigh, digestion, analysis from original pulp or reject resplit	
	D or -D after Sample ID	Client submitted duplicate rig split sample	
	-R after Sample ID	Repeat analysis from original pulp reweigh, digestion and analysis	
	-X after Sample ID	Repeat analysis from reject resplit, preparation, weigh, digestion and analysis	
	ppb	Parts per Billion 0.001 ppm = 1 ppb	
	ppm	Parts per Million 1 ppm = 1 mg/Kg	
	OPT	Troy Ounces per Short Ton(2,000 lbs)(1 ppm= 0.02917 OPT)	
	Oz	Troy Ounce = 31.103 grams	
	%	Percent 1%=10,000 ppm	
	g	Grams 1g=0.001 kilogram	
	mg	Milligrams 1mg=0.001grams	
Kg	Kilograms 1Kg=1000grams		
lbs	Pounds 1lb=0.454kilogram		
Method	FA-PB##	Fire Assay Lead Collection - ## sample weight in grams	
	GRAV	Gravimetric (Weighed) finish	
	SF	Screen Fire Assay reporting a plus, 2 minus fractions and a head Calc	
	* ###	Plus Fraction (Retained on top of Mesh) ###Screen Size	
	- ####	Minus Fraction (Passed through Mesh) ###Screen Size	
	CN	Cyanide Extraction	
	ORE GRADE	2g sample made to 1000ml volumetric for results > upper limit of method	
	Ox-H2SO4 or -HCl	Dilute acid leach for oxide fraction in copper or molybdenum analysis	
	QLA	Dilute 10%H2SO4/0.5%Fe2(SO4)3 30C leach for acid soluble copper	
	QLT	Dilute 15%H2SO4 30C leach for acid soluble copper	
	SAP	Dilute 5%H2SO4/0.5%Fe2(SO4)3 85C leach for acid soluble & chalcocite copper	
	D#A	Digestion #=2,3 or 4 Acids 2A=HCl/HNO3 3A=HCl/HNO3/HClO4 4A=HCl/HNO3/HF/HClO4	
	HCl	Hydrochloric Acid(37%w/v) Boiling Point 109C	
	HF	Hydrofluoric Acid(48%w/v) Boiling Point 108C Extreme Health Hazard	
	HClO4	Perchloric Acid(69%w/v) Boiling Point 203C Extreme Fire/Explosion Hazard	
	HNO3	Nitric Acid(69%w/v) Boiling Point 121C	
	H2SO4	Sulfuric Acid(98% w/v) Boiling Point 338C	
	ICP-xB or -xZ	ICP-AES and/or ICP-MS analysis using x=2, 3 or 4 acid digestion	
	LiBO2-C	Lithium Metaborate fusion in Carbon crucible	
	Na2O2-C	Sodium Peroxide fusion in Carbon crucible	
	Na2O2-Zr	Sodium Peroxide fusion in Zirconium crucible	
	Technique	AAS	Atomic Absorption Spectroscopy
		ICP-AES	Inductively Coupled Plasma Atomic Emission Spectroscopy
		ICP-MS	Inductively Coupled Plasma Mass Spectroscopy
		RG	Research Grade (Low detection limit ICP-AES)
UT		Ultra Trace (ICP-AES+ICP-MS analyses)	
XRF-ED or -WD		X-Ray Fluorescence (-ED = Energy Dispersive) (-WD = Wavelength Dispersive)	
XRD		X-Ray Diffraction	
ELTRA-I		Carbon & Sulfur infrared detection analyzer inductive heating	
ELTRA-R		Carbon, Hydrogen & Sulfur infrared detection analyzer resistance furnace	
LECO-I		Nitrogen & Oxygen infra red detection analyzer inductive heating	
MW		Microwave Digestion (-PT is at 1500psig and 300C)	
SG-WD or -HP		Specific Gravity-WD=Water Displacement -HP=Helium Pycnometer 1g/cm3=62.4lbs/ft3	

AAL-007  
Definitions Page

**SP0118900**

**FINAL REPORT**

CLIENT : Western Troy Capital Resources  
 PROJECT : Mt. Elbert  
 REFERENCE : 2014438880-2014438825  
 REPORTED : 20-Jun-2017

SAMPLES	Wt	Au	Au	Pd	Pt	Ag
	BRPP2KG 0.01 kg	GRAVAu30 0.001 ppm	ICP-PGM30 0.1029 ppm	ICP-PGM30 0.001 ppm	ICP-PGM30 0.002 ppm	ICP 0.2 ppm
2014438860	3.79	0.007		0.003	0.004	-0.2
2014438802	5.86	0.947		0.001	0.004	0.2
2014438803	1.66	0.024		-0.001	-0.002	-0.2
2014438804	4.57	0.008		0.004	0.003	-0.2
STD - CDN-ME-1205						25.4
STD - OxA131		0.075		0.003	-0.002	
2014438805	2.59	0.005		-0.001	-0.002	-0.2
2014438806	4.06	0.094		-0.001	-0.002	-0.2
2014438808	1.56	0.013		-0.001	-0.002	-0.2
2014438809	2.57	0.021		0.002	-0.002	-0.2
2014438809-X		0.019		0.003	0.002	-0.2
2014438810	0.88	0.005		0.003	-0.002	-0.2
2014438817	3.40	0.005		0.006	0.006	-0.2
BLANK		0.005		-0.001	0.003	-0.2
2014438819	2.25	0.010		0.002	0.003	-0.2
2014438820	0.88	0.005		0.001	0.003	-0.2
2014438820-X		0.004		-0.001	-0.002	-0.2
2014438821	3.30	0.003		0.003	0.004	-0.2
2014438822	3.79	0.007		0.002	-0.002	-0.2
2014438823	4.90	0.006		0.007	-0.002	-0.2
2014438824		0.005		0.001	-0.002	-0.2
2014438825		78.900	116.5000	0.004	0.007	-0.2

International Accreditation Service  
**CERTIFICATE OF ACCREDITATION**

*This is to signify that*

**AMERICAN ASSAY LABORATORIES INC.**  
1500 GLENDALE AVENUE  
SPARKS, NEVADA 89431

Testing Laboratory TL-536

has met the requirements of the IAS Accreditation Criteria for Testing Laboratories (AC89), has demonstrated compliance with ISO/IEC Standard 17025:2005, *General requirements for the competence of testing and calibration laboratories*, and has been accredited, commencing June 18, 2014, for the test methods listed in the approved scope of accreditation.

*Patrick V. McCullen*  
Patrick V. McCullen  
Vice President, Chief Technical Officer

*C. P. Ramani*  
C. P. Ramani, P.E.  
President



*(see attached scope of accreditation for fields of testing and accredited test methods)*

Print Date: 07/08/2014  
This accreditation certificate supersedes any IAS accreditation certificates bearing an earlier date. The certificate becomes invalid upon suspension, cancellation or revocation of accreditation. See the IAS Accreditation Listings on the web at [www.iasonline.org](http://www.iasonline.org) for current accreditation information, or contact IAS directly at (562) 364-8201.

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International Accreditation Service  
**SCOPE OF ACCREDITATION**

American Assay Laboratories Inc. TL-536

American Assay Laboratories Inc.  
 1500 Glendale Avenue  
 Sparks, Nevada 89431

Dr. Joshua Robert Zimmerman  
 Quality Coordinator/Research Chemist  
 (775) 356-0606

FIELDS OF TESTING	MATERIAL	DETERMINANTS	METHOD REFERENCE
Elemental Analysis	Geological Samples	Multi Element Analysis	PM 5.0: 1 Acid Digestion Method
			PM 6.0: 2 Acid Digestion Method
			PM 7.0: 3 Acid Digestion Method
			PM 8.0: 4 Acid Digestion Method
			PM 9.0: Cyanide Leaching Methods
			PM 10: Fire Assay Methods
			PM 11: Sodium Fusion Digestion Methods
Sample Preparation			PM – 17.0
Fire Assay			PM – 18.0
Environmental Testing			EPA # 600/2-78-054 - Acid Neutralization Potential
			EPA # 600/2-78-054 - Acid Generation Potential
			EPA # 600/2-78-054 - Paste pH
			EPA # 600/r-02-070 - Acid Generation Potential
			EPA # 600/2-78-054 - Determination of Minerals/Ores by X-Ray Diffraction
			PM 22.0 - Environmental Section 22.6, Net Acid Generation
			PM 22.0 - Environmental Section 22.7, Standardization of NaOH
			PM 22.0 - Environmental Section 22.8 Acid - Base Accounting Reporting Template Equations

June 18, 2014  
 Commencement Date



*C. P. Ramani*  
 C. P. Ramani, P.E.  
 President

Print Date: 07/08/2015

Page 2 of 2

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