

# **MAMMOTH GEOLOGICAL LTD.**

2446 Bidston Road  
Mill Bay, B.C. Canada V0R 2P4

Phone : (250) 743-8228 Fax : (250) 743-4430  
email : mammothgeo@shaw.ca

## NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT

### HORSESHOE BEND PROJECT

Likely Area, Cariboo District  
Cariboo Mining Division  
British Columbia, Canada  
Trim Sheet 093A061  
UTM (NAD 83) ZONE 10 571500E 5836000N

FOR

**Gold Rush Cariboo Inc.**  
Suite 400 - 365 Bay Street  
Toronto, Ontario M5H 2V1

By: R. Tim Henneberry, P. Geo.  
August 24, 2017

-2-  
SUMMARY

The Horseshoe Bend property consists of one placer lease and 6 placer claims totaling 254.9 hectares held by location by Goldlands Inc. Gold Rush Cariboo Inc. can earn a 100% interest, subject to a 2.5% Net of Returns Royalty by making a cash payment of \$2,250,000 (to be satisfied by a promissory note in favour of Goldlands Inc.); and entering into supply and purchase agreements with Goldlands Inc. for specialized gold processing equipment in the amount of \$1,297,000 and for earth moving equipment with an advance payment in the amount of \$300,000.

The road accessible Horseshoe Bend property lies 52 kilometres southeast of Quesnel or 26 kilometres northwest of Likely, in the historic Quesnel Mining District of the Cariboo Mining Division of central British Columbia. The property is being explored for placer gold in low, middle and high level benches along the Quesnel River.

The bedrock geology of the Horseshoe Bend property consists of basaltic volcanic rocks of the upper Triassic Nicola Group in the southeast, intruded by quartz monzonite of the middle Jurassic Ste. Marie Plutonic Suite through the remainder of the property. The surficial geology consists of a series of three auriferous benches on the left limit of the river. The low level bench appears to have been mined to a small extent (1,200 cubic yards) in the past.

Exploration in the early 1980's was successful in confirming the presence of placer gold in each of the low level, mid-level and upper level benches on the placer lease within the property. An historical resource estimate was calculated based on these programs:

**Lower Bench**

Reserves	750,000 cubic yards	comparable to current indicated resources
Possible Reserves	500,000 cubic yards	comparable to current inferred resources

**Middle Bench**

Possible Reserves	750,000 cubic yards	comparable to current inferred resources
-------------------	---------------------	------------------------------------------

**Upper Bench**

Possible Reserves	2,149,056 cubic yards	comparable to current inferred resources
Safety factor for possible	1,000,000 cubic yards	
Adjusted Possible Reserves	3,359,056 cubic yards	comparable to current inferred resources

Volumes of gravels were calculated by simple field measurements for horizontal lengths and widths. Depths were defined by the sampling program. The sampling program defined a grade of \$4.77 per cubic yard based on a gold price of \$15.00 per gram calculated at 28 grams to the ounce.

The historical resource was originally calculated by J.C. Snell, P.Eng in "*Report and Production Feasibility on Placer Leases PL628 - PL2408 Located on the Quesnel River for Lewco Placer Corporation*" dated 07-May-1981 (Snell, 1981). It was modified after the second sampling program of Wilder (1981) and disclosed in the Statement of Material Facts for Heritage Petroleum Inc. dated 29-October-1981 that was unavailable to the author. However, Snell summarized the historical estimate in a letter to the British Columbia Ministry of Consumer and Corporate Affairs dated 06-January-1982 (Snell, 1982).

The author feels the historical estimate is relevant and can be considered reliable. The work done by Snell (1981) was of verification nature where he physically visited the sites and confirmed the presence of placer gold on claims through a verification sample that was taken and panned to black sand under his direct supervision during his site visit. The later documents do not state whether the second sampling program was verified by Snell, but he felt comfortable revising his original estimate, so the author feels he must have felt the program was done properly.

The historical resource estimate was based on two sampling programs. The first program consisted of 18 samples, 14 taken from excavator pits to a depth of 19 feet (5.8 metres) and 4 taken from D7 cat dozer trenches. Five of the samples resulted from the sluicing of  $\frac{1}{4}$  cubic yards and 7 resulted from panning with a conversion factor of 135 pans to the cubic yard. The method of sample processing for the 4 cat dozer trenches was not indicated. The second sampling program consisted of a further 26 excavator trenches to depths of 19 feet (5.8 metres). Twenty-five of the samples were sluiced in volumes ranging from 1 to 3 cubic yards.

The lower bench (0-15 feet) would be classified as an indicated mineral resource because sufficient sampling has been completed. The remaining three volumes would be classified as inferred mineral resources due to limited to no sampling. Snell deducted 1,000,000 cubic yards from the combined inferred mineral resources as a safety factor to compensate for a possible lower grade.

The author has not been made aware of more recent estimates or additional geological data that would allow an update of the estimates.

An exploration program of regular grid sampling would be required to move the historic resource estimate to a current mineral resource.

**A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Gold Rush Cariboo Inc. is not treating the historical estimate as current mineral resources or mineral reserves.**

A program of regular grid sampling on the claims and 5,000 cubic yard bulk sample on the lease is recommended for the Horseshoe Bend property. Excavator pits to the depth of boom should be dug at 100 yard (91 metre) centres throughout the claims for the grid sampling program, approximately 55 pits. One cubic yard of material should be removed from the side of the pit in a continuous channel and sluiced to concentrate. The concentrate should then be dried, with the gold subsequently removed and weight to establish the grade of each pit.

As a check of the gold weighing, one pan of material from each side of each pit should be taken to black sand and sent for gold analysis by fire assay and multi-element ICP. As well, a minimum of 15 samples from the sluiced concentrates should be submitted for QEMSCAN analysis. Each of the three benches needs to be accurately surveyed to determine their full length and width to allow an accurate volume calculation. The cost of the grid sampling program is estimated at \$215,000.

## TABLE OF CONTENTS

INTRODUCTION .....	5
RELIANCE ON OTHER EXPERTS .....	6
PROPERTY DESCRIPTION AND LOCATION.....	6
ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY .....	8
HISTORY .....	9
GEOLOGICAL SETTING AND MINERALIZATION.....	14
Bedrock.....	14
Surficial .....	16
Placer Gravels.....	17
Horseshoe Bend Geology.....	19
Mineralization .....	20
DEPOSIT TYPES .....	21
EXPLORATION .....	24
DRILLING .....	24
SAMPLE PREPARATION, ANALYSES AND SECURITY .....	24
DATA VERIFICATION .....	25
MINERAL PROCESSING AND METALLURGICAL TESTING .....	25
MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES.....	26
ADJACENT PROPERTIES.....	26
OTHER RELEVANT DATA AND INFORMATION .....	26
INTERPRETATION AND CONCLUSIONS.....	26
RECOMMENDATIONS .....	28
REFERENCES.....	30
CERTIFICATE FOR R. TIMOTHY HENNEBERRY .....	31

### LIST OF FIGURES

Figure 1. Location Map .....	5
Figure 2. Claim Location.....	7
Figure 3. Historic Locations Quesnel River.....	10
Figure 4. Regional Geology .....	15
Figure 5a. Regional Surface Geology .....	16
Figure 5b. Physiographic Location .....	16
Figure 6. Property Geology .....	18
Figure 7. Bench Locations.....	20
Figure 8. Goldlands Exploration.....	23

### LIST OF TABLES

Table 1. List of Placer Tenures .....	7
Table 2. Placer Gold Production from Quesnel River.....	8
Table 3a. Byerlay Sampling Program Reported in Snell (1981).....	11
Table 3b. Wilder (1981) Sampling Program .....	12
Table 4. Goldlands Trenching Programs Statistics.....	24
Table 5. 2016 Phase I Budget.....	29

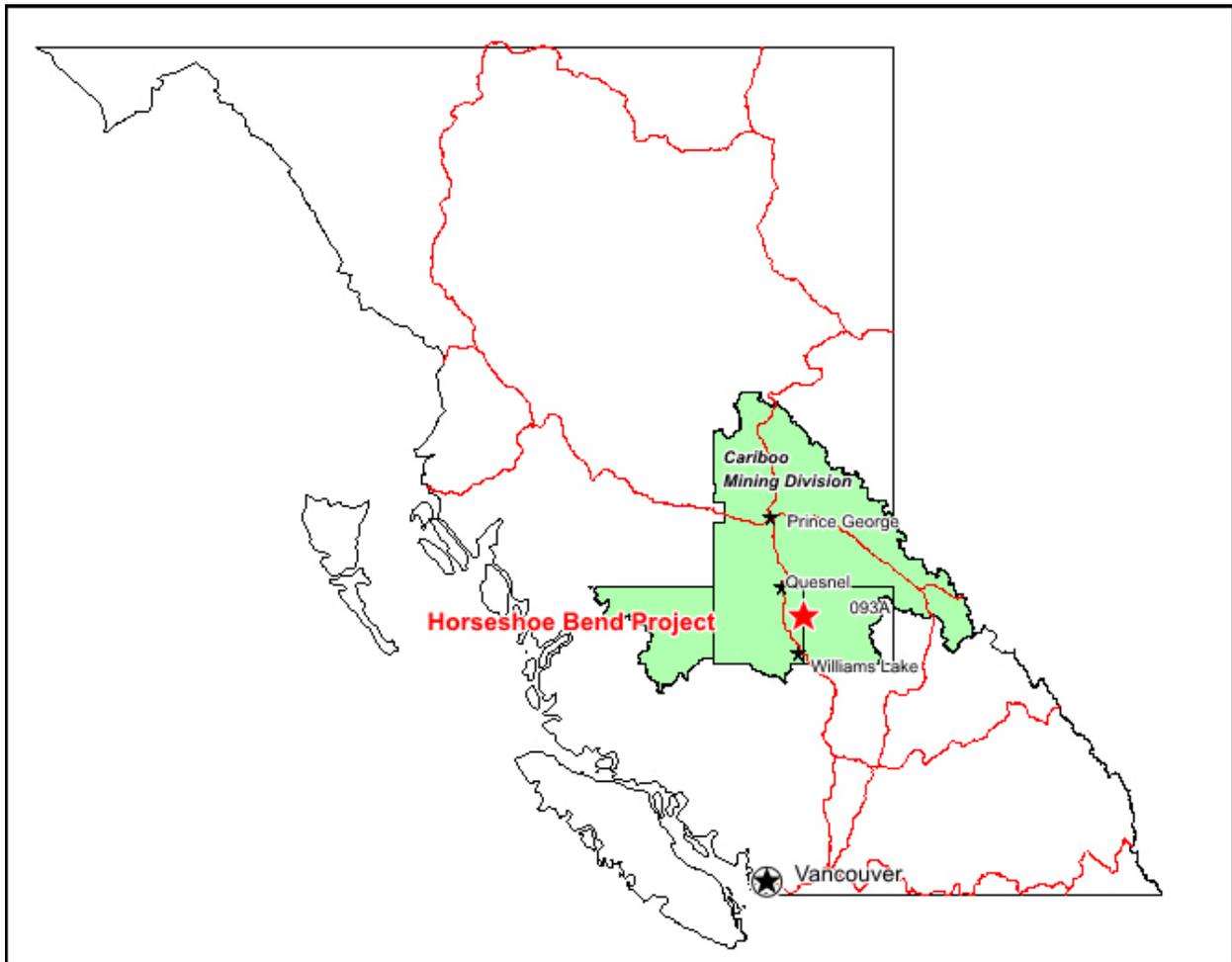
### LIST OF PLATES

Plate 1. Historic Test Pits at June 2016 .....	29
------------------------------------------------	----

## INTRODUCTION

The purpose of this report is to compile the available geological information on the Horseshoe Bend Property. The claims are registered in the names of Cote Bo Wilder and S. Jane Wilder both of whom are holding them in trust for Goldlands Inc. Gold Rush Cariboo Inc. has entered into a purchase agreement for the property dated 24-August-2017. This report was commissioned by Ms. Rona Gayda, president of Gold Rush Cariboo Inc.

The property lies on the Quesnel River, a drainage historically prospected and evaluated for placer gold. Much of historical exploration effort on the Quesnel River has been directed at the low, medium and high terraces or benches along the left and right limits of the river.



Projection NAD 83 Zone 10

**Figure 1. Location**

The claims comprising the Horseshoe Bend property were staked in various stages between 2009 and 2013 to hold low and medium terraces along the left limit of the Quesnel River. There is only limited history available in the government record. Detailed exploration was undertaken in the early 1980's for Lewco Placer Corporation. Much of the data provided in this report is derived from the documents from this program.

The author originally visited the Horseshoe Bend property November 27, 2003. He recently visited the Horseshoe Bend property on June 10, 2016 for one day to review the ground and the historic test pits.

#### RELIANCE ON OTHER EXPERTS

The author is not relying on a report or opinion of any experts. The ownership of the claims, comprising the property, and the ownership of surrounding claims has been taken from the Mineral Titles Online database maintained by the British Columbia Ministry of Energy and Mines. The author last checked the database on August 24, 2017.

#### PROPERTY DESCRIPTION AND LOCATION

The Horseshoe Bend property consists of one placer lease (1037348) and 6 placer claims, totaling 254.9 hectares in the Cariboo Mining District. The claims lie on NTS sheets 093A/11 or BC TRIM Sheet 093A061. The geographic center of the property is approximately 571500E 5836000N ZONE 10 UTM (NAD 83).

Details pertaining to the claims are summarized in Table 1 and shown in Figure 2. Tenure owner 128940 is S. Jane Wilder of Bellingham, Washington U.S.A. and tenure owner 141489 is Cote Bo Wilder of Bellingham, Washington U.S.A. Both owners are holding the placer tenures in trust for Goldlands Inc.

Gold Rush Cariboo Inc. entered into a Right to Mine and Option to Purchase Agreement with Goldlands Inc. dated 24-August-2017 (The Effective Date). The terms are as follows:

1. A cash payment of \$2,250,000 to be satisfied by a promissory note in the favour of Goldlands Inc.;
2. A 2.5% Net of Returns Royalty. Gold Rush can purchase 1% for \$300,000 reducing the royalty to 1.5%;
3. Enter into an exclusive supply and purchase agreement with Goldlands, or as directed, for the supply and purchase of Goldlands Specialized Gold Processing Equipment for the mining and processing of placer gravels from the Horseshoe Bend Property, for a purchase price of \$1,297,000 of which \$500,000 must be paid within 45 days of the Effective Date and the balance within 189 days of the Effective Date; and;
4. If applicable, enter into non-exclusive supply and lease to purchase agreement with Goldlands, or as directed, for the supply and lease to purchase of Goldlands Earth Moving Equipment for the mining and transport of placer gravels from the Horseshoe Bend Property, with an agreed advance payment of \$300,000.

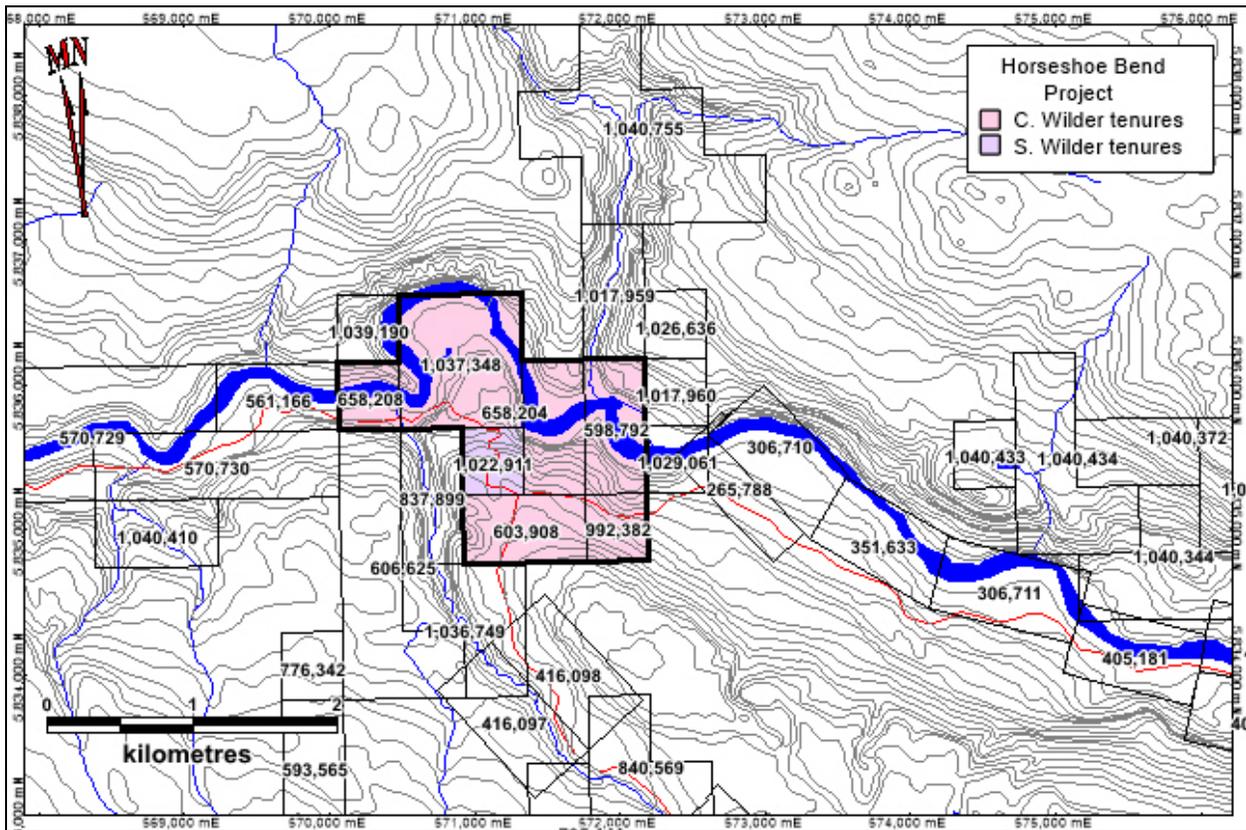
The surface rights are currently held by the crown so legal access to the property is not an issue. The placer lease (1037348) is a twenty year lease expiring July 16, 2025. It requires an annual lease payment of \$3317.83 to keep the lease in good standing. The remaining claims expire 2017/dec/20. The claims are extended by annual work requirements of \$20 per hectare. Goldlands has informed Cariboo Gold Rush it has completed sufficient work to move the claims forward one year. There are no other royalties or other agreements or encumbrances associated with the Horseshoe Bend property.

**Table 1. List of Placer Tenures**

Title Number	Claim Name	Owner	Issue Date	Good To Date	Area (ha)
598792	HS	141489 (100%)	2009/feb/06	2017/dec/20	39.2158
603908	UPPER HORSEHOE	141489 (100%)	2009/may/05	2017/dec/20	39.2210
658204	HORSESHOE EAST	141489 (100%)	2009/oct/23	2017/dec/20	39.2157
658208	HORSESHOE EAST	141489 (100%)	2009/oct/23	2017/dec/20	19.6070
992382	HORSESHOE SOUTH EAST	141489 (100%)	2012/jun/01	2017/dec/20	19.6105
1022911	HORSHOE1	128940 (100%)	2013/oct/10	2017/dec/20	19.6087
1037348	This is the placer lease	141489 (100%)	2015/jul/16	2018/jul/16	78.4200
		7	Tenures		254.8987

The author is not aware of any environmental liabilities associated with the Horseshoe Bend property. The next phase of exploration for the Horseshoe Bend property will be a test cut, requiring a permit obtained through the British Columbia Ministry of Energy and Mines Notice of Work process. Permit P4-206 is currently in process of renewal for Horseshoe Bend.

The author is not aware of any other significant factors or risks that may affect access, title, or the right or ability to undertake exploration on the Horseshoe Bend property.



Projection NAD 83 Zone 10

**Figure 2. Claim Location**

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND  
PHYSIOGRAPHY

The Horseshoe bend project lies within the central interior approximately 52 kilometres southeast of Quesnel, or 26 kilometres northwest of Likely. The project is accessible by 4-wheel drive road from Morehead Lodge, along the old Morehead – Beavermouth Forest Service Road.

Topographic relief on the Horseshoe Bend property is gentle to moderate. The elevation in the horseshoe bend itself is about 620 metres, with elevations ranging from 600 metres at river level rising to 820 metres along the ridge trending southeast through the property. Vegetation consists of mixed stands of pine, spruce, birch, alder and poplar. The Google Earth imagery from 2012 shows the claims are forested.

The climate of this part of the province is typical of the central interior of British Columbia. The summer field season is generally warm and dry and runs from mid- May through to mid-October. Winters are cold with significant snow accumulations. Temperatures can dip to minus 20 Celsius for extended periods.

The bulk of the claims, including the area of economic interest on the south side of the Quesnel River, are on crown land, with those surface rights held by the crown. Small areas of the claims on the north side of the Quesnel River are held by District Lots 212 and 213 of the Cariboo District. This will be a placer operation consisting of a bulk test and subsequent mining that will be completed as a series of cuts 30 metres by 30 metres by 5 metres, with each previous cut being filled with the tailings from the current cut. Settling ponds, 10 metres by 10 metres by 3 metres will be excavated below grade on the level as the mining cuts. Power is available in Likely 26 kilometres away, though the placer mining equipment is mostly diesel drive. Water for mining is available from the Quesnel River. Mining personnel, accommodation, heavy equipment, supplies and fuel are readily available locally in Likely, 150 Mile House or Williams Lake.

**Table 2. Placer Gold Production from Quesnel River**

Year	Ounces	Value	Year	Ounces	Value
1876-1880	3,531	\$61,600			
1881-1885	4,642	\$81,000			
1886-1890	2,879	\$50,252			
1891-1895	2,615	\$45,650	1931-1935	27	\$795
1896-1900	587	\$10,250	1936-1940	510	\$17,359
1901-1905	401	\$7,000	1941-1945	53	\$1,717
1906-1910	97	\$3,200			
	<b>14,351</b>	<b>\$251,952</b>		<b>590</b>	<b>\$19,871</b>

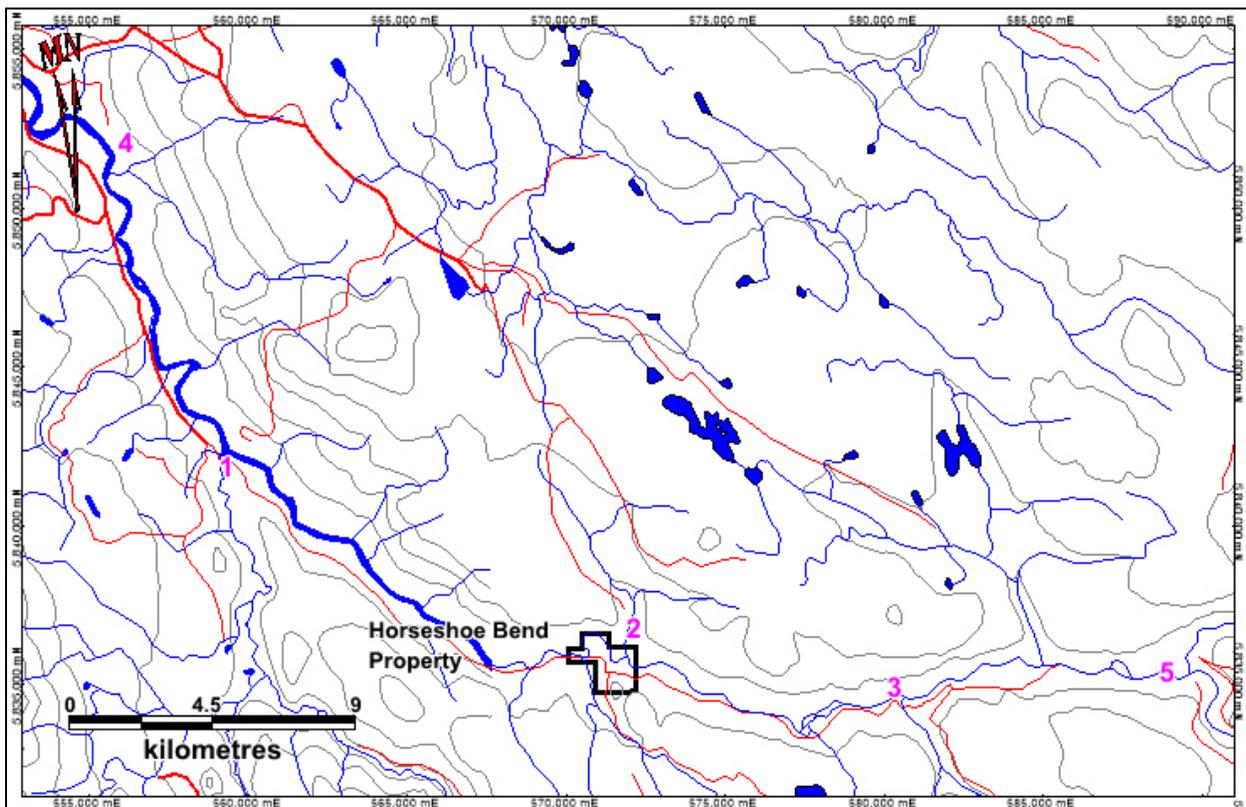
While there is no documentation, the Quesnel River was likely first prospected for placer gold in the initial stages of the Cariboo Gold Rush in the early to mid 1860's. Holland (1950) shows total recorded production from the Quesnel River as 14,351 ounces between 1876 and 1910 with a further 590 ounces produced between 1931 and 1945. **There is no way to determine what percentage, if any, of the gold produced from the Quesnel River came from the current Horseshoe Bend property.**

There have been several operations on the Quesnel River, in the general area of the Horseshoe Bend property, mentioned, briefly described, or described in detail in the British Columbia Ministry of Mines Annual Reports (MMAR). They key ones have been identified by number in Figure 3. While most of these operations do not lie within the present boundaries of the Horseshoe Bend property, they confirm the presence of placer gold along much of the length of the Quesnel River, supporting the suspected presence of placer gold on the present Horseshoe Bend property. **However, the presence of placer gold at several locations along the Quesnel River does not guarantee the presence of placer gold on the Horseshoe Bend property.**

The first mention of the Quesnel River can be found in MMAR 1876 and MMAR 1881 where mining on the river and on benches on the river at unspecified locations is documented. A hydraulic mining operation on a high bench at the junction of the Quesnel River and Beaver River, in the area of Drummond Flat, was identified in MMAR 1901 (Figure 3 - Location 1). MMAR 1903 further documents this operation, indicating the gold is very fine and hard to save and is spread throughout the gravels. MMAR 1904 stated the site was still in operation. It further documents men working the bars and benches along the Quesnel River.

MMAR 1909 describes a hydraulic operation at Twenty Mile Creek at Quesnel River (Figure 3 - Location 2). The ground had been carefully prospected the two previous years. MMAR 1910 states the ten hydraulic leases cover the lower part of Twenty Mile Creek to its junction with the Quesnel River and then down the river. The gravel banks are described as 100 to 500 feet high. Much of the descriptions detail the water supply ditch from the Swift River to the hydraulic mine a distance in the order of 25 miles. The operation remained a going concern the following year according to MMAR 1911, but few geological details were provided. MMAR 1915 provided the following geological description: *"The deposit of gravel cut through by Twenty-mile creek is very extensive and does not carry any prohibitive overburden. As to the gold-tenure of these gravels, the writer cannot venture an estimate of his own, but the statements made by the company's officials as the work was being opened up indicated that, from extensive sampling, the deposit would run from 5 to 8 cents a cubic yard. ... The yield obtained from the operations during the season 1912 was very unsatisfactory, the gravel not giving a yield of over 2 cents a cubic yard. This is so greatly below what the samples gave reason to expect that some explanation seems necessary, and a very casual visit to the pit, as it stands now, would seem to supply such explanation in the manner in which the pit was operated. In the operations it is evident that the boulders-none of these large-which occurred in the gravel-face had been allowed to accumulate at the working-face in such a manner that they would inevitably serve as riffles, and so retain most of the gold washed from the ban, thus preventing its getting into the sluiceway."* MMAR 1917 indicates grade issues continued and further prospecting was underway to locate richer ground. MMAR 1920 indicates the operation was still searching for richer ground.

MMAR 1915 documents a floating dredge operation on the Quesnel River at the mouth of Morehead Creek (Figure 3 – Location 3). The geology is described as follows: *“The river-bed here is fairly wide, with, in certain parts, quite extensive gravel-bars, or flats, on either side, all of which it is proposed to dredge. The gravel-wash appears to be fine, with few boulders of any great size, and in this respect is admirably suited to dredging. The depth of this gravel-wash has not been determined with any degree of accuracy, but it is reported not to exceed 25 feet and to be underlain by a bed of shale or clay, which should form a suitable bed-rock for dredging operations. According to its printed prospectus, the company has tested. the gravels by some fifty-five test-pits, and it claims to find the average gold-tenure to be over \$1 to the cubic yard, which is somewhat higher than would ordinarily be expected, and also finds a material amount of alluvial crude platinum.”*



Projection NAD 83 Zone 10

**Figure 3. Historic Locations Quesnel River**

MMAR 1929 first documents the area at the junction of the Quesnel and Beaver Rivers as Drummond Flat (Figure 3 – Location1). MMAR 1930 describes a keystone drilling operation at the site, described as a flat lying 330 feet (110 metres) above the present river lying between Beaver River and China Creek. The target was a suspected buried paleo-channel. The stretch of the Quesnel River from the mouth of Morehead Creek 30 miles (50 kilometres) downstream to Gravel Creek was studied by the Provincial Resident Engineer. He noted extensive low-lying and high-lying flats along the left limit of the Quesnel River, including Sardine, French and Drummond Flats and several unnamed flats. An operation about 7 miles (11 kilometres) downstream from Drummond Flat (Figure 3 – Location 4) on the right limit of the Quesnel River focused on several low-lying terraces 25 feet (8 metres) above the Quesnel River. There are several old workings in the area, suggesting the gravels are auriferous, but water was a major problem for the old-timers.

MMAR 1934 documents two operations in the area of French Flat (Figure 3 – Location 4) on low lying benches on the left limit of the Quesnel River. The geology of one of the sites is described as 3 feet of barren gravel overlying 3 feet of pay gravels. The gravels are described as post glacial. A third operation is described as 4 leases between Morehead and Birrel (20 Mile) Creek, lying between locations 2 and 3 on Figure 3. The gravels were described as post glacial. In addition the presence of a buried paleo-channel was also speculated.

MMAR 1939 documents an operation on the right limit of the Quesnel River somewhat downstream from the mouth of Buxton Creek in the area of location 2 on Figure 3. The workings developed an extensive bench 75 feet above the present river level. The 10 to 15 foot pay gravels contains some large boulder and overlies a slum. MMAR 1940 documented a second season for the operation.

MMAR 1945 describes the acquisition of 5 dredging leases at the mouth of Beaver Creek (Figure 3 – location 1 area). MMAR 1946 indicates a second set of leases were taken near French Flat (Figure 3 – location 4) in addition to the Beaver Creek leases. MMAR 1947 indicates some testing was done at the French Flat site. MMAR 1948 documents an advance of 400 feet at the dredging operation at French Flat. MMAR 1949 documents production of 61 ounces of gold from 30,000 cubic yards, an average grade of \$0.06 per cubic yard. The operation was subsequently moved to another location in the Cariboo. MMAR 1950 states another company optioned the French Flat ground but dropped the option after drilling.

MMAR 1947 describes a second drag-line dredging operation at the mouth of Beaver Creek (Figure 3 – location 1). MMAR 1949 states this operation dredged a 1000 foot strip down Beaver Creek to the Quesnel River and a second strip 1500 feet long along the east side (?) of the Quesnel River, producing 99 ounces from 30,000 yards for an average grade of \$0.10.

MMAR 1948 documents an operation immediately below Quesnel Forks (Figure 3 – location 5). The description did not indicate which limit of the Quesnel River it was located on, but did state gold occurs in 2 to 4 feet of post glacial gravels at surface on a bench 110 feet above the present river. Numerous old workings were documented. A considerable number of shallow pits were sunk defining approximately 200,000 yards averaging \$0.75 per yard.

**Table 3a. Byerlay Sampling Program Reported in Snell (1981)**

Sample	type	oz/yd3	Sample	type	oz/yd3
A1	sluice	0.025	A10	pan	0.020
A2	sluice	0.025	A11	pan	0.024
A3	sluice	0.028	A12	pan	0.021
A4	sluice	0.021	B1	pan	0.031
A5	pan	0.023	B2	pan	0.036
A6	pan	0.025	C1	unknown	0.028
A7	pan	0.020	C2	unknown	0.037
A8	sluice	0.027	C3	unknown	0.021
A9	pan	0.022	C4	unknown	0.024

MMAR 1950 states 1,000 cubic yards were sluiced at Horseshoe bend on the present Horseshoe Bend property. MMAR 1954 states a further 200 cubic yards were sluiced near Horseshoe Bend.

Historical exploration confirmed to be on the ground within the present boundaries of the Horseshoe Bend Property were the programs of Lewco Placer Corporation during the early 1980's, centred on current lease 1037348. Snell (1981) completed a verification of an earlier exploration program and Engineer's Report by G.M. Byerlay for Lewco Placer Corporation assumed to be for the Vancouver or Alberta Stock Exchange. While Snell had full access to the comprehensive 24-April-1981 Byerlay report, a copy of that report was not available for this author. The Byerlay sampling program was documented by Snell as is shown as Table 3a. The exact location of the samples is not known as the maps accompanying the Snell report are not available.

The sample program Snell verified was supervised by Mr. Byerlay and Mr. Dara Wilder, the property vendor. The Byerlay program consisted of a number of backhoe pits cut to an average depth of 19 feet (2.8 metres), several trenches cut with Caterpillar 07 and a considerable number of shallow hand dug pits. Snell examined most of the sample sites, finding them reclaimed as per the permit regulations. He took one verification sample from a depth of 4 feet (120 centimetres) near pit C2, supervising its panning to concentrate. He noted considerable magnetite and garnet, one small 3mm gold nugget, several 1mm flakes of fine free gold, numerous pin point size fine particles of gold and several flakes of what appeared to be either platinum or native silver, both of which are reported to occur locally. Snell felt the sampling seemed to suggest the entire 19 foot (5.8 metre) thickness of gravel was auriferous and calculated the average grade of the 18 samples as 0.028 ounces per cubic yard.

**Table 3b. Wilder (1981) Sampling Program**

Hole	Size	gm/yd	Hole	Size	gm/yd
1			14	1 yd	0.45
2	1 yd	3 grains	15	1 yd	0.35
3	1 yd	gold present	16	1 yd	0.40
4	1 yd	0.38	17	1 yd	0.43
5	2 yd	0.85	18	1 yd	0.38
6	2 yd	0.75	19	1 yd	0.43
7	1 yd	gold present	20	1 yd	0.35
8	2 yd	0.95	21	1 yd	0.45
9	2 yd	1.05	22	1 yd	0.40
10	2 yd	1.13	23	1 yd	0.43
11	3 yd	1.85	24	1 yd	0.38
12	1 yd	0.35	25	1 yd	0.43
13	1 yd	0.43	26	1 yd	0.35

A follow up November 1981 sampling program was completed Wilder (1981). A short two page letter with a “not to scale” sketch map was submitted to Snell (1982) for review. A total of 26 test holes were excavated and the material was washed and put through a sluice. After washing, the black sands were separated with the gold further separated, dried and weighed. The results are displayed in Table 3b. Test holes 1 through 7 are described as lower bench, samples 8 through 11, 13 and 14 are described as second bench and samples 12, 15, 16 and 26 are described as upper bench. Bench locations were not given for samples 17 through 25, though based on the sketch they appear to be upper bench. There is no description of the equipment used to undertake the sampling though Wilder does state they were still digging gravels at a depth of 20 feet (6 metres) the limit of the digging equipment. Though not stated, the sample table suggests volumes from 1 to 3 cubic yards were sluiced from each sample site.

An historical resource was originally calculated by J.C. Snell, P.Eng in “*Report and Production Feasibility on Placer Leases PL628 – PL2408 Located on the Quesnel River for Lewco Placer Corporation*” dated 07-May-1981 (Snell, 1981). It was modified after the second sampling program of Wilder (1981) and disclosed in the Statement of Material Facts for Heritage Petroleum Inc. dated 29-October-1981 that was unavailable to the author. However, Snell summarized the historical estimate in a letter to the British Columbia Ministry of Consumer and Corporate Affairs dated 06-January-1982 (Snell, 1982).

The author feels the historical estimate is relevant and can be considered reliable. The work done by Snell (1981) was of verification nature where he physically visited the sites and confirmed the presence of placer gold on claims through a verification sample that was taken and panned to black sand under his direct supervision during his site visit. The later documents do not state whether the second sampling program was verified by Snell, but he felt comfortable revising his original estimate, so the author feels he must have felt the program was done properly.

The historical resource estimate was based on two sampling programs. The first program consisted of 18 samples, 14 taken from excavator pits to a depth of 19 feet (5.8 metres) and 4 taken from D7 cat dozer trenches. Five of the samples resulted from the sluicing of ¼ cubic yards and 7 resulted from panning with a conversion factor of 135 pans to the cubic yard. The method of sample processing for the 4 cat dozer trenches was not indicated. (Table 3a). The second sampling program consisted of a further 26 excavator trenches to depths of 19 feet (5.8 metres). Twenty-five of the samples were sluiced in volumes ranging from 1 to 3 cubic yards as shown in Table 3b.

Volumes of gravels were calculated by simple field measurements for horizontal lengths and widths. Depths were defined by the sampling program. The sampling program defined a grade of \$4.77 per cubic yard based on a gold price of \$15.00 per gram calculated at 28 grams to the ounce.

The historical estimate was calculated for the each of the lower, middle and upper benches:

Lower bench (0-15 feet): 500 yards long by 300 yards wide by 5 yards deep = 750,000 cubic yards

Lower bench (15-30 feet): 500 yards long by 300 yards wide by 5 yards deep = 500,000 cubic yards

Middle bench (0-30 feet): horizontal dimension not provided by 10 yards deep = 500,000 cubic yards

Upper bench (0-18 feet): 546 yards long by 656 yards wide by 6 yards deep = 2,149,056 cubic yards

The lower bench (0-15 feet) would be classified as an indicated mineral resource because sufficient sampling has been completed. The remaining three volumes would be classified as inferred mineral resources due to limited to no sampling. Snell deducted 1,000,000 cubic yards from the combined inferred mineral resources as a safety factor to compensate for a possible lower grade.

The author has not been made aware of more recent estimates or additional geological data that would allow an update of the estimates.

A program of grid sampling would be required to move the historical estimates into current resources.

**A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Gold Rush Cariboo Inc. is not treating the historical estimate as current mineral resources or mineral reserves.**

## GEOLOGICAL SETTING AND MINERALIZATION

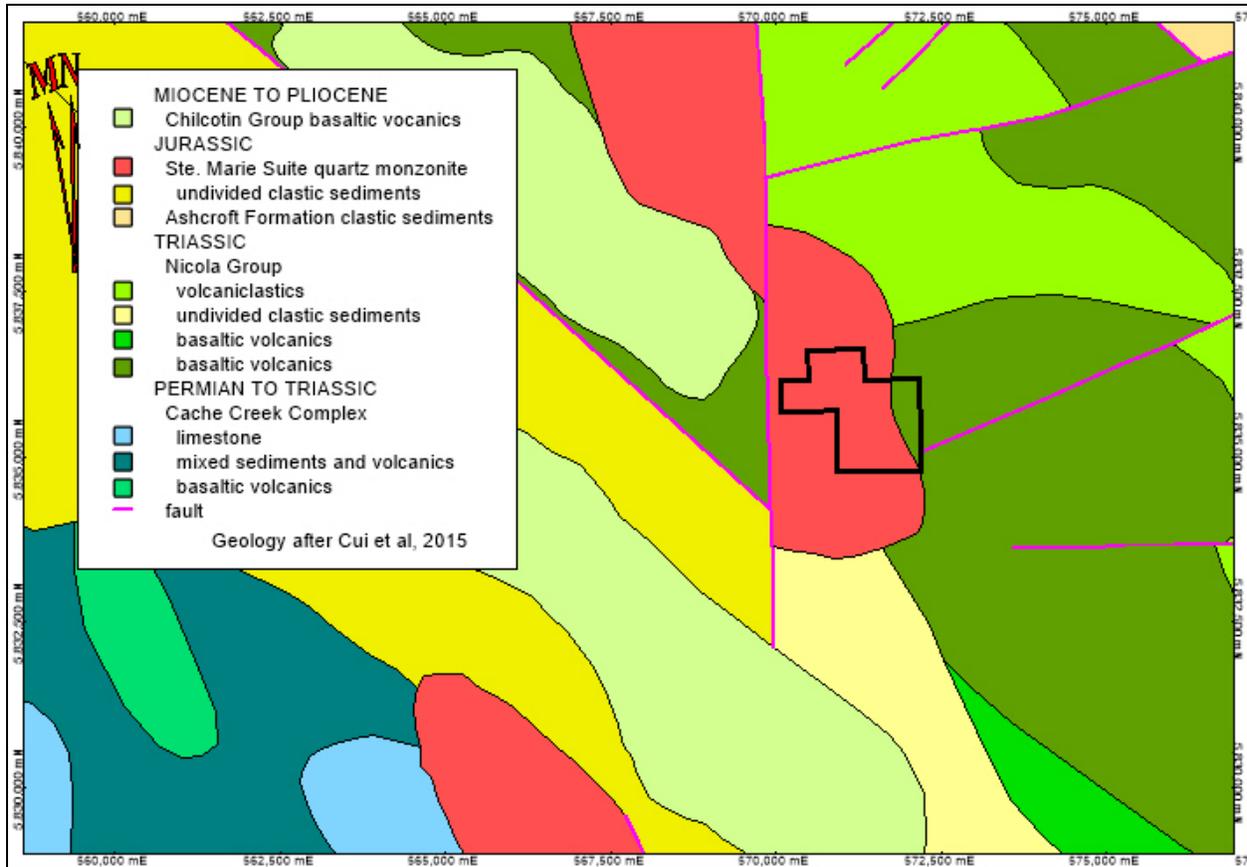
**Bedrock** - summarized from Levson and Giles (1993); Struik and MacIntyre (2007); Cui et al (2015).

The Horseshoe property lies within the Cariboo Mining Division within the Intermontane morphogeological belt. The Intermontane belt is underlain by rocks of the Stikine, Cache Creek and Quesnel terranes moving west to east. Stikine Terrane is comprised of Carboniferous to Middle Jurassic island arc volcanic and sedimentary rocks of the Asitka, Takla and Hazelton groups and the related Topley, Stern Creek, and Spike Peak plutonic suites. Cache Creek Terrane consists of Carboniferous to Lower Jurassic ultramafic, metavolcanic, and metasedimentary rocks of the Sitlika Assemblage, Tezzeron succession, and Cache Creek Complex, where Cache Creek Complex is interpreted as part of an oceanic accretionary complex. Quesnel Terrane is made up of Carboniferous to Middle Jurassic extensional to volcanic-arc volcanic, sedimentary and plutonic rocks.

The Horseshoe Bend property lies within the Quesnel Trough of the Quesnel Terrane, a structural and depositional back-arc basin with an overlapping island-arc volcanic assemblage. Fore-arc oceanic strata of the Cache Creek Group occur west of the Quesnel Terrane in the southwest corner of the map area.

Permian to Triassic Cache Creek Complex rocks underlie the southwest section of the map area. These rocks include: mafic volcanic breccia and flows with greenstone and minor limestone, argillite and chert; undivided phyllite, siliceous phyllite, ribbon and massive chert, argillite, tuff, mafic volcanic rocks, serpentinite, limestone, sandstone, conglomerate; and limestone with minor greenstone, chert and argillite.

Upper Triassic rocks of the Nicola Group underlie the eastern portion of the map area. These rocks include: pyroxene and pyroxene-hornblende basalt flows, breccias and tuffs with minor sandstone, siltstone, limestone and limestone breccia; pyroxene, feldspar-pyroxene and feldspar phyrlic basalt breccias, volcanoclastic units and sandstones; polymict volcanic breccia containing clasts of latite, trachyte and intrusive equivalents with local basalt flows and breccias and local felsic volcanic breccias and flows; Triassic sandstone, siltstone, shale, slate and phyllite, bioclastic limestone and minor felsic tuff, tuffaceous argillite, basalt breccia and agglomerate.



Projection NAD 83 Zone 10

**Figure 4. Regional Geology**

The Nicola Group rocks are overlain by lower Jurassic Ashcroft Formation feldspathic sandstone and siltstone with minor limestone and calcareous siltstone on the northeast corner of the map area. The Nicola Group rocks are overlain, or in fault contact with lower to middle Jurassic siltstone, shale, greywacke, polymict conglomerate with minor limestone and andesite and local Cretaceous conglomerate, sandstone and carbonaceous shale.

The earlier rocks are intruded by middle Jurassic potassium-feldspar megacrystic hornblende quartz monzonite, granodiorite and granite of the Ste. Marie Plutonic Suite.

Finally, northwest trending outliers of Miocene to Pleistocene Chilcotin Group olivine basalt with minor andesite, tuff, breccia, conglomerate, sandstone, siltstone, shale and diatomite underlie the central section of the map area.

Northwest and north trending faults, along with a series of sub-parallel east trending faults have been mapped in area.

**Surficial** - summarized from Holland, 1976; Eyles and Kocsis, 1989

The Horseshoe property lies in the Interior Plateau physiographic areas, part of the Southern Plateau and Mountain Area of the Interior System. The area lies within the eastern extremity of the Fraser Basin within the Fraser Plateau (Figure 4a).

The Fraser Basin is an irregularly shaped area of low relief lying below the surface of the Nechako and Fraser Plateaus. On the northeast the basin merges in the Rocky Mountain Trench at an elevation of about 2,000 feet; elsewhere its boundary is drawn along the generalized line of the 3,000-foot contour. The basin extends from Williams Lake northward to McLeod Lake and from Fraser Lake eastward to Sinclair Mills. The surface is incised by the Fraser River and its tributaries; the river at Prince George is at an elevation of 1850 feet. The area was occupied by ice whose movement created drumlins and drumlinlike forms in the glacial drift. The many hundreds of drumlins present indicate an eastward and northeastward movement of ice in the area north of Prince George, and a movement northward from Quesnel. Eskers were formed by meltwater during the waning stages of glaciation in the Fraser Basin. Ice-dammed lakes formed where drainage channels were blocked with drift and wasting ice. Glacial-lake clays have been shown by soil surveys to underlie more than 750,000 acres of the plateau.

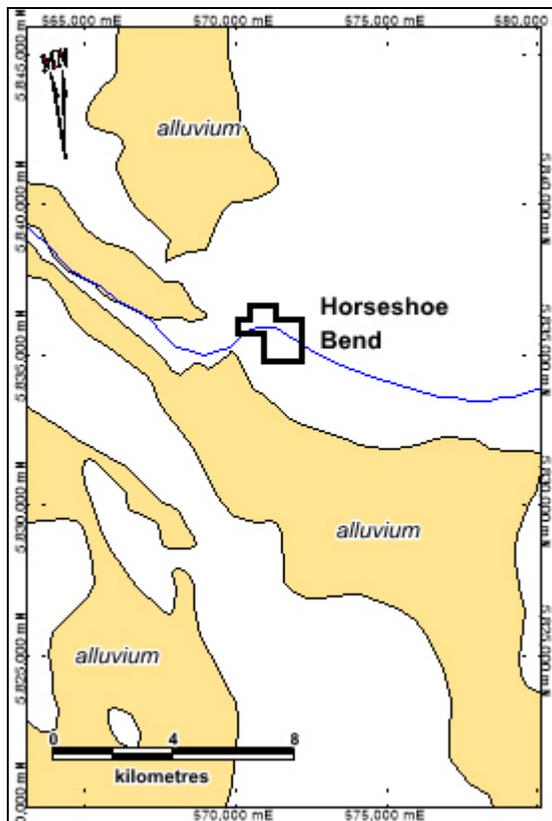


Figure 5a. Regional Surficial Geology

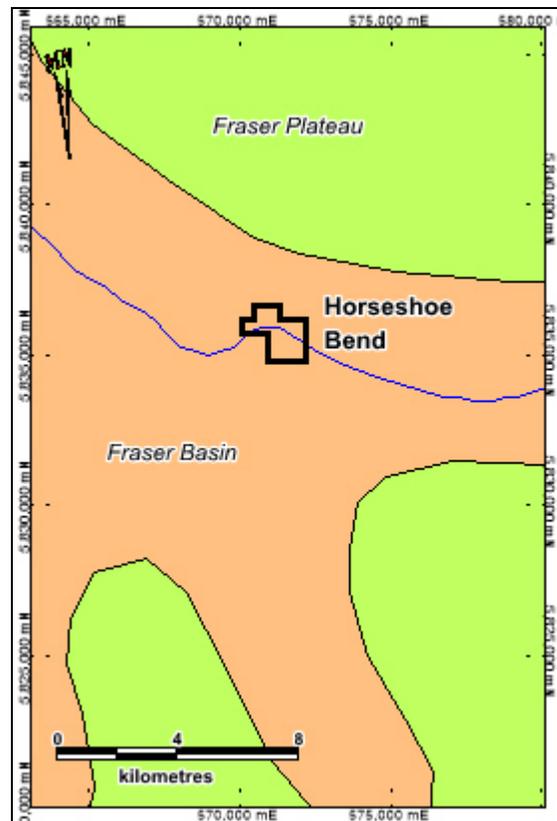


Figure 5b. Physiographic Location

The shape of the Fraser Basin and the slope of surfaces within it indicate that the basin was eroded by a northward-flowing ancestral Fraser River which flowed through the McLeod Lake gap and was a tributary of the Peace River. Early Tertiary (Eocene and Oligocene) sediments deposited by southward-flowing streams and later Tertiary (Miocene) sediments deposited by northward-flowing streams support this view. The date of the reversal of flow of the Fraser is not presently known as it may have been reversed by either a rapidly eroding southward-flowing river in pre-Pleistocene time or the rapid draining of a pro-glacial lake in the vicinity of Prince George. At Prince George the channel of the present river now is some 700 feet below the upper level of the glacial-lake clays.

The Fraser Plateau is a flat and gently rolling country having large areas of undissected upland lying between 4,000 and 5,000 feet that abuts the Coast Mountains on the west, the Nechako Plateau on the north, the Thompson Plateau on the south, and the Quesnel Highland on the east. A large part of the plateau is underlain by flat or gently dipping late Miocene or Pliocene olivine basalt flows. Much of the plateau is covered with glacial drift, and possibly less than 5 per cent of bedrock is exposed.

A generalized Pleistocene stratigraphy in the Cariboo recognizes thick lowermost gravels deposited during the lengthy cool-temperate non-glacial interval overlain by subglacial deposits from the late Wisconsin glaciation when the area was covered by westward-moving ice flowing from the Cariboo Mountains. Late Wisconsin glaciation was responsible for depositing extensive plugs of lodgement till and related subglacial facies along most valleys. These in turn, have been reworked or buried by postglacial (Holocene) mass-wasting and fluvial activity which has left valley side fan deposits and terraced gravel sequences.

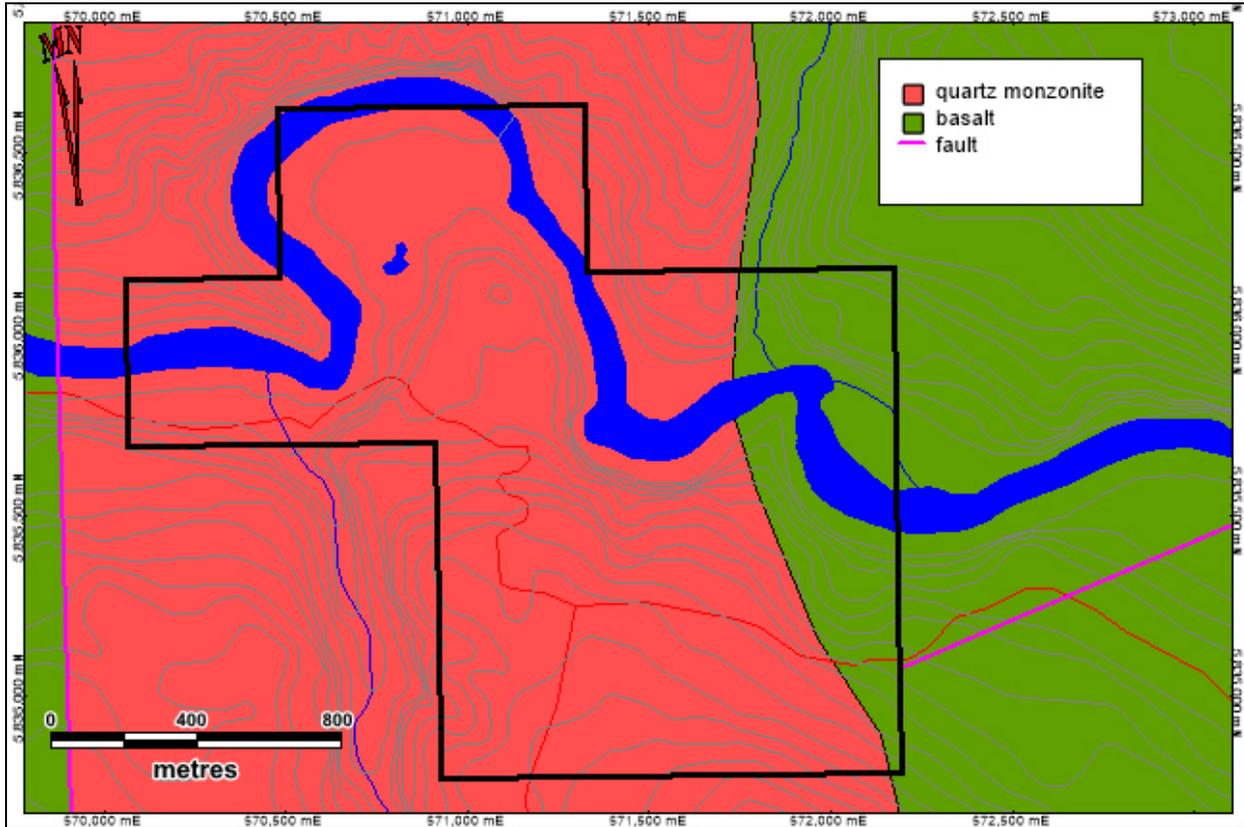
Placer deposits in the Cariboo occur in three distinct sedimentological settings: older gravels, subglacial complexes and postglacial placers

#### **Placer Gravels (Summarized from Levson and Giles, 1993)**

Levson and Giles (1993) completed a study of the geology of the Tertiary and Quaternary Gold-Bearing Placers in the Cariboo Region including the settings, classifying them as: buried paleochannel settings, paleofan and fan delta settings, and surficial settings. The surficial settings were further classified as: surficial fluvial, colluvial, glacial and glaciofluvial placers. The Horseshoe Bend deposits would be classified as surficial fluvial low terrace deposits.

Fluvial terrace deposits occur at or near modern river levels. Their relatively high degree of preservation of geomorphic features on their surfaces and their common direct association with modern streams make them more readily recognized than other types of surface placer deposits. Former channel courses on these terraces may be visible on aerial photographs or can be defined by detailed ground surveys. Surficial placers of this type are mainly allochthonous, fine gold deposits. Their distribution, dependent mainly on the hydrodynamic properties of flowing water, is controlled to large extent by the location and geometry of channels and associated bedforms. They form in locations where lighter minerals and rock fragments are frequently removed and finer gold is regularly deposited. Typical sites in the Cariboo include point bar settings and inlets to intermittent braid channels on larger rivers. Channel thalwegs are sites of deposition of coarser gold in more proximal placers. Gold concentrations in these

types of deposits are typically facies controlled with most gold occurring in lag gravels at the base of channel scours and, at the scale of bedforms, in coarse, mainly bar-head, gravel beds in longitudinal bar deposits, in boulder and cobble clusters, and along basal unconformities in transverse-bar sequences. At a smaller scale, gold concentrations are common in zones of altered turbulence and eddy current deposition in the lee of obstructions such as large clasts, and downstream of natural riffles created by bed irregularities.



**Figure 6. Property Geology**

Low-terrace placers deposited in both braided and meandering stream environments have been identified in the Cariboo. Sediments interpreted as braided stream deposits typically consist of well-sorted, horizontally stratified, imbricated, well-rounded pebble to cobble gravels. At most sites the terrace gravels are separated from bedrock or older sediments by pronounced erosional unconformities along which gold is often concentrated. Planar and trough crossbedded gravel beds occur locally. Sandy inter-beds and lenses are common and gravel sequences are usually capped by up to 1 metre of overbank fines that commonly exhibit weak horizontal laminations and contain abundant organic material. Scoured lower contacts in gravel beds are frequently overlain by concentrations of coarse clasts. The coarse grain-size of some beds, well-developed clast imbrication, abundance of well-rounded clasts and scoured lower contacts are indicative of high-energy, turbulent, channellized flows. Channel bedforms include longitudinal and transverse bars that are represented, respectively, by horizontally bedded and planar crossbedded gravels. Trough crossbedded gravels are interpreted as minor channel-fill sequences. Channel lags formed during periods of relative channel stability are primary placer targets. Overlying gravel bar sequences formed during aggradational phases, typically contain less gold.

Meandering-river terrace deposits consist of both sand and gravel. The lowest exposed sand and gravel beds contain numerous intraclasts of silt and fine sand derived from the underlying deposits. Their lower contact is commonly erosional, marked by lag gravel. Epsilon crossbeds in the sands and gravels suggest deposition in a point bar on the margin of a meandering channel. This interpretation is supported by the overall fining-upward sequence, a lateral coarsening of the deposits in the down-dip direction (towards the channel centre) and westerly paleoflow. Crude horizontal bedding and trough crossbedding in overlying units are interpreted as longitudinal bar and cut-and-fill deposits formed in a subsequent, possibly braided, phase of the stream when the terrace surface was planed. Horizontally bedded silts and fine sands capping the sequence are inferred to be overbank deposits. Evidence of scroll bar deposits and abandoned channel cutoffs on terrace surfaces further suggests deposition in a meandering stream environment.

Many allochthonous low-terrace gravel deposits are mined at sites where gold enrichment from local sources has also occurred. The latter include mainly Tertiary paleochannel deposits that have been eroded by the modern stream channels. The gravels exhibit well developed stratification, clast roundness, sorting and imbrication. Stratification consists of horizontally bedded gravels with some planar and trough crossbedded units. Trough crosslaminated sand lenses are common and 1 to 2 metres of laminated to massive fine sands typically cap the sequence. Gold occurs in the upper few metres of the gravels. The dominance of small flattened flakes reflects a relatively long distance of transport, typical of allochthonous placer deposits. Gold can also occur in paleochannel gravels resting on bedrock below the terrace surface.

### **Horseshoe Bend Geology**

The bedrock geology (Figure 5) is taken from Cui et al (2015). The bulk of the claim block is underlain by potassium-feldspar megacrystic hornblende quartz monzonite, granodiorite and granite of the middle Jurassic Ste. Marie Plutonic Suite. The eastern edge of the claim block is underlain by basaltic volcanic rocks on the upper Triassic Nicola Group comprised of pyroxene and pyroxene-hornblende basalt flows, breccias and tuffs with minor sandstone, siltstone, limestone and limestone breccia.

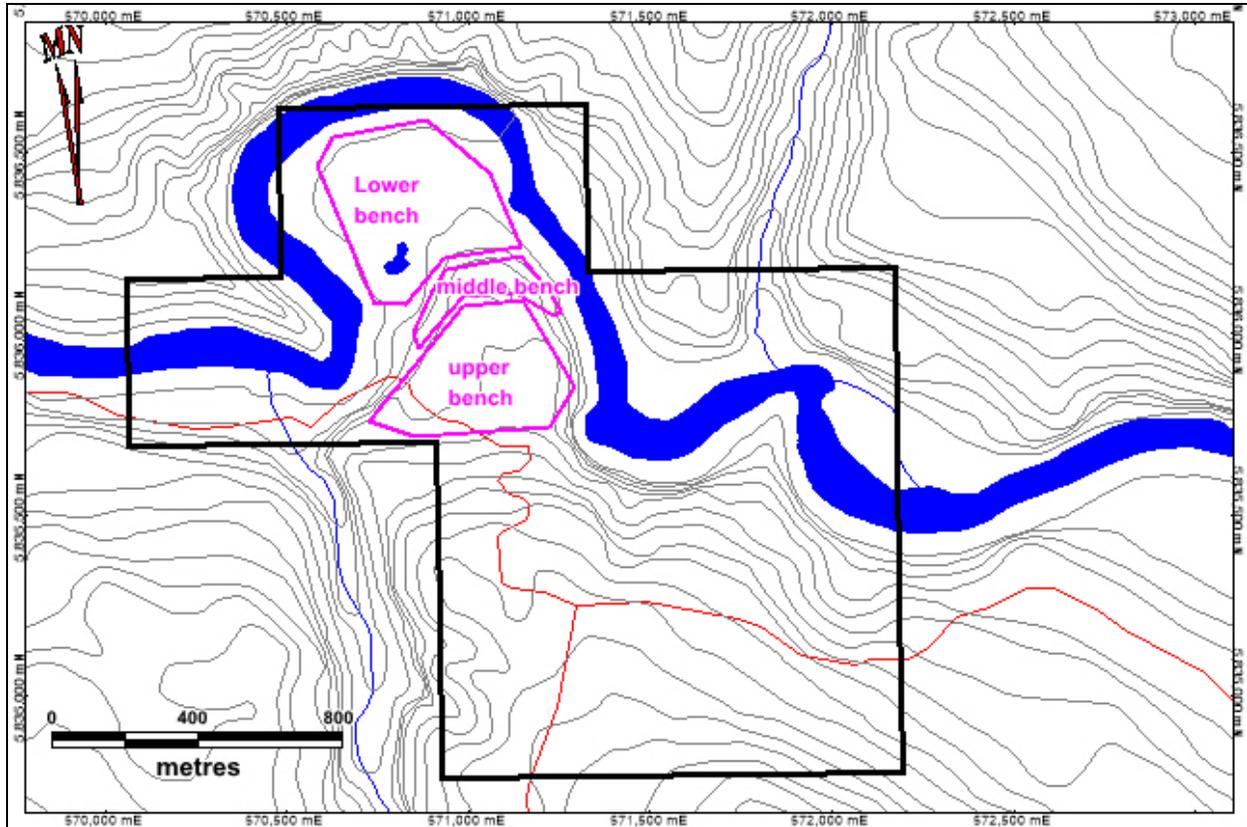
### **Horseshoe Bend Surficial Geology**

The surficial geology of the Horseshoe bend property consists of relatively flat benches on the south side (left limit) of the Quesnel River. A series of three benches have been identified and sampled (Snell, 1982). The main target is the low level bench, approximately 20 feet (6 metres) above river level, located inside a large bow of the Quesnel River (Figure 6).

The deposits on the present Horseshoe bend property are stratified gravels, sand and silt, consisting of quartz, conglomerate, granite and gneiss. Most of the gravel is medium sized and well water worn. Few boulders in excess of 15 inches (40 cm) were observed. The deposit is post glacial and gold bearing and has been reworked from earlier post glacial, glacial and possibly preglacial deposits occurring upstream and in the wide older valley at higher elevations.

The main flat lying bench has a topsoil cover of 6 inches to 12 inches (9-18 cm). The gravels were sampled to a depth of 19 feet or 5.8 metres (the extent of the backhoe arm), just above the water table. The gravels appear to extend at least a further 15 feet (4.6 metres) into the water table.

Snell (1981) observed the gold bearing gravels on the property contain placer gold ranging in size from coarse nuggets to extreme fines. He noted the gold was quite pale in colour and felt it probably contains considerable impurities, further suggesting a fineness in the order of 860.



Projection NAD 83 Zone 10

Figure 7. Bench Locations

### Mineralization

The primary economic mineral on the Horseshoe Bend property is placer gold. Previous work completed by Lewco Placer Corporation in the early 1980's confirmed the presence of placer gold within the lower and higher terraces or benches on the south side (left limit) of the Quesnel River. Recent exploration completed by Goldlands Inc., the property vendor, has consisted of mechanical trenching in the area of the Lewco exploration in an effort to confirm the earlier results. This work confirmed the presence of placer gold within the low bench gravels.

The placer deposits occur as a series of three benches at various elevations above the current Quesnel river level. The deposits are stratified gravels, sand and silt, consisting of quartz, conglomerate, granite and gneiss. Most of the gravel is medium sized and well water worn with few boulders in excess of 40 centimetres. The gold size range is from coarse nuggets to extreme fines. The gold is quite pale in colour and probably contains considerable impurities. A fineness of 860 has been assigned to the gold from the Horseshoe Bend property.

The lower bench lies an average 20 feet (6 metres) above the current river level. It is relatively flat and covers an area of 500 yards by 300 yards. A light soil cover of 15 to 30 centimetres covers the gravels.

Very little information was provided for the middle bench other than gravels continued to the 5.8 metre limit of the excavator. The upper bench covers an area 546 yards by 656 yards and the gravels continued to the 5.8 metre limit of the excavator boom.

## DEPOSIT TYPES

The Horseshoe Bend Project is being explored for placer gold deposits. The following description of surficial placers is condensed from British Columbia Ore Deposit Models (Levson, 1995).

Surficial placer deposits contain detrital gold, platinum group elements and other heavy minerals and occur at or near the surface, usually in Holocene fluvial or beach deposits. They can also be found, in general order of decreasing importance, in: alluvial fan, colluvial, glaciofluvial, glacial and deltaic placers. They can be classified as either allochthonous, meaning transported from source, or autochthonous, meaning local to source. Fine-grained, allochthonous placers occur mainly in stable tectonic settings (shield or platformal environments and intermontane plateaus) where reworking of clastic material has proceeded for long periods of time. Coarse, autochthonous placer deposits occur mainly in Cenozoic and Mesozoic accretionary orogenic belts and volcanic arcs, commonly along major faults. Surficial placers are mainly Holocene (rarely Late Pleistocene) in glaciated areas and generally Tertiary or younger in unglaciated regions.

Surficial fluvial placer concentrations occur mainly in large, high-order, stream channels (allochthonous deposits) and along bedrock in high-energy, steep-gradient, low-sinuosity, single-channel streams (autochthonous deposits). Concentrations occur along erosional surfaces at the base of channel sequences. Alluvial fan, fan-delta and delta deposits are distinct from fluvial placers as they occur in relatively unconfined depositional settings and typically are dominated by massive or graded sands and gravels, locally with interbedded diamicton. Colluvial placers generally develop from residual deposits associated with primary lode sources by sorting associated with downslope migration of heavy minerals. Glaciofluvial and glacial placers are mainly restricted to areas where ice or meltwater has eroded pre-existing placer deposits. Cassiterite, ilmenite, zircon and rutile are lighter heavy minerals which are distributed in a broader variety of depositional settings.

In fluvial settings, placer concentrations occur at channel irregularities, in bedrock depressions and below natural riffles created by fractures, joints, cleavage, faults, foliation or bedding planes that dip steeply and are oriented perpendicular or oblique to stream flow. Coarse-grained placer concentrations occur as lag concentrations where there is a high likelihood of sediment reworking or flow separation such as at the base of channel scours, around gravel bars, boulders or other bedrock irregularities, at channel confluences, in the lee of islands and downstream of sharp meanders. Basal gravels over bedrock typically contain the highest placer concentrations. Fine-grained placer concentrations occur where channel gradients abruptly decrease or stream velocities lessen, such as at sites of channel divergence and along point bar margins. Gold in alluvial fan placers is found in debris-flow sediments and in interstratified gravel, sand and silt. Colluvial placers are best developed on steeper slopes, generally over a weathered surface and near primary lode sources. Economic gold concentrations in glaciofluvial deposits occur mainly along erosional unconformities within otherwise aggradational sequences and typically derive their gold from older placer deposits. Frequently the generation of more economically attractive placer deposits involves multiple cycles of erosion and deposition.

Surficial placer are typically hosted in well sorted, fine to coarse-grained sands and/or well rounded, imbricated and clast-supported gravels. In fluvial environments the deposits are highly variable and laterally discontinuous; paystreaks are typically thin (< 2 m) and often lens shaped, tapering in the direction of paleoflow. They are usually interbedded with barren sequences.

The main ore minerals are: gold, platinum group metals and cassiterite. The following minerals are locally recovered as the primary product in placer operations globally: copper, garnet, ilmenite, rutile, diamond and other gems - corundum (rubies, sapphires), tourmaline, topaz, beryl (emeralds), spinel - zircon, kyanite, staurolite, chromite, magnetite, wolframite, sphene, barite and cinnabar. Gangue minerals are: quartz, pyrite and other sulphides, with many deposits also hosting sub-economic concentrations of various heavy minerals such as magnetite and ilmenite. Iron and manganese oxide precipitates common occur. Another alteration phenomenon is the increase in thickness of silver depleted rims of the gold grains with age.

The grain size decreases with distance from the source area. Gold is typically fine grained (< 0.5 mm diameter) and well rounded; coarser grains and nuggets are rare, except in steep fluvial channel settings where gold occurs as flattened flakes. Placer minerals associated with colluvial placer deposits are generally coarser grained and more angular.

The typical geological signature for placer deposits is the presence of native gold (commonly visible to the naked eye) with the present of paleo stream sediments or gravels. Panning and other methods of gravity sorting are used to identify concentrations of gold, magnetite, hematite, pyrite, ilmenite, chromite, garnet, zircon, rutile and other heavy minerals. Many placer gold paystreaks overlie clay beds or dense tills and in some camps these 'false bottom' paystreaks are important. Geochemically, anomalous concentrations of Au, Ag, Hg, As, Cu, Fe, Mn, Ti or Cr typically occur in stream sediments. Ground penetrating radar is especially useful for delineating the geometry, structure and thickness of deposits with low clay contents, especially fluvial terrace placers. Shallow seismic, electromagnetic, induced polarization, resistivity and magnetometer surveys are locally useful.

Placer deposits are typically high tonnage (0.1 to 100 million tonnes) but low grade (0.05-0.25 grams per tonne (gpt) Au, 50-200 gpt Sn). Placer concentrations are highly variable both within and between individual deposits. The main economic limitations to mining surficial placer deposits are typically low grades and most deposits occur below the water table. Environmental considerations are also an important limiting factor as these deposits often occur near, or within modern stream courses.

Placer gold deposits account for more than two-thirds of the world's gold reserves and about 25% of known total production in British Columbia. Shallow alluvial placers also account for a large part of world tin (mainly from SE Asia and Brazil) and diamond (Africa) production.

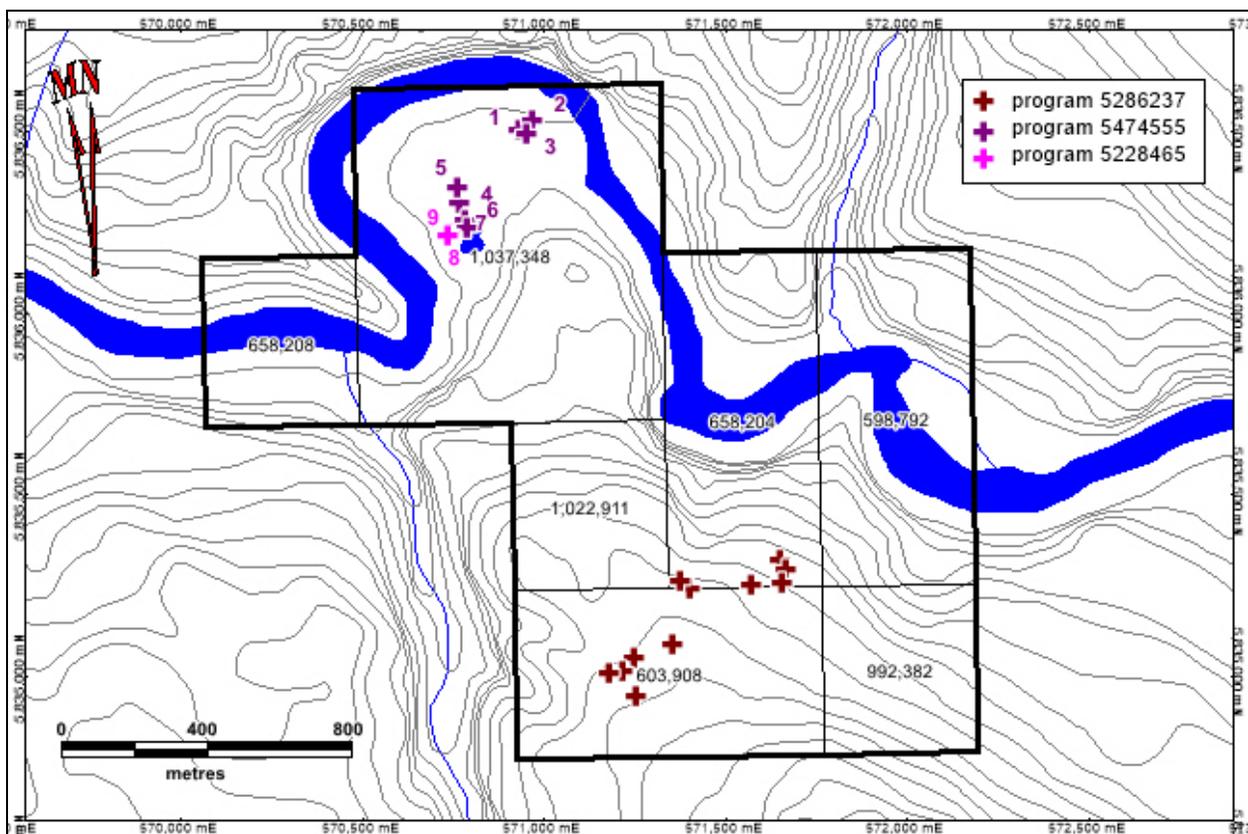
### Cariboo Deposits Summarized from: Eyles and Kocsis, 1989; Eyles, 1989

Placer deposits in the Cariboo occur in three distinct sedimentological settings: older gravels, subglacial complexes and postglacial placers. The older gravels commonly known as *Tertiary gravels* were deposited in a long ( $\pm 100,000$  years) cool-temperate and non-glacial episode that terminated about 30,000 years ago. These gravel sequences are the largest by volume of the placer deposits in the Cariboo. These older gravels occur along valley floors for the most part buried under younger sediments. Older gravels comprise massive, poorly stratified and coarse-grained deposits of braided rivers and show gold grades up to 8.18 grams per cubic metre.

The overlying subglacial placers are much more geographically restricted. These deposits record the quarrying of auriferous gravels and bedrock by late Wisconsin glaciers. The upper parts of these deposits carry far-travelled debris and in general show low gold values. The basal portions of these lodgement tills resting on bedrock of moderate or high relief offer the greatest potential because of the likelihood of subglacial cavity formation in the lee of bedrock knobs and the movement of subglacial waters along the lowermost portions of the valleys.

Postglacial gravels, for the most part, do not contain gold values associated with the older gravels and lodgement tills. Richer runs are usually an indication that a modern rivers have cut down into older placer deposits. Many older placer deposits were discovered following the postglacial gravels upstream.

The buried channels, more typical of placer gold settings in the Cariboo, are the focus of the Gold Rush Cariboo Inc. exploration and development programs.



Projection NAD 83 Zone 10

Figure 8. Goldlands Exploration

Recent exploration completed by Goldlands Inc. has consisted of mechanical trenching to test the gold content of the overlying glacial gravels (Figure 8). The initial program (SOW 5286237) was completed during the summer of 2011. Twelve 4 by 1 by 2 metre trenches were excavated on tenures 603908 and 658204 with 0.2 cubic metre samples of the material from each trench panned to concentrate. Seven trenches of various sizes as shown in Table 4 were excavated on tenure 658103 (now lease 1037348) between October 2012 and October 2013 (SOW 5474555). Volumes from 5 to 500 cubic metres were processed using a Sonic 50 Processor system; no details on gold recovered were provided. Two additional pits were also dug. The seven trenches were reclaimed and the two small pits were trenched between November 2013 and October 2014 (SOW 5228465). A further 400 cubic yards were processed using a Sonic 50 Processor system from the two trenches; no details on gold recovered were provided. These last two programs tested the same area of the Lewco 1980's program and appear to have confirmed the Lewco results according to Goldlands.

**Table 4. Goldlands Trenching Programs Statistics**

			cubic metres					cubic metres	
SOW	Trench	Size (m)	excavated	processed	SOW	Trench	Size (m)	excavated	processed
5286237	1	4 X 1 X 2	8	0.2	5474555	1	30 X 6 X 6	1080	250
5286237	2	4 X 1 X 2	8	0.2	5474555	2	30 X 8 X 6	1440	300
5286237	3	4 X 1 X 2	8	0.2	5474555	3	20 X 6 X 4	480	100
5286237	4	4 X 1 X 2	8	0.2	5474555	4	25 X 15 X 6	2250	500
5286237	5	4 X 1 X 2	8	0.2	5474555	5	4 X 3 X 2	24	5
5286237	6	4 X 1 X 2	8	0.2	5474555	6	5 X 3 X 1	15	5
5286237	7	4 X 1 X 2	8	0.2	5474555	7	10 X 2 X 2	40	20
5286237	8	4 X 1 X 2	8	0.2	5228465	8	15 X 10 X 2.5	375	300
5286237	9	4 X 1 X 2	8	0.2	5228465	9	6 X 6 X 3	108	100
5286237	10	4 X 1 X 2	8	0.2					
5286237	11	4 X 1 X 2	8	0.2					
5286237	12	4 X 1 X 2	8	0.2					

#### DRILLING

The author is not aware of any drilling undertaken on the Horseshoe Bend property.

#### SAMPLE PREPARATION, ANALYSES AND SECURITY

To the best of the author's knowledge, Gold Rush Cariboo Inc. has not submitted any samples for analysis to any commercial laboratory, so this section is not applicable.

## DATA VERIFICATION

There are considerable issues arising from the use of historical placer production and exploration data under National Instrument 43-101. On a hard rock mineral project, there is a degree of confidence in utilizing historical data gathered by reputable geologists with reputable mining companies using industry standard (at the time) geological techniques and reputable assay labs.

Placer exploration and mining data comes from numerous sources that have varying degrees of credibility:

- Production results reported to government surveys
- Sampling results reported
- Drilling results reported

The historic production for the Quesnel River compiled by Holland (1950) is shown in Table 2. While there is no way to determine what portion of the 14,941 ounces if any came from the current Horseshoe Bend property, the production number support the presence of placer gold along the Quesnel River.

Much of the geological data relied upon for this report and for the forthcoming recommendations is sourced from the 1981 / 1982 work completed by J.C. Snell, P.Eng, a well respected and well renowned geologist, for Lewco Placer Corporation. The report is detailed and provides ample discussion on his observations. As is the norm in placer exploration, assaying was not completed with dollars per yard values calculated by hand panning of concentrates to the point where gold was recovered and weighed. There is no possible way for this author to verify those results.

The author has reviewed the minimal exploration data obtained from the Goldlands Inc. programs and sees nothing out of the ordinary. Based on the Holland (1950) compilation of historic production from Quesnel River, the Snell 1981 and 1982 documents on the Lewco Placer Corporation property, and the Goldlands Inc. recent exploration programs, the author feels the data is adequate for the purpose of this technical report.

## MINERAL PROCESSING AND METALLURGICAL TESTING

Mineral processing has been recently completed on the property. Placer gravels were processed using the Sonic 50 Processor System designed by Goldlands Inc. It is a complete all in one alluvial processor with a telescoping hopper/feeder. Three sized oscillating screens are the key to the system allowing a high concentration of placer material. The machine is fitted with a drop down tray for fat clean-up. The concentrates are further treated with the proprietary GoldTurbo system.

In addition sluicing was completed on ground within the current property boundaries: 1,000 yards in 1950 and a further 200 yards in 1954 according to the British Columbia Ministry of Mines Annual Reports for 1950 and 1954 respectively. No other details were provided in those reports.

The author is unable to make any assumptions or predictions regarding recovery estimates. The author is unable to make any statement on the degree to which any mineral processing was representative of the placer mineralization, as no data is available. The author is unable to make any statement on any processing factors or deleterious elements that could have a significant effect on potential economic extraction due to the lack of available data.

#### MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES

There are no current mineral resources or mineral reserves on the Horseshoe Bend property.

#### ADJACENT PROPERTIES

This report is not relying on data from adjacent properties.

#### OTHER RELEVANT DATA AND INFORMATION

This report is not relying directly on the geology of adjacent properties.

#### INTERPRETATION AND CONCLUSIONS

The Horseshoe Bend property lies in an area of high geologic potential for placer deposits. The exploration programs completed for Lewco Placer Corporation in the early 1980's confirmed the presence of placer gold within three distinct terraces of benches on the property. A historic resource estimate was calculated based on these programs and reported in Snell (1981 and 1982):

##### **Lower Bench**

Reserves	750,000 cubic yards	comparable to current indicated resources
Possible Reserves	500,000 cubic yards	comparable to current inferred resources

##### **Middle Bench**

Possible Reserves	750,000 cubic yards	comparable to current inferred resources
-------------------	---------------------	------------------------------------------

##### **Upper Bench**

Possible Reserves	2,149,056 cubic yards	comparable to current inferred resources
Safety factor for possible	1,000,000 cubic yards	
Adjusted Possible Reserves	3,359,056 cubic yards	comparable to current inferred resources

Volumes of gravels were calculated by simple field measurements for horizontal lengths and widths. Depths were defined by the sampling program. The sampling program defined a grade of \$4.77 per cubic yard based on a gold price of \$15.00 per gram calculated at 28 grams to the ounce.

The historical resource was originally calculated by J.C. Snell, P.Eng in "*Report and Production Feasibility on Placer Leases PL628 – PL2408 Located on the Quesnel River for Lewco Placer Corporation*" dated 07-May-1981 (Snell, 1981). It was modified after the second sampling program of Wilder (1981) and disclosed in the Statement of Material Facts for Heritage Petroleum Inc. dated 29-October-1981 that was unavailable to the author. However, Snell summarized the historical estimate in a letter to the British Columbia Ministry of Consumer and Corporate Affairs dated 06-January-1982 (Snell, 1982).

The author feels the historical estimate is relevant and can be considered reliable. The work done by Snell (1981) was of verification nature where he physically visited the sites and confirmed the presence of placer gold on claims through a verification sample that was taken and panned to black sand under his direct supervision during his site visit. The later documents do not state whether the second sampling program was verified by Snell, but he felt comfortable revising his original estimate, so the author feels he must have felt the program was done properly.

The historical resource estimate was based on two sampling programs. The first program consisted of 18 samples, 14 taken from excavator pits to a depth of 19 feet (5.8 metres) and 4 taken from D7 cat dozer trenches. Five of the samples resulted from the sluicing of  $\frac{1}{4}$  cubic yards and 7 resulted from panning with a conversion factor of 135 pans to the cubic yard. The method of sample processing for the 4 cat dozer trenches was not indicated. (Table 3a). The second sampling program consisted of a further 26 excavator trenches to depths of 19 feet (5.8 metres). Twenty-five of the samples were sluiced in volumes ranging from 1 to 3 cubic yards as shown in Table 3b.

The lower bench (0-15 feet) would be classified as an indicated mineral resource because sufficient sampling has been completed. The remaining three volumes would be classified as inferred mineral resources due to limited to no sampling. Snell deducted 1,000,000 cubic yards from the combined inferred mineral resources as a safety factor to compensate for a possible lower grade.

The author has not been made aware of more recent estimates or additional geological data that would allow an update of the estimates.

A program of grid sampling would be required to move the historical estimates into current resources.

**A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Gold Rush Cariboo Inc. is not treating the historical estimate as current mineral resources or mineral reserves.**

Since the trenching and subsequent processing completed by Goldlands Inc. confirmed the presence of placer gold within the low bench on the placer lease, larger samples in the order of 500 to cubic yards should be taken from a number of the pits on the lease itself, based on the results from the 1 cubic yard grid sampling as Phase II. A total of 5,000 cubic yards should be tested from 10 of the pit locations.

An exploration program of regular grid sampling should be directed at the peripheral claims to test for extension of the three benches. This program should consist of a series regularly spaced excavator pits to the depth of the boom. One cubic yard of material should be removed from the side of the pit in a continuous channel and sluiced to concentrate. The concentrate should then be dried, with the gold subsequently removed and weight to establish the grade of each pit. The benches should be surveyed to determine the actual dimensions of each bench.

In addition the potential for platinum and other minerals needs to be verified as there have been reports of platinum in areas along the Quesnel River. A number of the concentrate samples should be submitted for Quantitative Evaluation of Materials by Scanning Electron Microscopy (QEMSCAN) analysis. This analysis should be able to identify any valuable minerals within the black sand concentrates.

The author is not aware of any significant risks or uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information. The historic resource estimate will need to be quantified by the exploration program described above.

The author believes the Horseshoe Bend property is an exploration project of merit. The historic exploration has documented placer gold on the benches lying within the current property boundaries. The author therefore feels further exploration is warranted.

#### RECOMMENDATIONS

A program of regular grid sampling on the claims is recommended for the Horseshoe Bend property. Excavator pits to the depth of boom should be dug at 100 yard (91 metre) centres throughout the claims for the grid sampling program, approximately 55 pits. One cubic yard of material should be removed from the side of the pit in a continuous channel and sluiced to concentrate. The concentrate should then be dried, with the gold subsequently removed and weight to establish the grade of each pit.

As a check of the gold weighing, one pan of material from each side of each pit should be taken to black sand and sent for gold analysis by fire assay and multi-element ICP. As well, a minimum of 15 samples from the sluiced concentrates should be submitted for QEMSCAN analysis. Each of the three benches needs to be accurately surveyed to determine their full length and width to allow an accurate volume calculation. The cost of the grid sampling program is estimated at \$215,000.

**Table 5. Test Pitting Budget**

<b>Program Budget</b>							
Complete 50 test pits							
Survey the benches							
Geologist	25	days	@	\$800	/day		\$20,000
Assistant	25	days	@	\$450	/day		\$11,250
Assistant	25	days	@	\$450	/day		\$11,250
Room & Board	75	days	@	\$125	/day		\$9,375
Equipment mob							\$2,500
Excavator	250	hours	@	\$300	/hour		\$75,000
Equipment mob							\$2,500
Sluice plant	25	days	@	\$1,000	/day		\$25,000
Pump	25	days	@	\$500	/day		\$12,500
QEMSCAN Analysis	15	sample	@	\$250	/sample		\$3,750
Analysis	100	sample	@	\$50	/sample		\$5,000
Travel							\$5,000
Sundries							\$2,500
Report	10	days	@	\$800	/day		\$8,000
Contingency							\$21,375
<b>Total</b>							<b>\$215,000</b>

**Plate 1. Historic Test Pits at June 2016**



-30-  
REFERENCES

- Bailey, D.G. (1987). Geology of the central Quesnel belt, Hydraulic, south-central British Columbia (93A/12). British Columbia Ministry of Energy and Mines, Geological Fieldwork, 1987, Paper 1988-1. pp.147-153.
- Eyles, N. (1989). Post-depositional nugget accretion in Cenozoic placer gold deposits, Cariboo mining district, British Columbia (93A,B,G,H). British Columbia Ministry of Energy and Mines Exploration in British Columbia 1989 pp. 147-169
- Eyles, N. and Kocsis, S.P. (1989). Sedimentological controls of gold distribution in Pleistocene placer deposits of the Cariboo mining district, British Columbia. British Columbia Ministry of Energy and Mines Geological Fieldwork 1988, Paper 1989-1 pp. 377-385.
- Holland, S.S. (1950). Placer Gold Production in British Columbia. Ministry of Energy and Mines Bulletin 28. 89 p.
- Holland, S.S. (1976). Landforms of British Columbia. British Columbia Ministry of Energy, Mines and Petroleum Resources Bulletin 48.
- Levson, V. M. (1995). Surficial Placers, in Selected British Columbia Mineral Deposit Profiles, Volume 1 - Metallics and Coal, Lefebvre, D.V. and Ray, G.E., Editors, British Columbia Ministry of Employment and Investment, Open File 1995-20, pp 21-23.
- Levson, V.M. and Giles, T.R. (1993). Geology of Tertiary and Quaternary Gold-Bearing Placers in the Cariboo Region, British Columbia (93A,B,G,H). British Columbia Ministry of Energy and Mines Bulletin 89. 202 p.
- British Columbia Ministry of Energy and Mines Annual Report for 1876, 1881, 1901, 1903, 1904, 1909, 1910, 1911, 1915, 1917, 1920, 1929, 1930, 1934, 1939, 1940, 1945, 1946, 1947, 1948, 1949, 1950 and 1954.
- Snell, J.C. (1981). Report and Production Feasibility on Placer Leases PL628 – PL2408. Private report for Lewco Placer Corporation.
- Snell, J.C. (1982). Clarification Letter to Ministry of Consumer and Corporate Affairs for Heritage Petroleum Inc. Statement of Material Facts dated 06-January-1982..
- Struik, L.C. and MacIntyre, D.G. (2007). The Nechako NATMAP Project of the Central Canadian Cordillera. British Columbia Ministry of Energy and Mines Open File 2007-10.
- Wilder, L.E. (1981). Sampling results from the November 1981 program on the Lewco Placer Corporation leases dated 30-November-1981.

**CERTIFICATE FOR R. TIMOTHY HENNEBERRY**

I, R.Tim Henneberry, P.Geo. a consulting geologist with offices at 2446 Bidston Road, Mill Bay, B.C. V0R 2P4 and 704 - 1060 Alberni Street, Vancouver, B.C. V6E 4K2 do hereby certify that: I am the Qualified Person for:

**Gold Rush Cariboo Inc.**

Suite 400 - 365 Bay Street  
Toronto, Ontario M5H 2V1

I earned a Bachelor of Science Degree majoring in geology from Dalhousie University, graduating in May 1980.

I have been registered with the Association of Professional Engineers and Geoscientists in the Province of British Columbia as a Professional Geoscientist since November 1992, with License Number 19759.

I have practiced my profession continuously for 37 years since graduation.

I have read the definition of "qualified person" set out 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. My relevant experience for the purpose of this Technical Report is:

- 36 years of exploration experience for base and precious metals in the Western Cordillera
- I was Chief Geologist for Goldleaf Management Group Lower Stewart River placer gold projects during the period 1988 to 1992.
- I have reviewed placer operations in the Cariboo, Germansen River and the Fraser River and written technical reports for several of these operations.

I am responsible for all sections of the technical report titled "National Instrument 43-101 Report Horseshoe Bend Project" and dated April 8, 2017, relating to the Horseshoe Bend property. I originally visited the Horseshoe Bend property on November 27, 2003 for one day and most recently visited the property on June 10, 2016.

I have had prior involvement with the property that is the subject of the Technical Report, writing a Technical Report on the Horseshoe Bend Property in January 2004.

As of August 24, 2017, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

I am independent of the Issuer and the independent of the property vendor after applying all of the tests in section 1.5 of NI 43-101.

I have read NI 43-101 and Form 43-101F, and the Technical Report has been prepared in compliance with that instrument and form.

I make this Technical Report effective August 24, 2017.

"signed and sealed"

---

R.Tim Henneberry, P.Geo