An Exploration and Mining Project

New Vulcan Hill Project, Bonner County, Idaho

— GEOPHYSICAL INDUCED POLARIZTION MAGNETOMETER RESULTS

March, 2016 Report

— GEOPHYSICAL RESULTS

New Data

Revised, November 2017

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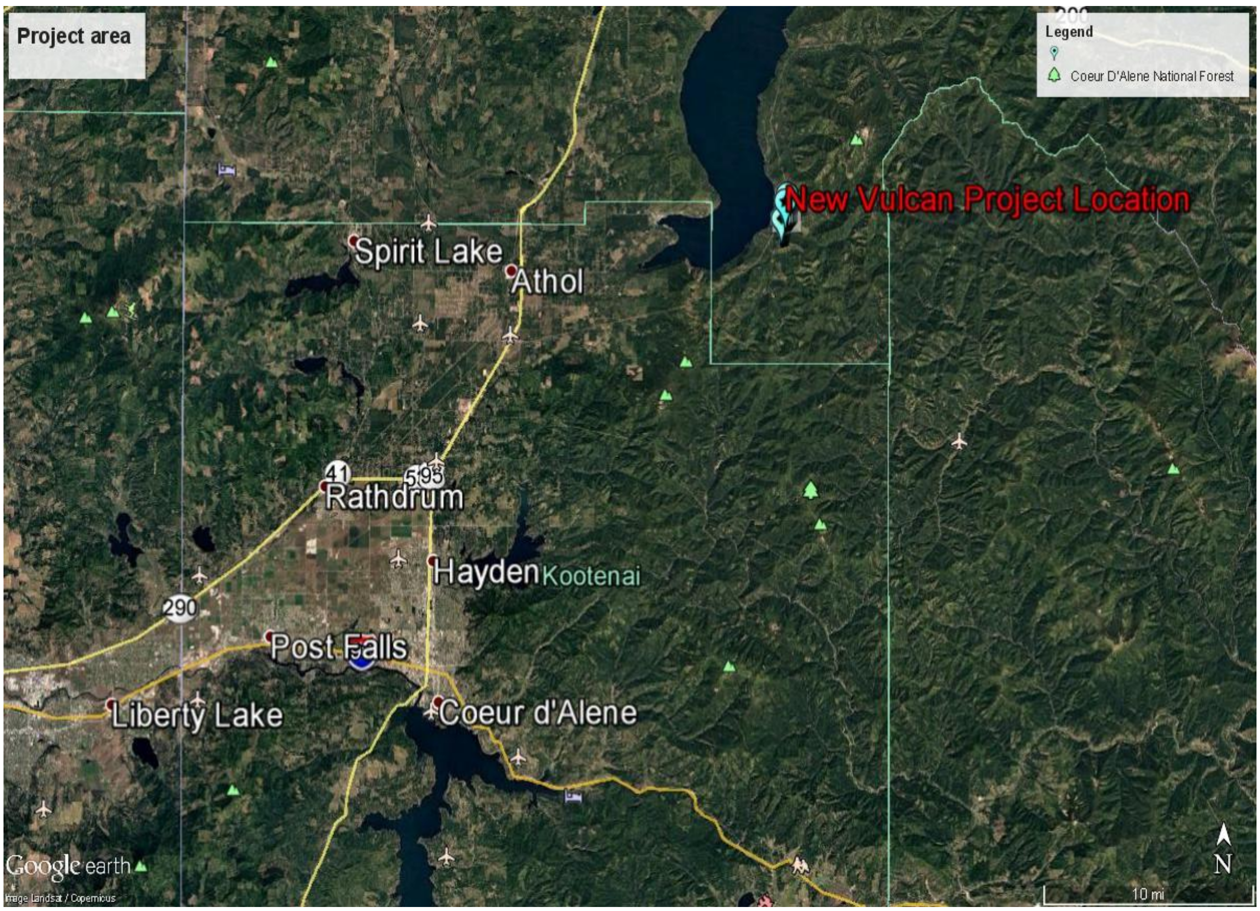
GEOPHYSICAL INDUCED POLARIZATION - MAGNETOMETER RESULTS over NEW VULCAN HILL PROJECT, Lakeview, Idaho
Interpretative Report for New Vulcan Hill, LLC.
For Bob Wood, March, 2016

Summary: ***by: Garry Carlson, Geophysicist, Gradient Geophysics, Inc.***



AERIAL VIEW OF LOCATION OF NEW VULCAN HILL PROJECT, NORTH of Coeur d'Alene IDAHO

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I) GEOPHYSICAL SURVEYS (Summary of data collected):

I conducted several geophysical surveys over the New Vulcan Hill Project, consisting of two (2) Induced Polarization / Resistivity surveys, and two main (2) magnetometer surveys. These are listed below:

A) Induced Polarization / Resistivity (IPR) surveys:

- Southwest target area, Line 2 IPR data collected over a 600 meter test line August, 2016, n=6 at 50 meter station spacings
- Road Rock target area, Line0 IPR data collected over a 550 meter test line October, 2015, n=6 at 25 meter station spacings

B) Magnetometer surveys:

- Fill-in lines over entire project area, magnetometer and GPS data collected at 1 second intervals, continuously. Corrected for drift using a base station. Data collected October, 2015.
- Over entire project area, magnetometer and GPS data collected at 1 second intervals, continuously. Corrected for drift using a base station. Data collected August, 2015.

C) IPR surveys were located on the bases of geological information, initial magnetometer surveys, as seen below:

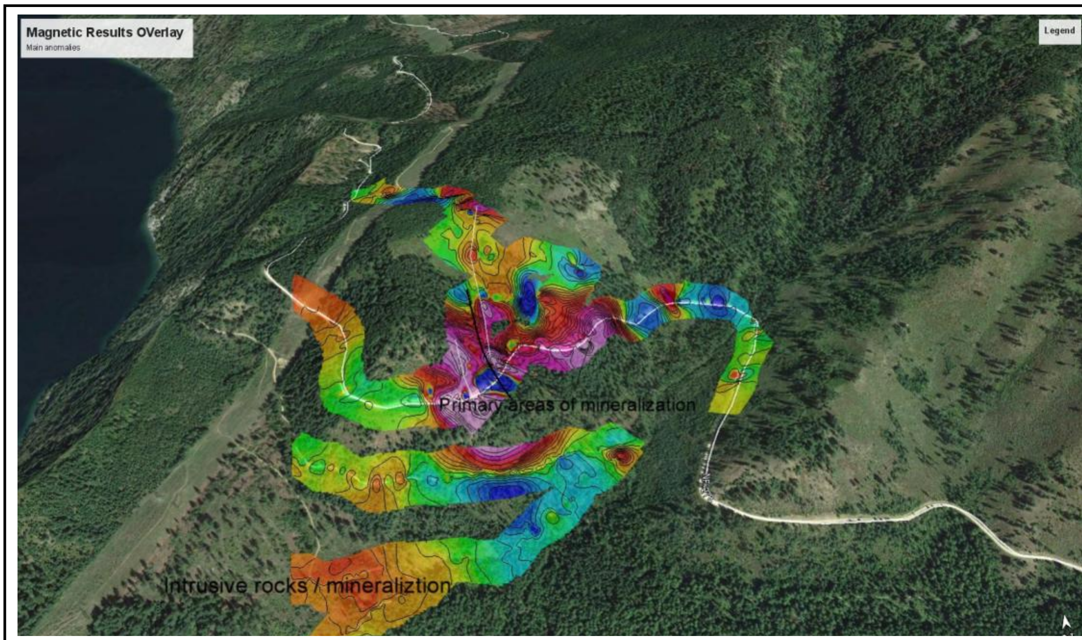


Figure 1) Shows area with initial magnetic map overlay. Magnetic highs are in red. Road access was utilized.

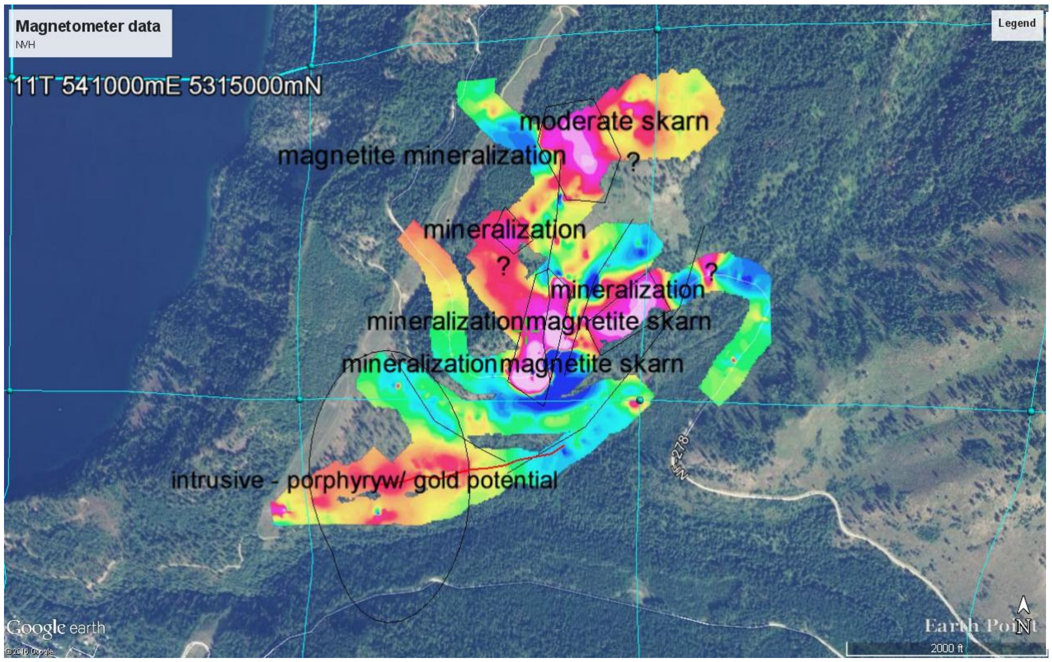


Figure 2) Latest magnetic map overlay with description of anomalies. The grid shows UTM coordinates for every 1000 meters.
Used for deciding the IPR lines.

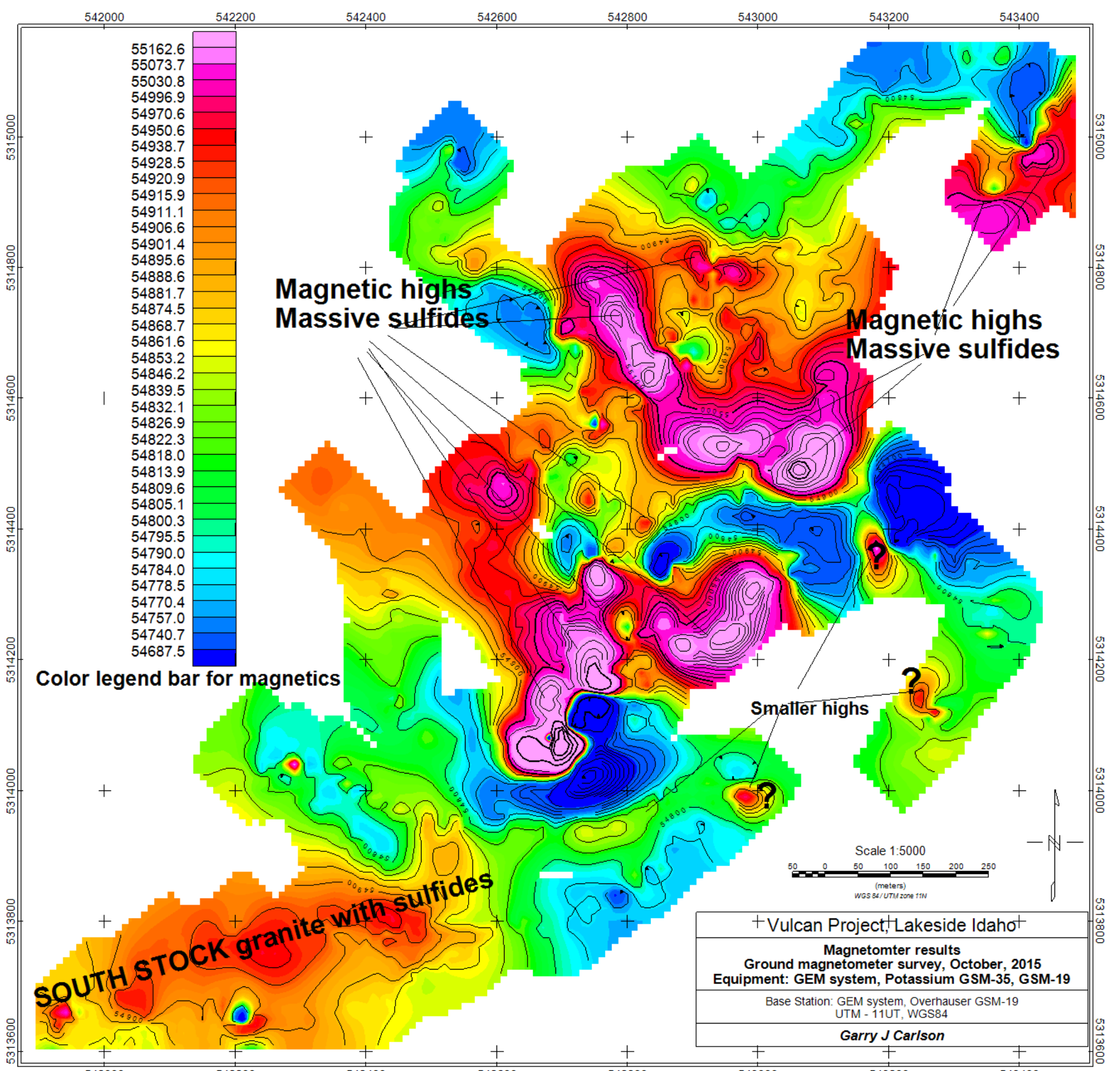


Figure 3) Portrays the anomalies with final magnetic map overlay. Magnetic highs are in red. IPR data were collected based upon this map and the geologic information

More detail can be gathered with fill-in magnetics.

II) Southwest target area, Line 2 IPR data: (labeled as SOUTH STOCK on Figure 3)

A) Summary and Background of IPR on Southwest target area:

The geophysical response from the latest IPR survey shows an extensive, very prominent, highly anomalous zone with excellent upside potential for mineralization in this target area. From the previous magnetometer survey, I interpreted this area to have high potential as a granitic stock with gold potential and noted as SOUTH STOCK granite with sulfides (Figure 3). After the identification as a target area based primarily on the magnetics and a few small outcrops, Bob Wood opened a previously prospected adit. The workings within revealed a wide expanse of mineralization. The extensive underground workings show abundant sulfides with significantly high molybdenum and copper values but also quite varied in mineralization – hosted within granodiorite and limestones.

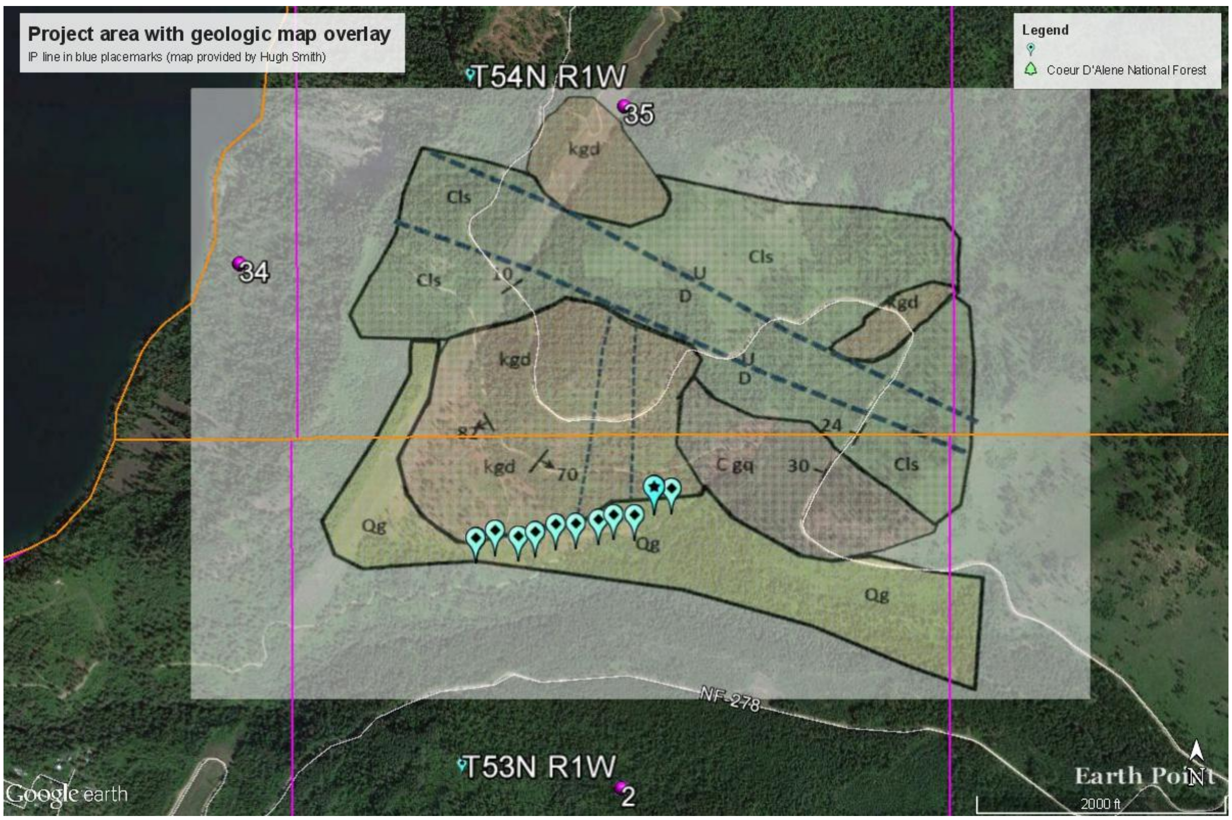


Figure 4) Location of stations and line of IPR survey over the Southwest target area. The underling map shows the general geology of the area, The IPR line covered the Qg area but mapped lithologies of granodiorite and quartzites near the surface that extend below the Qg, alluvium plus.

Note: IPR surveys here are ground based electrical surveys where 2 sets of data are collected to get a depth section of 1) chargeability, and 2) resistivity. The following maps you view show the higher values as “hot colors” or red colors grading to the “cooler colors” with the lowest values in blue, dark-blue.

In the most basic of situations, chargeability is usually a function of sulfides. Here, at the NVH project sulfides almost always are associated with high grade mineralization. Resistivity is generally connected with rock type, which encompasses mapping geology, fault zones and alteration zones. The resistivity appears to highlight silicified zones (highs or red colors), alteration zones (lows or blue colors) and fault zones (lows or blue colors in linear trends) in the NVH project area, although only two test lines have been completed over the area – that appears to hold true as a foundation for the interpretation that follows.

B) Chargeability results – based on computer inversion modeling:

The Southwest target area shows exhibits an extremely high chargeablity anomaly surrounded by a broad zone of high values (in red). This extreme high is located approximately 100 meters below the surface and centered approximately 75 to 100 meters west of the adit. This chargeability anomaly is one of the highest I’ve ever recorded (see figure below).

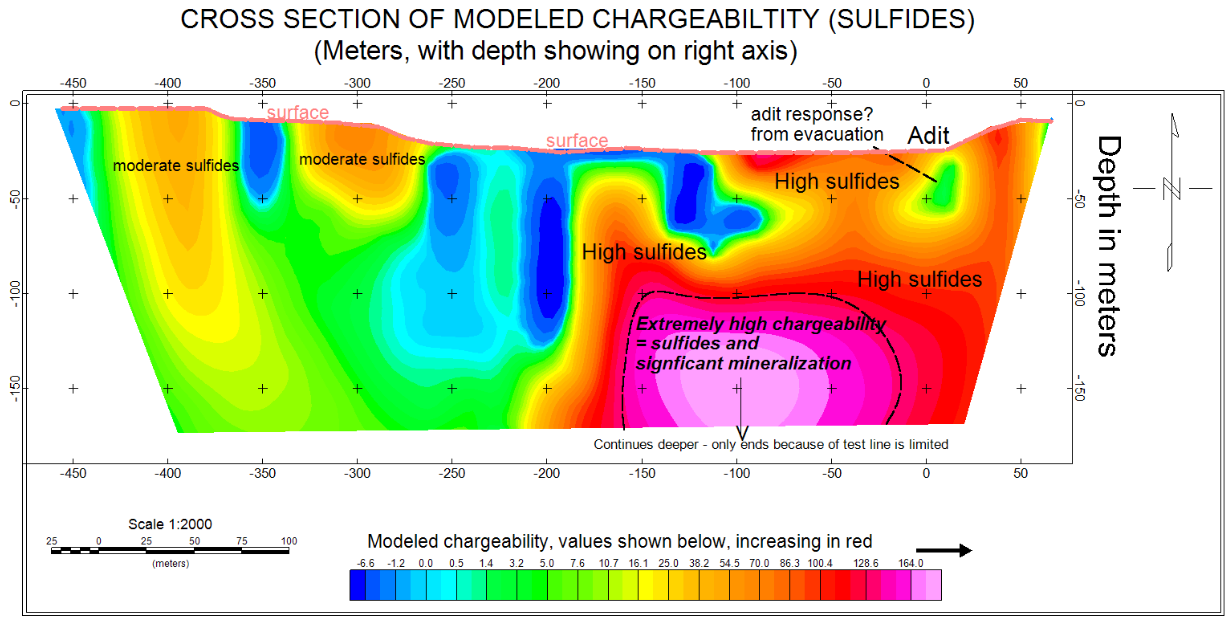


Figure 5) displays modeled chargeability. Red outlines the high values. Note extremely high values around -100 meters.

From Adit which the opening is located at Station 0 and extends north beyond the line, the anomaly is located at -75 to -150 west and starts at 100 meters below the surface, with the highest values centered at 150 meters below the surface. It extends over 100 meters in width. This anomaly continues with deeper. It is open-ended beyond the depth coverage of the test survey depth. Note also the surrounding high chargeability numbers (in lighter red). The red suggests mineralization due to association of mineralization with sulfides in the NVH project area, in particular the adit near Station 0.

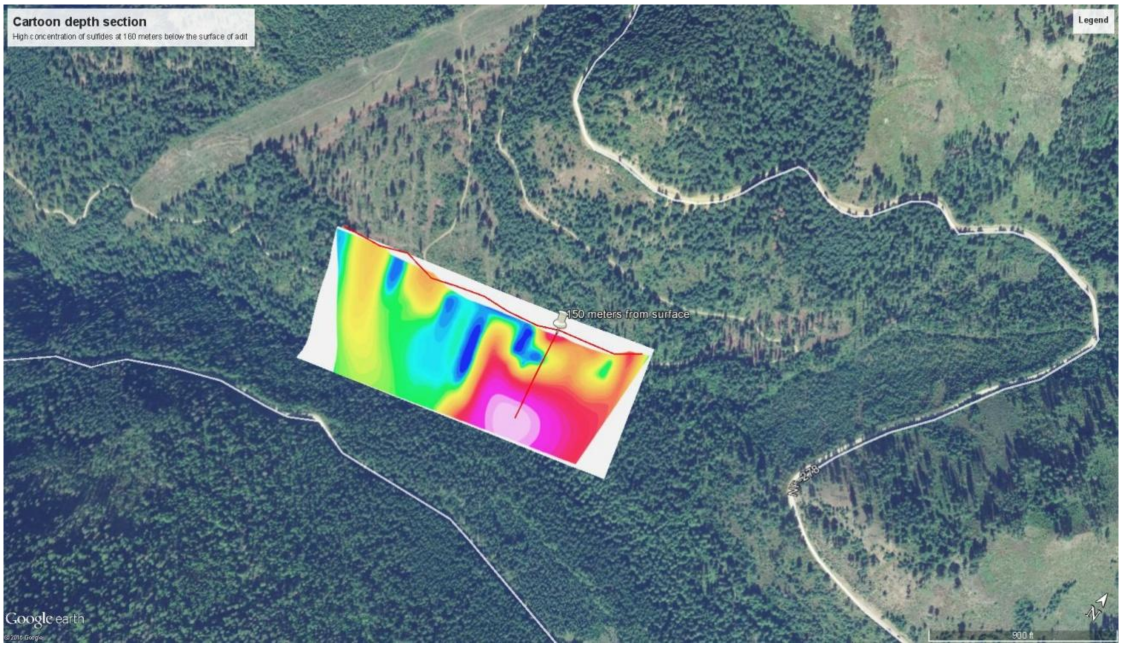


Figure 6) Above shows chargeability values in Google Earth – with pseudo depth section. The plot is a depth section of high chargeability values, with a very prominent anomaly in red. The picture above is intended to display the chargeability section below the survey line (in red).

B) Resistivity results – computer inversion modeling:

Resistivity shows some interesting results as far as the general geologic framework of this target. The most conspicuous feature is a high resistivity at the center of the line and located approximately 75 to 100 meters deep. This may be a silicified cap, on its side, that is associated with the prominent chargeability anomaly (see Figure 7 below).

Also note the low resistivity zone, outlined in blue that lies adjacent to the chargeability high. This signifies an excellent target in addition to the sulfide zone.

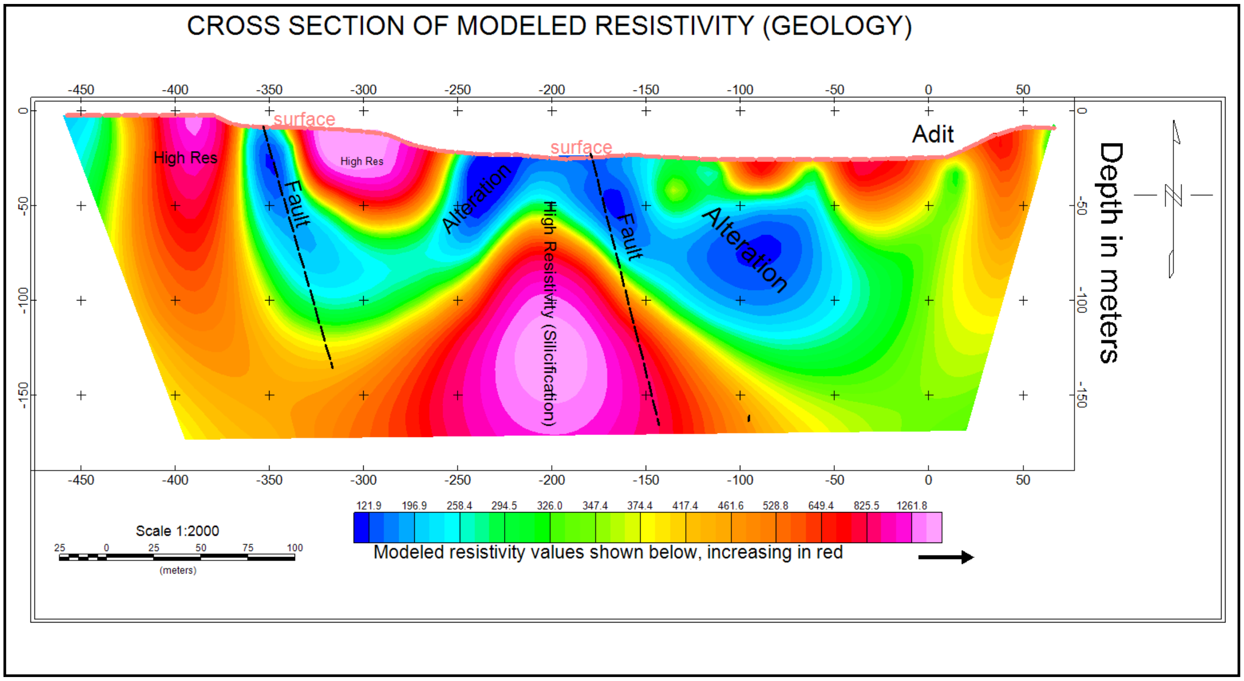


Figure 7) Modeled Resistivity section. Portrays high resistivity (silification in center) in red and faults with alteration zones. Note the close association of silicification to the west, and alteration near to top relative to the prominent chargeability high.

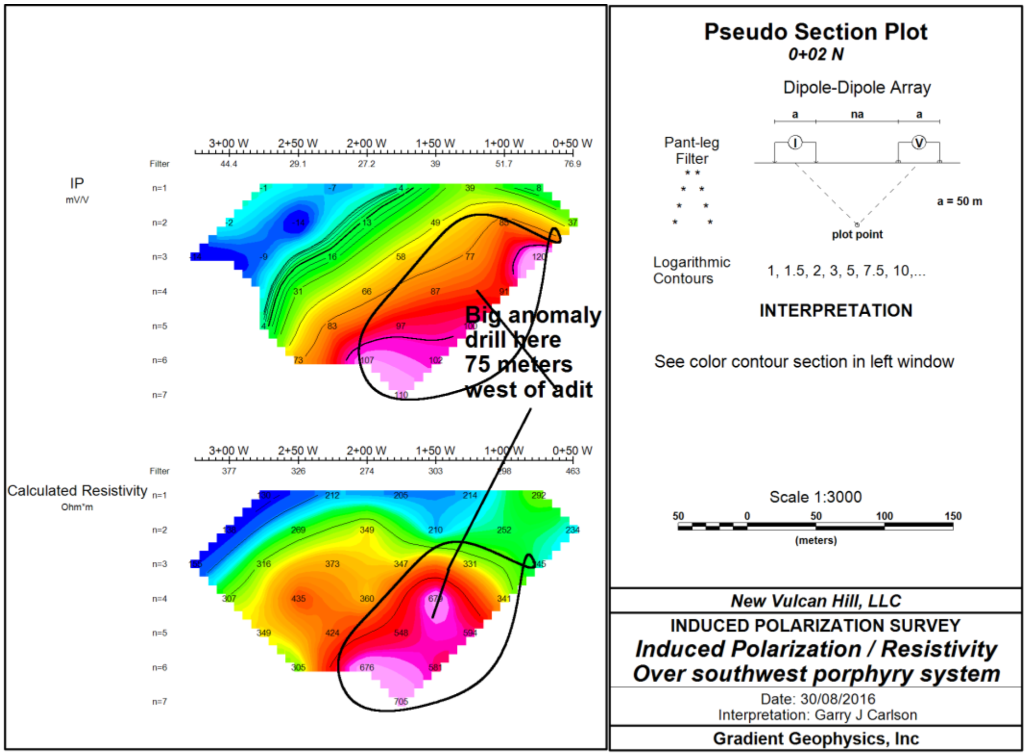
C) Summary of IPR results

During August, 2016, I designed and implemented an IP survey with Hugh Smith and Bob Wood as survey crew members to help put in line and collect IP data in the southern half of the New Vulcan project. This was the second part of IP gathered over the project area. The target was a mineralized – sulfide rich intrusive near a newly opened adit that exposed quite a large extent of sulfide mineralization. I previously identified this area as a granitic intrusive target for potential mineralization in the magnetometer survey completed last year.

The stations shown above were approximately 50 meters apart, with the line starting at the east end and extending a little over 500 meters following a road. The line was well short of the large power line that extends northeast – southwest at the western edge of the project.

The initial results were provided in a pseudo-sectional format. These plots are shown below

Figure 8) Portrays Sectional (Psuedosection) results from the IP survey, with section view looking north, stations started at 0 in the east. Top section is chargeability, lower section is resistivity. (Notice very prominent chargeability anomaly in red):



The better images for interpretation are the modeled sections in Figures 5, 6 and 7 depicting the inversion modeling the IP using UBC DCINV2D software. This inversion effectively places the anomalies in a real geometric space in the plots – rather than the pseudo-sectional plots. Therefore, one can make a reasonable interpretation of the IP anomalies in the context of depth and width.

The chargeability anomaly needs to be defined, detailed and confirmed because of the extremely high values recorded. Although at this point there is no indication to question the results due to any cultural effects. The prominent anomaly does seem to conform to previous geophysics that I collected at the New Vulcan Hill (NVH) project, in that it is surprising because of unexpected high magnitude and extent of the anomalies (albeit, based upon quick and efficient surveys).

I highly recommend further geophysics to follow-up; with the objectives to:

- define the depth of this anomaly,
- detail the extent of anomaly and mineralization,
- confirm the upside potential of the drill target.

II) Road Rock target area, Line0 IPR Phase I IP DATA (data collected in November, 2015)

IP data were collected over 550 meters along the main road, with 25 meter spacings centered at the massive sulfide outcrop in a road cut called "road rock" as designated by Robert Wood (see figure 1 below). The outcrop here shows significant copper values 20% (Robert Wood) within a massive sulfide magnetite. This was phase I of the IP geophysical data collection.

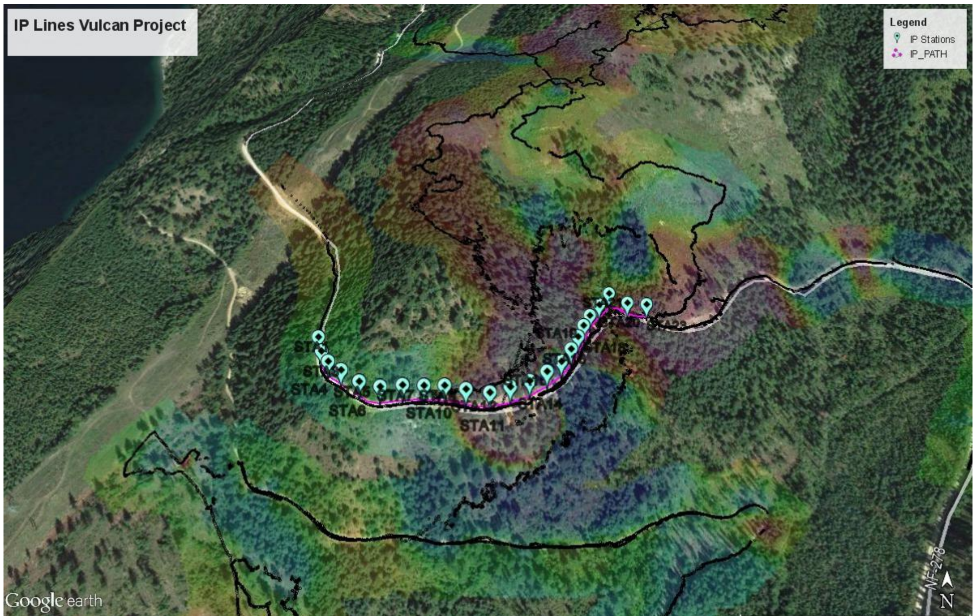


Figure 9) IP line in red with stations marked with balloons, overlain with magnetics (color map and black lines showing most paths). View looking north

A) Summary and Background of IPR on Road Rock target area:

The IPR survey here was the initial success. The primary goals were to identify the massive sulfides, and see extend both depth and width (within boundaries of the IP line coverage). We know that the massive sulfide outcrop shows a very prominent magnetic high; and that these highs extend over a large area away from the outcrop into covered areas. The magnetics essentially map magnetite and a certain extent pyrrhotite (iron sulfide); the outcrop in the "road rock" is highly magnetic and also contains abundant copper mineralization (copper sulfides). The idea for Phase I is that IPR results would add much more to defining the mineralization at the road cut as well as show the depths of mineralization. Massive sulfides respond as high chargeabilities (due to sulfides) and low resistivities (if they were metallic).

B) Chargeability and Resistivity results – computer inversion modeling:

The massive sulfide bodies continue below the surface extending beyond the depths of coverage suggesting a deep source. Mineralized bodies extend from Station 200 meters to Station 375 meters, then dip below a very prominent resistivity high (Station 375 to 500 meters), then resurface toward the end of the line. They are well outlined by significantly higher chargeabilities and lower resistivities (high conductivity). The zones are quite extensive; they coincide with the higher magnetometer values. The interpretive plots are shown below:

Figure 10) Extent of massive sulfides and mineralization outlined on resistivity and chargeability. Chargeability contours overlain over conductivity plot (red =high conductivity)

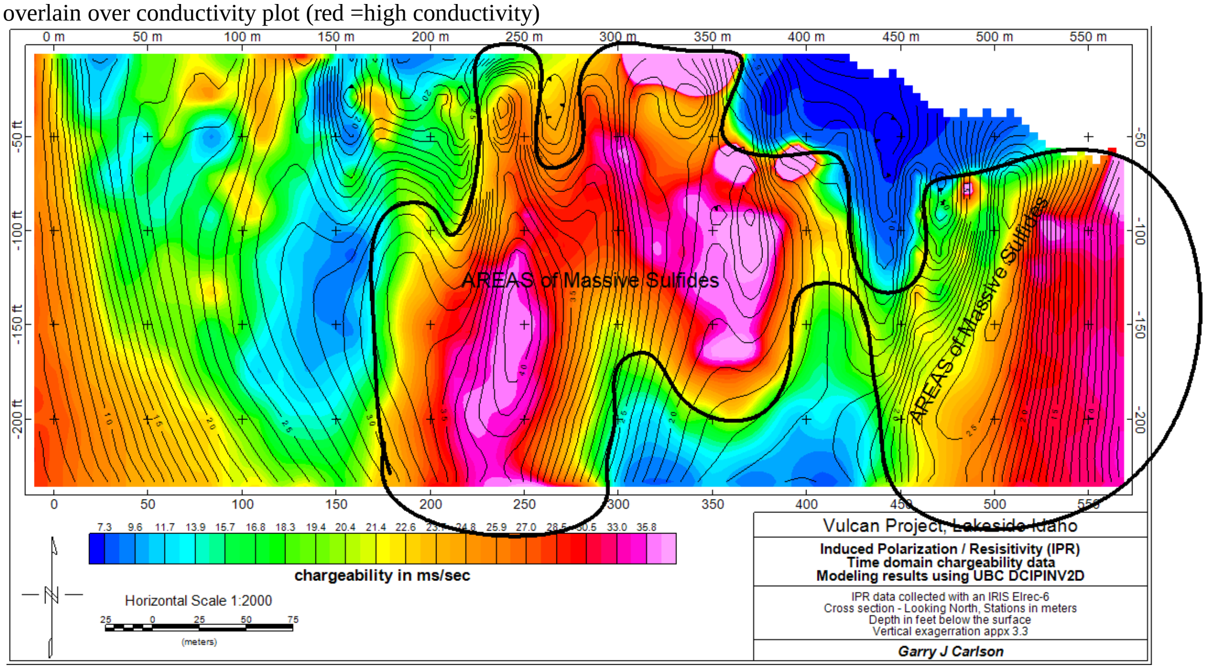


Figure 11) Resistivity highs, in red show potential silicification. Areas near surface at Station 400 meters to Station 475 meters is significant. Resistivity lows outline the massive sulfides.

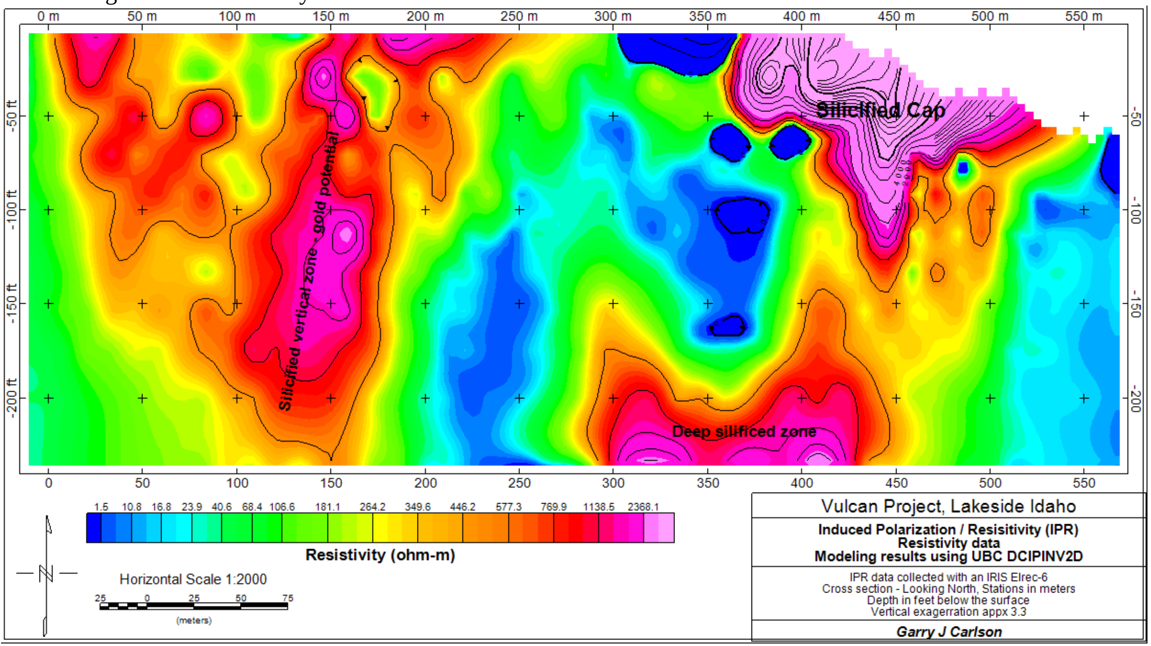


Figure 11 above shows the resistivity interpretive map with the highs signifying silicified zones. The area centered at Station 450 meters suggests a “silicified cap” that could potentially provide a “roof” for massive sulfide mineralization approximately 150 feet below the surface. Robert Wood has reported higher gold values in more recent sampling; I suggest that the gold potential may be part of silicification “stage” of the skarn mineralized event. During the magnetometer survey data collection, there appeared to be iron stained quartz float at the surface – in particular coinciding with magnetic lows. This would make sense in that the quartz, or silicification in void (or nearly) of magnetic minerals. This resistivity high also coincides with a magnetic low.

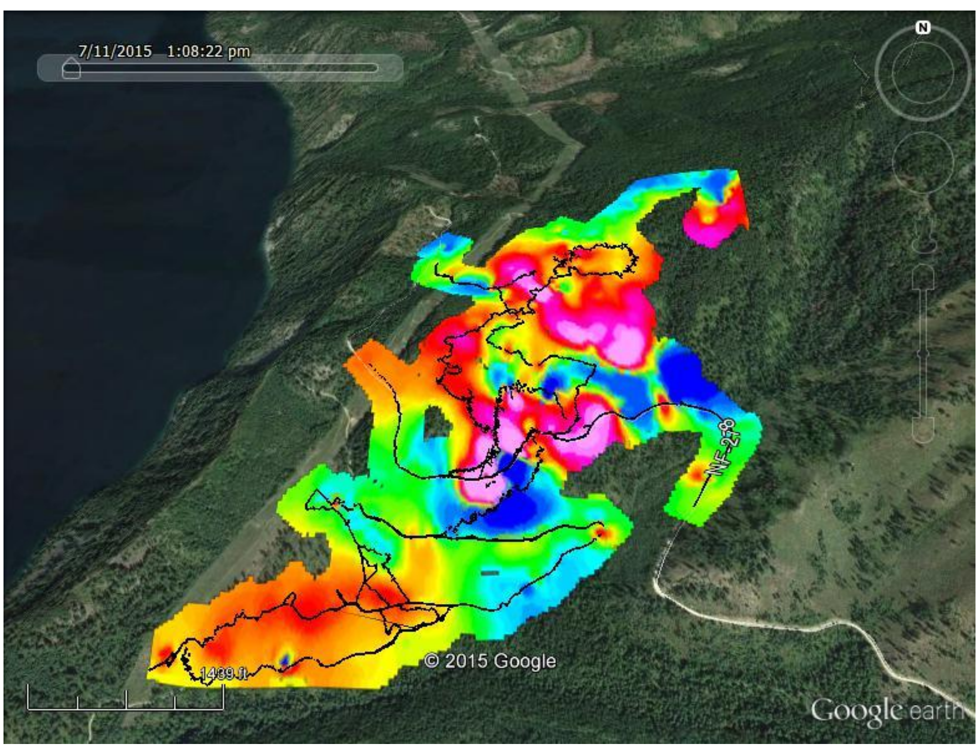
The IP – high chargeability and low resistivity was evident in the sections. Both show very prominent anomalies that suggest high sulfide and high metal content.

III) Magnetometer results: Phase I and Phase II

The Vulcan prospect area is interpreted as a skarn mineralized system. In August, 2015, I collected magnetometer along roads and animal paths in the first phase of the geophysics. These data showed a very high response over the massive sulfide outcrop. In fact, the magnetic anomalies covered quite an extensive area. These magnetic highs were over large areas that were mostly covered, with few outcrops but also dotted with older workings that were usually masked by brush and tree cover. The initial magnetic survey suggested other large copper-rich sulfide areas that indicate a high upside potential for the Vulcan prospect and claim block. These results I presented in an earlier summary in September. Phase II interpretation follows in this report.

This last phase, Phase II of magnetometer survey work shows a significant increase and definition to the skarn mineralization, significantly expanding the area of high potential for mineralization. Essentially, there are three (3) large, prominent magnetic highs, starting with the Road Rock (RR) area originally surveyed and extending north and east towards the top of the hill. Because copper (etc) mineralization follows the magnetite in the Vulcan project- as indicated in road rock area then the area for potential of mineralization has been greatly expanded. These prominent magnetic highs are coincident with the IP anomalies suggesting massive sulfide and copper mineralization - therefore are excellent drill targets even with the relatively sparse amount of geophysical results. In addition, the magnetic highs, supported by IP results, suggest widespread massive sulfide mineralization throughout the Vulcan project (see Figure 11 below).

Figure 12) The more recent plot of magnetometer results over the Vulcan project. Magnetic highs show the potential for massive sulfide and related copper mineralization to the central and north areas. The more subtle high to the south appears to be a sulfide bearing stock (worth exploring).



IV) Magnetometer interpretation:

Figure 13 below shows the magnitude and extent of the magnetic highs in red color. These zones suggest areas of massive sulfide and potential copper mineralization as seen in the road rock outcrops. The anomalous areas have been greatly expanded with the Phase II magnetics.

The subtle high to the south has also been defined in more detail with the Phase II magnetics. This stock appears to be a different rock type than any of the areas to the north. Outcrops and float on the surface indicate a more felsic type granite with abundant massive sulfides. There are several areas of quartz float near the outcrops. The area “smacks” of a potential gold system most likely with the precious metals hosted by the more silicified or quartz veining.

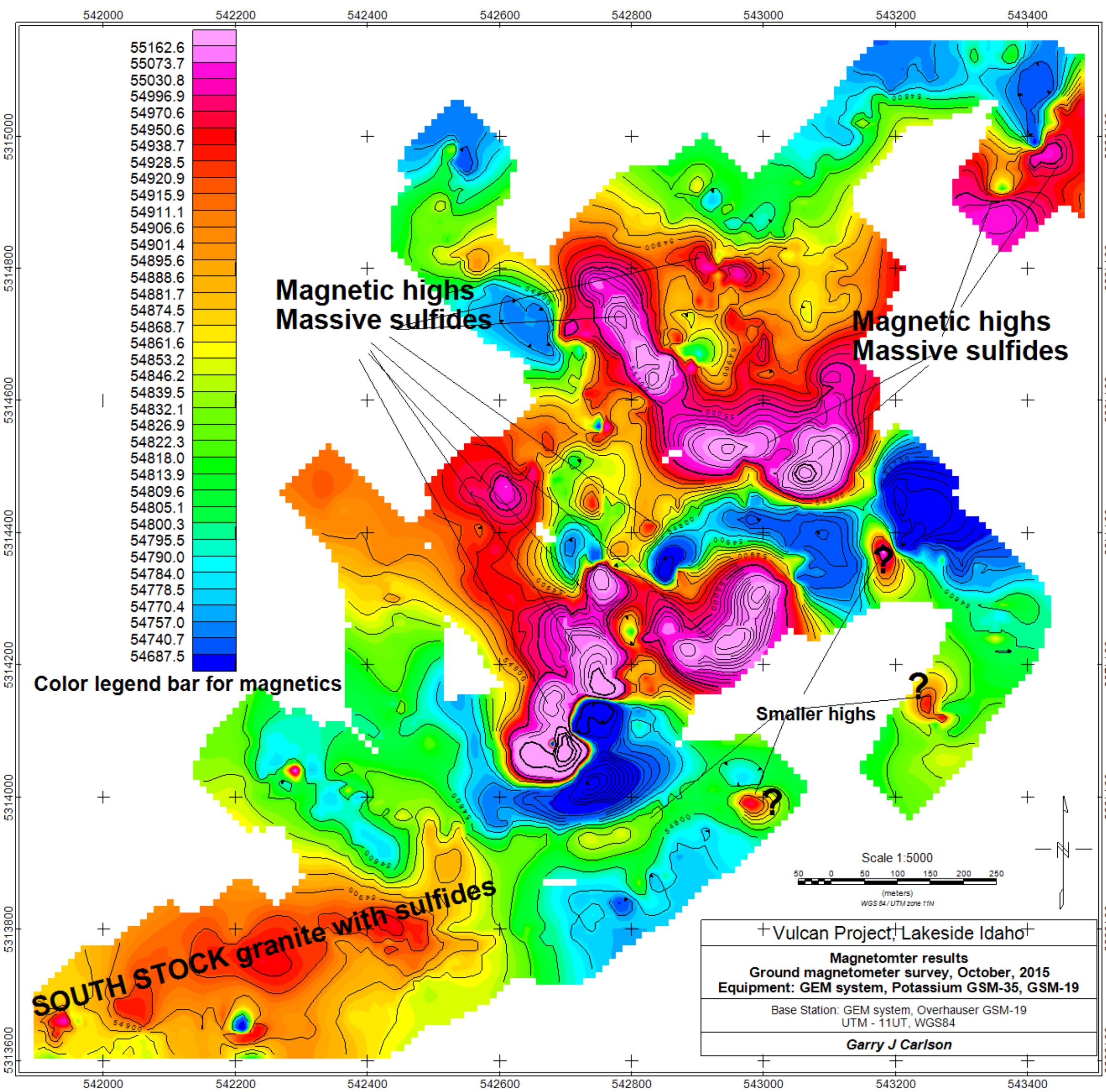


Figure 13) Shows the significant magnetic highs. Note the magnetic coverage is relatively limited and the extent of the highs can be further detailed with additional magnetometer lines.

In addition, the breaks in the magnetics and IP, in particular the magnetic and resistivity lows along with breaks in topography suggest areas of faulting (see figure 9 below). One noted area that I found in the north shows a long trench or prospect pit with float of quartz along with what appears to be silicified limestones (silica replacement). These areas should be sampled for mineralization. These structures generally lie adjacent to the prominent magnetic highs. One semi-circular feature appears near the granite – limestone outcrops. One possible interpretation is the fault is the result of uplift and then decompression due to a large intrusive. Perhaps the limestones found in the center of this fault are really a cap over the intrusive rocks. There is a marbleized front near the fault (in some places where I walked with the magnetometer) that suggests such a scenario. My interpretation of the faults are shown below, of course with more detailed geophysics, these structures can be further refined.

V) Summary:

IPR over the Southwest target show very highly chargeable rocks near the adit and extending below the depth of coverage. This presents an exciting drilling target. The main chargeability anomaly spans approximately 100 to 150 meters and appears nearly centered just west of the adit. The fact that the anomaly gets stronger - deeper in the section indicates a high upside potential.

A resistivity high (also in red) is coincident with the higher chargeability values. This correlation suggests that the very high chargeability values are associated to “rock-type” rather than say a high percentage of mineral-type – graphite. Normally, if there is abundant graphite, the resulting IP section would show a resistivity low. This is not to say there is not graphitic component, but it the overall IP anomaly smacks of a highly chargeable sulfide within the granite – granodiorite.

This anomaly shows an exciting drilling target even based upon this short line. This line was surveyed mainly to test the mineralization within the sulfide rich granodiorite within the adit and the interpretive magnetics map indicating potential granite (by Gradient, before the adit was opened). With more data, computer inversion modeling would help in determining depth to IP coverage; however, this data is too sparse with this short of survey line. In any event, the IP anomaly is very well delineated as viewed on the section – to determine a drill target. More data on more lines certainly would be helpful in determining the extent and truly verify such high chargeability numbers surrounding this adit.

Likewise the IPR over the Road Rock target shows excellent drilling targets. The anomalies are prominent here but not quite as high as the Southwest target.

VI) RECOMMENDATIONS:

- With a little more geological information, I will be able to model and pinpoint additional drilling targets on the NVH project. However, more data collection is also needed. My surveys have really been short test lines or somewhat scattered walking lines (magnetics).
- Collect airborne magnetometer data using a drone system to fill-in the spaces from the initial tests.
- Expand the IPR coverage in particular the Southwest target area. I recommend starting the line from further to the east and expanding the number of stations per transmitter reading. This will obtain better depth coverage and resolution at the same time. I can design this survey.
- Collect VLF data along the roads, in particular the Road Rock area and the Southwest target area. The VLF data will better define the structures.
- Continue detailing a structure map base upon the magnetics and the IPR – resistivity lines I completed.

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GEOPHYSICAL RESULTS over NEW VULCAN HILL PROJECT, Bonner County, Idaho Interpretative Report for New Vulcan Hill, LLC. Revised, November 2017

by: Garry Carlson, Geophysicist, Gradient Geophysics, Inc.

Summary: *This year's geophysics reveal more interesting targets at the New Vulcan Hill (NVH) mineralized moly-copper property. Geophysics consisted of: 1) additional high-resolution magnetometer data and, 2) Very Low Frequency Electromagnetics (VLF-EM). New assay results and geologic mapping show excellent correlation between mineralization and geophysical anomalies. These data add support to identifying mineralization with geophysics at the NVH project.*

Previous high-resolution magnetometer data and Induced Polarization results show: 1) copper rich skarns have expanded the areas of interest in the central and north areas, 2) moly-copper porphyry mineralization is defined to at least 200 meters long and 200 meters deep at the southern area near Adit #3.

High-grade mineralization of molybdenite and copper are found within three adits, and several prospect pits that dot the NVH mineralized system. And, as with any large system, there are other metals, as seen in elevated values of zinc, silver among others; and in some places gold – although the sampling for gold has not been a high priority until recently.

The 2017 geophysical data provides detail to begin delineating faults and structures - some that suggest hydrothermal alteration – favorable to precious metal deposition. New results show gold values coincident with geophysical anomalies indicative of alteration structures. A likely scenario within a large porphyry system such as the one NVH system exhibits. New compilation of the geophysics may be utilized now to direct sampling cost effectively. The updated maps below show results of 1) additional magnetics, 2) interpretive structure map, and VLF-EM, IP anomalies, with discussion. Results clearly demonstrate the three geophysical methods of: 1) magnetometry, 2) Induced Polarization (IP) and, 3) VLF-EM provide great exploration tools at the NVH project.

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I) Interpretation of magnetometer results:

A) Background on magnetometer surveys:

The figure below provides the basis for the interpretation of the magnetometer (magnetics) results for the New Vulcan Hill Project (2016 compilation). The numerous, prominent magnetic highs (red) cluster in the north and central areas. Apart from three adits and a few outcrops, there are no other exposures as the skarns are hidden under cover. Originally, the focus on “black rock” found near the main road, and near a “closed” adit. First assays showed extremely high copper values from samples exhibiting high magnetite content. The initial focus was on this “discovery” to test the; 1) magnetic signature, 2) and map the “vein”. However, the magnetics showed a surprising expansion of the highs to the north. As the surveys have expanded the anomalies have expanded. Mineralization now appears widespread.

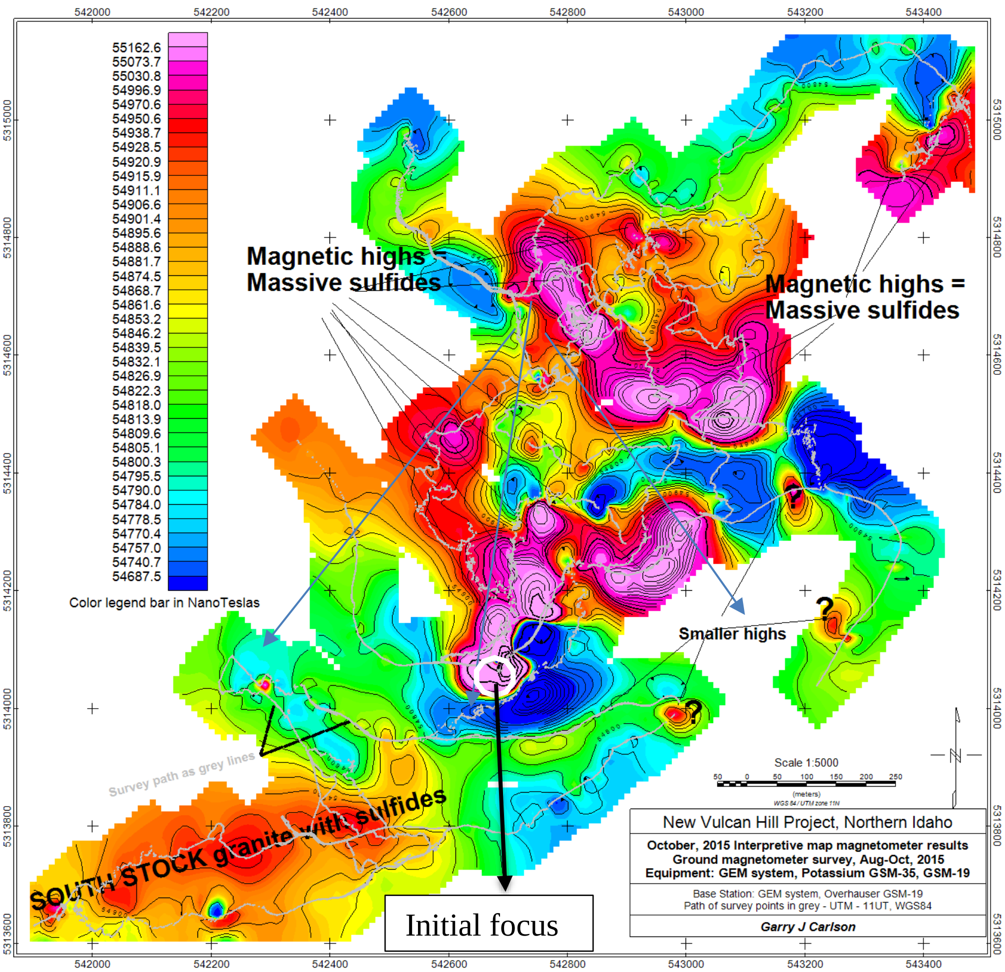


Figure 1) Color contour color map of the previous magnetometer results, 2016. Note “Massive sulfides” equal skarn mineralization. “Discovery” in white circle. This map shows the northern high, and central highs, and to the southwest - the South Stock high interpreted as a major intrusive within a large porphyry. The map is the basis for the geophysics interpretation of the New Vulcan Hill project. This map provides the basis for geophysical interpretation at NVH.

B) **Addition of magnetics in 2017:**

The addition of magnetics in 2017 at NVH expanded the areas of skarn mineralization in the central and north areas. Also, results show anomalies that are both large and small but critical to the porphyry mineralization in the south. Figure 2 shows the magnetics plot for 2017 in a hot-cold colour format accentuating the large highs associated with mineralization. The inset below is derived from this image but recontoured to highlight the two (2) new features in the south.

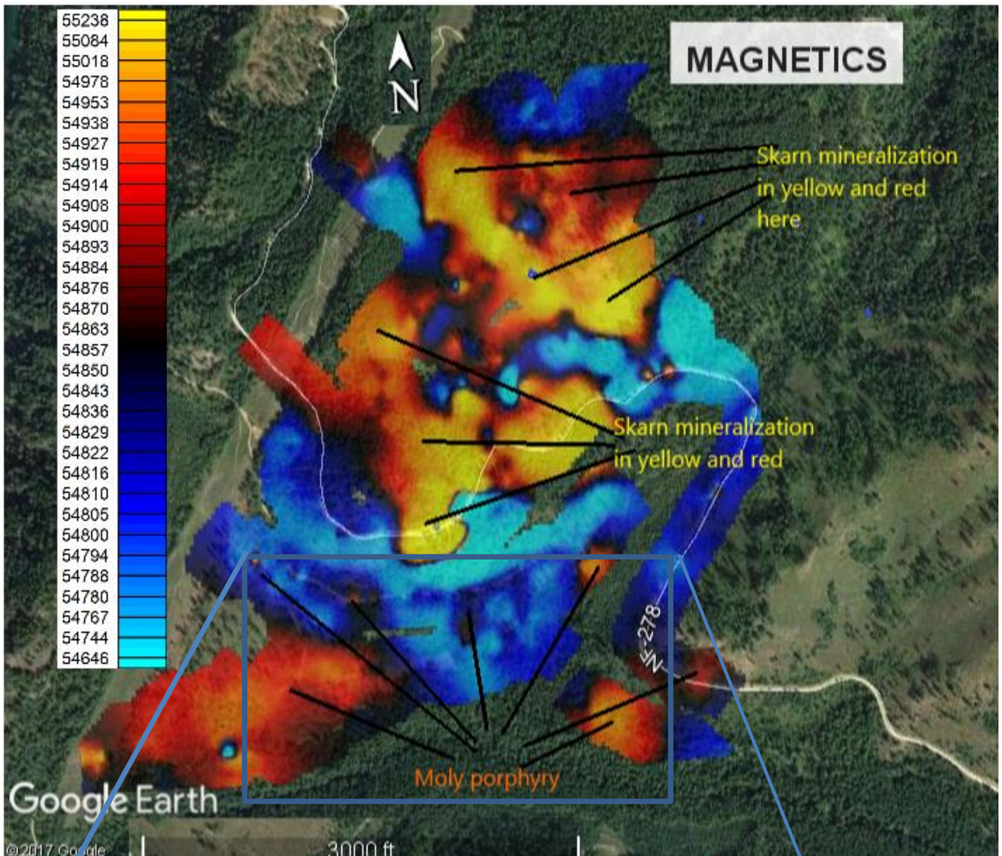
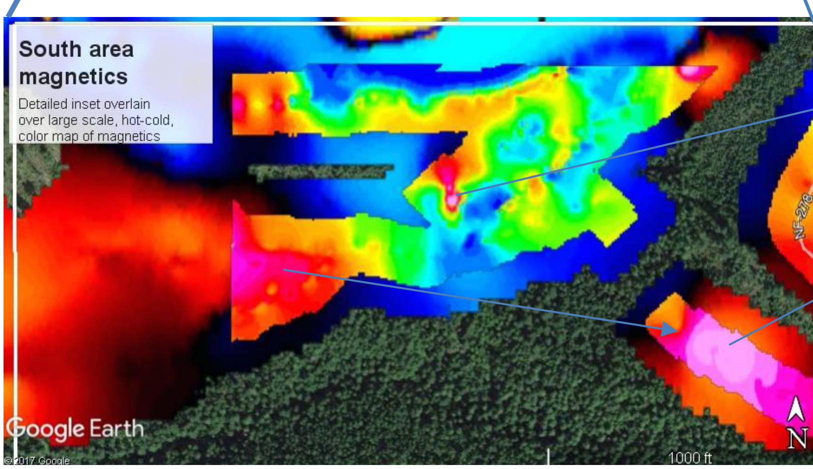


Figure 2) A hot-cold color display of magnetometer results, 2017. The "edges" of the complete survey area has been trimmed to focus on the core area. The hot-cold color plot highlights the core anomalies, however, some, "smaller" detail is sacrificed. Detail for smaller but significant features are shown in the inset below. NVH exhibits both large and small anomalies that are significantly related to high grade mineralization.



New anomaly 2017. Adit 3 with high grade moly mineralization shows a magnetic high.

New anomaly in 2017, shows a high in the south east with signature like the anomaly in the southwest over the Southern stock.

Interestingly, the south central high (New anomaly, 2017) overlies Adit #3; which contains high grade molybdenite and copper. It also appears there are high-grade zones extending outwards from the main bodies (Figure 2). Perhaps Adit #3 is one of these extensions. The southeast high suggests that Moly porphyry extends eastward and may be connected to the one in the west. - the lack of coverage between the two highs suggests a fill-in here.

II) Structural interpretation map (magnetics):

The figures below show the interpretation of structures as of 2017.

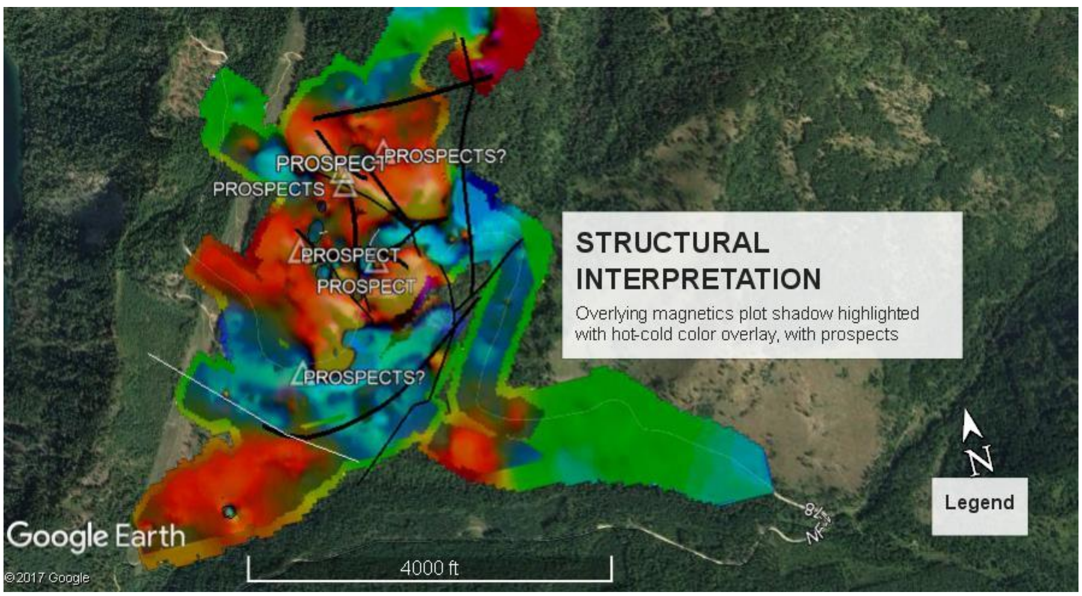


Figure 3) left depicts a combination of hot-cold color image of magnetics overlain on the normal color contour map for highlighting the major magnetic features, Fault lines (in black) primarily interpretive from the magnetics. General locations of Prospects (pits, not major adits) are shown based on observations. White line indicates probable separation of domains of intrusive rocks.

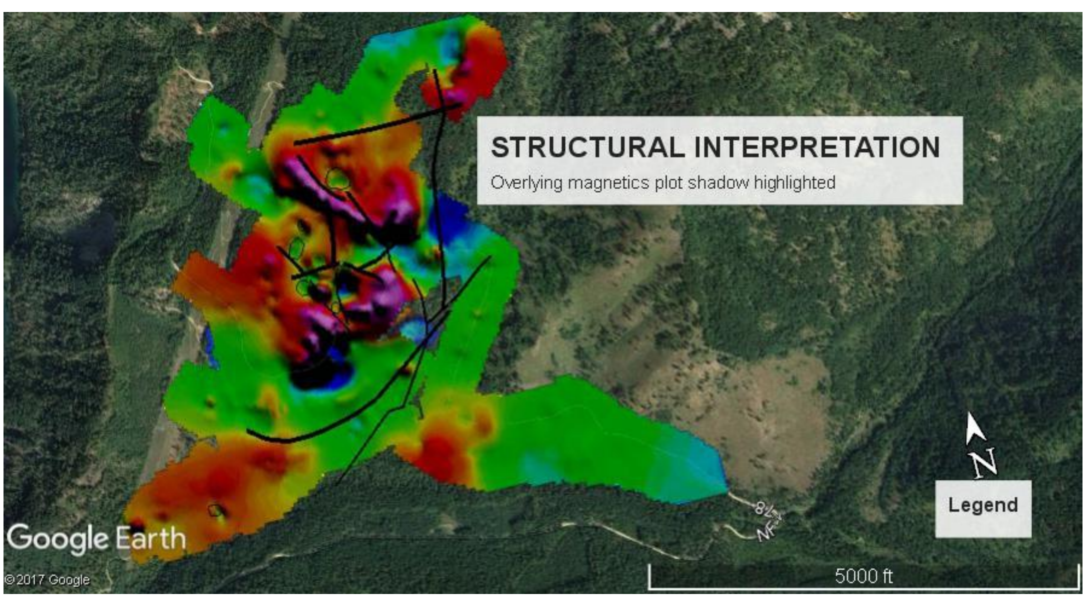


Figure 4) left showing the faulting in black and areas suggestive of solution breccias as evidenced by the circular features. The color contour map shows the highs (red) and lows (blue) and is enhanced by a shadowing, with a sun angle set at 45 degrees to the east and 60 degrees above the horizon.

Interpretation of circular areas of alteration (see Figure 5 below) is inferred by contrasting smaller, magnetic lows (blue), surrounded by large magnetic highs (in red) - supported by coincoident topographic depressions and linear drainages. Alteration of this sort may yield a new mineralization target – one suggesting hydrothermal alteration. In many porphyry systems, there is a later, hydrothermal component to the system, perhaps as a last gasp of fluids through faults. The hydrothermal alteration (vents?) would show circular magnetic lows due to destruction of magnetite from upwelling, hot mineralized fluids.

Evidence of this is seen at the NVH system. Within the NVH adits, alteration of clay (fault gouge) and associated quartz veins distinguish the fault zones. Note, only lately have the rocks here been assayed for gold; and not to the investigative extent needed to uncover a dessiminated gold deposit. Expecially if the gold is microscopic (no-see-em). However. it is not unreasonable to believe there exists a gold mineralization component to the NVH mineralized system. Several, elevated gold values were assayed from the dump near Adit #2, which lies on the edge of the skarn minerlization. Interestingly, There are several smaller, but well-defined magnetic lows recorded near this sample location. Initial sampling and assaying was to define the obvious - high zones of copper and molybdenite mineralization, and later funding was an issue. Reent assays from a few samples within clay and quartz veins (faults), and in Adit 3 also indicated elevated gold values (Robert Wood, 2017).

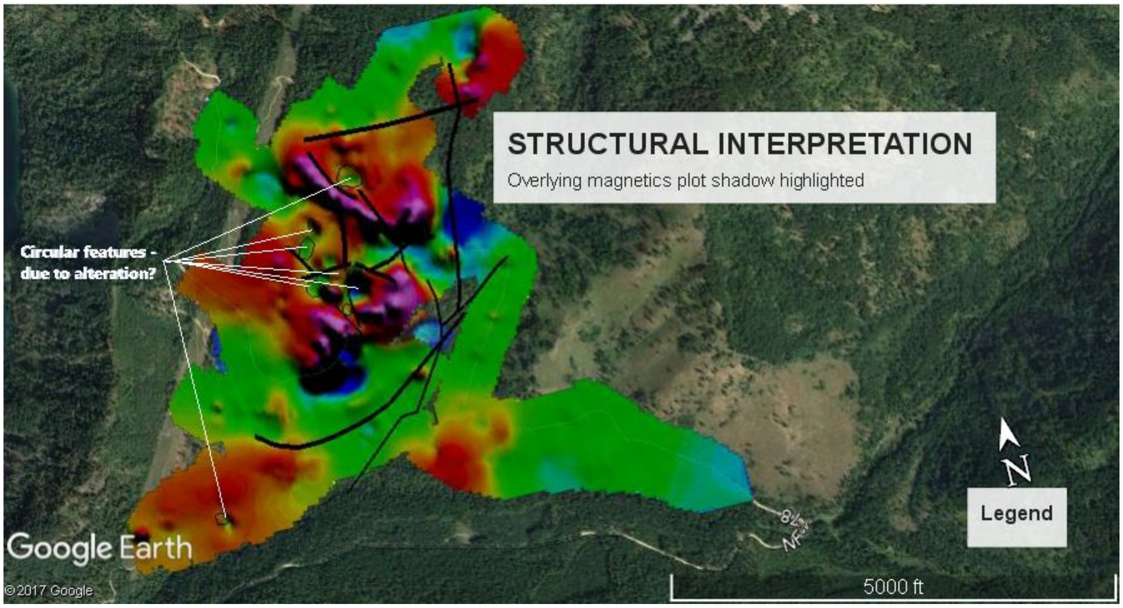


Figure 5) Color contour - shadow image, magnetics, with interpreted faults (black lines), and circular features. Initial interpretation is supported by the field data, although features need confirmation by infill, as gridding can contort).

III) VLF-EM results:

VLF-EM (VLF) results are shown below in Figures 6, 7 and 8. The main VLF parameter utilized was the Total Field reading reflecting Field Strength. This parameter was the most consistent in the VLF readings, because the direction of the VLF station was not optimal for using the In-Phase readings (needs to couple). In Figure 6 below we see the Total Field of 30 or higher using the readings from the Seattle VLF station (25.2 kHz) in red, with the stations in blue. As seen over majority of the line, there are relatively high readings (red). Drift corrections were performed during the survey.

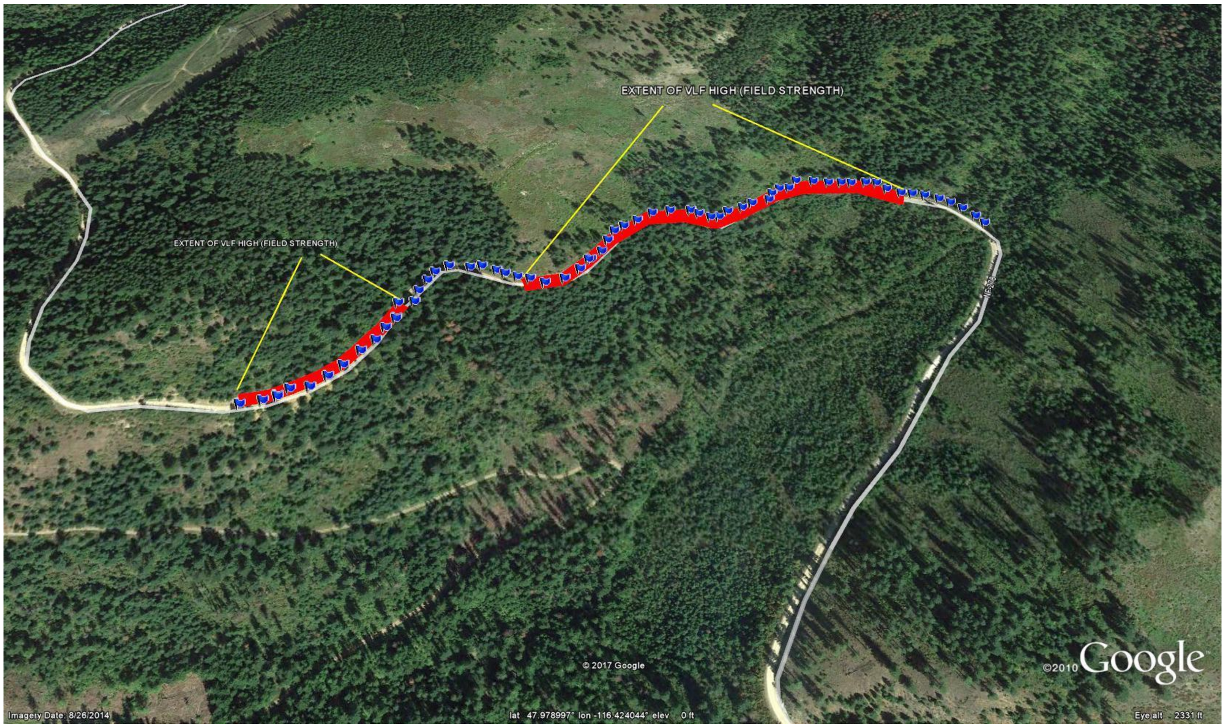
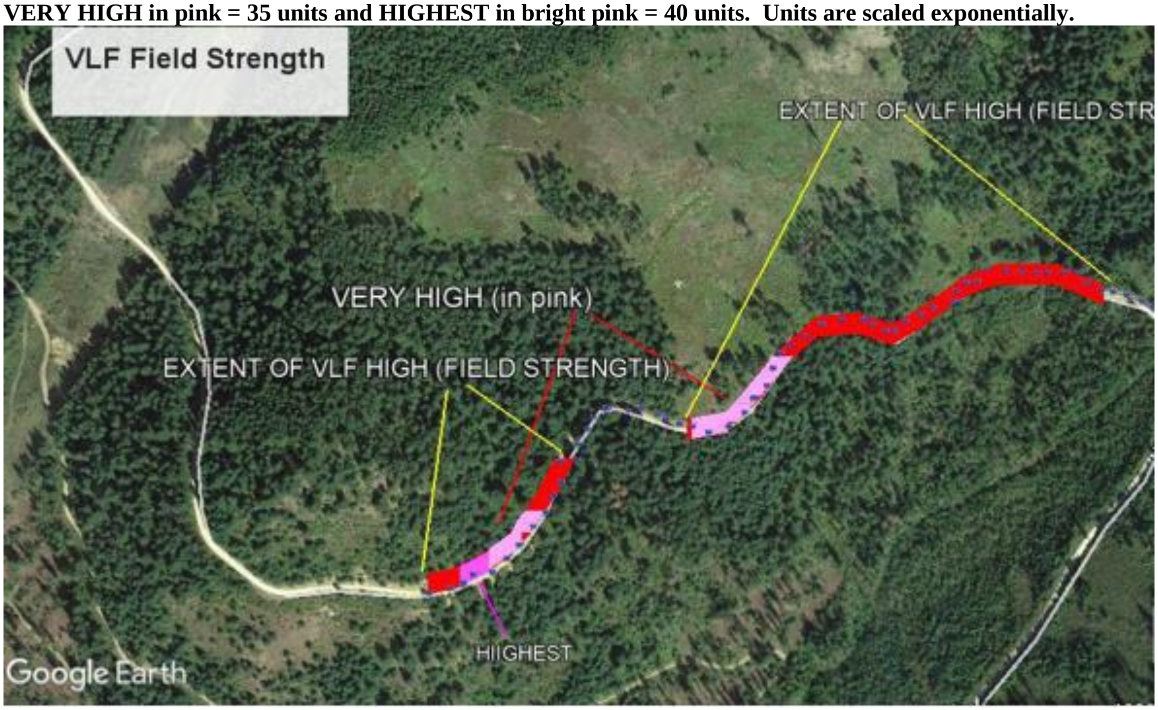


Figure 6) Showing the area of VLF-EM anomalies in red, and location in blue flags. Total Field as recorded from 25.2 kHz, Jim Creek, Washington station. The red shows total field readings above 30 units and covers a large area.

The elevated VLF readings cover most of the survey line, but so do the higher magnetic readings. The anomalies are marked by higher conductivity (lower resistivity) values. The western most anomalous segment coincides with the massive sulfide zones, as seen in the outcrops and associated magnetic highs. The eastern most segment is a combination of massive sulfide zones and alteration (clays?). The anomalies can be further broken out and provide more detail as shown in the following figures below.

Figure 7) Showing location, North is up. and the VLF-EM highs broken out in red = above 30 units, VERY HIGH in pink = 35 units and HIGHEST in bright pink = 40 units. Units are scaled exponentially.



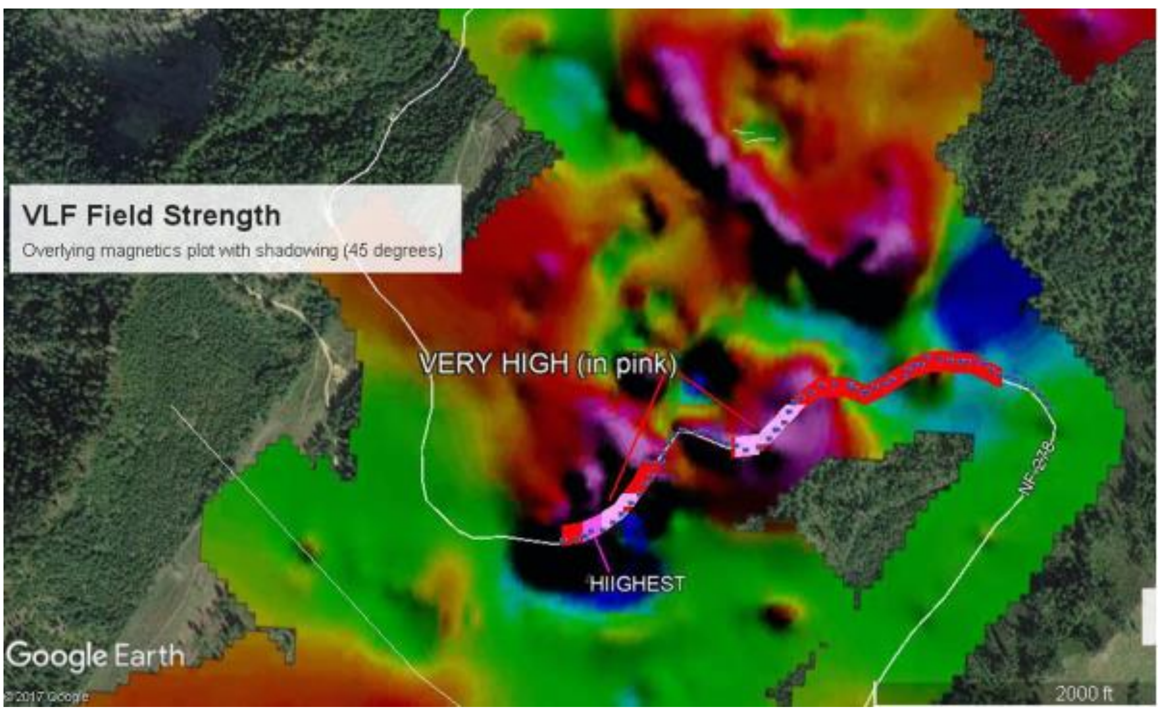


Figure 8) The VLF-EM results overlain over a color contour, shadow map of the magnetics. Note the VLF-EM highs correspond to the magnetic highs. The exception is at the eastern end. Here the VLF elevated readings denote alteration due to an intersection of faults.

VLF anomalies, of low conductivity – correlate with the magnetic highs (as seen above in Figure 8). The HIGHEST readings (related to conductivity) from the VLF were recorded near the Adit #2, with VERY HIGH readings over the magnetic highs (in red). At NVH, these are the expected responses over areas of highly conductive massive sulfides that are associated magnetite. The two geophysical methods are complementary, and support the identification of mineralization at the NVH mineralized system.

Interestingly, the VLF highs signify high conductivity, or low resistivity; the converse is true as well. The VLF lows (or non-signature, in the case of the plot) also signify high resistivity areas.

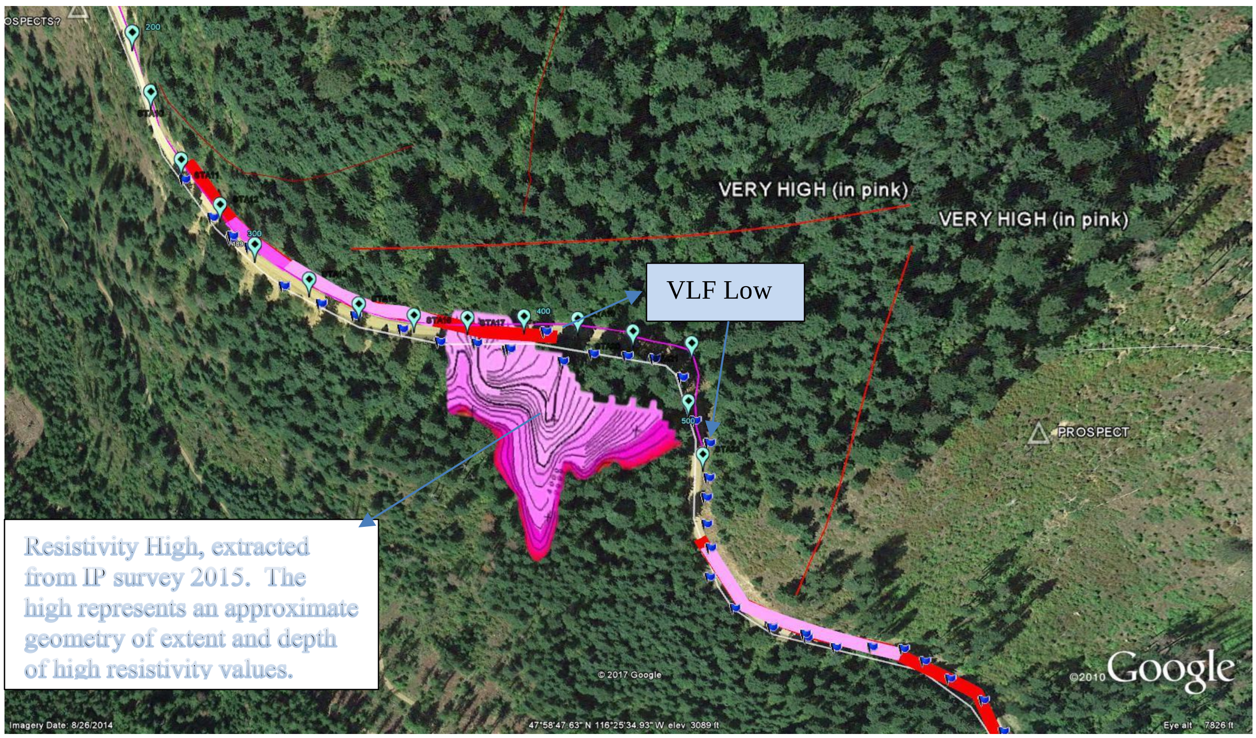


Figure 9) Pictorial representation of VLF line and resistivity at depth. Extracted resistivity anomaly in bright red-purple with contours, from Induced Polarization (IP) survey in 2015. Resistivity anomaly is a result of inversion modeling. This is a depiction of what the anomaly would look like below the road. Comparison is valid as both surveys were conducted along the road. It is only approximated, to portray the resistivity anomaly with the VLF results. Note the VLF low (which is the non-descript part of the VLF line) covers the area of resistivity high in red,

IV) Discussion of results:

As described above, the higher resistivity values, are coincident with the VLF low. This IP – resistivity high presents itself as a large silica “cap” (2015 interpretation). In many porphyry systems, gold is found in or near the higher resistivity areas due to upwelling, hot fluids circulating along a fault zone, or plumbing system, depositing precious metals. The fault zone here is noted by the linear drainage with coincident linear magnetic lows. The low is due to magnetite destruction from the upwelling fluids (destroying and / or carrying array the magnetite).

As seen above, the case is made that all three (3) geophysical methods, of magnetics, IP and VLF (as well as geomorphology) come together to support the interpretation of a large fault zone striking northwest to southeast, and crossing the road. And this anomalous zone shows characteristics of a potential gold target. It’s one site example of using geophysics at the NVH site to refocus from the “larger” scale, which has been very successful, to a “smaller” scale, that is more cost-effective at the gold exploration level.

The NVH project has all the earmarks of a large, multi-dimensional mineralized system. Even with the relatively small amount of exploration to date. Yet, all exploration efforts so far have shown surprisingly positive results. And results have been both surprising and positive here. The areas keep increasing and the results look more positive at every effort.

Geophysics indicates there is much more to uncover at the project site; albeit with a comparatively small data set. Where to focus next and how? Canvas the geophysics results to outline gold potential areas. Prioritize, then evaluate by sampling and added fill-in geophysics. Look for the “usual” suspects. Cost effectively, additional targets of high interest can be listed and evaluated, by additional compilation of geophysical results with the NVH project.

V) Recommendations and Summarization:

A) Recommendations:

- Extend the magnetometer coverage over the lower central area, to see if the new, southeastern magnetic high merges with the southwestern one.

- Adit #3 shows a good magnetic response. The mineralization can be mapped in detail as to direction and extent.

- Map the inferred faults and circular alteration features by filling-in with more detail magnetometer coverage.

- Delineate and prioritize a list of potential targets using the geophysical data and combing with the current assay results. Focus on evaluating for precious metal potential.

- Focus on areas of interest by selectively windowing out geophysics for that piece of ground, look it over, re-grid and re-plot, fill-in if needed.

- Then provide a pictorial list of these select areas using Power Point.

- Compile all the rock assays and re-plot using Geosoft.

- Evaluate any potential link between gold/silver and common elements.

- Compare the geophysics and geology for final prioritized list of targets.

- Sample in the field and evaluate, starting with one or two high priority areas.

B) Summarization:

Extensive mineralization of mostly molybdenite and copper are found 3 (three) adits and several prospect pits that dot the NVH mineralized system. However, these exposures represent only a small fraction of the total NVH area. The geophysics respond remarkably well over exposed mineralization. The results also show the high-grade mineralization extends over a much larger area – in line with a large moly-copper system.

To advance the NVH project cost-effectively, I suggest selecting areas to target, especially to target for precious metals evaluation. This means focusing on high priority areas. Using geophysics, gold exploration can be focused on potential targets by canvasing data that display the “usual” suspects for precious metals in porphyry systems.