REPORT ON A HELICOPTER-BORNE VERSATILE TIME DOMAIN ELECTROMAGNETIC (VTEM) GEOPHYSICAL SURVEY

Hidden property

Yukon, Canada

for

Strategic Metals Ltd.

By

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Survey flown in September 2007

Project 7067

October, 2007

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REPORT ON A HELICOPTER-BORNE
VERSATILE TIME DOMAIN ELECTROMAGNETIC SURVEY

Hidden property, Yukon, Canada

Executive Summary

This report describes the Helicopter-borne geophysical survey carried out on behalf of Strategic Metals Ltd. by Geotech Ltd. over one block in Yukon, Canada.

Principal geophysical sensors included a versatile time domain electromagnetic (VTEM) system and a cesium magnetometer. Ancillary equipment included a GPS navigation system and a radar altimeter. A total of 32.7 line-km were flown.

In-field data processing involved quality control and compilation of data collected during the acquisition stage, using the in-field processing centre established in Whitehorse, Yukon. Preliminary and final data processing, including generation of final digital data products were done at the office of Geotech Ltd. in Aurora, Ontario.

The processed survey results are presented as electromagnetic stacked profiles and total magnetic intensity grid.

Digital data includes all electromagnetic and magnetic products plus positional, altitude and raw data.

1. INTRODUCTION

1.1 General Considerations

These services are the result of the Agreement made between Geotech Ltd. and Archer Cathro & Associates to perform a helicopter-borne geophysical survey over one block located in Yukon, Canada.

32.7 line-km of geophysical data were acquired during the survey.

Bill Wengzynowski, acted on behalf of Strategic Metals Ltd. during data acquisition and data processing phases of this project.

The survey block is as shown in Appendix A.

The crew was based in Whitehorse, Yukon for the acquisition phase of the survey, as shown in Section 2 of this report.

The helicopter was based at the Whitehorse airport for the duration of the survey. Survey flying was completed on September 8th, 2007. Preliminary data processing was carried out daily during the acquisition phase of the project. Final data presentation and data archiving was completed in the Aurora office of Geotech Ltd. in October, 2007.

1.2. Survey and System Specifications

The survey block was flown at nominal traverse line spacing of 100 metres, at N126E / N306W direction. Tie lines were flown perpendicular to traverse lines.

Where possible, the helicopter maintained a mean terrain clearance of 140 metres, which translated into an average height of 105 metres above ground for the bird-mounted VTEM system and 125 metres for the magnetic sensor. Due to a very rugged topography, the pilot was required to fly at a higher altitude than was anticipated.

The survey was flown using an Astar B3 helicopter, registration C-GTFX. The helicopter was operated by TRK helicopters. Details of the survey specifications may be found in Section 2 of this report.

1.3. Data Processing and Final Products

Data compilation and processing were carried out by the application of Geosoft OASIS Montaj and programs proprietary to Geotech Ltd.

A database, grids and maps of final products were presented to Strategic Metals Ltd.

The survey report describes the procedures for data acquisition, processing, final image presentation and the specifications for the digital data set.

1.4. Topographic Relief and cultural features

The survey block is located in Yukon, approximately 115 kilometers north east of the town of Whitehorse.

Topographically, the survey area exhibits a challenging terrain, with elevation range from 1170 metres to 1830 metres above sea level.

2. DATA ACQUISITION

2.1. Survey Area

The survey block (see location map, Appendix A) and general flight specifications are as follows:

Survey block	Line spacing (m)	Area (Km2)	Line-km	Flight direction	Line number
HIDDEN	100	2.44	30.00	N126E / N306W	L14010 - L14100
	1000		2.72	N36E / N216 W	T13910 - T13930

Table 1 - Survey block

Survey block boundaries co-ordinates are provided in Appendix B.

2.2. Survey Operations

Survey operations were based in Whitehorse, Yukon for the acquisition phase of the survey.

The following table shows the timing of the flying.

Date	Flight #	Flown KM	Block	Crew Location	Comments
07-Sept-07	83	29.5	HIDDEN	Whitehorse, Yukon	Production
08-Sept-07	84	3.2	HIDDEN	Whitehorse, Yukon	Production

Table 2 - Survey schedule

2.3. Flight Specifications

The nominal EM sensor terrain clearance was 105 m (EM bird height above ground, i.e. helicopter is maintained 140 m above ground) due to rough terrain and helicopter crew safety. Nominal survey speed was 80 km/hour. The data recording rates of the data acquisition was 0.1 second for electromagnetics and magnetometer, 0.2 second for altimeter and GPS. This translates to a geophysical reading about every 2 metres along flight track. Navigation was assisted by a GPS receiver and data acquisition system, which reports GPS co-ordinates as latitude/longitude and directs the pilot over a pre-programmed survey grid.

The operator was responsible for monitoring of the system integrity. He also maintained a detailed flight log during the survey, tracking the times of the flight as well as any unusual geophysical or topographic feature.

On return of the aircrew to the base the survey data was transferred from a compact flash card (PCMCIA) to the data processing computer.

2.4. Aircraft and Equipment

2.4.1. Survey Aircraft

An Astar B3 helicopter, registration C-GTFX - owned and operated by TRK Helicopters Ltd. - was used for the survey. Installation of the geophysical and ancillary equipment was carried out by Geotech Ltd.

2.4.2. Electromagnetic System

The electromagnetic system was a Geotech Time Domain EM (VTEM) system. The configuration is as indicated in Figure 1 below.

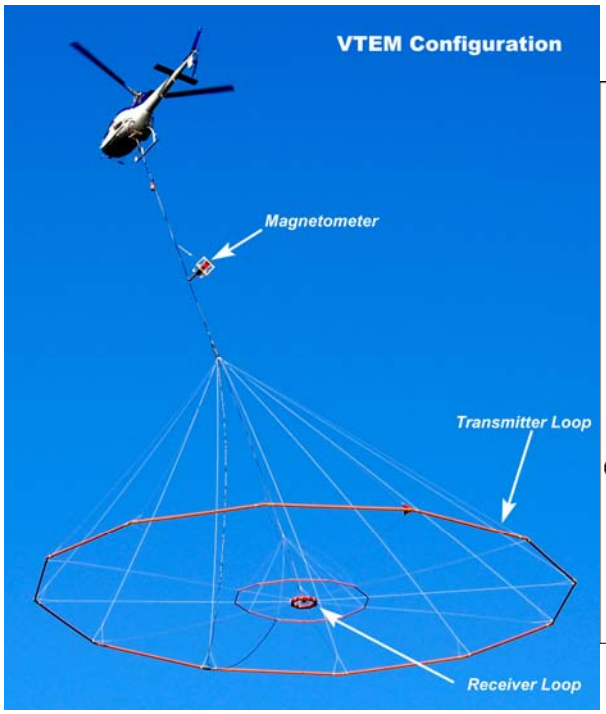

Figure 1 – VTEM configuration

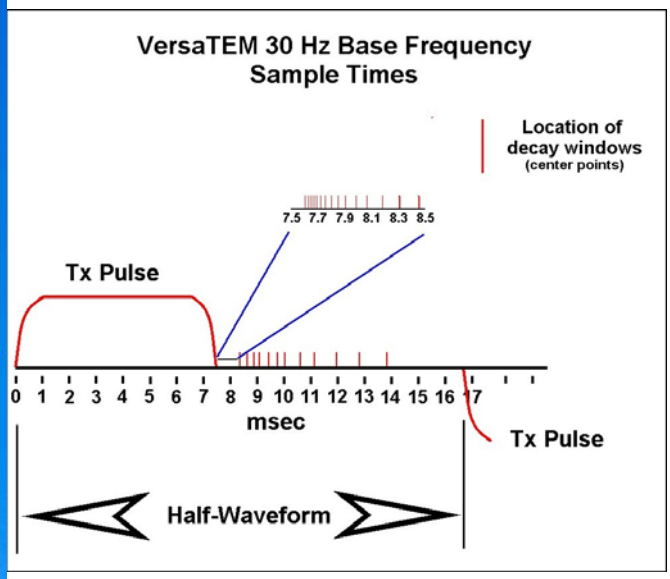

Figure 2 – Sample times

Receiver and transmitter coils are concentric and Z-direction oriented.
The receiver decay recording scheme is shown diagrammatically in Figure 2.

Twenty-five measurement gates were used in the range from 120 μs to 7828 μs, as shown in Table 3.

VTEM Decay Sampling scheme				
Array Index	(Microseconds)			
	Time Gate	Start	End	Width
10	120	110	131	21
11	141	131	154	24
12	167	154	183	29
13	198	183	216	34
14	234	216	258	42
15	281	258	310	53
16	339	310	373	63
17	406	373	445	73
18	484	445	529	84
19	573	529	628	99
20	682	628	750	123
21	818	750	896	146
22	974	896	1063	167
23	1151	1063	1261	198
24	1370	1261	1506	245
25	1641	1506	1797	292
26	1953	1797	2130	333
27	2307	2130	2526	396
28	2745	2526	3016	490
29	3286	3016	3599	583
30	3911	3599	4266	667
31	4620	4266	5058	792
32	5495	5058	6037	979
33	6578	6037	7203	1167
34	7828	7203	8537	1334

Table 3 - VTEM decay sampling scheme

Transmitter coil diameter was 26 metres, the number of turns was 4.
Transmitter pulse repetition rate was 30 Hz.
Peak current was 192 Amp.
Pulse width was 7.13 ms
Duty cycle was 43%.
Peak dipole moment was 424,400 NIA.

Receiver coil diameter was 1.2 metre, the number of turns was 100.
Receiver effective area was 113.1 m^2
Wave form – trapezoid.
Recording sampling rate was 10 samples per second.

The EM bird was towed 42 m below the helicopter.

2.4.3. Airborne magnetometer

The magnetic sensor utilized for the survey was a Geometrics optically pumped cesium vapour magnetic field sensor, mounted in a separated bird, towed 15 metres below the helicopter, as shown on figure 1. The sensitivity of the magnetic sensor is 0.02 nanoTesla (nT) at a sampling interval of 0.1 seconds. The magnetometer sends the measured magnetic field strength as nanoTeslas to the data acquisition system via the RS-232 port.

2.4.4. Ancillary Systems

2.4.4.1. Radar Altimeter

A Terra TRA 3000/TRI 40 radar altimeter was used to record terrain clearance. The antenna was mounted beneath the bubble of the helicopter cockpit.

2.4.4.2. GPS Navigation System

The navigation system used was a Geotech PC based navigation system utilizing a NovAtel's WAAS enable OEM4-G2-3151W GPS receiver, Geotech navigate software, a full screen display with controls in front of the pilot to direct the flight and an NovAtel GPS antenna mounted on the helicopter tail.
The co-ordinates of the block were set-up prior to the survey and the information was fed into the airborne navigation system.

2.4.4.3. Digital Acquisition System

A Geotech data acquisition system recorded the digital survey data on an internal compact flash card. Data is displayed on an LCD screen as traces to allow the operator to monitor the integrity of the system. The data type and sampling interval as provided in table 4.

DATA TYPE	SAMPLING
TDEM	0.1 sec
Magnetometer	0.1 sec
GPS Position	0.2 sec
RadarAltimeter	0.2 sec

Table 4 - Sampling Rates

2.4.5. Base Station

A combine magnetometer/GPS base station was utilized on this project. A Geometrics Cesium vapour magnetometer was used as a magnetic sensor with a sensitivity of 0.001 nT. The base station was recording the magnetic field together with the GPS time at 1 Hz on a base station computer.

The base station magnetometer sensor was installed 100 metres from the airport in Whitehorse, away from electric transmission lines and moving ferrous objects such as motor vehicles.

The magnetometer base station's data was backed-up to the data processing computer at the end of each survey day.

3. PERSONNEL

The following Geotech Ltd. personnel were involved in the project:

Field

Project Manager:	Harish Kumar
Engineer:	Victor Vetrov
Operator:	Ioan Serbu
Crew chief / QC Geophysicist:	Sean Hayes

The survey pilot and the mechanic engineer were employed directly by the helicopter operator – TRK Helicopters Ltd.

Pilot:	Roy Stevenson
Engineer:	Darren Shipman

Office

Data Processing / Reporting:	George Lev
Data Technician:	Maria Jagodkin

Data acquisition and processing phases were carried out under the supervision of Andrei Bagrianski, Surveys Manager. Overall management of the project was undertaken by Edward Morrison, President, Geotech Ltd.

4. DATA PROCESSING AND PRESENTATION

4.1. Flight Path

The flight path, recorded by the acquisition program as WGS 84 latitude/longitude, was converted into the UTM coordinate system in Oasis Montaj.

The flight path was drawn using linear interpolation between x, y positions from the navigation system. Positions are updated every second and expressed as UTM eastings (x) and UTM northings (y).

4.2. Electromagnetic Data

A three stage digital filtering process was used to reject major sferic events and to reduce system noise. Local sferic activity can produce sharp, large amplitude events that cannot be removed by conventional filtering procedures. Smoothing or stacking will reduce their amplitude but leave a broader residual response that can be confused with geological phenomena. To avoid this possibility, a computer algorithm searches out and rejects the major sferic events. The filter used was a 16 point non-linear filter.

The signal to noise ratio was further improved by the application of a low pass linear digital filter. This filter has zero phase shift which prevents any lag or peak displacement from occurring, and it suppresses only variations with a wavelength less than about 1 second or 20 metres. This filter is a symmetrical 1 sec linear filter.

The results are presented as stacked profiles of EM voltages for the time gates, in linear - logarithmic scale for both B-field and dB/dt response.

Generalized modeling results of the VTEM system, written by Geophysicist Roger Barlow, are shown in Appendix C.

Graphical representation of the VTEM output voltage of the receiver coil and the transmitter current is shown in Appendix D.

4.3. Magnetic Data

The processing of the magnetic data involved the correction for diurnal variations by using the digitally recorded ground base station magnetic values. The base station magnetometer data was edited and merged into the Geosoft GDB database on a daily basis. The aeromagnetic data was corrected for diurnal variations by subtracting the observed magnetic base station deviations.

A micro-levelling procedure was applied to remove persistent low-amplitude components of flight-line noise remaining in the data. Where Tie lines were available, Tie line levelling was carried out by adjusting intersection points along the traverse lines.

The corrected magnetic data was interpolated between survey lines using a random point gridding method to yield x-y grid values for a standard grid cell size of approximately 0.1 cm at the mapping scale. The Minimum Curvature algorithm was used to interpolate values onto a rectangular regular spaced grid.

The survey area shows an average magnetic activity. Maximum values of 57670 nT are observed along the NE boundary of the block. Average of 57650 nT is detected in the survey area.

Due to a very rugged topography, the helicopter could not maintain a constant terrain clearance. Thus, significant altitude differences occurred in adjacent lines and resulted in variations of the geophysical data. Efforts were made to level the geophysical signal as much as possible, but in several cases levelling would have been meaningless as it would create an artificial signal not relevant to real situation.

5. DELIVERABLES

5.1. Survey Report

The survey report describes the data acquisition, processing, and final presentation of the survey results.

The survey report is provided in two paper copies and digitally in PDF format.

5.2. Maps

Final maps were produced at a scale of 1:10,000. The coordinate/projection system used was the WGS84, UTM zone 8N. All maps show the flight path trace and topographic data. Latitude and longitude are also noted on maps.

The following maps are presented on paper,

- dB/dt profiles, Time Gates 0.234 – 7.828 μs in linear - logarithmic scale
- B-field profiles, Time Gates 0.234 – 7.828 μs in linear - logarithmic scale
- Total Magnetic intensity contours and colour image

5.3. Digital Data

Two copies of DVDs were prepared.

There are two (2) main directories,

Data contains a database, grids and maps, as described below.

Report contains a copy of the report and appendices in PDF format.

a kmz file containing flightpath of the HIDDEN property.
A free version of Google Earth software can be downloaded from,
http://earth.google.com/download-earth.html

- Database in Geosoft GDB format, containing the following channels:
  7067_hidden.gdb

X:	X positional data (metres – WGS84, utm zone 8 north)
Y:	Y positional data (metres – WGS84, utm zone 8 north)
Z:	GPS antenna elevation (metres - ASL)
Radar:	Helicopter terrain clearance from radar altimeter (metres - AGL)
DEM:	Digital elevation model (metres)
Gtime1:	GPS time (seconds of the day)
Mag1:	Raw Total Magnetic field data (nT)
Basemag:	Magnetic diurnal variation data (nT)
Mag2:	Total Magnetic field diurnal variation corrected data (nT)
Mag3:	Leveled Total Magnetic field data (nT)
SF[10]:	dB/dt 120 microsecond time channel ($pV/A/m^4$)
SF[11]:	dB/dt 141 microsecond time channel ($pV/A/m^4$)
SF[12]:	dB/dt 167 microsecond time channel ($pV/A/m^4$)
SF[13]:	dB/dt 198 microsecond time channel ($pV/A/m^4$)
SF[14]:	dB/dt 234 microsecond time channel ($pV/A/m^4$)
SF[15]:	dB/dt 281 microsecond time channel ($pV/A/m^4$)
SF[16]:	dB/dt 339 microsecond time channel ($pV/A/m^4$)
SF[17]:	dB/dt 406 microsecond time channel ($pV/A/m^4$)
SF[18]:	dB/dt 484 microsecond time channel ($pV/A/m^4$)
SF[19]:	dB/dt 573 microsecond time channel ($pV/A/m^4$)
SF[20]:	dB/dt 682 microsecond time channel ($pV/A/m^4$)
SF[21]:	dB/dt 818 microsecond time channel ($pV/A/m^4$)
SF[22]:	dB/dt 974 microsecond time channel ($pV/A/m^4$)
SF[23]:	dB/dt 1151 microsecond time channel ($pV/A/m^4$)
SF[24]:	dB/dt 1370 microsecond time channel ($pV/A/m^4$)
SF[25]:	dB/dt 1641 microsecond time channel ($pV/A/m^4$)
SF[26]:	dB/dt 1953 microsecond time channel ($pV/A/m^4$)
SF[27]:	dB/dt 2307 microsecond time channel ($pV/A/m^4$)
SF[28]:	dB/dt 2745 microsecond time channel ($pV/A/m^4$)
SF[29]:	dB/dt 3286 microsecond time channel ($pV/A/m^4$)
SF[30]:	dB/dt 3911 microsecond time channel ($pV/A/m^4$)
SF[31]:	dB/dt 4620 microsecond time channel ($pV/A/m^4$)
SF[32]:	dB/dt 5495 microsecond time channel ($pV/A/m^4$)
SF[33]:	dB/dt 6578 microsecond time channel ($pV/A/m^4$)
SF[34]:	dB/dt 7828 microsecond time channel ($pV/A/m^4$)
BF[10]:	B-field 120 microsecond time channel ($fV*ms)/(A*m^4$)
BF[11]:	B-field 141 microsecond time channel ($fV*ms)/(A*m^4$)
BF[12]:	B-field 167 microsecond time channel ($fV*ms)/(A*m^4$)
BF[13]:	B-field 198 microsecond time channel($fV*ms)/(A*m^4$)

BF[14]:	B-field 234 microsecond time channel (fV*ms)/(A*m^4)
BF[15]:	B-field 281 microsecond time channel (fV*ms)/(A*m^4)
BF[16]:	B-field 339 microsecond time channel (fV*ms)/(A*m^4)
BF[17]:	B-field 406 microsecond time channel (fV*ms)/(A*m^4)
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BF[31]:	B-field 4620 microsecond time channel (fV*ms)/(A*m^4)
BF[32]:	B-field 5495 microsecond time channel (fV*ms)/(A*m^4)
BF[33]:	B-field 6578 microsecond time channel (fV*ms)/(A*m^4)
BF[34]:	B-field 7828 microsecond time channel (fV*ms)/(A*m^4)
PLM:	Power line monitor

Electromagnetic B-field and dB/dt data is found in array channel format between indices 10 – 34, as described above.

- Database 7067_wform.gdb in Geosoft GDB format, containing the following channels:

  Time: Sampling rate interval, 10.416 microseconds
  Volt: output voltage of the receiver coil (volt)

- Grids in Geosoft GRD format, as follow,

  Hidden_magfin: Total magnetic intensity (nT)
  Hidden_DEM: Digital elevation model (m)

  A Geosoft .GRD file has a .GI metadata file associated with it, containing grid projection information.
  Grid cell size of 10 meters was used.

- Maps at 1:10,000 scale in Geosoft MAP format, as follow,

  Hidden_Magfin: Total magnetic intensity contours and colour image
  Hidden_dBdt: VTEM dB/dt profiles, Time Gates 0.234 – 7.828 μs in linear - logarithmic scale
  Hidden_EMLP: VTEM B-field profiles, Time Gates 0.234 – 7.828 μs in linear - logarithmic scale

- A *readme.txt* file describing the content of digital data, as described above.

6. CONCLUSIONS

A helicopter-borne versatile time domain electromagnetic (VTEM) geophysical survey has been completed over the Hidden property, located in Yukon, Canada.

The total area coverage is 2.44 km^2. Total survey line coverage is 32.7 line kilometres. The principal sensors included a Time Domain EM system and a magnetometer. Results have been presented as stacked profiles and contour colour images at a scale of 1:10,000.

Final data processing at the office of Geotech Ltd. in Aurora, Ontario was carried out under the supervision of Andrei Bagrianski, Surveys Manager.

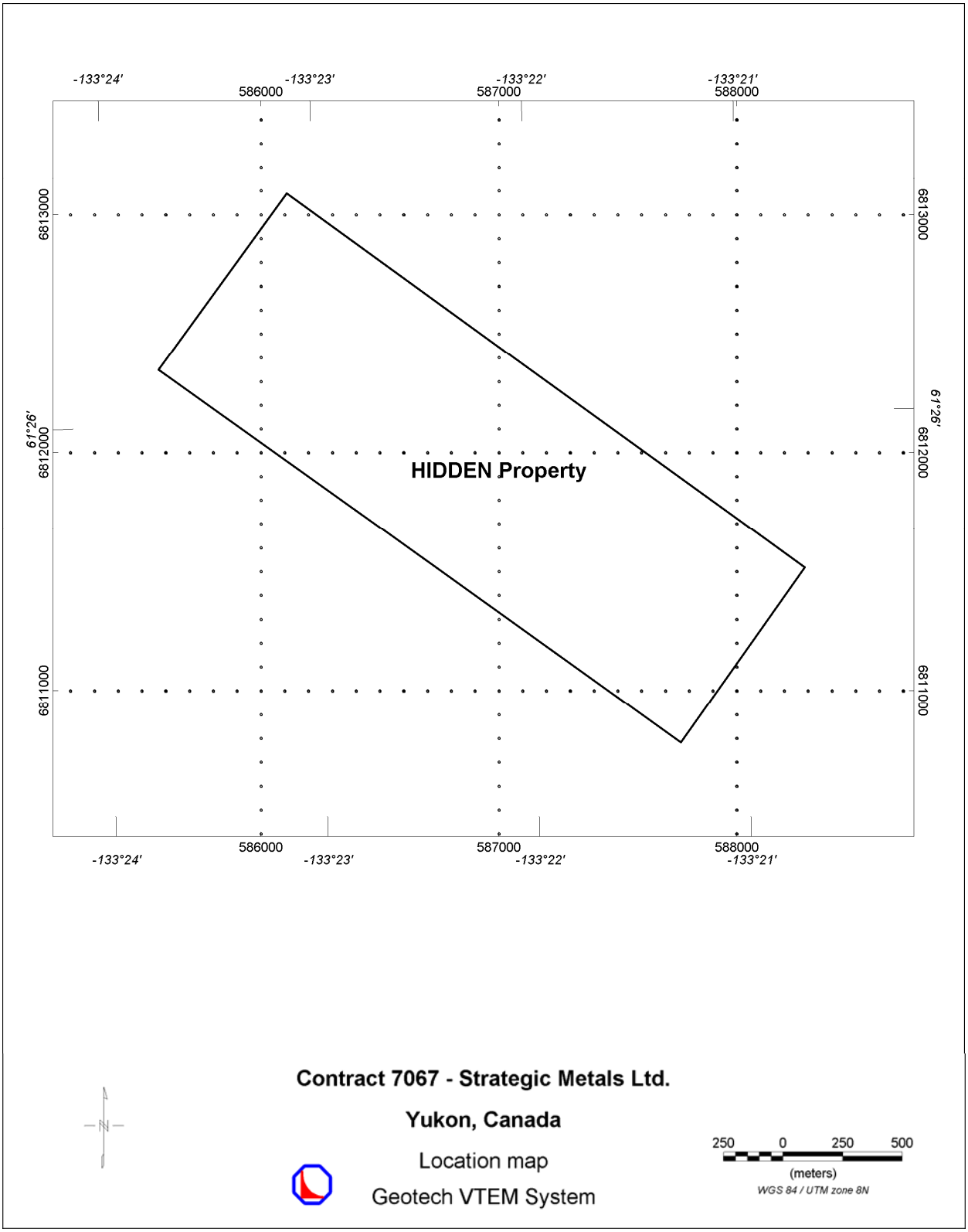
A number of EM anomaly groupings were identified. Ground follow-up of those anomalies should be carried out if favourably supported by other geoscientific data.

Respectfully submitted,

George Lev
Geotech Ltd.
October, 2007

APPENDIX A

SURVEY BLOCK LOCATION MAP


-133°24'
-133°23'
-133°22'
-133°21'
586000
587000
588000
6813000
6812000
6811000
61°26'
HIDDEN Property
Contract 7067 - Strategic Metals Ltd.
Yukon, Canada
Location map
Geotech VTEM System
250 0 250 500
(meters)
WGS 84 / UTM zone 8N

APPENDIX B

SURVEY BLOCK COORDINATES

(WGS 84, UTM zone 8 north)

HIDDEN PROPERTY

Easting	Northing
x	y
588285.0	6811517.0
587764.0	6810783.0
585570.0	6812350.0
586108.0	6813088.0

APPENDIX C

MODELING VTEM DATA

APPENDIX D

VTEM WAVEFORM