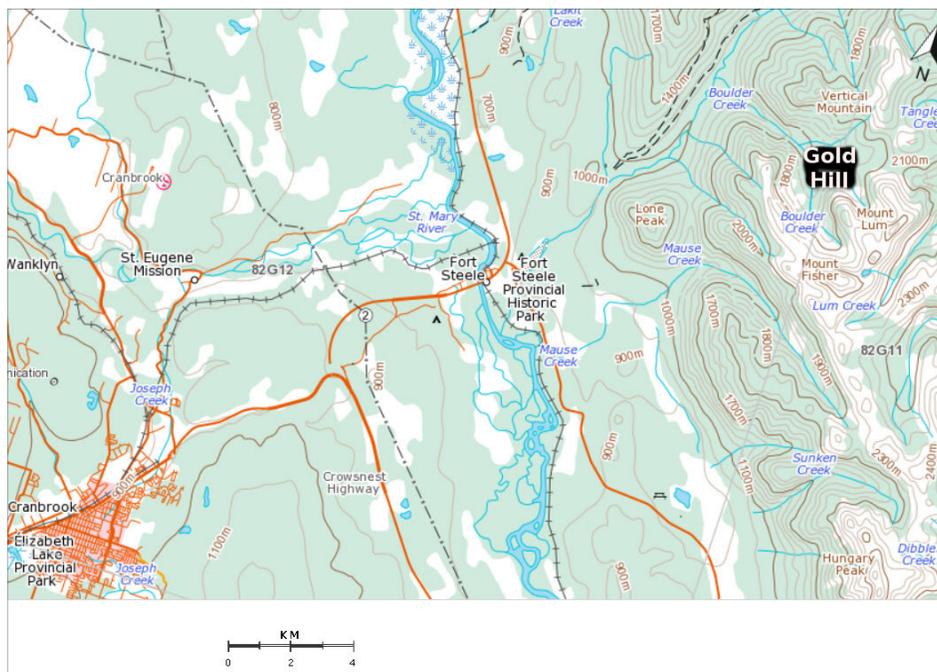


## GOLD HILL SUMMARY

In 1864 gold fever struck in the south Kootenays east of Cranbrook, British Columbia as placer gold was discovered in the Wild Horse River. What followed was everything one can imagine from a mining town springing to life on the western frontier. As word spread about the bonanza, including the discovery of gold nuggets up to 36 ounces, the Fort Steele Region placer goldfields grew to become the fourth largest in Canada with the Wild Horse River producing more than 1.5 million ounces of gold between 1864 and the 1930's. The gold was collected from a pay streak approximately 6 km long that began at the confluence of Boulder Creek and the Wild Horse River.

Placer mining on the Wild Horse River and Boulder Creek continues today and the question that still remains unanswered is: "Where did all that placer gold actually come from....where is the lode source?"

American Creek's Gold Hill project is located 13.5 km east of Fort Steele in the headwaters of the Wild Horse River on Boulder Creek. The property spans 835 hectares and encompasses the area believed to be one of the principal originating sources for the gold recovered from the Wild Horse River downstream.

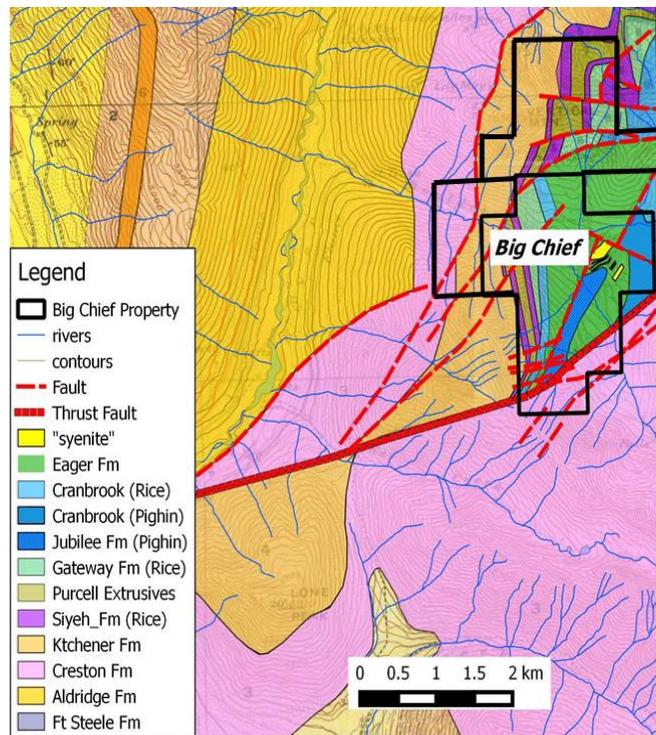
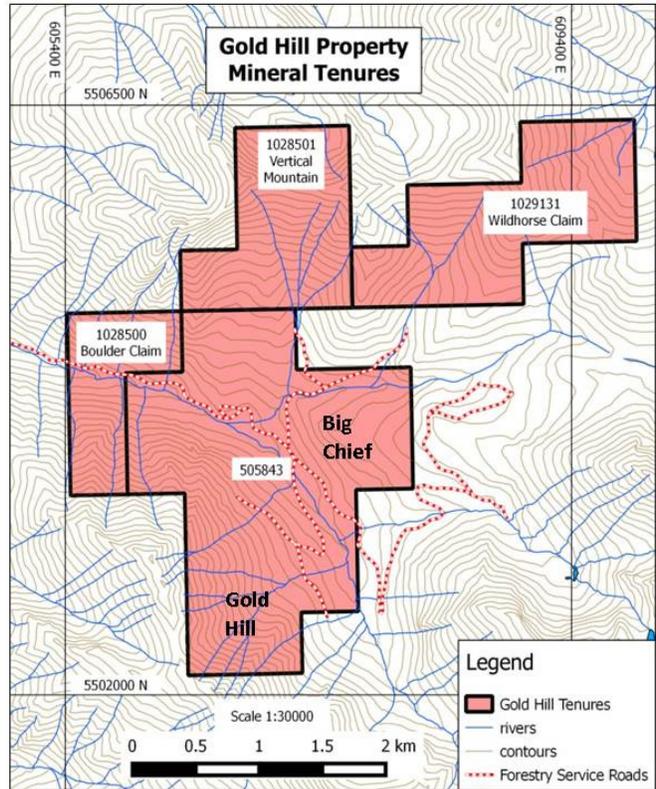


The property has two main areas of significance; the Big Chief showing is located near the center of the property on the east side of Boulder Creek and the Gold Hill/Midas showing is located approximately 1.5 km to the southwest on the opposite side of the drainage. These main showings appear to be on-strike and related to each other, and may in fact be two exposed parts of the same very large continuous mineralized zone.

The Big Chief and Gold Hill/Midas were discovered in the late 1800's as prospectors made their way up Boulder Creek in an effort to locate the lode source. The Big Chief showing includes a number of historic workings consisting of open-cuts, prospect pits, and four small adits running in linear sequence up the slope. The Gold Hill/Midas showing, in which the Guggenheim, Iron Cap and Long Tunnel adits are located, also contains historic workings related to various high grade gold/silver veins. Limited small-scale production of gold and silver occurred from both these areas located 1.5 km from each other on opposite sides of the Boulder Creek valley.

Amazingly little modern exploration work has been conducted on the property in the last 50 years and the property has sat mostly dormant. Cominco worked the property in 1937, and then again in 1945. The company excavated an adit and drove 75 meters of tunnel. Samples taken over the drift width of 1.5 meters showed the muck/car samples for 12 meters averaged 12.4 g/t gold, 15 g/t silver and 2.13% lead. The face samples taken over 6.7 meters produced an average of 75 g/t gold, 67.5 g/t silver and 6.1% lead across the **entire 1.5 meter drift width**.

Numerous high grade gold samples have been collected from the property at various times over its 150 year history. A more recent example of high grade gold (13.4 ounces per tonne) is reported from a narrow quartz vein/breccia zone that occurs in the hanging wall of a northeast-striking steeply northwest-dipping syenite dyke. The dyke is described as a syenite porphyry and is Cretaceous in age. High grade gold up to 442 g/t gold with 1660 g/t silver has also been reported from selective grab samples of tetrahedrite and galena-bearing quartz-siderite material (Javorsky, D., 2004). The historical record of the property includes interesting events such as prospectors discovering two separate bonanza grade gold/quartz veins which

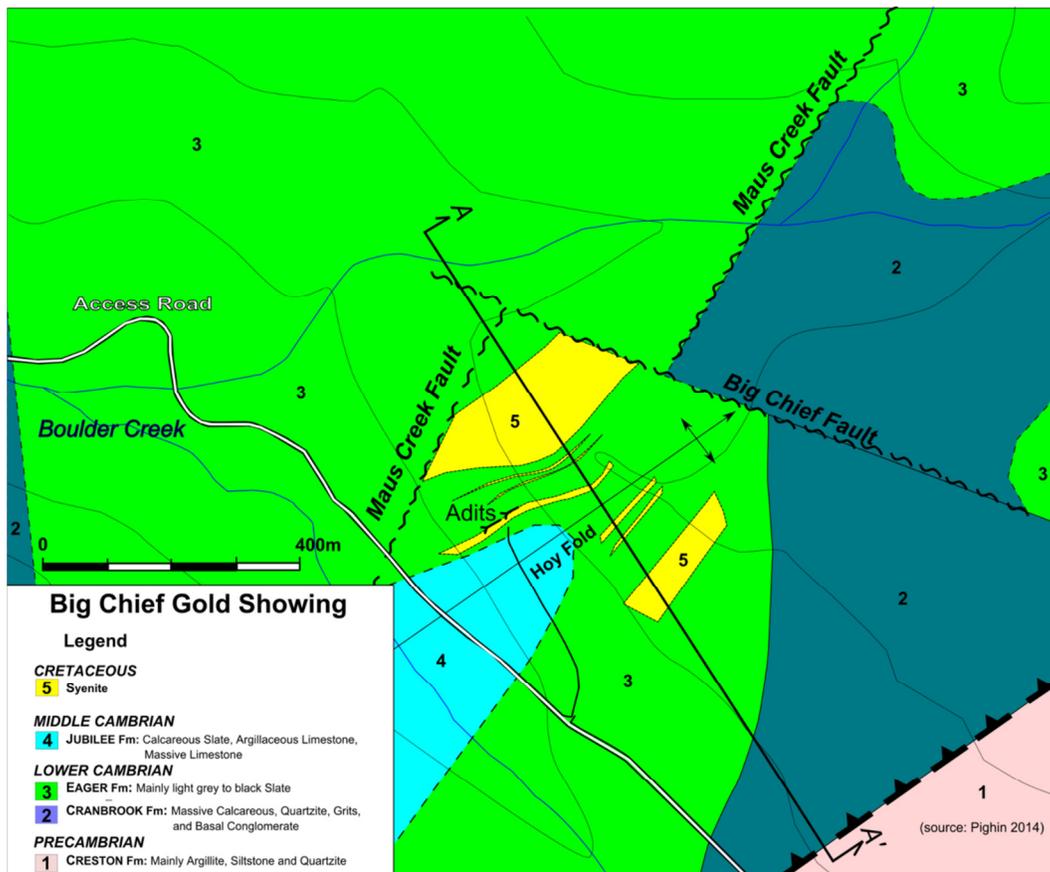


were subsequently “lost” due to being covered and hidden by erosional material. These particular veins have yet to be relocated, making for interesting speculation.

The Gold Hill property is located just east of the eastern limit of the Kimberley Gold Trend, a major transverse feature that crosses the generally north-northwest fabric of the Cordillera.

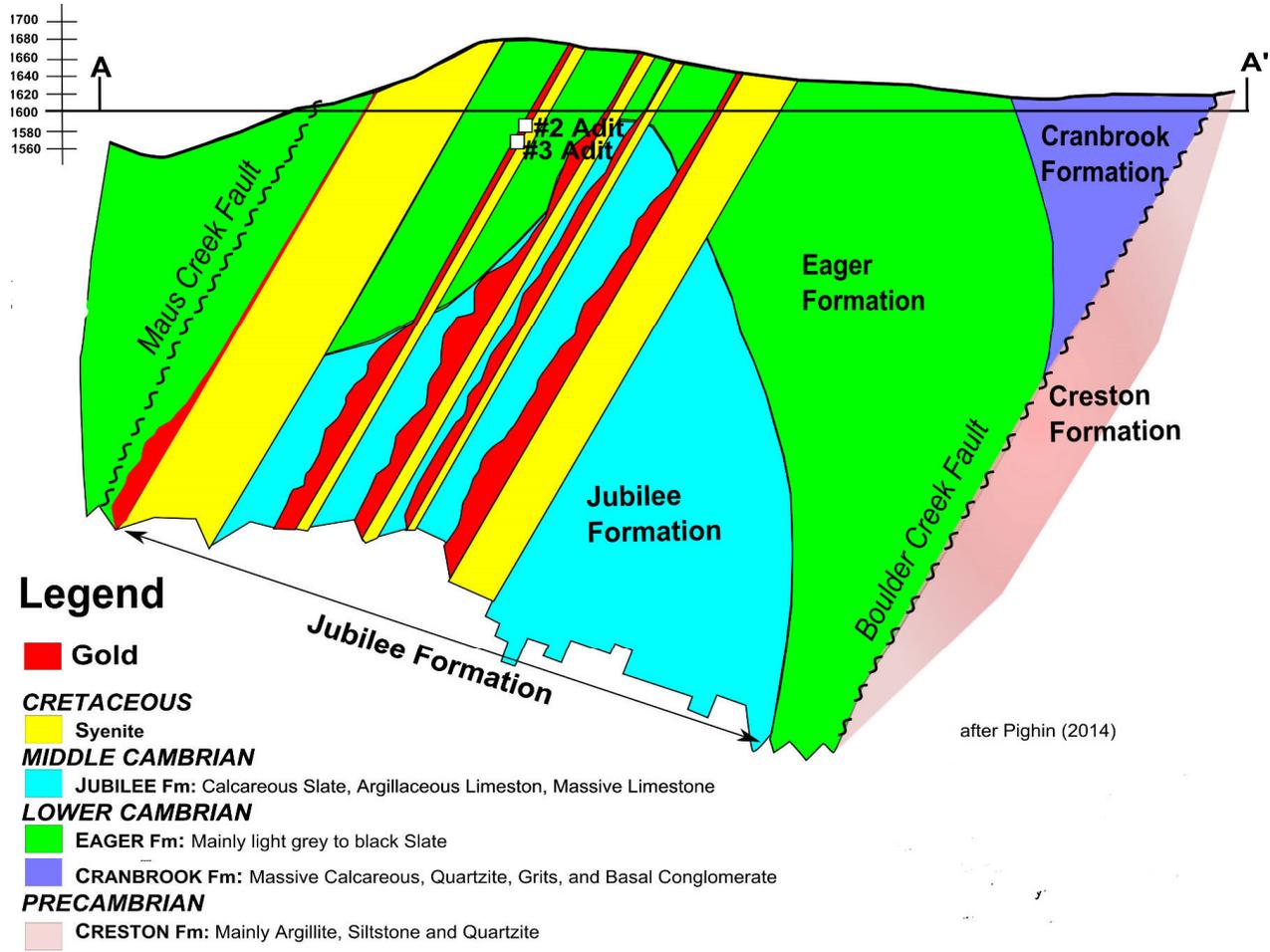
The Cranbrook formation rests with angular unconformity on Precambrian sediments. Its basal conglomerate is formed by pebble to boulder size clasts of the underlying Precambrian sediments. It is overlain by a thick sequence of massive calcareous quartzite and dolomite.

The Eager formation is conformable with the underlying Cranbrook formation. It consists mainly of thin bedded dark grey to black argillite. The Mid Cambrian Jubilee formation is conformable with the underlying Eager formation. It consists of a succession of thin to thick bedded limestone and dolomite.



The Maus Creek fault runs northeast through the Gold Hill property spatially linking the Gold Hill/Midas and Big Chief showings.

Lower Cambrian sediments host the gold mineralization on the property and are therefore economically significant. The sediments are subdivided into three distinct lithological assemblages namely the Cranbrook, Eager and Jubilee formations.

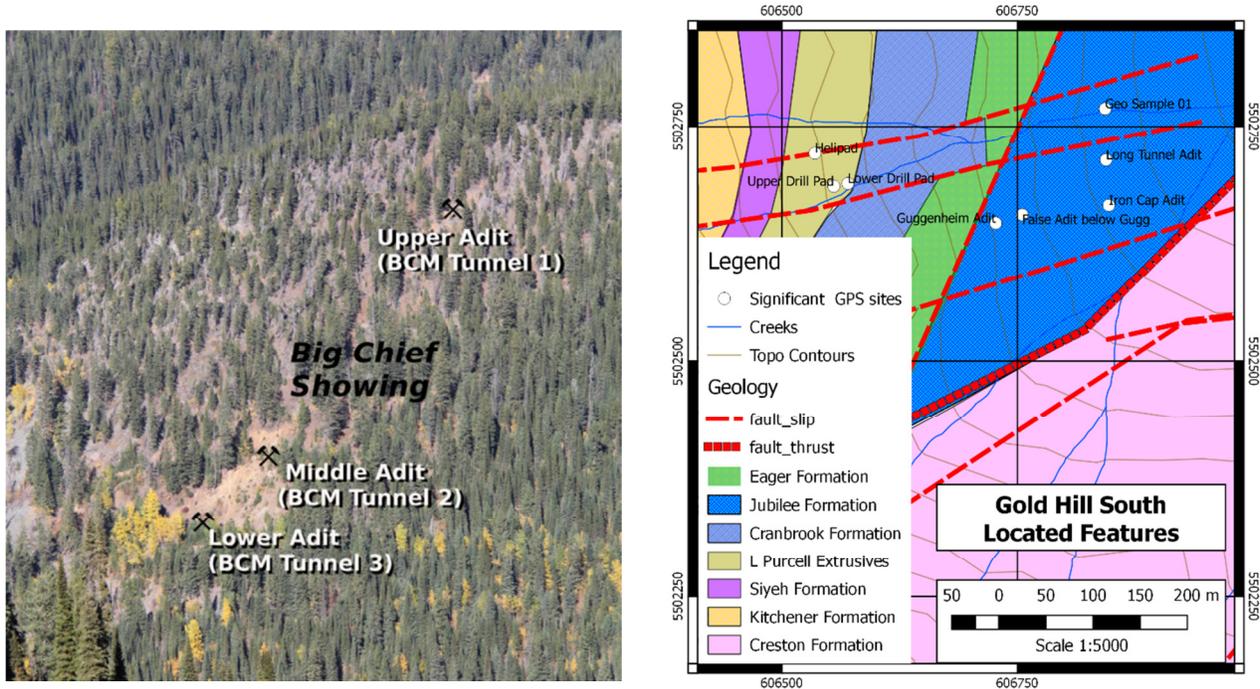


*The Gold Hill's Big Chief Showing. Cross Section Line A-A' (Pighin 2014). 'Gold' zones in the above cross-section are oversized for illustrative purposes and suggest hydrothermal events associated with the 'Syenite' intrusions.*

At the Big Chief showing, a series of parallel syenite sills or dykes are exposed over a width of 200 meters. These sills, up to eight meters thick, strike about N 40 degrees and dip 50 degrees to 60 degrees northwest. The more intense mineralization occurs along the argillite hanging wall of two of these dykes. There are four small adits located in the mineralized zone.

Pighin (2014) felt the limy Jubilee Formation rocks may have allowed for the development of thicker gold veins than in the argillaceous Eager Formation rocks. The area around the Big Chief showing is underlain by lower and middle Cambrian sediments that are composed in part by thick sequences of carbonates. Pighin speculates that the Big Chief's syenite dyke swarm, which deposited gold in the Eager Formation slates, may produce economic gold deposits in the rock of the Jubilee Formation. The adits occur in the clastic rocks of the Eager Formation.

Three of the four historic adits (on the Big Chief) are shown in the image below. The known subcrop of the gold-bearing felsic flow is roughly 8m by 300m and is open in both directions along strike and down dip.



The Gold Hill/Midas mineralization occurs near the trace of the Maus Creek fault and is projected to be on strike with the gold mineralization found in the adits within the Big Chief showing located 1.5 km to the northeast on the opposite side of the valley.

## 2016 Exploration Highlights

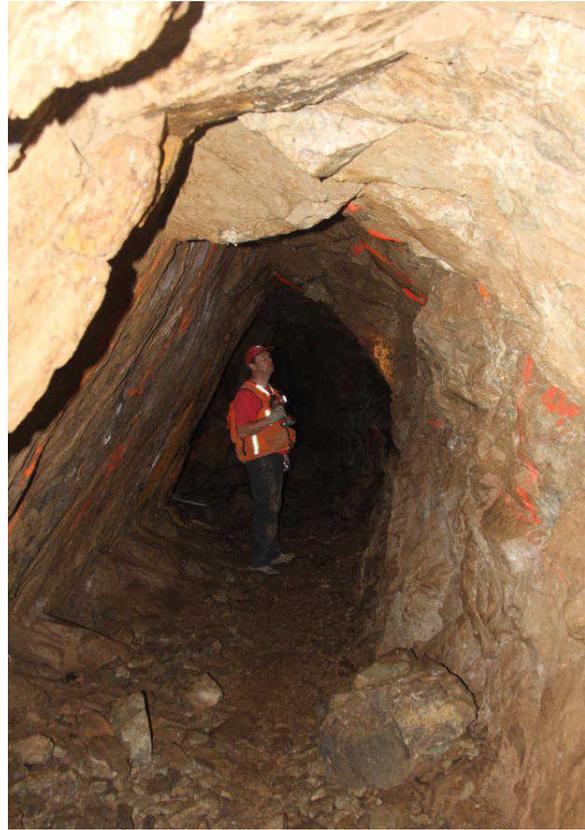
American Creek conducted initial mapping and geochemical sampling on the property in the summer/fall of 2016. All historic adits were successfully located and sampling confirmed the historic accounts of multiple high grade gold and silver veins on surface within two large mineralized areas on opposite sides of the Boulder Creek drainage.

This initial program also successfully located three new gold veins that are not part of the historical record and were previously unknown. One of these new discoveries is located 80 meters north of the Long Tunnel adit, and another 150 meters upslope, considerably expanding the area of known mineralization on the Gold Hill/Midas side of the property. The third new vein was discovered between the Middle and Upper adits on the opposite Big Chief side of the valley.

New samples from surface veins located within the Big Chief showing on the east side of the valley graded up to 22.32 g/t gold while samples from veins located within the Gold Hill/Midas showing to the southwest graded up to 25.14 g/t gold with 498.9 g/t silver.



*Galena with gold at Guggenheim Adit*



*Middle Adit on Big Chief*

## **Summary**

After 150 years of placer mining on the Wild Horse River, the mystery of where all that gold originated from still remains unanswered. As the vast majority of the gold was recovered from the 6 km stretch of river immediately below the confluence of Boulder Creek, and placer gold is still being recovered from Boulder Creek itself, it makes logical sense that the primary lode source is located somewhere within the Boulder Creek watershed.

Even with the significant historic discoveries of bonanza grade lode gold being made in the Boulder Creek drainage, the Gold Hill property has only seen sporadic, intermittent exploration over the last 150 years; a fairly common occurrence in the province as the volatile boom and bust cycle of the gold exploration industry has tended to cause dramatic bursts of activity followed by sudden and often prolonged periods of disinterest.

The property has never been examined with modern exploration methods and the mineralized zones have never been properly assessed or quantified. The Big Chief and Gold Hill/Midas are significant mineralized showings, and though 1.5 km apart and on opposite sides of the valley, appear to be on strike with each other and may in fact be part of the same very large mineralized structure. The property has tremendous potential to host a significant high grade gold/silver deposit.