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ASSESSMENT REPORT

describing

AIRBORNE GEOPHYSICAL SURVEYS

at the

REEF PROPERTY

Reef 1-48	YD34701-YD34748
Jay 73-80	YD24873-YD24880
141-192	YD25941-YD25992
141-250	YD26003-YD26050

NTS 105H/15 & 16
Latitude 61°54´N; Longitude 128°33´W

located in the

Watson Lake Mining District
Yukon Territory

prepared by

Archer, Cathro & Associates (1981) Limited

for

PRECIPITATE GOLD CORP.
and
STRATEGIC METALS LTD.

by

S. Eaton, B.Sc., GIT
October 2011

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INTRODUCTION

The Reef Property (the "Property") covers an extensive, gold- and arsenic-enriched mineralized system that lies at the southeast end of the Tombstone Gold Belt in southeastern Yukon. The property comprises two claim blocks (Reef and Jay) which are under option to Precipitate Gold Corp. The Reef claims are owned by Strategic Metals Ltd., while the Jay claims are owned by Bearing Resources Ltd.

This report describes helicopter-borne magnetic gradiometric and radiometric surveys that were flown over the entire Property between May 21 and 24, 2011 by CMG Airborne on behalf of Precipitate Gold. The VLF-EM data was not usable due to poor quality data attributed to early season conditions. The author compiled all data from this project and her Statement of Qualifications is in Appendix I.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The Property consists of 158 contiguous quartz claims comprising two claim blocks (Reef and Jay), which are located in southeastern Yukon at latitude 61°54′ north and longitude 128°33′ west on NTS map sheets 105H/15 and 16 (Figure 1). The Property covers an area of approximately 3200 hectares (32 km^2). The Reef claims are registered with the Watson Lake Mining Recorder in the name of Archer Cathro, which holds them in trust for Strategic Metals. The Jay claims are registered with the Watson Lake Mining Recorder in the name of Bearing Resources. Specifics concerning claim registration are tabulated below, while the locations of individual claims are shown on Figure 2.

Claim Name	Grant Number	Expiry Date*
Reef 1-48	YD34701-YD34748	December 9, 2014
Jay 73-80	YD24873-YD24880	December 15, 2014
Jay 141-192	YD25941-YD25992	January 22, 2015
Jay 141-250	YD26003-YD26050	January 22, 2015

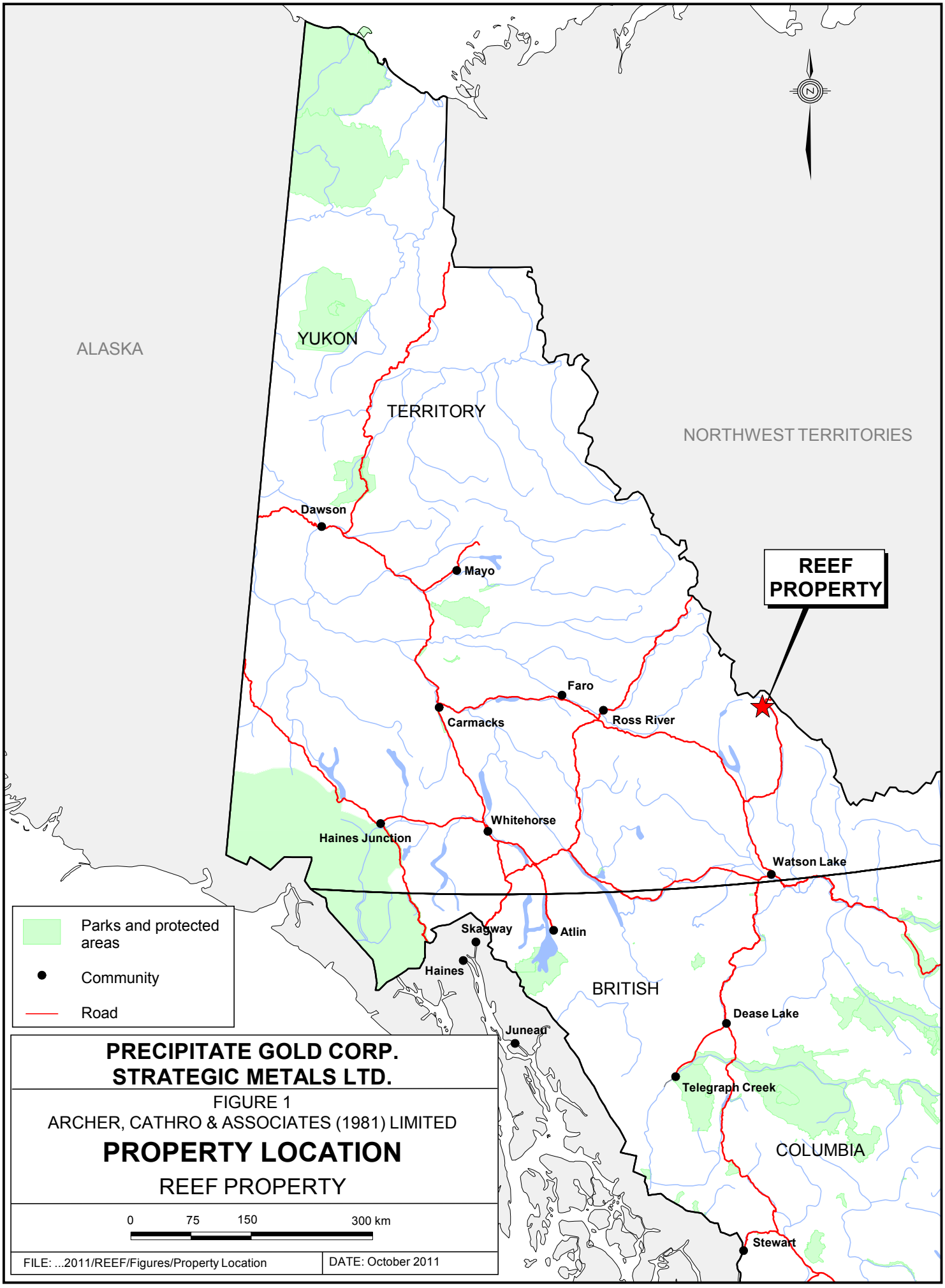
* Expiry dates include 2011 work which has been filed for assessment credit but not yet accepted.

In 2011, a temporary base was established at the Cantung Mine Site, which is located in Northwest Territories about 20 km east of the Property.

The Property lies 200 km east of Ross River and 200 km north of Watson Lake, the nearest supply centres. The closest road access is from the Nahanni Range Road, which at its nearest point is seven kilometres northeast of the Property. The Nahanni Range Road is generally usable in all seasons by two wheel drive vehicles.

HISTORY AND PREVIOUS WORK

In 1961, the Geological Survey of Canada (GSC) conducted a regional airborne magnetic survey over NTS map sheet 105H (Geological Survey of Canada, 1961). A regional magnetic low was outlined in the area now covered by the Property.


ALASKA
YUKON
TERRITORY
NORTHWEST TERRITORIES
BRITISH
COLUMBIA
Dawson
Mayo
REEF
PROPERTY
Faro
Ross River
Carmacks
Whitehorse
Haines Junction
Watson Lake
Skagway
Atlin
Haines
Juneau
Dease Lake
Telegraph Creek
Stewart
Parks and protected areas
Community
Road
PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.
FIGURE 1
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
PROPERTY LOCATION
REEF PROPERTY
0
75
150
300 km
FILE: ...2011/REEF/Figures/Property Location
DATE: October 2011

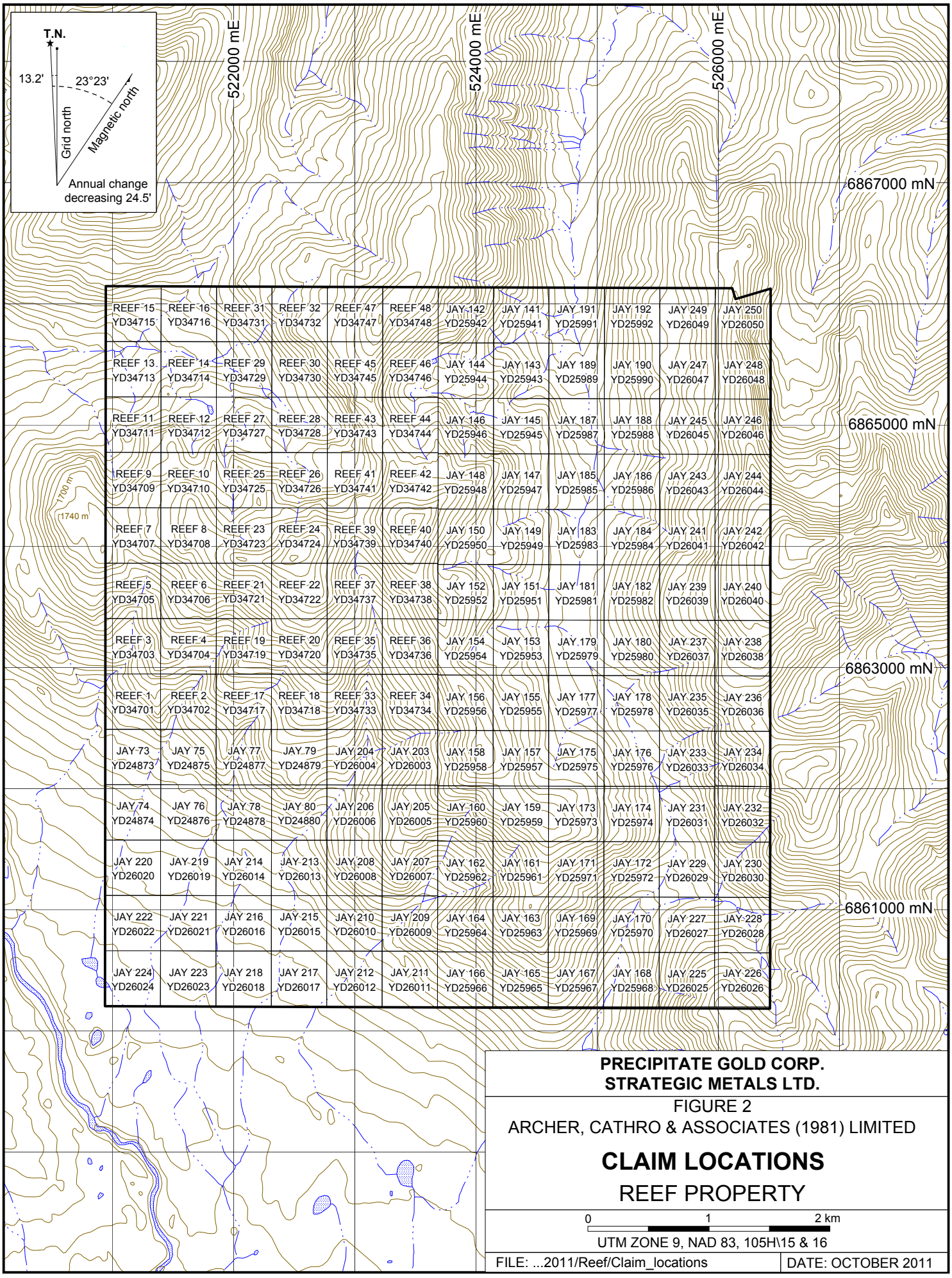


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FIGURE 2

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

CLAIM LOCATIONS

REEF PROPERTY

0 1 2 km

UTM ZONE 9, NAD 83, 105H\15 & 16

FILE: ...2011/Reef/Claim_locations | DATE: OCTOBER 2011

In 1987, the GSC completed a regional stream sediment sampling survey on NTS map sheet 105H (Hornbrook and Friske, 1988). A sample from a creek draining the north end of the Property returned strongly anomalous values (98th percentile or greater for that survey) for gold (18 ppb), arsenic (250 ppm), zinc (588 ppm) and copper (142 ppm).

In 1994, Westmin Resources Limited performed a regional stream sediment sampling program that covered an approximately 7000 km^2 area, stretching from the B.C.-Yukon border to the headwaters of the Hyland River (Jones and Caulfield, 2000). The survey was designed to test for distal (Telfer-style), sediment-hosted gold deposits in the Hyland Group sedimentary rocks. The strongest cluster of gold and arsenic results (greater than 90th percentile) from this survey were obtained from the area of the Property.

In June 1996, Westmin staked the Fer 1-76 claims to cover drainages that produced the anomalous stream sediment samples (Jones and Caulfield, 2000). Westmin conducted geological mapping, prospecting and contour soil sampling, and added the Fer 77-118 claims in July of that year. This work identified very high gold and arsenic values within areas of gossanous siliciclastic rocks. Gold values ranged from background to 1970 ppb in rock and 1870 ppb in soil. Arsenic values were commonly greater than 100 ppm in both rock and soil, and ranged up to greater than 1% in rock and 2330 ppm in soil (Jones and Caulfield, 2000).

In 1997, Westmin carried out additional geological mapping and grid soil sampling on the Fer property (Gale and Terry, 1998). Several samples of silicified quartzite with quartz veining and sulphide mineralization (arsenopyrite and pyrite) yielded between 0.100 and 2.28 g/t gold and 38 and 12200 ppm arsenic. Anomalous gold and arsenic values were also obtained from other rock types. Numerous weakly to very strongly anomalous gold and arsenic values were obtained from two soil sample grids on the Fer property, which roughly corresponds to the northwest quadrant of the current Property. Elevated values for these elements tended to cluster and ranged from 50 to 1820 ppb gold and 100 to 5430 ppm arsenic.

In 1998, Rimfire Minerals Corporation optioned the Fer property. Rimfire wanted to examine the potential for large tonnage, disseminated gold deposits on the property. It followed up the anomalous gold and arsenic values in soil on Westmin's grids by collecting closely-spaced chip samples. It also completed minor detailed mapping of the anomalous zones in conjunction with the sampling (Jones and Caulfield, 2000).

In June, 2009 the Fer claims were allowed to expire. In July, 2010 Strategic Metals staked the Reef claims over much of the former Fer claim block and completed one day of prospecting and grid soil sampling. Strategic Metals' exploration program was primarily designed to identify a bedrock source for the very strong gold- and arsenic-in-soil anomaly on the more southerly of Westmin's two soil grids. Although rock samples collected by Strategic Metals returned elevated values for gold (up to 1.38 g/t), they did not adequately explain the gold-in-soil anomaly.

In early 2011, Precipitate Gold acquired its option on the Reef claims and portions of the Jay claims. It also staked the Bloom 1 to 221 claims to the east (work conducted on the Bloom claims will be filed in a separate report).

GEOMORPHOLOGY AND CLIMATE

The Property lies in the Logan Range of the Selwyn Mountains and is drained by creeks that flow into the Hyland River, which ultimately connects to the Arctic Ocean via the Liard and Mackenzie rivers.

Local elevations on the Property range from 1060 to 2000 m above sea level (asl). Topographic relief is gentle to steep. Outcrop is abundant within creek cuts and on hilltops and steeper slopes. Lower elevations, particularly valley floors, are blanketed by Pleistocene colluvium deposits and glacial till.

The Property setting is characterized as alpine to subalpine. Treeline in the area is at about 1400 m asl. Slopes above that elevation are vegetated with grass, lichen and moss. Vegetation gradually increases downslope and comprises stunted black spruce with an understory of low shrubs and grass.

The climate in the Property area is typical of northern continental regions with long, cold winters, truncated fall and spring seasons and short, mild summers. Although summers are relatively mild, snowfall can occur in any month at higher elevations. The Property is mostly snow free from early June to late September.

REGIONAL GEOLOGY

In 1966, the GSC published a geological map of the Frances Lake map sheet (NTS 105H) at 1:250,000 scale (Blusson, 1966). In 2003, the Yukon Geological Survey incorporated this data as part of a Yukon-wide geological compilation (Gordey and Makepeace, 2003). The following geological descriptions are summarized or extracted from the government data and interpretations made by Westmin Resources (Jones, 1997 and Jones and Caulfield, 2000).

The Property is located at the southeast end of the Tombstone Gold Belt (TGB) within Selwyn Basin (Figure 3), a tectonic element comprising deep water clastic rocks, chert and minor carbonate accumulated along the North American continental margin during Paleozoic time (Pigage, 2004). The TGB follows a trend of genetically related, Mid-Cretaceous felsic intrusions that extends from east-central Alaska across central Yukon (Jones and Caulfield, 2000). The TGB is discussed in greater detail in the Regional Mineralization section.

The Property is underlain by Upper Proterozoic to Lower Cambrian Hyland Group metasediments (Figure 4). Hyland Group comprises more than 3000 m of siliciclastic and bioclastic, platformal or continental margin sedimentary rocks. The lower section consists primarily of quartzite, quartz grit and pebble conglomerate units that are interbedded with phyllite. Limestone horizons are also present within the lower section. The upper 500 m of Hyland Group is almost exclusively shale and phyllite.

Cretaceous granitic intrusions cut Hyland Group metasediments in the region. Two types of intrusions have been distinguished based on their size and contact characteristics. The larger batholiths (Tay River Suite), which lie to the south and southwest of the Property, have poorly

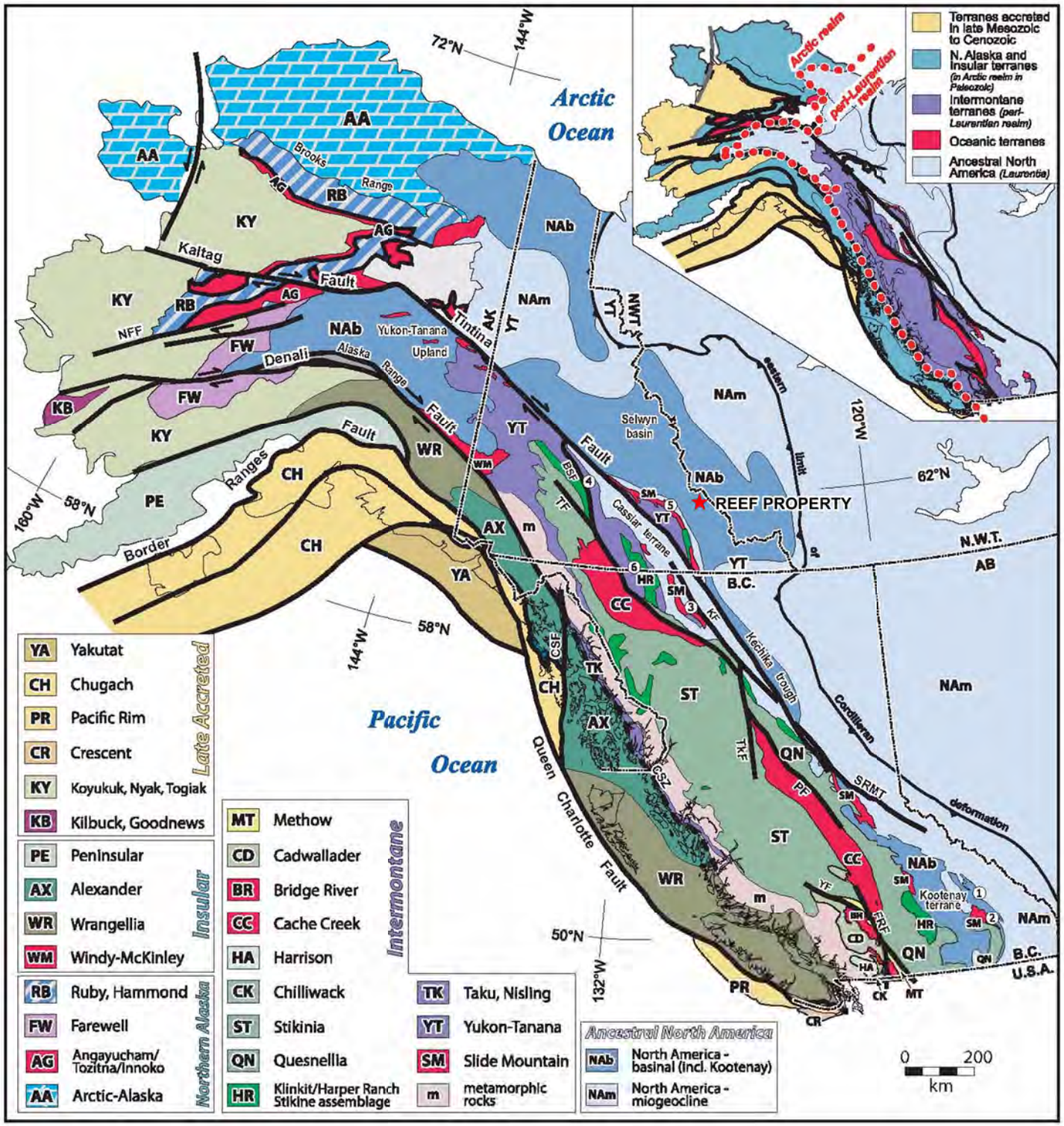

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FIGURE 3

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

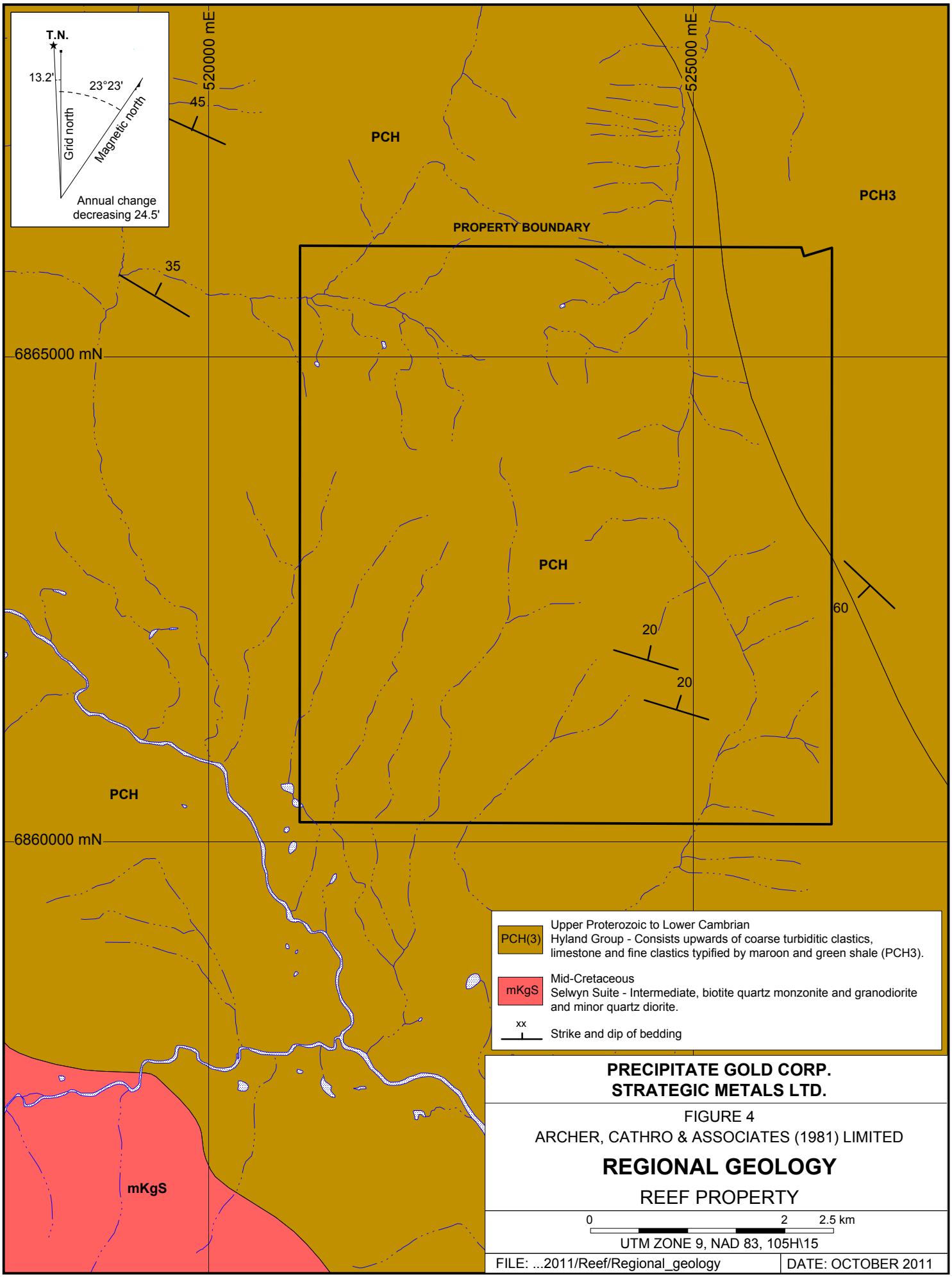
TECTONIC SETTINGS

REEF PROPERTY

UTM ZONE 9, NAD 83, 105H/15&16

FILE:..2011/Reef/F_3_Tectonic_setting.wor DATE: OCT 2011

After Nelson and Colpron 2007


T.N.
13.2'
23°23'
Grid north
Magnetic north
Annual change
decreasing 24.5'
520000 mE
525000 mE
6865000 mN
6860000 mN
PCH
PCH3
PROPERTY BOUNDARY
PCH
PCH
mKgS
45
35
20
20
60
PCH(3)
Upper Proterozoic to Lower Cambrian
Hyland Group - Consists upwards of coarse turbiditic clastics, limestone and fine clastics typified by maroon and green shale (PCH3).
mKgS
Mid-Cretaceous
Selwyn Suite - Intermediate, biotite quartz monzonite and granodiorite and minor quartz diorite.
xx
Strike and dip of bedding
PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.
FIGURE 4
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
REGIONAL GEOLOGY
REEF PROPERTY
0
2
2.5 km
UTM ZONE 9, NAD 83, 105H\15
FILE: ...2011/Reef/Regional_geology
DATE: OCTOBER 2011

defined boundaries that consist of mixed intrusive, migmatitic and gneissic rocks. The smaller intrusions (Tungsten and Tay River(?) suites) have sharp contacts and pronounced metamorphic aureoles characterized by gossans (after pyrite or biotite?). An elongate example of the second type of intrusion is located about five kilometres south of the Property. The two types of intrusions show different magnetic responses. The first type is typified by a strong positive magnetic response, while the other type exhibits a very weak or negative response relative to the country rocks.

Regionally, Hyland Group rocks have been weakly metamorphosed and deformed. Fabrics related to deformation are most evident in pelitic layers within Hyland Group. Quartz-rich rocks have been strongly fractured and quartz veins are common within them. These quartz veins may be due in part to remobilization of quartz from wallrocks into open spaces created by the deformation. Many quartz veins have been deformed and are weakly folded. Regional metamorphism and deformation also caused recrystallization of the limestone horizons.

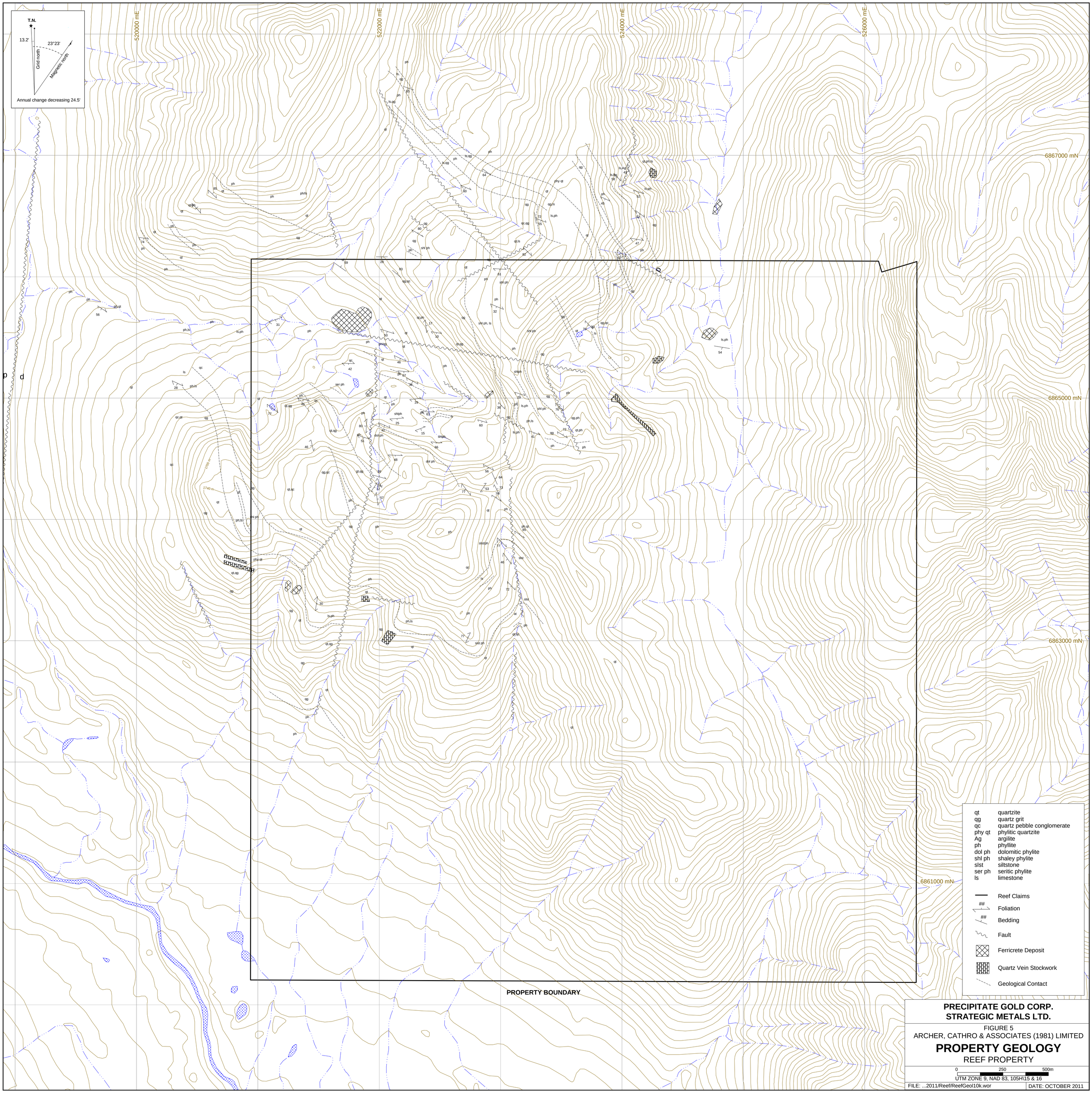
Bedding and fold axes are moderately to steeply dipping and generally trend to the northwest. Linear valleys are common in the area and probably mark significant faults, although most evidence of these features is buried under unconsolidated valley fill.

REGIONAL MINERALIZATION

The Property lies within Tombstone Gold Belt. "The gold deposits of this belt exhibit a wide variety of mineralization styles, which largely reflects the depth of formation and location of the mineralization relative to the intrusions (Thompson et al., 1999). Intrusion-hosted deposits usually consist of sheeted veins and breccias, whereas distal deposits are normally skarn, disseminated replacement and vein styles. The sulphide content of these deposits is low, normally less than 3% overall, and consists primarily of pyrite and arsenopyrite. Tungsten and molybdenum mineralization, and generally bismuth content, increases with depth and proximity to the intrusions. More distal deposits are commonly dominated by arsenic (-antimony) and may have a base metal signature. Mineralization is associated with sericite, biotite, silica and carbonate alteration. Structure plays an important role, both in providing conduits for fluid and in ground preparation. Although country rocks exert no control on these deposits in a regional sense, lithological control plays a role in localizing mineralization through contrasts in competency and chemistry (Jones and Caulfield, 2000)."

PROPERTY GEOLOGY

In 1996 and 1997, Westmin mapped the northwestern part of the area now covered by the Property at 1:10000 scale (Jones, 1997 and Gale and Terry, 1998). The following geological descriptions are summarized and extracted from Westmin's published data. Property geology is illustrated on Figure 5.


T.N.
13.2'
23°23'
Grid north
Magnetic north
Annual change decreasing 24.5'
520000 mE
522000 mE
524000 mE
526000 mE
6867000 mN
6865000 mN
6863000 mN
6861000 mN
PROPERTY BOUNDARY
qt quartzite
qg quartz grit
qc quartz pebble conglomerate
phy qt phyllitic quartzite
Ag argilite
ph phyllite
dol ph dolomitic phylite
shl ph shaley phylite
slst siltstone
ser ph seritic phylite
ls limestone
Reef Claims
Foliation
Bedding
Fault
Ferricrete Deposit
Quartz Vein Stockwork
Geological Contact
PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.
FIGURE 5
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
PROPERTY GEOLOGY
REEF PROPERTY
0 250 500m
UTM ZONE 9, NAD 83, 105H\15 & 16
FILE: ...2011/Reef/ReefGeol10k.wor
DATE: OCTOBER 2011

Lithology

The northwestern portion of the Property is entirely underlain by Hyland Group sedimentary rocks, including quartzite, quartz grit, quartz pebble conglomerate, phyllite, shaley phyllite, dolomite and limestone.

Quartzite and quartz pebble conglomerate are massive and commonly form cliffs on the Property. Although quartz is the dominant component in both units, clay-altered clasts (representing altered feldspar grains?) are common. Sericite and/or silica typically comprise the matrix of these siliciclastic units. Phyllitic interbeds range from rare layers to equal proportions within these units.

Many quartzite and quartz grit units in the northern part of the Property contain substantial amounts of calcium carbonate in their matrix. These limey siliciclastic units tend to have rough surfaces due to the differential weathering of quartz-rich grains and carbonate matrix. These rocks are commonly interbedded with limestone.

Phyllitic units also show some gradations in composition and texture. Siltstone and shaley phyllite layers have been mapped within phyllitic units. The phyllites are usually sericitic and locally silicified, which may reflect a more silicic component to the original sediment.

Limestone in this part of the Property is quite variable. It is generally dark grey to black, locally fetid and commonly recrystallized to marble. Some limestone horizons weather orange-brown but grey is more typical. The horizon tends to be thin and have a clastic component. They are often interbedded with either quartz-rich or pelitic sediments. Thick, massive, reef-like limestone beds are not present on the Property.

Dolomitic phyllite and minor phyllitic dolomite units weather brown and have a sericitic sheen on foliated surfaces. Unlike the limestone and limey siliciclastic units, the dolomitic units do not fizz on addition of dilute hydrochloric acid.

Structure

Rocks on the Property generally trend to the southeast and have variable dips which are commonly less than 60°. The rocks in the northwestern part of the Property predominantly dip to the southwest, while those in the centre mainly dip to the northeast. This change in dip direction may reflect a broad fold, the axis of which would trend southeasterly across the centre of the property. Small-scale folds have been recognized across the Property. These minor folds often appear to be the result of the deformation of beds along local fault structures and, consequently, they do not display consistent patterns or any obvious relationships to the possible broad fold.

Faulting is prominent on the Property. Most faults strike northerly (between 340° and 020°) and dip steeply to the east or west. Offset on these faults appears to be primarily normal. Slickensides on fault surfaces indicate steep movement, although shear indicators are ambiguous

regarding which side is up. Bedding offset suggests that the sense of movement is typically east side up.

A second set of faults have also been observed on the Property. They trend to the east and have apparent left lateral offset. The most notable of these faults is located within a prominent valley in the northwestern corner of the Property. This fault is largely buried and its presence has been deduced from offsets in projections of geological units. A series of large ferricrete deposits are developed along the apparent trace of this fault.

Alteration

The most common alteration type observed on the Property is silicification. "Two types of quartz veins have been recognized: 1) 'older,' deformed veins which are widespread and generally not mineralized, and 2) 'later,' stockwork to wide-spaced vein systems which are often spatially associated with disseminated auriferous mineralization and zones of pervasive silicification. These stockwork and vein occurrences commonly form silica-rich zones with strike lengths up to 300 m, thicknesses of several metres and a dominant strike of about 110°, with near vertical dips. As well, pervasive silicification and widespread stockwork is commonly concentrated in quartz-rich units adjacent to the phyllite contact, which may have acted as an impervious barrier to hydrothermal fluids" (Jones and Caulfield, 2000). Several of these silicified zones have been found in the northwest quadrant of the Property. It comprises patchy zones of silica alteration and quartz veining that stretch over 2000 m.

MINERALIZATION

Westmin conducted extensive prospecting during its 1996 and 1997 exploration programs in the area of the current Property. Strategic Metals performed one day of prospecting in 2010. The following mineralization description is largely summarized and extracted from Westmin's published data (Jones, 1997, Gale and Terry, 1998 and Jones and Caulfield, 2000).

Mineralization on the Property is commonly associated with quartz veins and stockworks. Sulphide mineralization is widespread in the northwest part of the Property, but normally at low concentrations. Pyrite and much lesser arsenopyrite are present as disseminations and blebs in altered host rocks. They generally form less than 1 to 2% of the rock but are locally concentrated as pods or lenses that comprise up to 15% of the rock. Both sulphides also occur in quartz veins – as large blebs, fracture coatings and fine grained disseminations. Galena was observed in quartz veins and less commonly as disseminations in the host rocks. The sulphides typically occur peripherally to the zones of quartz stockwork and silicification.

Widespread gossans within siliciclastic units occur extensively within the northwest part of the Property. The gossans are commonly associated with faults structures. Limonite is ubiquitous on fracture faces in areas where these units are strongly fractured and silicified. Typical iron oxide minerals include jarosite (after pyrite) and goethite. Manganese oxide staining is also common, especially in areas with the strongest iron oxide development. Some zones of pyrite-arsenopyrite mineralization are not associated with gossans and, as such, the mineralization was only recognized after anomalous soil sample results were obtained.

Numerous large ferricrete zones have been mapped in the northwest corner of the Property. They vary in size up to a maximum area of nearly 300 by 200 m.

Rock sampling carried out by Westmin during its 1996 and 1997 programs yielded a number of anomalous gold- and arsenic-in rock values within two main zones. The zones are located in the west-central and north-central parts of the Property. Strategic Metals' 2010 prospecting and rock sampling were only conducted within the west-central zone. Sampling and Analytical Procedures for all samples are provided in Appendix II.

The main west-central gold- and arsenic-rich zone covers a 500 by 400 m area within a southwest trending cirque on the south slope of an arcuate ridge. A secondary arsenic-rich zone extends for an additional 750 m to the northwest of the main zone, into the adjacent cirque. The samples were all taken within locally gossanous quartzite and quartz grit, which have been cut by extensive quartz stockwork zones and north- and west-trending faults.

A total of 72 rock and chip samples were collected from the main west-central zone by Westmin and Strategic Metals. Of these samples, 12 yielded weakly to very strongly anomalous values for gold (between 0.105 and 1.38 g/t with an average of 0.435 g/t). Three samples returned arsenic values exceeding 10,000 ppm, while twenty others averaged 1095 ppm arsenic (between 202 and 4280 ppm).

Fifteen rock samples were taken by Westmin from the secondary arsenic-rich zone. One of these samples returned an elevated gold response (0.260 g/t) and six yielded anomalous arsenic values (between 204 and 2960 ppm, average of 1358 ppm).

The mineralized zone in the north-central part of the Property is poorly constrained in comparison to the west-central zone. The rock samples are significantly more widespread and less concentrated. All of the anomalous samples were collected along or adjacent to a southeasterly trending fault, primarily within limestone and phyllite. Seven samples taken along a 1500 m strike length from this structure yielded weakly to strongly elevated gold and arsenic values – between 0.180 and 2.28 g/t gold averaging 1.81 g/t and between 402 and 12,200 ppm arsenic averaging 3574 ppm. The sample that returned 2.28 g/t gold comprised limonite and strongly silicified quartzite with 10% finely disseminated pyrite and trace arsenopyrite.

SOIL GEOCHEMISTRY

In 1996, Westmin collected contour soil samples over most of the ground now covered by the northwest corner of the Property. In 1997, it followed-up gold- and arsenic-in-soil anomalies detected the previous year by establishing two soil grids, in the north-central and west-central parts of the Property. These grids are situated 2000 m apart. In 2010, Strategic Metals extended the north-central grid to the west. Results for gold and copper for all samples are illustrated thematically on Figures 6 and 7. Sampling and Analytical Procedures are given in Appendix II, while anomalous thresholds and peak values for soil samples are listed in Table I.

T.N.

13.2'

23°23'

Grid north

Magnetic north

Annual change decreasing 24.5'

521000 mE

522000 mE

523000 mE

524000 mE

PROPERTY BOUNDARY

6866000 mN

6865000 mN

6864000 mN

6863000 mN

1700 m

1740 m

AREA SHOWN ON FIGURE 6

PROPERTY BOUNDARY

6866000 mN

6864000 mN

6864000 mN

521000 mE

523000 mE

525000 mE

0 1 2 km

Au in Rock (g/t)

- ≥1000 ≤ 2,280
- ≥500 < 1000
- ≥200 < 500
- ≥100 < 200
- ≥50 < 100
- 0 < 50

Au in Soil (ppb)

- ≥500 ≤ 1,870
- ≥200 < 500
- ≥100 < 200
- ≥50 < 100
- ≥20 < 50
- ≥0 < 20

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FIGURE 6

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

GOLD GEOCHEMISTRY

REEF PROPERTY

0 300 500 m

UTM ZONE 9, NAD 83, 105H\15

FILE: ...2011/Reef/Figures/Au_geochem

DATE: OCTOBER 2011

T.N.

13.2'

23°23'

Grid north

Magnetic north

Annual change decreasing 24.5'

521000 mE

522000 mE

523000 mE

524000 mE

6866000 mN

6865000 mN

6864000 mN

6863000 mN

1700 m

1740 m

PROPERTY BOUNDARY

AREA SHOWN ON FIGURE 6

PROPERTY BOUNDARY

6866000 mN

6864000 mN

6864000 mN

521000 mE

523000 mE

525000 mE

0 1 2 km

As in Rock (ppm)

- ≥2,000 ≤ 12,200
- ≥1,000 < 2,000
- ≥500 < 1,000
- ≥200 < 500
- ≥100 < 200
- 0 < 100

As in Soil (ppm)

- ≥1,000 ≤ 5,430
- ≥500 < 1000
- ≥200 < 500
- ≥100 < 200
- ≥50 < 100
- ≥0 < 50

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FIGURE 7

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

ARSENIC GEOCHEMISTRY

REEF PROPERTY

0 300 500 m

UTM ZONE 9, NAD 83, 105H/15 & 16

FILE: ...2011/Reef/Figures/As_geochem

DATE: OCTOBER 2011

Table I - Geochemical Data for Soil Samples

Element	Anomalous Thresholds				
	Weak	**Moderate**	**Strong**	**Very Strong**	**Peak**
Gold (ppb)	≥ 50 < 100	≥ 100 < 200	≥ 200 < 500	≥ 500	1870
Arsenic (ppm)	≥ 100 < 200	≥ 200 < 500	≥ 500 < 1000	≥ 1000	5430

The following descriptions of the soil geochemical anomalies are largely summarized or extracted from Westmin's reports (Jones, 1997, Gale and Terry, 1998 and Jones and Caulfield, 2000).

On the west-central grid, soil sampling delineated an extensive anomaly that is defined by weak to very strong gold and arsenic values. The anomaly stretches for about 2000 m along the exposure of a thick, shallowly dipping quartz-rich clastic unit. The anomaly pinches and swells along this unit but generally thickens in the vicinity of north to northwest trending faults. Anomalous results are generally associated with quartz stockworks and silicification within the quartz-rich unit, and are particularly concentrated near the upper contact of the unit with a phyllite-limestone package. The peak values for gold and arsenic were both obtained from samples taken near the centre of the grid – in a part of the soil anomaly that encompasses the west-central mineralized zone.

Parts of the middle lines on the north-central grid returned weakly to very strongly anomalous gold and arsenic values. Samples collected along the surface trace of the southeast trending fault, which appears to control the north-central mineralized zone, also yielded elevated responses for gold and arsenic. Weakly anomalous copper (383 ppm), lead (340 ppm) and zinc (1370 ppm) values were obtained from the northern grid.

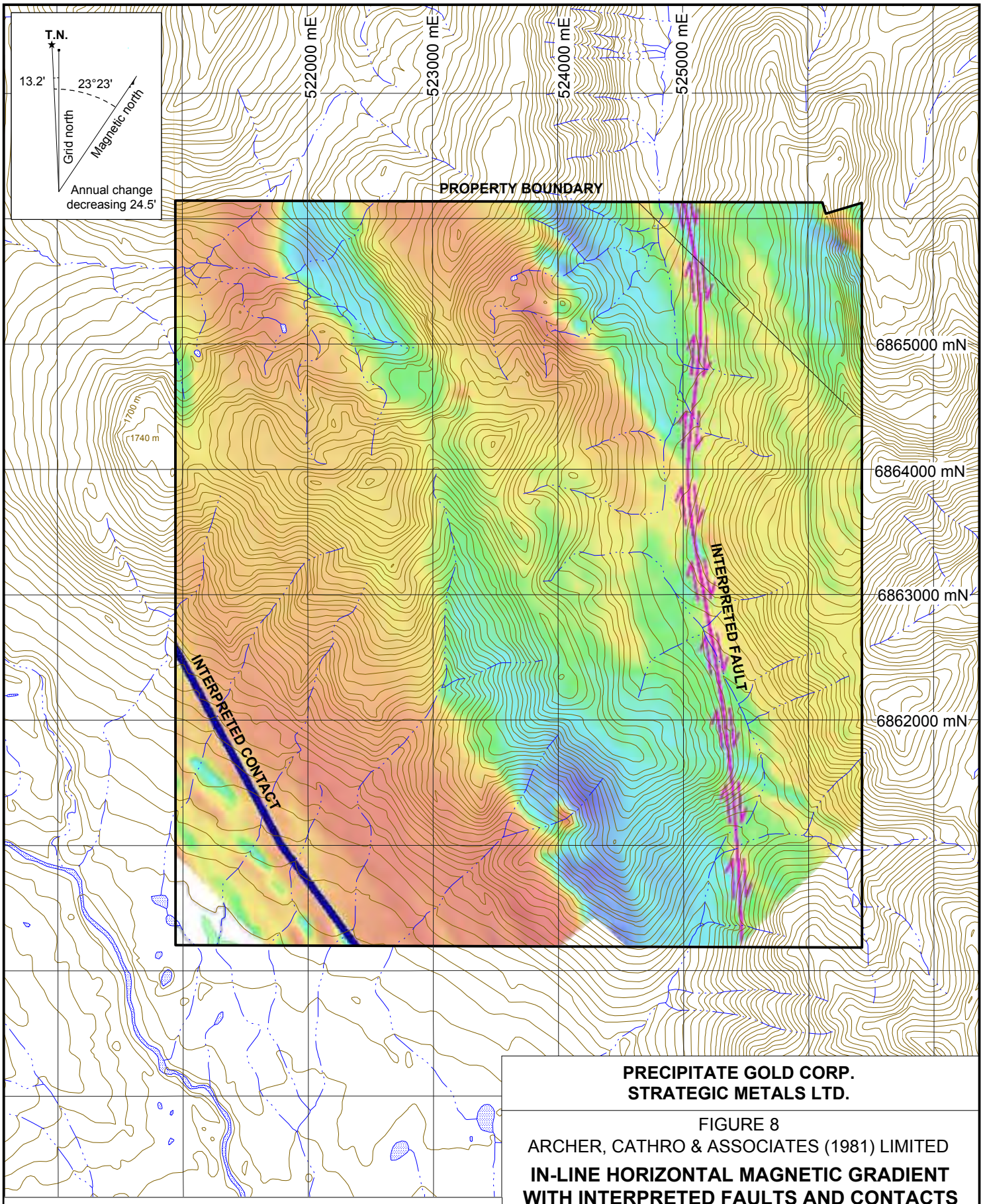
Isolated, weak to strong gold values and weak to moderate arsenic values were obtained from contour soil samples collected elsewhere on the Property.

AIRBORNE GEOPHYSICAL SURVEYS

In 2011, helicopter-borne magnetic gradiometer, VLF-EM and radiometric surveys were contracted to CMG Airborne of Toronto, Ontario. A total of 325 line kilometers were flown over the Property. The VLF-EM data was not usable due to poor quality data attributed to early season conditions. Appendix II contains CMG Airborne's report, which describes equipment and procedures that were used during the surveys and interpreted results.

Preliminary interpretations and conclusions regarding the magnetic and radiometric data were completed by Sean Scrivens of CMG Airborne. Mr. Scrivens' Statement of Qualifications is attached at the back of CMG Airborne's report. The following interpretations and conclusions are summarized from Mr. Scrivens' report.

The magnetic data has a general northwest-southeast trend. A lithological contact is inferred along the transition from higher gradient magnetic response in the west half of the Property to lower gradient response to the southwest (Figure 8). A fault is also inferred from the magnetic data in the eastern half of the Property. The magnetic data appears to offset and slightly curve



PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.

FIGURE 8
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

IN-LINE HORIZONTAL MAGNETIC GRADIENT WITH INTERPRETED FAULTS AND CONTACTS

REEF PROPERTY

0 1 2 km

UTM ZONE 9, NAD 83, 105H\15 & 16

FILE: ...2011/Reef/TMI

DATE: OCTOBER 2011

against the fault-structure, which suggests that some ductile deformation of the host rocks may have occurred due to drag along the fault.

Several regions with elevated radioactivity are outlined on the radiometric total count image (Figure 9), which are not explained by known lithologies. A curved radiometric feature that lies in the western half of the Property may represent an alteration halo above a buried intrusion that is not apparent in the magnetic data. This feature is bounded by a possible lithological contact to the west and a highly radioactive region to the south.

EXPLORATION MODEL

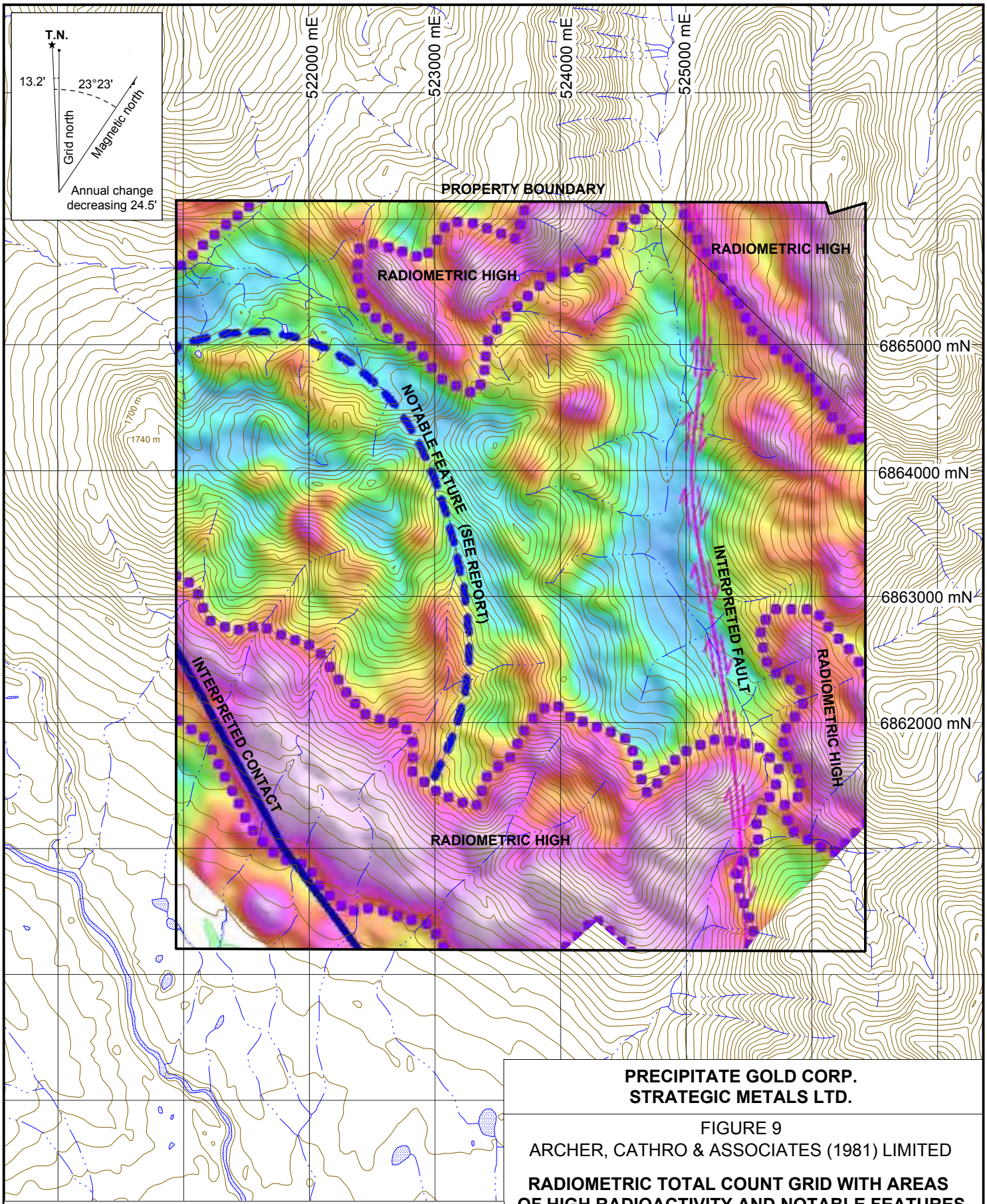
The Property lies near the Tombstone Gold Belt (TGB), which comprises a 550 km long belt of coincident gold mineralization and reduced, low magnetic signature (low-mag) plutons that spans central Yukon (Hart and Lewis, 2006).

Since the discovery of the intrusion-related Fort Knox gold deposit in Alaska in the early 1990s, gold exploration in Yukon (particularly within the TGB) has increasingly focussed on plutons of Mid-Cretaceous age (Hart and Lewis, 2006). The strong associated between gold mineralization and Mid-Cretaceous intrusions within the TGB provided the foundation for an intrusion-related gold model that has gained widespread acceptance (Hart and Lewis, 2006).

Mineralization on the Property is part of a 50 km long, northwest-trending sub-belt of gold occurrences in the upper Hyland River valley that comprises the easternmost portion of the TGB. Many of these occurrences lack certain key indicators of intrusion-related gold deposits, including: 1) plutons and dykes do not occur in the vicinity of the gold occurrences; 2) there are no obvious zones of hornfels; 3) contact metamorphic minerals and skarns are mostly absent; 4) there is no known mineral or metal zonation typical of intrusion-related systems; and 5) aeromagnetic lows result from massive, variably altered quartz grit and conglomerate and not from unroofed, 'low-mag' intrusions (Hart and Lewis, 2006).

Jones and Caulfield (2000) recognized that mineralization on the Property did not fit the classical intrusion-related deposit model. They interpreted it as possible distal-style mineralization that formed two to three kilometres above a buried intrusion (Hart and Lewis, 2006). Although the mineralization is coincident with a pronounced, north-trending, 'low-mag,' ilmenite-series or reduced pluton, similar to those that characterize the TGB (Hart and Lewis, 2006), several of the key indicators of intrusion-related gold deposits are lacking. These indicators include the absence of intrusive rocks or significant hornfels (closest exposed intrusion lies four kilometres to the southwest) and a metal signature dominated by arsenic-lead-antimony with low bismuth (Jones and Caulfield, 2000).

Hart and Lewis (2006) observe that auriferous quartz veins in the upper Hyland River valley sub-belt have characteristics similar to orogenic gold veins. The mineralization may thus potentially be related to fluid flow generated in response to regional deformation, prograde metamorphism and melts that formed intrusions in the region, rather than be intrusion-related as was previously thought.



PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.

FIGURE 9
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

RADIOMETRIC TOTAL COUNT GRID WITH AREAS OF HIGH RADIOACTIVITY AND NOTABLE FEATURES

REEF PROPERTY

0 1 2 km

UTM ZONE 9, NAD 83, 105H\15 & 16

FILE: ...2011/Reef/Radiometrics | DATE: OCTOBER 2011

DISCUSSION AND CONCLUSIONS

Precipitate Gold's exploration program was designed to provide geophysical data, which can be used to infer structural and lithological controls that might be associated with gold mineralization. Geophysical data can also be used to look for new targets in areas adjacent to known showings and geochemical anomalies.

The Property definitely warrants additional work. That work should focus on identifying the bedrock source of the intense gold and arsenic anomaly in the west-central part of the Property and on discovering new mineralized zones in the more recently acquired, adjacent ground. This work should include: 1) completion of a more detailed interpretation of the magnetic data and integration of this data with geology; 2) prospecting and mapping in areas where magnetic or radiometric features are likely to be exposed at surface, with particular attention to possible faults and alteration patterns; and 3) deep profile, grid soil sampling over all parts of the Property that have not yet been grid sampled.

Respectfully submitted,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

Sarah Eaton, B.Sc. Geology, GIT

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APPENDIX I

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Sarah Eaton, geologist, with business addresses in Whitehorse, Yukon Territory and Vancouver, British Columbia and residential address in North Vancouver, British Columbia, hereby certify that:

1. I graduated from the University of British Columbia in 2007 with a B.Sc. in Honours Geological Sciences.

2. From 2002 to present, I have been actively engaged in mineral exploration in Yukon Territory, British Columbia and Northwest Territories.

3. I am a Geoscientist in Training (GIT) with the Association of Professional Engineers and Geoscientists of British Columbia (Member Number 154922).

4. I have personally compiled data for the work reported herein.

Sarah Eaton, B.Sc. (Hon.) Geology, GIT

APPENDIX II

SAMPLING AND ANALYTICAL PROCEDURES

2010 Geochemical Samples

Rock Samples

Rock geochemical sample sites on the property were marked with orange flagging tape labelled with the sample number. The location of each sample was determined using a handheld GPS unit.

Multi-element analyses for rock samples were carried out at ALS Chemex in North Vancouver, B.C. Each sample was dried, fine crushed to better than 70% passing 2mm and then a 250 g split was pulverized to better than 85% passing 75 micron. The fine fraction was then analyzed for gold using fire assay with inductively coupled plasma-atomic emission spectroscopy finish (Au-ICP21) and for 35 other elements using an aqua regia digestion and inductively coupled plasma-atomic emission spectroscopy analysis (ME-ICP41).

Soil Samples

All 2010 soil sample locations were recorded using hand-held GPS units. Sample sites are marked by aluminum tags inscribed with the sample numbers and affixed to 0.5 m wooden lath that were driven into the ground. Soil samples were collected from 10 to 40 cm deep holes dug by hand-held auger. They were placed into individually pre-numbered Kraft paper bags.

The soil samples were sent to ALS Chemex, where they were dried, screened to -180 microns, and then analyzed for 35 elements using ME-ICP41. An additional 30 g charge was further analysed for gold by Au-ICP21.

1997 Geochemical Samples

Rock Samples

"Fifty seven rock samples were collected. The rocks were submitted to Chemex Labs in North Vancouver, BC to be analyzed for 32 elements by ICP-AES and gold by fire assay-atomic absorption (Gale and Terry, 1998)."

Soil Samples

A total of 1137 soil samples were collected on two grids and two contour lines on the Fer property. "On the southern grid, B-horizon soils were collected every 25 to 50 m along grid lines that were spaced 100 m apart. On the northeastern grid, samples were collected every 50 m along lines spaced 100 m apart. In both cases, samples were labelled according to the respective grid coordinates. Samples of B-horizon material were taken in all instances except where soil development was poor. In these instances, samples comprised talus fines or other C-horizon type material. Soil sample stations were marked in the field with flagging tape and a tyvex tag with the sample number written on it. Samples were partially dried in the field and then shipped to Chemex Labs for analysis. They were subsequently dried, sieved to -80 mesh, pulverized and then analyzed for 32 elements using ICP-AES and Au by fire assay-atomic absorption (Gale and Terry, 1998)."

1996 Geochemical Samples

Rock Samples

"The rock samples were submitted to Chemex Labs in North Vancouver, BC to be analyzed for 32 elements by ICP-AES and gold by fire assay-atomic absorption (Jones, 1997)."

Soil Samples

"Contour soil sampling was done over most of the Fer property. The samples were taken every 100 m along contour lines spaced 100 to 200 m apart in elevation. In some areas only one line was done, generally near the base of the slope for maximum coverage. Samples of B-horizon material were taken in all instances except where soil development was poor. In these instances, samples were generally of talus fines or other C-horizon type material.

Soil sample stations were marked in the field and then shipped to Chemex Labs for analysis. They were subsequently dried, sieved to -80 mesh, pulverized and then analyzed for 32 elements using ICP-AES and Au by fire assay-atomic absorption (Jones, 1997)."

APPENDIX III

REPORT ON A HELICOPTER-BORNE MAGNETIC GRADIOMETER, VLF-EM & RADIOMETRIC SURVEY

Report on a Helicopter-Borne Magnetic Gradiometer, VLF-EM & Radiometric Survey

Project Name: VF & HJR
Project Number: 2011-001

Client: BEARING RESOURCES LTD.

Contractor: CMG Airborne

Date: June 16th, 2011

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1.0 Introduction

Canadian Mining Geophysics Ltd. (CMG) has flown a helicopter-borne magnetic gradiometer, VLF-EM & radiometric survey for Bearing Resources Ltd. in east-central Yukon.

The survey, consisting of a total of 1240 line-kilometers (l-km) over two discrete survey areas was flown May 21st to the 24th, 2010.

The survey was flown using the WGS-84 Datum and UTM Projection, Zone 9 North. The final database was converted to the NAD-83 Datum and UTM Projection, Zone 9 North using Geosoft Oasis Montaj. All map products were processed and are presented in the NAD-83 Datum.

The CMG magnetic gradiometer consists of three (3) potassium magnetometer sensors separated approximately three (3) meters (m) apart. Measured gradients include the vertical and transverse (cross-line) horizontal. The parallel (in-line) horizontal gradient is calculated and is possible because of the close separation of the magnetometer readings (~3 m) along the flight line.

In addition to the magnetic, a RSX-5 digital airborne gamma-ray spectrometer data has been collected for the detection and measurement of low-level radiation from both naturally occurring and man-made sources. The spectrometer was built by and purchased from Radiation Solutions Inc. consisting of four downward looking crystals and one upward.

The CMG system also records two VLF-EM measurements from approximately orthogonal VLF transmitting stations – normally Cutler, Maine and Jim Creek, Seattle, both in the United States.

This report describes the Property in Section 2.0, Survey Procedures & Personnel in Section 3.0, Equipment in Section 4.0, Deliverables in Section 5.0, Processing in Section 6.0, Results in Section 7.0, Interpretation in Section 8.0 and Conclusions and Recommendations in Sections 9.0 and 10.0 respectively.

Appendix A contains a list of the survey outline points in NAD-83, Zone 9 N.

Appendix B contains a list of the digital database columns, the database of which is included with this report to Bearing Resources Ltd.

2.0 Property Description

The VF and HY-Jay-Reef (HJR) properties are located approximately 200 kilometres north of Watson Lake (Figure 1), in east-central Yukon. The survey polygon covers a number of mineral claims which are contiguous (Figure 2). The blocks are centered at latitude 61° 43' 47" & longitude 128° 22' 11". The areas are on rugged terrain with elevations ranging from 1,000 to 2,000 meters.

The base of operations was the Cantung Mine Site, across the North West Territories border. The mine is located ~20 km east of the HJR survey area and ~30 km north of the VF survey area. The aircraft was fueled out of fuel drums stationed at the mine site air strip.

3.0 Survey Procedures & Personnel

The survey was flown according to the specifications outlined in the project contract. The survey lines (as flown) were trimmed within a Geosoft database to the survey polygon plus 100m. This resulted in the number of l-km as described in Table 2.

The nominal bird height for the survey was 60 m. In some cases the bird height was higher, especially in areas where the rough terrain made it difficult to climb and descend quickly. Over flatter areas, a bird height of 40 m was easily achieved.

The survey speed was approximately 100 km/hr except in rough terrain where climbing in altitude would slow the system. The sampling frequency of all recorded data, including GPS, occurred at a 10 Hz. This resulted in a lateral distance between readings of approximately 2.5 – 3.0 m.

Real-time, helicopter navigation was possible using the AgNav system. GPS sensor positioning was provided using a Novatel 10-channel receiver set to the CD-GPS mode (western zone). This mode is considered the most accurate in Canada and provides real-time accuracy of ~ 1-5 m. The GPS antenna was installed on top of the gradiometer bird, near the center (length-wise) of the housing.

A radar altimeter was connected to the skid gear of the helicopter and provided a measurement of distance above ground for the pilot to navigate by. Inside the helicopter the radar altimeter had a digital readout attached to the dash board.

Approximately one hour before the survey began, the base station magnetometer initialized and a VLF sensor attached. All transmitting VLF stations were scanned and the two stations with the strongest signals selected. The selected stations were then relayed to the operator who set them in the helicopter data system for recording during flight. The base station was turned off after the crew landed and contacted the processor.

(Table 1 provides a listing of all personnel involved in the project, their respective positions and a brief description of their roles and responsibilities throughout the survey.

Preliminary and final data processing was carried out by a third party consultant, Sean Scrivens P.Geo. of Gemtec Ltd.

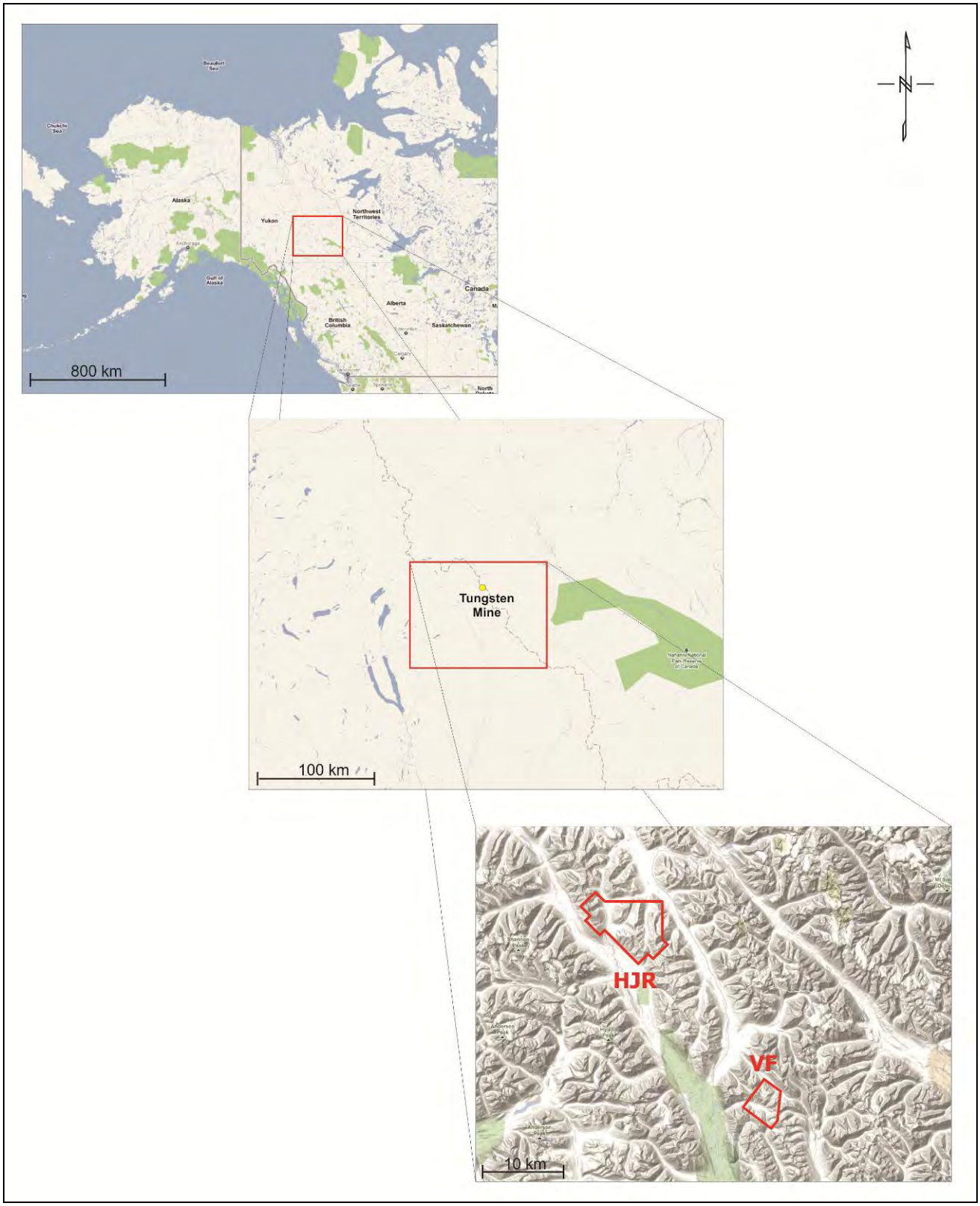


Figure 1 - Regional location of the VF and HJR survey areas.

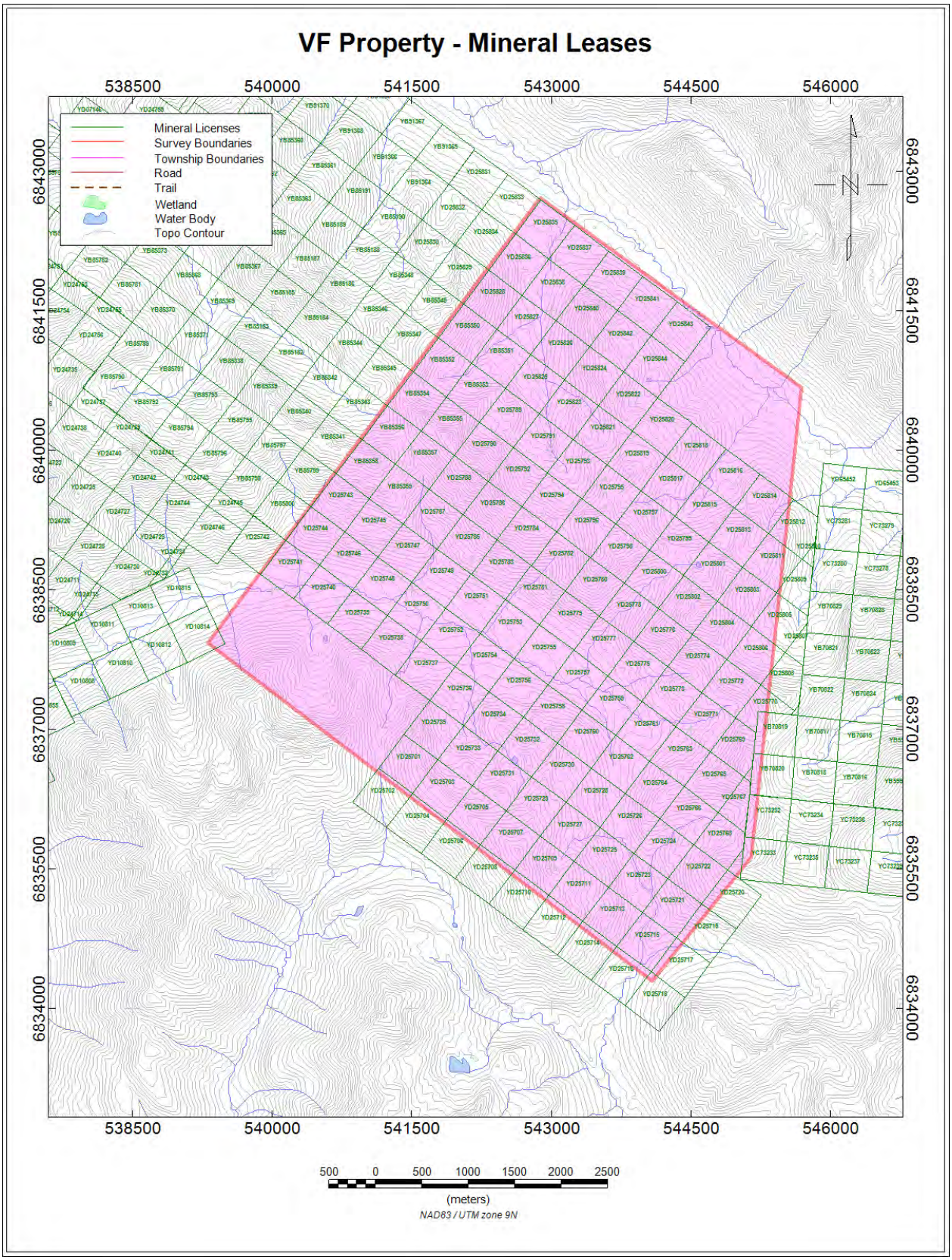


Figure 2 – VF property with topographic contours and mineral claims.

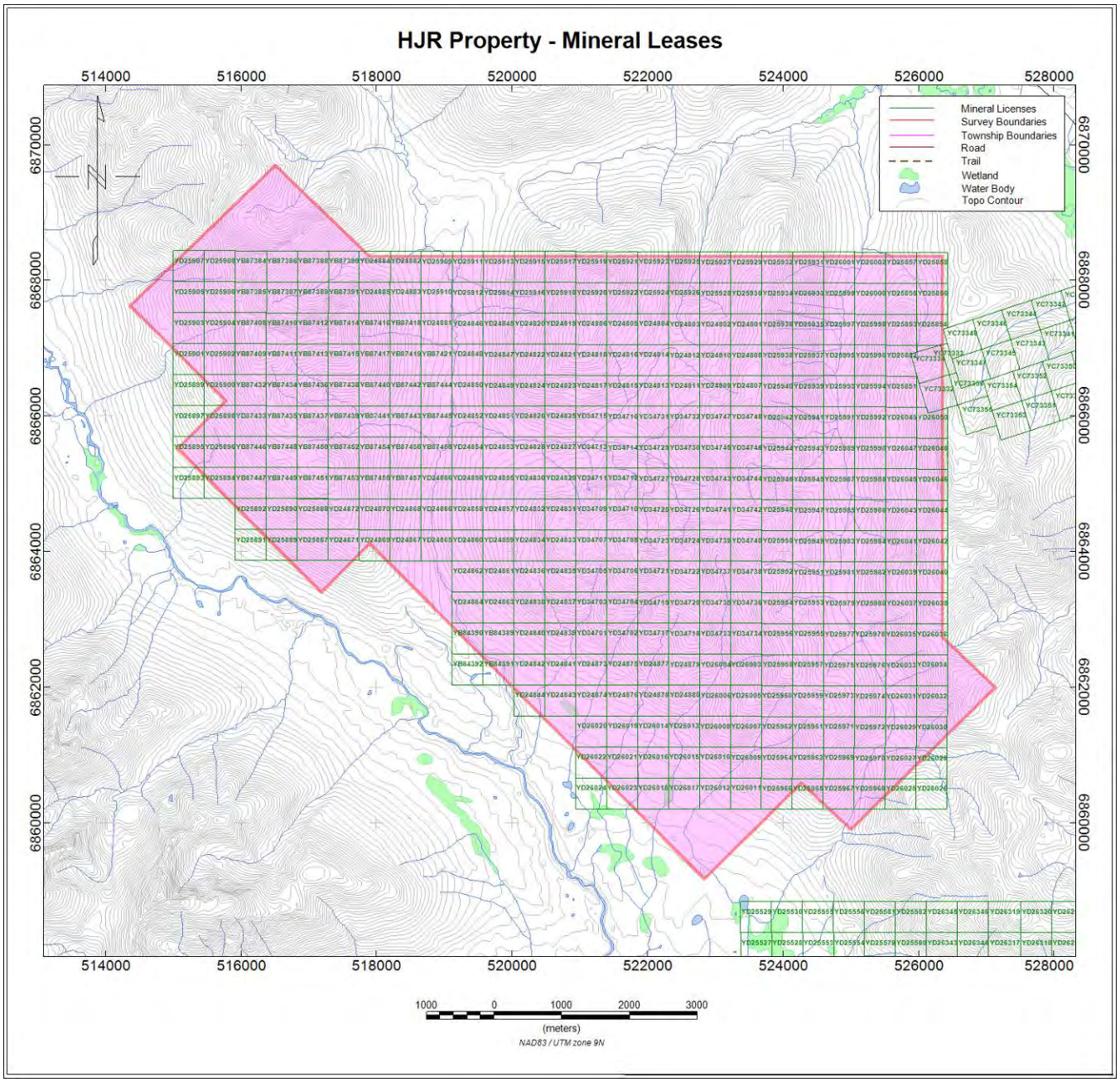


Figure 3 – HJR property with topographic contours and mineral claims.

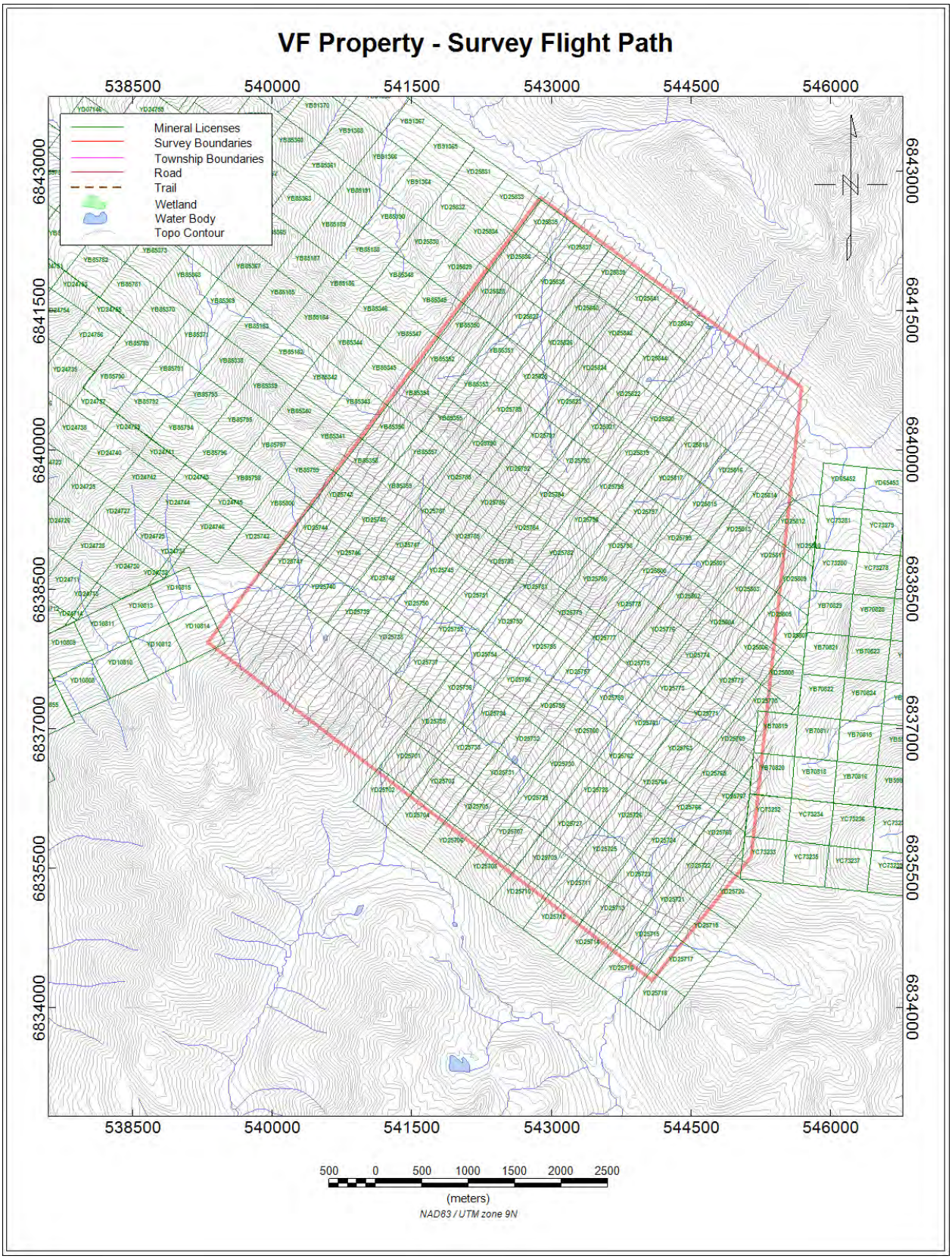


Figure 4 - Flight path & survey outline of the VF survey area.

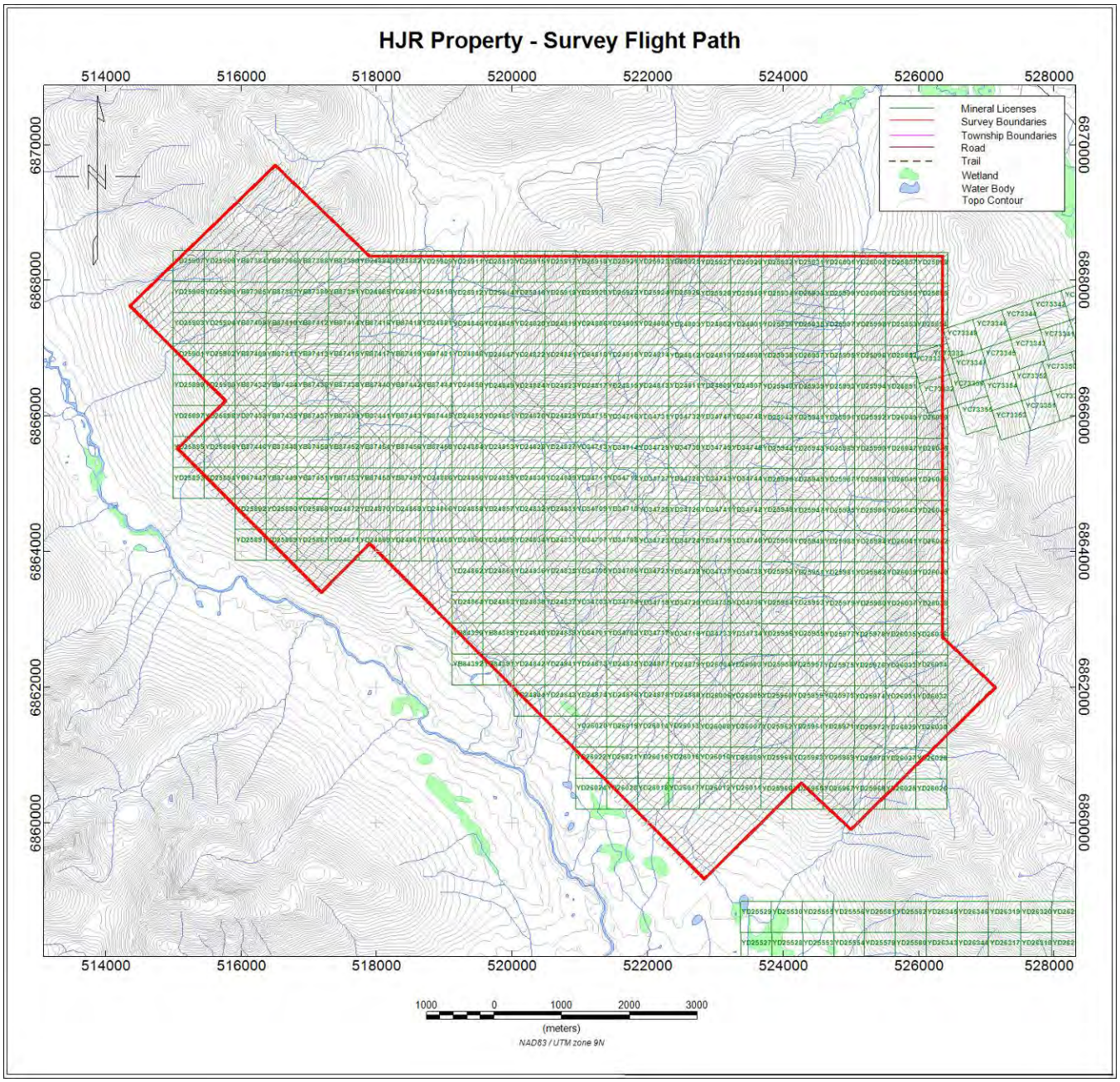


Figure 5 - Flight path & survey outline of the HJR survey area.

Table 1 - List of Survey Personnel

Individual	Position	Description
Germain Ratte	Pilot	Flew the helicopter.
Mike Bedford	Aircraft Mechanic	Ensure helicopter maintenance is performed.
Dan LeBlanc	Operator	In-flight quality control & maintenance of the system and ancillary equipment.
Sean Scrivens	Data Processing	Off-site data processing.
Sean Scrivens	Final Processing & Reporting	Integration of field data into Geosoft database and generation of grids, profiles, map products and logistics report write-up.
Sean Scrivens	Interpretation	Final review of data interpretation write-up and recommendations
David Tupper	Client Representative	Vice President of Exploration with Bearing Resources Ltd.

Table 2 - Survey Area Specifications

Area	Line Direction	Line Spacing	Number of km
HJR	N35°E	100 m lines	795 km
	N125°E	1000 m lines	82 km
VF	N35°E	100 m lines	330 km
	N125°E	1000 m lines	32 km

4.0 Equipment

4.1 The Helicopter

The helicopter used was a Eurocopter AStar Aerospatial 350 FX2 with registration C-GOFX, owned and operated by Abitibi Helicopters. An AStar B2 is shown in Figure 6.

Installation of the ancillary equipment was performed at VIH's hangar in Prince George, BC. Two short test flights were performed to ensure the system was operational. The bird was then towed to the Princeton, BC region where surveying commenced immediately.

The gradiometer system was attached to the helicopter by a 30 m long tow cable. The tow cable contains a Kevlar strength member and a weak link. The tow cable also contains the power and signal wires.

Figure 6 - The survey used an AStar FX2 shown above.

4.2 The Gradiometer

The CMG magnetic gradiometer (Figure 7) is based on GEM System potassium magnetometers. These sensors are preferred over the cesium optically pumped sensors because they have a lower effective noise level (better for gradient measurements) and a much lower heading error (less absolute correction required from line to line).

Three sensors are also preferred over the normal four sensor arrays featured on systems that measure all three magnetic gradients. CMG measures the vertical gradient from the top sensor and the average of the two bottom sensors located 2.95 m apart and the cross-line (or transverse) gradient from the two side sensors located 3.45 m apart. The in-line gradient is actually calculated from successive measurements of the average of the two side sensors given the fact that measurements along the flight line are acquired at approximately the same distance as the sensor separation of the bird.

Computing the in-line gradient as opposed to measuring it directly using an additional sensor has some important advantages. Firstly, and most importantly, by having only three magnetometer sensors, they can all be placed at the front of the bird and the magnetically noisy electronics (including the tow cable) can all be placed at the back of the bird so that the distance between sensors and electronics is

maximized. Secondly, the computed in-line measurement has effectively no heading error (the readings are measured from the same sensors and are constant across such a short distance), and is relatively free from diurnal variations in the magnetic field, given the short time interval (0.1 sec) between readings.

Figure 7 - The CMG tri-axial magnetic gradiometer.

Table 3 - Specifications for the CMG Magnetometer Section

Sensitivity:	+/- 0.001 nT
Absolute accuracy:	+/- 0.5 nT over operating range maximum
Sample rate:	10 Hz (0.1 sec)
Dynamic range:	30,000 to 90,000 nT, 5,000 nT/m gradient
Heading error:	+/-0.15 nT maximum for all sensor orientations
Operating temperature:	-32^{o} C to +40^{o} C normally
Tuning method:	Dynamic re-starting at 30,000 nT
Volume of sensor:	70 mm^{3}

The magnetometer data is collected at a rate of 10 Hz. The frequency from each sensor is counted separately within the digital electronic section located approximately 4.5 m away from the sensors in the middle of the bird. The combined data stream (including mag, gps, vlf and radar information) is

then sent up the tow cable to the data acquisition system in the helicopter. Specifications for the magnetometer sensors are given in Table 3.

4.3 The Magnetometer Bird

The magnetometer frame is constructed from fiberglass and the sensor housings are made from Kevlar. The horizontal displacement between magnetometer sensors is 3.45 m. The vertical separation is 2.95 m. The length of the bird is 5.3 m and weighs approximately 180 kg. The bird can be separated into two sections and the magnetometer arms removed for easy transportation.

4.4 The Spectrometer

The revolutionary RSX-5 digital airborne gamma-ray spectrometer (Figure 8) is designed for the detection and measurement of low-level radiation from both naturally occurring and man-made sources. The spectrometer was built by and purchased from Radiation Solutions Inc. The RSX-5 is a fully integrated system that includes an individual Advanced Digital Spectrometer (ADS) for each crystal within the box. The ADS records high resolution, 1024 channel, digital data of naturally occurring radioactive elements.

Figure 8 - Radiation Solutions RSX-5 Gamma Ray Spectrometer.

Key Features:

- 1024 channel resolution
- Individual crystal ADC and processing
- No distortion as each crystal output is fully linearized permitting multi-crystal summing without distortion
- Effectively no signal degradation
- No radioactive test sources required for system setup or system performance validation
- Extremely wide dynamic range
- High level of self-diagnostics
- Worldwide usability, fully multi-peak automatic gain stabilization on natural isotopes
- Data compression - individual crystal spectral data storage can be achieved with no effective increase in data volume

The recorded spectrometer data was transferred directly into the acquisition computer via high speed USB. The data was processed independently and merged with the magnetic data using GPS time stamp.

4.5 The VLF-EM System

The CMG gradiometer contains two VLF (very low frequency) EM receivers that can be tuned to any of the operational VLF transmitters worldwide. In general, two orthogonal stations are chosen such as Cutler Maine (24.0 kHz) and Jim Creek Seattle (24.8 kHz).

Measurements of the in-phase, quadrature-phase and total field are taken at a 10 Hz sample rate. The in-phase measurement is easily affected by variations in the sensor orientation and may not be useful in areas of rugged topography or where bird movement is significant. The quadrature-phase measurements are dependent on bird direction so alternating lines are sign inverted. The results can be gridded and provide the locations of weak conductors, given the high relative frequency of the transmitter station.

The measured VLF components are converted into a digital signal and then appended to the data string in the main magnetometer console. This entire data string is then transmitted up the tow cable to the data acquisition system in the helicopter.

4.6 The Magnetometer Base Station

A GSM-19 base station was used to record variations in the earth's magnetic field and referenced into the master database using GPS time stamp. This system is based on the Overhauser principle and records total magnetic field to within +/- 0.02 nT at a one (1) second time interval.

The GSM-19 is portable and can be placed in a remote location without the need for extra batteries or cabling. On this survey the unit was positioned at a magnetically quiet location at the mine site.

4.7 The Radar Altimeter

The CMG system uses two radar altimeters, both modulated frequency radio versions manufactured by Free Flight. The radar altimeter in the helicopter is used by the pilot to estimate terrain. The second altimeter, mounted directly on the bird, provides an accurate measurement of bird height. The approximate accuracy of these devices is +/- 2 m.

4.8 GPS Navigation

CMG uses the AgNav Incorporated (AgNav-2 version) GPS navigation system for real-time locating while surveying. The AgNav unit is connected to a Tee-Jet GPS system receiver that uses the WAAS system – considered to be a standard in aircraft navigation and accurate throughout a large portion of Canada.

4.9 Data Acquisition System

Data is collected by the main magnetometer console in the gradiometer bird and includes GPS timing and positional information, magnetometer readings, VLF readings, and radar altimeter. This information is digitized inside the console, all at a rate of 10 Hz. The resulting data string is transmitted in digital format along the tow cable into a laptop computer inside the helicopter that is running the GEM Systems DAS software. All data is stored on the hard-drive in ASCII format using a simple column by row format.

5.0 Deliverables

From the survey, a number of deliverable products are generated including a set of hard-copy maps, a final report (this document), and a digital archive of the data with digital copies of map products.

5.1 Hardcopy Products

Hardcopy map products are provided at 1:20,000 scale and include a topographic back-drop. Each map contains a scale bar, north arrow, coordinate outlines (easting & northing), flight lines with line number and direction and geophysical data.

The survey block consisted of 1 map plate customized to fit within the boundaries of a 42” plotter. Each map contains a technical summary of specifications and a colour bar that describes the geophysical data.

5.2 Digital Products

The geophysical data is provided in a Geosoft GDB database. At the Client’s request an xyz archive of the same database in ASCII format can also be provided.

The contents of the database are described more fully in Appendix B. A copy of the GDB database is kept by CMG as a courtesy to the Client but can be deleted at the Client's request.

In addition to the GDB file database, copies of all geophysical grids are provided as GRD files (also in Geosoft format). The cell size used for gridding is nominally 1/5 of the flight line spacing.

Map files in Geosoft MAP format are also provided as deliverables. The Client can use a free viewer available from Geosoft Limited (www.geosoft.com) for viewing and plotting map files, but not for editing or changing them.

5.3 Delivered Products

The following map products were delivered in hard-copy and digital (Geosoft Map & PDF) format. Each map product was colour shaded on a topographic backdrop with flight lines and contours.

- Total magnetic intensity (TMI)
- Magnetic Analytical signal (ASIG)
- Measured in-line horizontal field derivative (MI-HMG)
- Radiometrics corrected total count (GRS-TC)
- Radiometrics Thorium-Potassium ratio (GRS_Th-K)

The following map products were delivered in digital (Geosoft Map & PDF) format only (in addition to those above). Each map product was colour shaded on a topographic backdrop with flight lines and contours.

- Measured cross-line horizontal magnetic field derivative (MC-HMG)
- Measured in-line horizontal magnetic field derivative (MI-HMG)
- Radiometrics percent Potassium (GRS-K)
- Radiometrics equivalent Uranium (GRS-U)
- Radiometrics equivalent Thorium (GRS-Th)
- Radiometrics Uranium-Potassium ratio (GRS_U-K)
- Radiometrics Uranium-Thorium ratio (GRS_U-Th)

The following grid products were delivered in digital (Geosoft GRD) format only (in addition to those above).

- Digital Terrain Model (DTM)

The following additional products were delivered in digital format:

- Copy of this report in .pdf format
- Geosoft database GDB of all collected data
- Geosoft and Acrobat software utilities for data viewing

6.0 Processing

Preliminary data processing is performed using CMG proprietary methods. This includes calculation of the magnetic gradients from the three sensors (MAG1, MAG2 and MAG3), digital terrain model, bird height, and merging of the base station magnetic data (sampled at 1.0 sec) with the survey data (sampled at 0.1 sec).

6.1 Base Maps

All base maps are presented in the Datum and Projection defined in the Introduction of this report. All map coordinates refer to projected easting and northing in meters. All maps contain the actual flight paths as recorded during surveying and have been clipped to the survey polygon with a 100m extension.

The topographic vector data has been obtained from Natural Resources Canada.

Topographic shading has been derived from 90 m resolution digital elevation model (DEM) data provided by the NASA Shuttle Radar Topography Mission (SRTM) and shaded at an inclination and declination of 45º.

6.2 Flight Path

The helicopter used “ideal” flight lines as guidance during surveying as displayed on the real-time AgNav system with the aid of a helicopter mounted GPS. A separate GPS mounted to the bird was used to record actual position. The sample rate of the GPS was 10 Hz, the same as all the other data collected in flight.

The GPS outputted both latitude and longitude values and easting and northing values, all in the WGS84 Datum, using the UTM Projection Zone 9 North. There has been no interpolation of the positional data, nor has there been any filtering of the data.

6.3 Terrain Clearance

Two radar altimeters recorded data during the course of the survey: one located on the skid gear of the helicopter and the other on the base of the bird. The helicopter mounted radar altimeter was used to maintain terrain clearance by the pilot. A digital indicator was mounted on the dashboard of the helicopter. This work was performed by a licensed helicopter engineer provided by VIH.

The digital terrain model (DTM) was derived by subtracting the bird mounted radar altimeter value from the GPS z position (mean point above sea level). The DTM values were further corrected for a lag value of 1.0 sec. The DTM values are to be considered relative as they have not been tied into any surveyed geodetic point.

6.4 Magnetic Data Processing

The magnetic data were collected without any lag time, therefore a lag time correction was not applied. In areas where one magnetometer sensor has become unlocked, the total magnetic field values for that sensor were replaced with a dummy value ("*"). The lock and heater settings are both used for QC measures so it is easy to find the areas where one or more sensors lost lock or were not heating correctly. Locking errors occur almost entirely on turn-arounds.

The raw ASCII survey data files and basemag ASCII data files are imported into separate Geosoft databases. A QC check of the basemag data is made on a day to day basis, exported as a Geosoft Table file (TBL) and merged with the active database using built-in Geosoft routines.

Diurnal magnetic corrections were applied only to the channel that was used to generate a total magnetic field map. The MAG1, MAG2, and MAG3 sensor values were used to generate the gradients and do not require diurnal correction. The base station data was linearly interpolated from a 1.0 sec sample rate to 0.1 sec to correspond to the flight data.

The horizontal gradients are sensitive to line direction. Positive polarity is defined as to the north and east. On south- and/or west-facing lines the horizontal gradients are multiplied by -1.

The magnetic data from the individual sensors as well as the computed total magnetic intensity have no filtering applied. The computed gradients are lightly filtered to remove high frequency noise common in areas of rough terrain or flying conditions. The magnetic data grids were tie line-leveled if needed and the resulting grids micro-leveled.

6.4.1 Magnetic Analytic Signal

The magnetic analytic signal (ASIG) is calculated by taking the square root of the sum of the squares of each of the 3 axis components of the gridding total magnetic intensity data. The equation for the analytic signal is:

$$ASIG = \sqrt{\left[\left(\frac{dT}{dx}\right)^2 + \left(\frac{dT}{dy}\right)^2 + \left(\frac{dT}{dz}\right)^2\right]}$$

where dT/dx is the in-line gradient, dT/dy is the cross-line gradient and dT/dz is the vertical gradient of the total magnetic field.

In general, the analytic signal is a gradient product that ignores the effects of target orientation. This "turns" all responses, regardless of how they interact with the earth's magnetic field, into the positive direction. Therefore, both negative anomalies & dipole effects will appear positive centered of the target source.

The analytic signal can be used to map the edge of large magnetic bodies as well as bring to light anomalous trends that can appear insignificant in a TMI grid. The nature of the algorithm also strips out effects of deep regional responses and focuses more on the near surface.

6.5 VLF-EM Data Processing

Due to the large distance to the nearest VLF station, the signal degradation was too high to produce any significant response throughout the survey. As the power output and functioning transmitting stations are out of CMG's control, VLF data is collected on an as is basis.

6.6 Radiometric Data Processing

The radiometrics data was processed using a variety of techniques used to strip out anomalous counts resulting from cosmic rays, aircraft and altitude. The data was stored on the RSX-5 spectrometer and imported directly into a separate Geosoft database. Here the data underwent a variety of corrections were applied, time lagged to match the magnetic data and exported to an ASCII XYZ. The file was converted in a table and merged with the master magnetic database. The radiometric data, collected a 1Hz, was merge using exact values and not interpolated to 10hz.

The cosmic background was identified by conducting a series of test flights at altitudes between 500m and 3000m at 500m increments. A linear regression of the cosmic window with each radioelement window produced an equation that accounted for aircraft background and cosmic scattering. These coefficients were stripped out of the data.

The stripping factors, unique for each spectrometer, were provided by Radiation Solutions and applied to the data. This correction removes the effects of Compton Scattering up and down the energy spectrum. The stripping coefficients were adjusted to compensate for aircraft altitude.

Height attenuation correction was applied to the data using a set of coefficient also supplied by Radio Solutions. The radar altitude data was imported in the spectrometer database from the radar unit on

the magnetometer and converted in standard temperature-pressure (STP). Attenuation coefficients were applied to each energy window as well as the total count.

Following all data corrections, each energy window was converted into their ground concentrations using supplied coefficients. This converts the potassium counts into %K, and the thorium and uranium counts into equivalent ground concentrations.

A set of radiometric ratios were also calculated using the final corrected data. These include a thorium-potassium ratio, a uranium-thorium ratio and a uranium-potassium ratio. All corrected data and ratios were included in the final database.

7.0 Results

The following images are shown in the corresponding figures. Each image has been color shaded with a sun angle of 45^{o} inclination and 35^{o} declination to enhance regions of high gradient. All grid products are processed independently and lightly micro leveled for the final product.

- The total magnetic field (TMI) is shown in Figure 9 & Figure 10.
- The measured vertical magnetic gradient (M-VMG) is shown in Figure 11 & Figure 12.
- The measured in-line magnetic gradient (MI-HMG) is shown in Figure 13 & Figure 14.
- The measured cross-line magnetic gradient (MC-HMG) is shown in Figure 15 & Figure 16.
- The calculated magnetic analytical signal (ASIG) is shown in Figure 17 & Figure 18.
- The digital terrain model (DTM) is shown in Figure 19 & Figure 20.
- The Gamma Ray Spectrometer corrected total count is shown in Figure 21 & Figure 22.
- The Gamma Ray Spectrometer percent Potassium is shown in Figure 23 & Figure 24.
- The Gamma Ray Spectrometer equivalent Uranium is shown in Figure 25 & Figure 26.
- The Gamma Ray Spectrometer equivalent Thorium is shown in Figure 27 & Figure 28.
- The Gamma Ray Spectrometer Thorium – Potassium ratio is shown in Figure 29 & Figure 30.
- The Gamma Ray Spectrometer Uranium – Potassium ratio is shown in Figure 31 & Figure 32.
- The Gamma Ray Spectrometer Uranium – Thorium ratio is shown in Figure 33 & Figure 34.

8.0 Interpretation

In the current survey, CMG has acquired high resolution magnetic gradiometer data and radioelement profiles. The vertical magnetic gradient provides a more accurate estimate of magnetic boundaries. The cross-line horizontal gradient highlights structures that may be oriented sub-parallel to the flight direction. The vector sum of the three magnetic gradients – known as the analytic signal – produces

highs directly over magnetic sources that are independent of the direction of the earth's magnetization vector.

The magnetic fabric of the two survey areas is complex and defines features that appear related to structures such as faults, geologic contacts as well as intrusive outlines. The magnetic field responses vary considerably in both amplitude and character. For example, the broad and low gradient features likely represent deeper seated bodies, whereas the sharp and high gradient responses are related to near surface features. Based on the previous geological findings in the area, the primary targets of interest are thought to be magmatic bodies that have intruded into the Harlan group. These intrusions have the potential to host economic mineralization. Fractures and faults that intersect these intrusive bodies are primary areas of interest for hydrothermal deposition.

The individual magnetic products have been referenced in order to better define the numerous structures throughout the area. The various gradient and derivative products fully represent the components of the magnetic field and can provide specific information not obvious in the total field data. The in-line horizontal magnetic gradient (MI-HMG) emphasizes subtle magnetic features perpendicular to the line direction, whereas the first vertical derivative product (1VD) emphasizes all subtle features in the data. The magnetic analytic signal (ASIG) is produced by calculating the vector sum of all three magnetic gradients to produce a grid that is independent of the effect of orientation from subsurface bodies. Typically, the orientation of a magnetic target can produce a positive or negative response in the total magnetic field relative to its orientation.

In addition to magnetics, a gamma ray spectrometry survey was performed to map the levels of radioactivity of the survey area. Individual spectrum gate data (Potassium, Uranium and Thorium) can provide valuable information on specific alteration or lithology types. Gridding the data as ratios of each radioactive element, such as "eTh vs pK" or "eU vs eTh", provides for a method of determining which areas may be relatively enriched or depleted in one of the radioelements. This could be the result of either primary causes (i.e. magmatic) or secondary causes (i.e. alteration related to magmatic, hydrothermal or weathering processes). In some cases, these processes are related to economic mineralization.

8.1 HJR Property

The total magnetic intensity data (TMI) collected on the HJR property exhibits high amplitudes to the southwest and decreasing towards to northeast. The magnetic data ranges from 57,200 nT to 58,400 nT or approximately 1200 nT in peak to peak variation. The west half and north edge of the property are dominated by stronger, higher gradient magnetic responses suggesting near surface exposure of the geology. The edge between these features and the lower gradient magnetic data to the southeast is quite abrupt and may represent a geologic contact (Figure 35). The general fabric of the geology trends northwest – southeast and is most apparent in the high gradient areas. Also of significance in the magnetic data are three fault-like structure extending sub north-south (Figure 35). At the axis of these faults, the magnetic data appears offset and slightly curves against the fault suggesting ductile deformation of the host rocks at the time of creation. Based on the rough topography of the area, it is likely these features are exposed and are visible at the surface; ground truthing in the high gradient areas, especially along the faults, is recommended to look for evidence of hydrothermal deposition.

The radiometric total count image outlines several regions with elevated radioactivity (sum of all spectrum gates). Several pockets of high radioactivity are visible across the property that do not appear to be related to topography. In some cases, radioactive minerals can erode from mountain sides into valleys and produce elevated values not related to the geology beneath. In the northwest section of the property, the radiometrics data changes character from relatively low counts to high counts creating a distinct edge. This edge closely follows a fault zone visible in the magnetic data suggesting the presence of a secondary geologic contact. Also of note is a curved feature visible in the various radiometric products which occurs near the center of the survey area. The feature appears to be bounded by a geologic contact on its west side and terminates upon entering a highly radioactive area to the south. This feature may represent an alteration halo of an intrusion not apparent in the magnetic data.

8.2 VF Property

The TMI data on the VF property, located approximately 20km southeast of the HJR property, ranges from 57,870 nT to 58,070 nT or only 200 nT in peak to peak variation. It is characterized by a low gradient across the survey area which increases to the northwest and reveals a deep response apparent along the northwest edge of the survey boundary. In contrast to the regional gradient, a stronger magnetic body sticks out in the northeast and several discrete highs are scattered towards the southwest. These features are clearly delineated in the magnetic analytic signal (ASIG) grid shown in Figure 37. The larger magnetic feature to the northeast may represent an intrusive event closer to the surface whereas the more discrete responses could be related to localized deposition of magnetic material along fracture zones. As seen in the HJR property, a distinct north-south trend or fault appears to cross-cut and offset the geology. This fault appears to diverge in the center of the property and converge further to the north creating a lens-like feature. Discrete magnetic sources in close proximity to this fault may be worth following up due to the potential for it to act as a conduit for hydrothermal activity.

Similar to the HJR survey area, the VF property exhibits numerous radioactive hot spots with a concentration to the northwest (See Figure 38). As before, there are no clear correlations between the topography and the radiometric data.

9.0 Conclusion

Based on the above discussion, a few areas are worth investigating further. In particular, the regional trending fault structures, cross cutting the survey areas, may provide conduits for hydrothermal transportation of mineralization and should be closely examined in areas where magnetic features appear to offshoot from the general trend. Ground work should be concentrated in areas where the magnetic data suggests near surface geology and in regions with high levels of radioactivity. Grab samples or soil chemistry may shed light on the type of alteration at work and guide future exploration.

10.0 Recommendations

1. Conduct ground truthing of the areas where the magnetic data suggests surfacing of the geology, especially in close proximity to faults.

2. Examine regions of high radioactivity for alteration patterns and correlate to magnetic trends and features.

3. Digital products from this report should be made available in either MapInfo or ArcView format as registered tiff files for integration into a GIS compilation.

4. Conduct an advanced level interpretation of the magnetic data, integrate with geology and possibly model selected structures.

Respectively Submitted,

Sean Scrivens P.Geo.
June, 2011

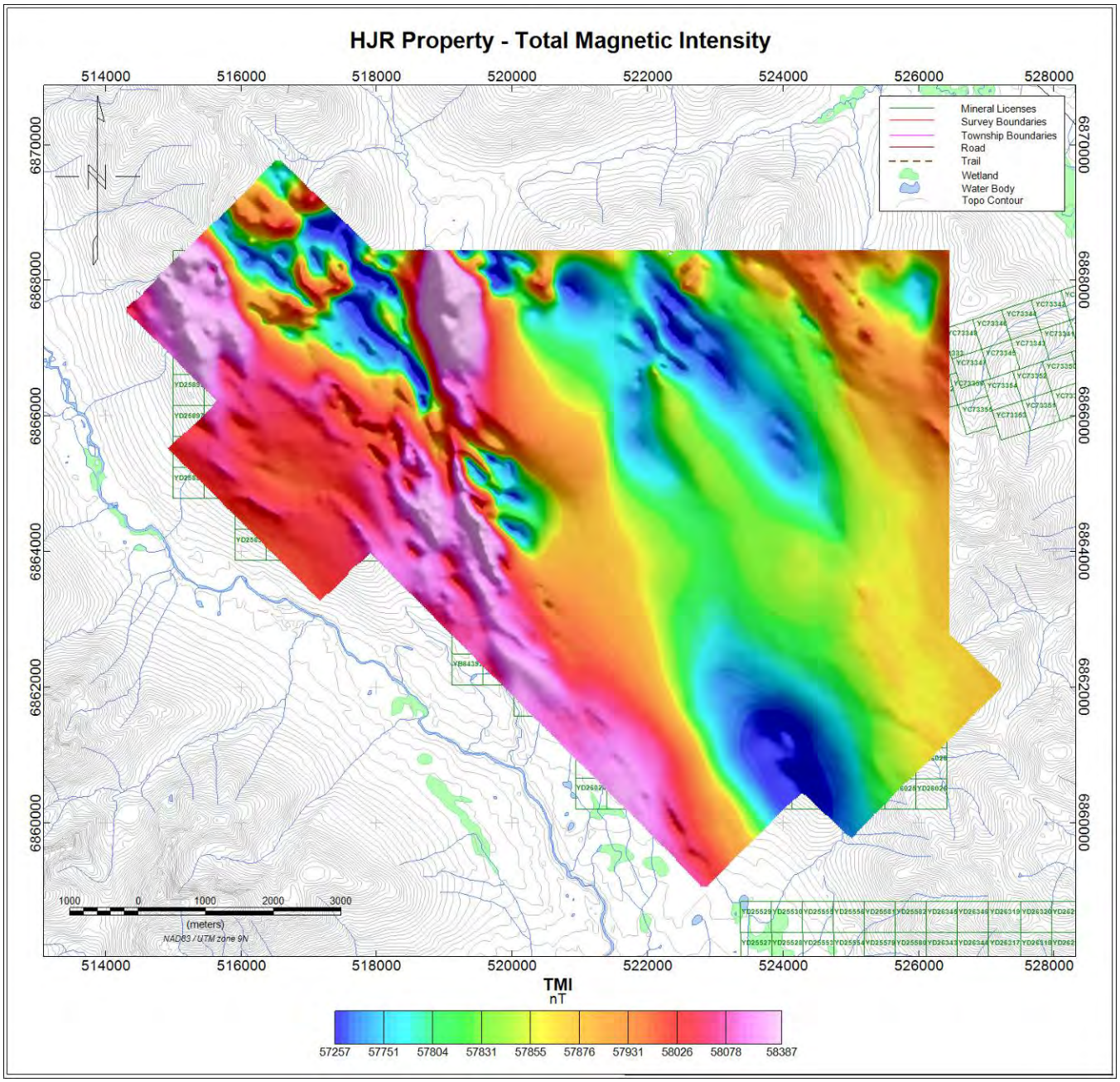


Figure 9 - Shaded image of the total magnetic field intensity (TMI) over the VF survey area.

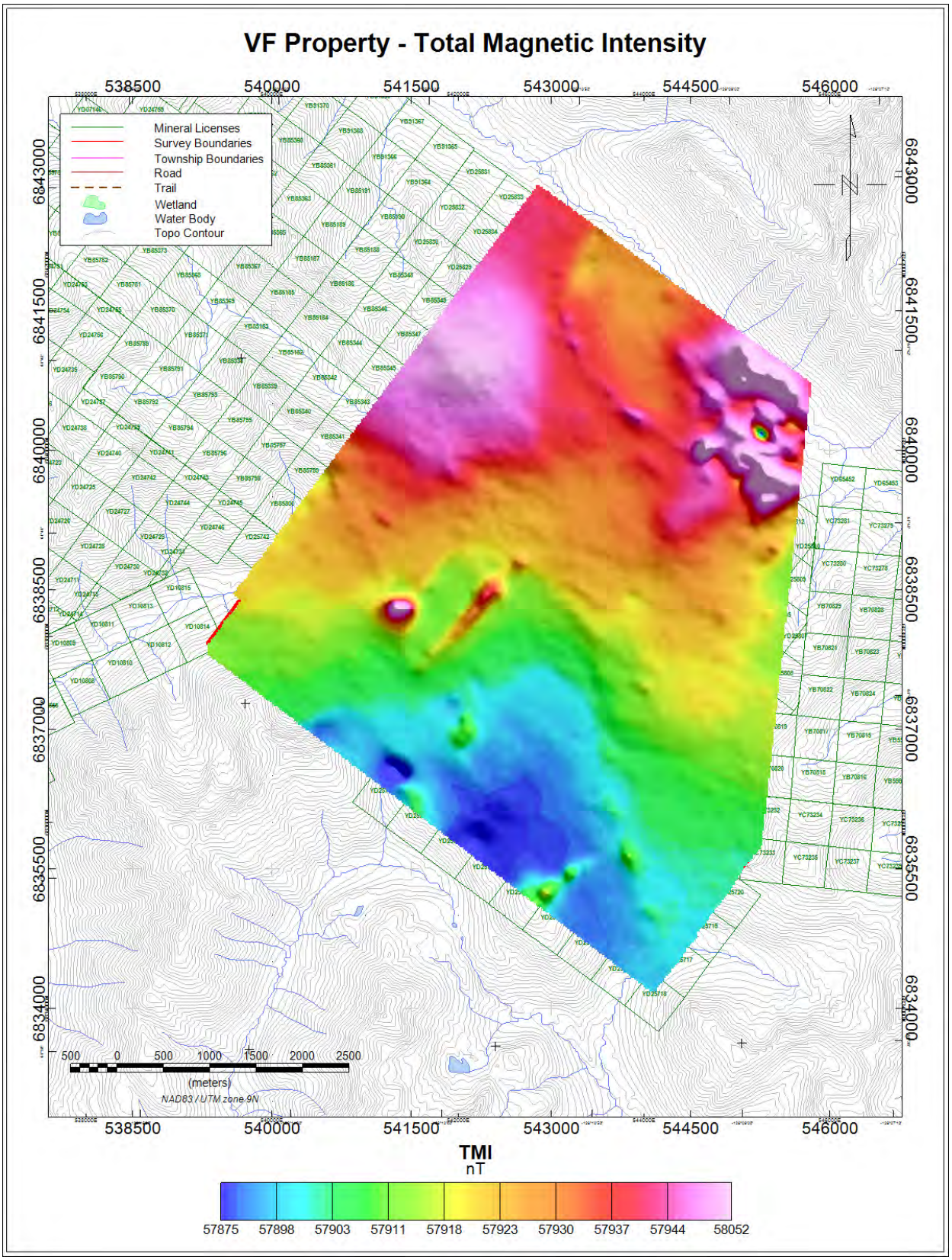


Figure 10 - Shaded image of the total magnetic field intensity (TMI) over the VF survey area.

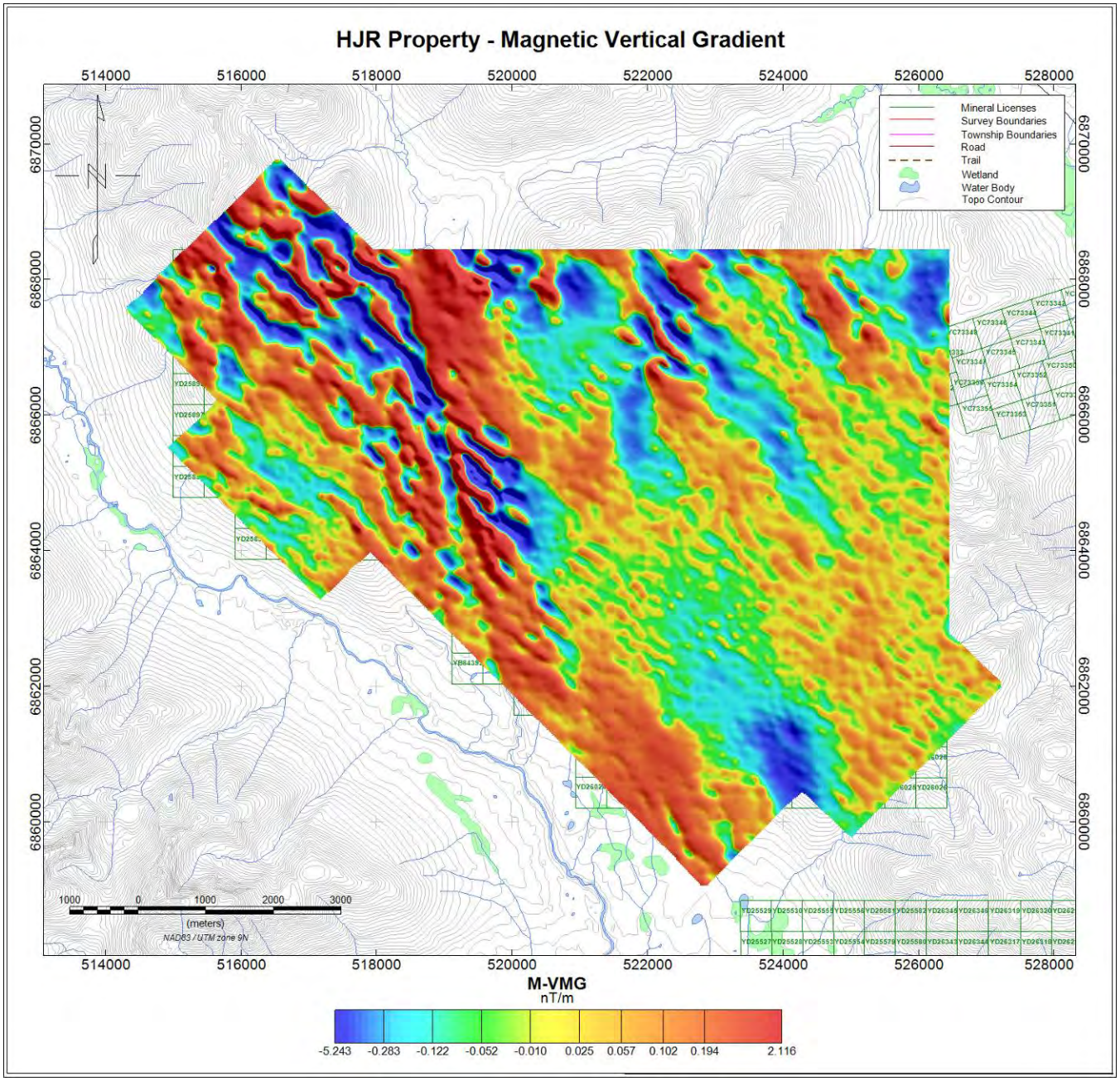


Figure 11 - Shaded image of the vertical magnetic gradient (M-VMG) over the VF survey area.

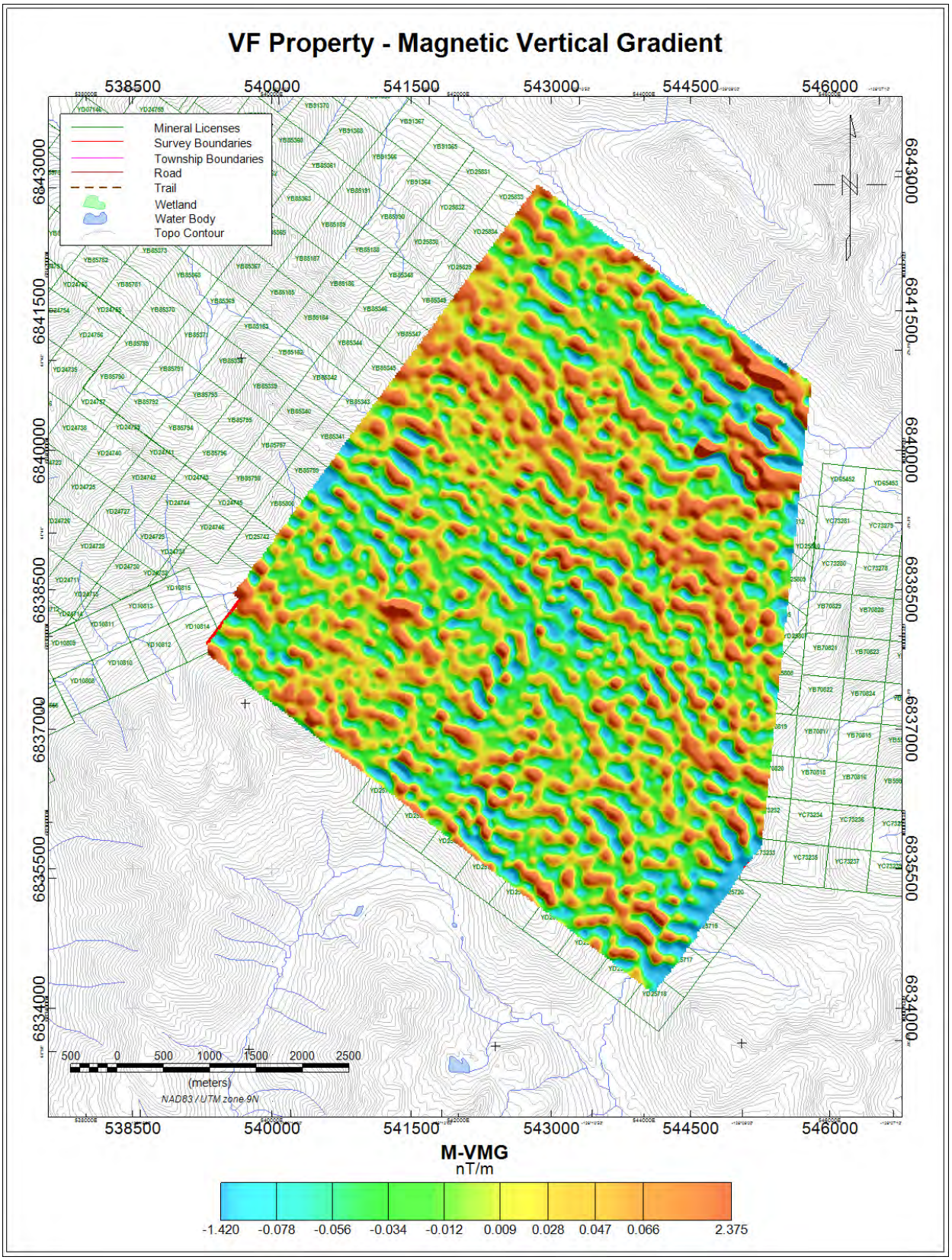


Figure 12 - Shaded image of the vertical magnetic gradient (M-VMG) over the VF survey area.

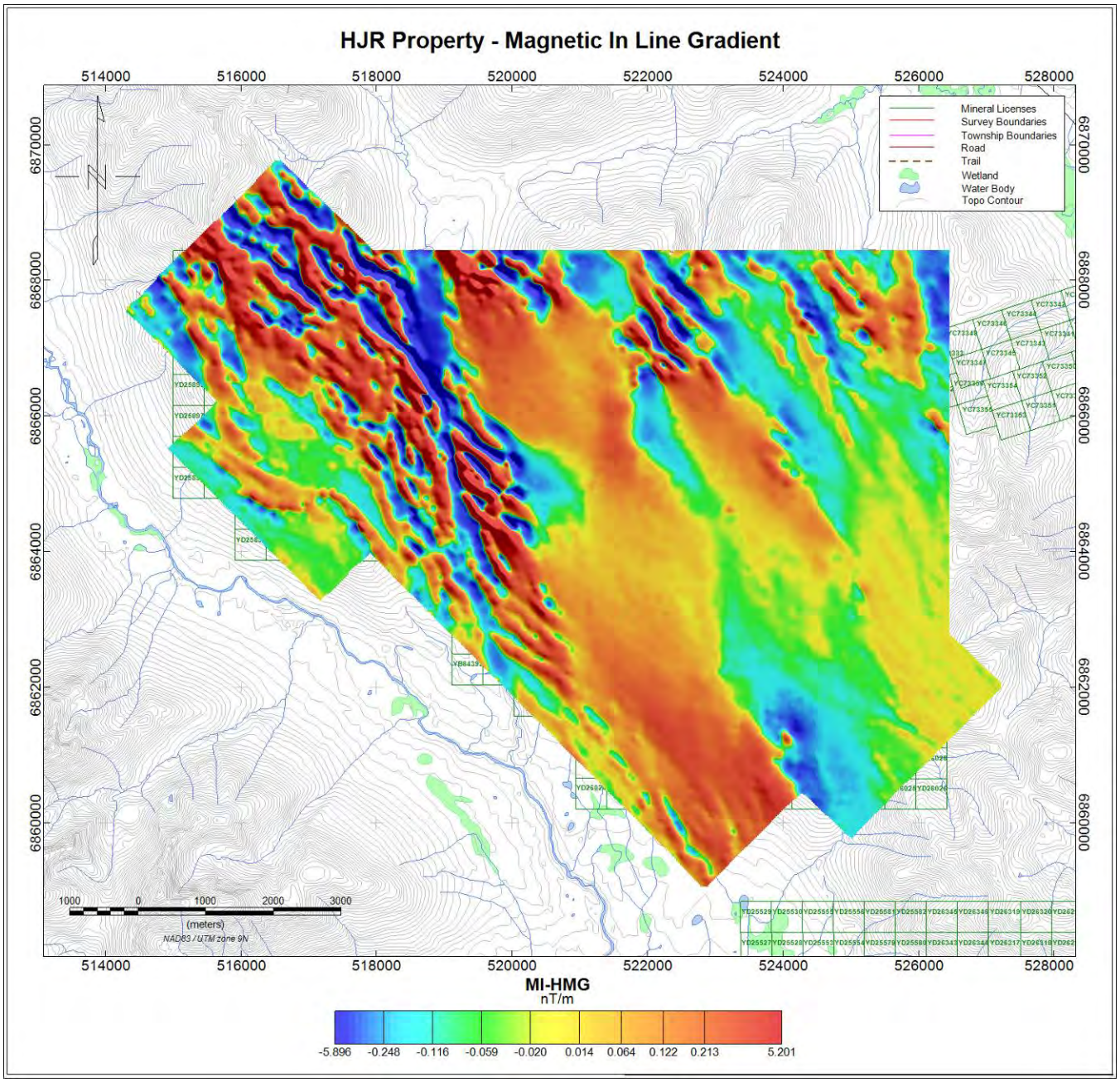


Figure 13 - Shaded image of in-line horizontal magnetic (MI-HMG) over the VF survey area.

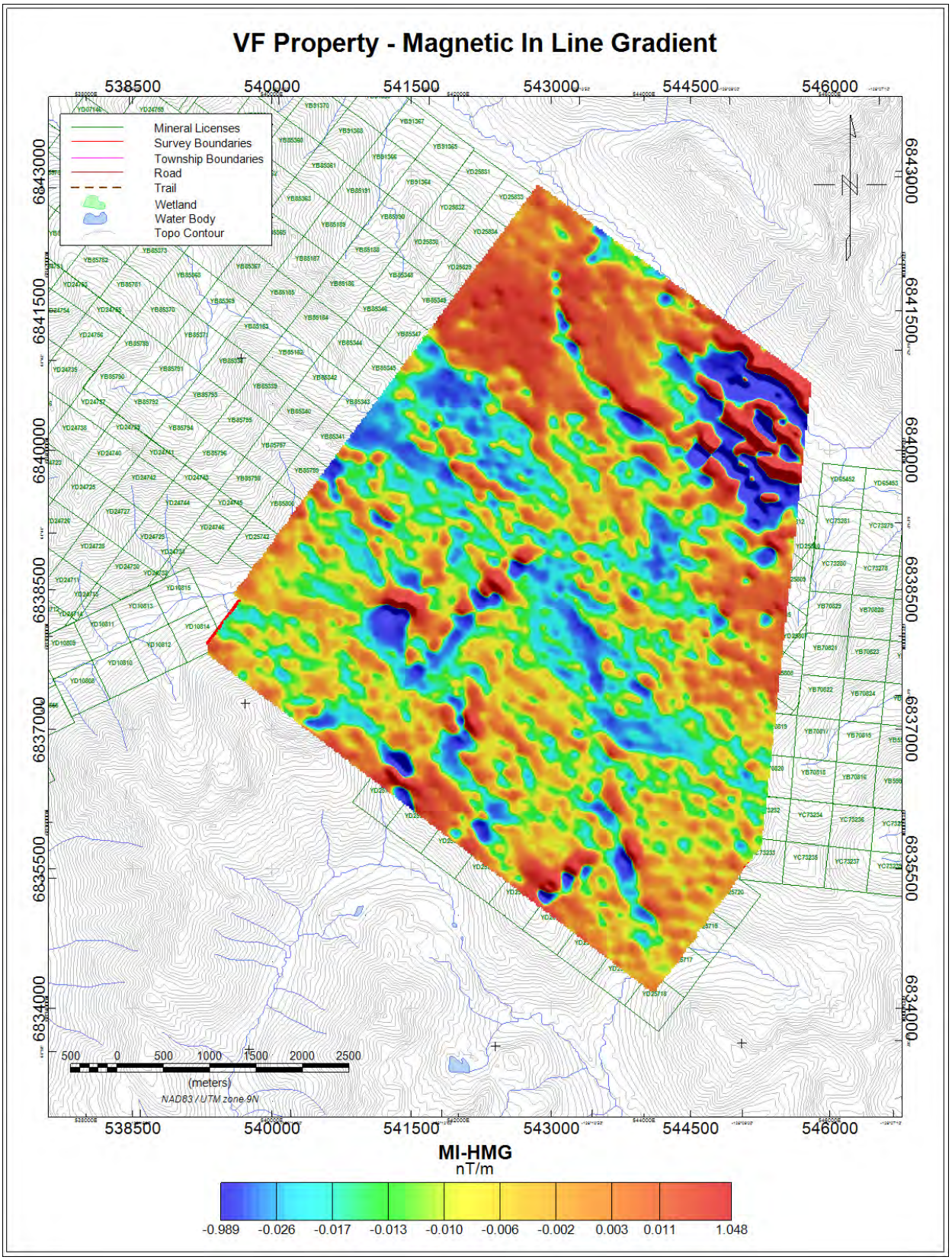


Figure 14 - Shaded image of in-line horizontal magnetic (MI-HMG) over the VF survey area.

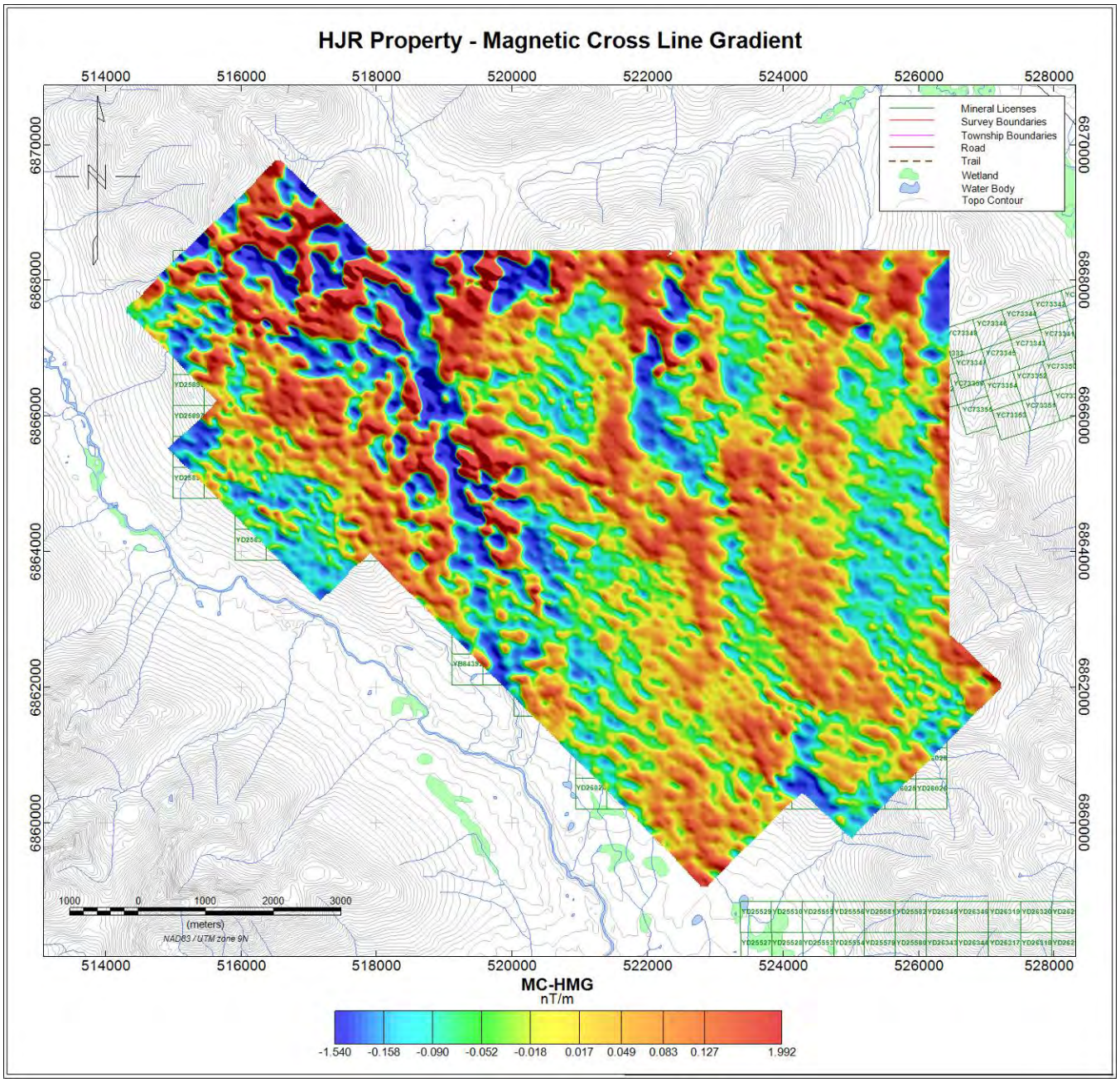


Figure 15 - Shaded image of the cross-line gradient (MC-HMG) over the VF survey area.

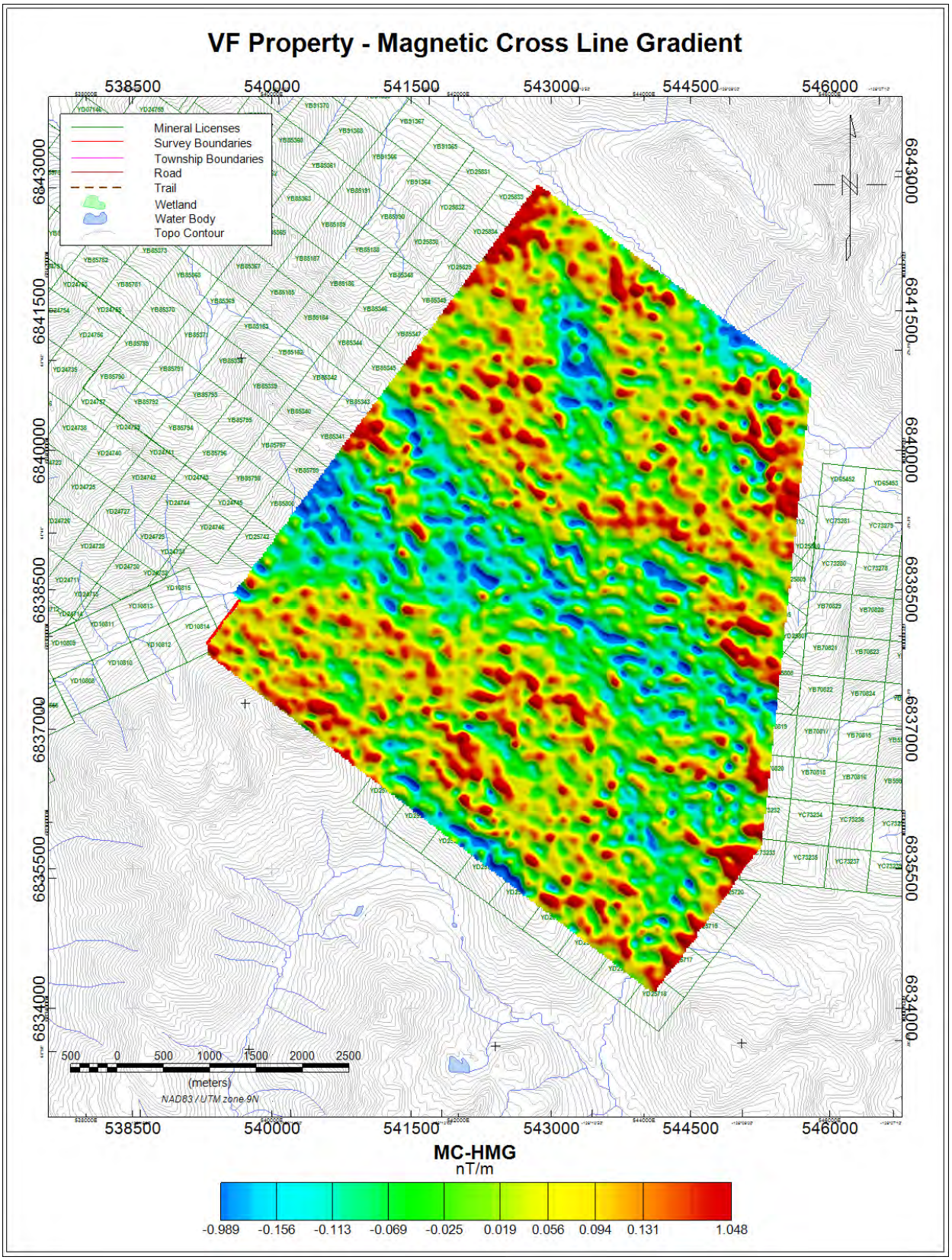


Figure 16 - Shaded image of the cross-line gradient (MC-HMG) over the VF survey area.

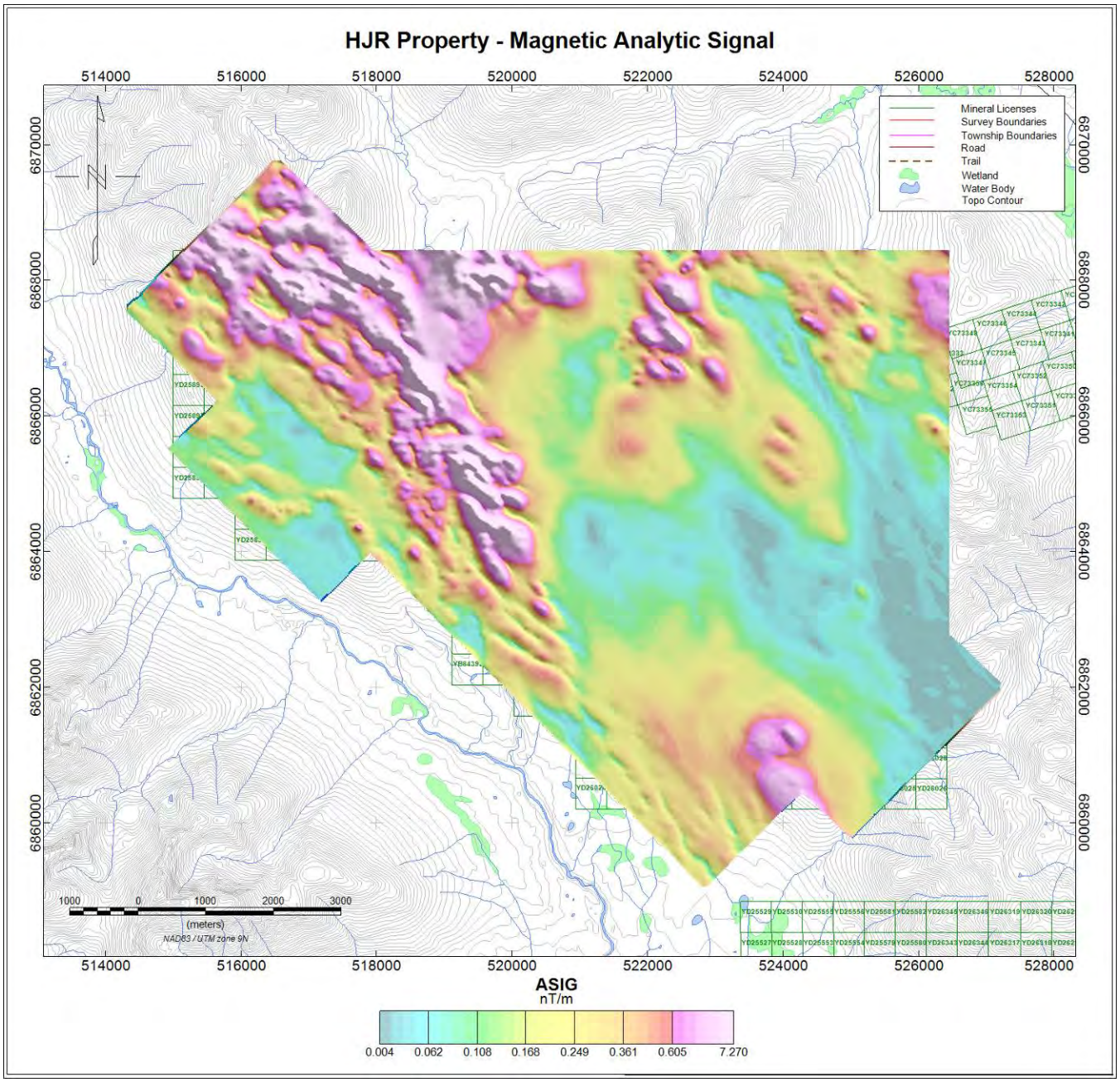


Figure 17 - Shaded image of the magnetic analytical signal (ASIG) over the VF survey area.

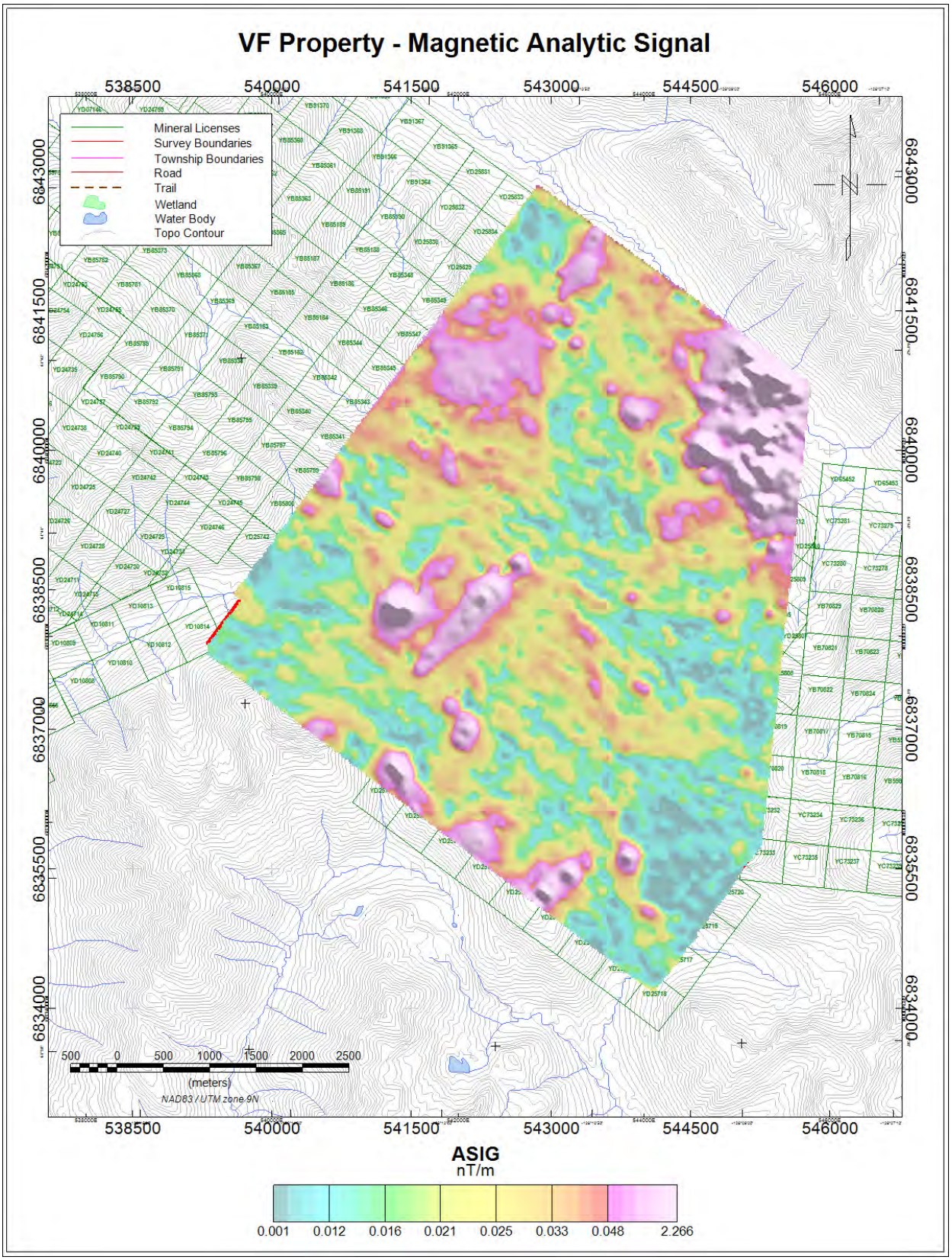


Figure 18 - Shaded image of the magnetic analytical signal (ASIG) over the VF survey area.

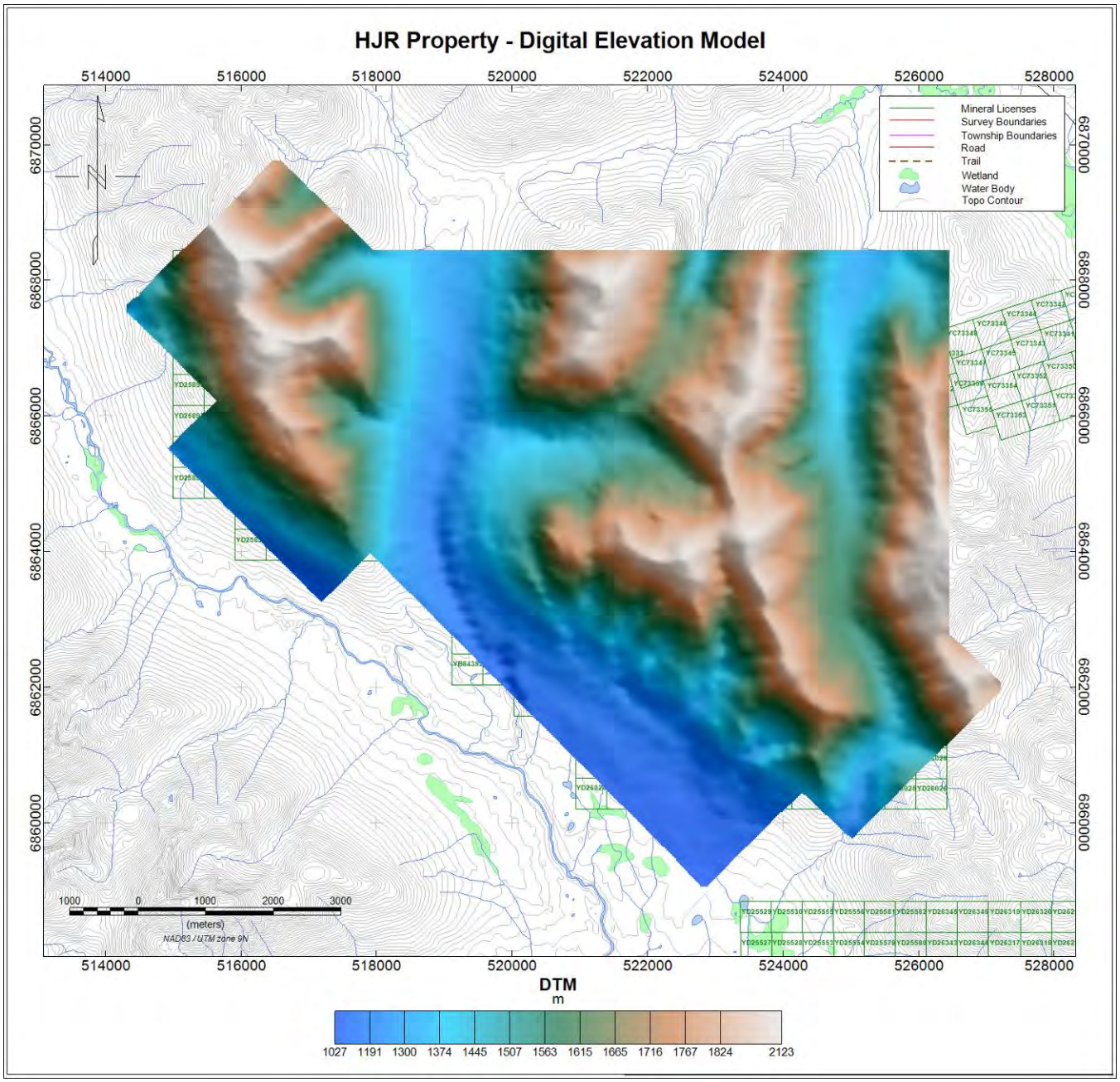


Figure 19 - Shaded image of the digital terrain model (DTM) over the VF survey area.

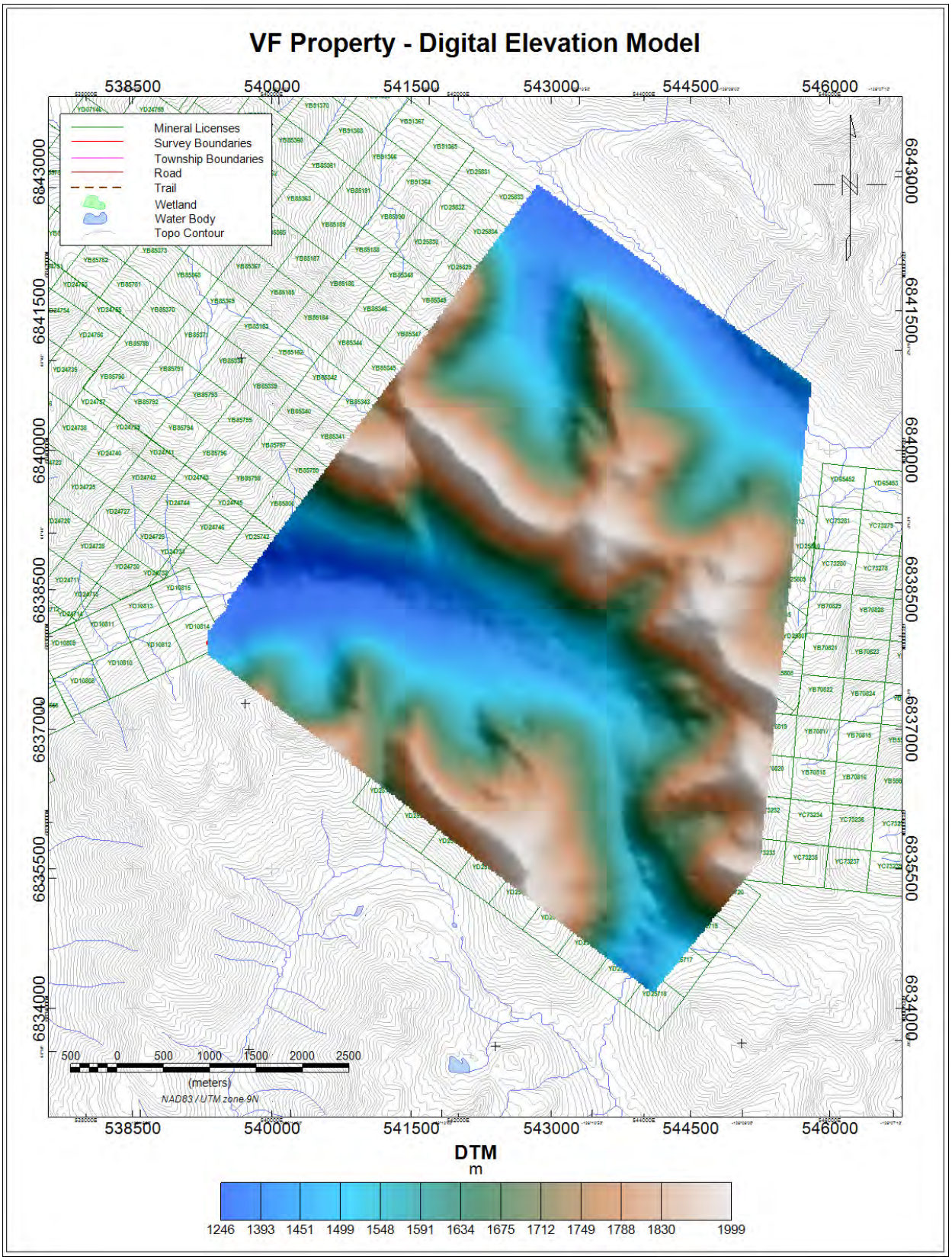


Figure 20 - Shaded image of the digital terrain model (DTM) over the VF survey area.

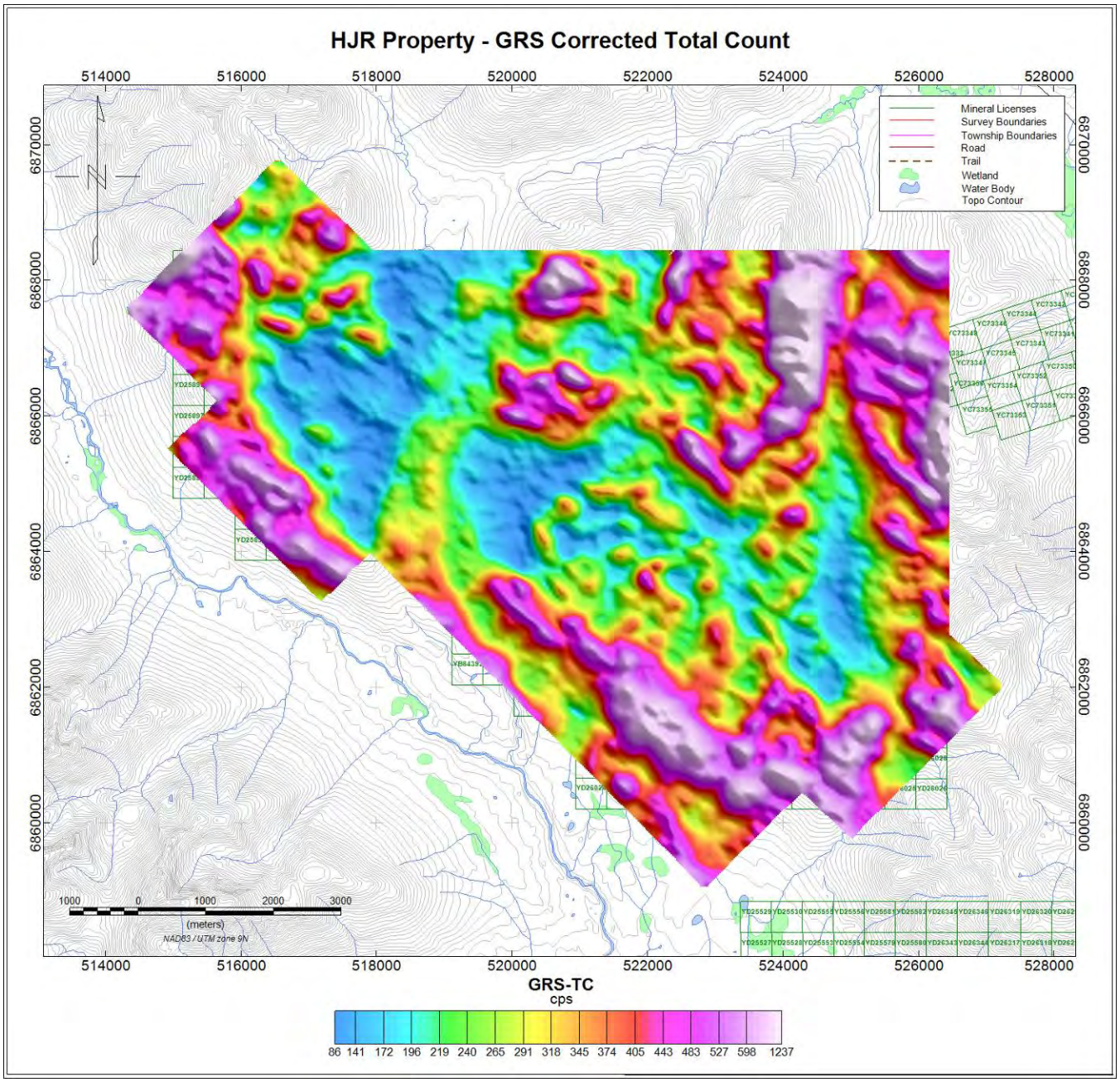


Figure 21 - Shaded image of the radiometrics corrected total count over the VF survey area.

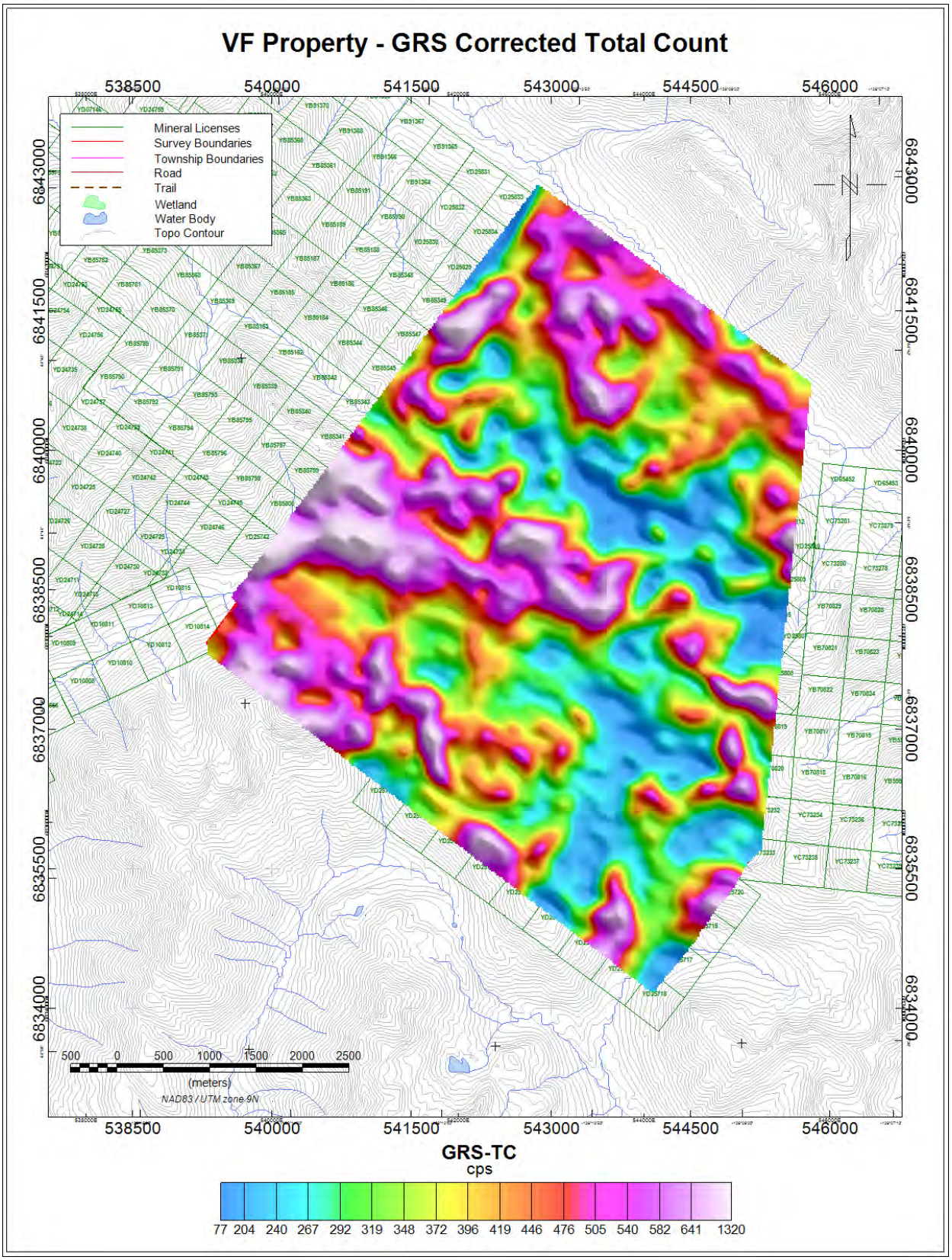


Figure 22 - Shaded image of the radiometrics corrected total count over the VF survey area.

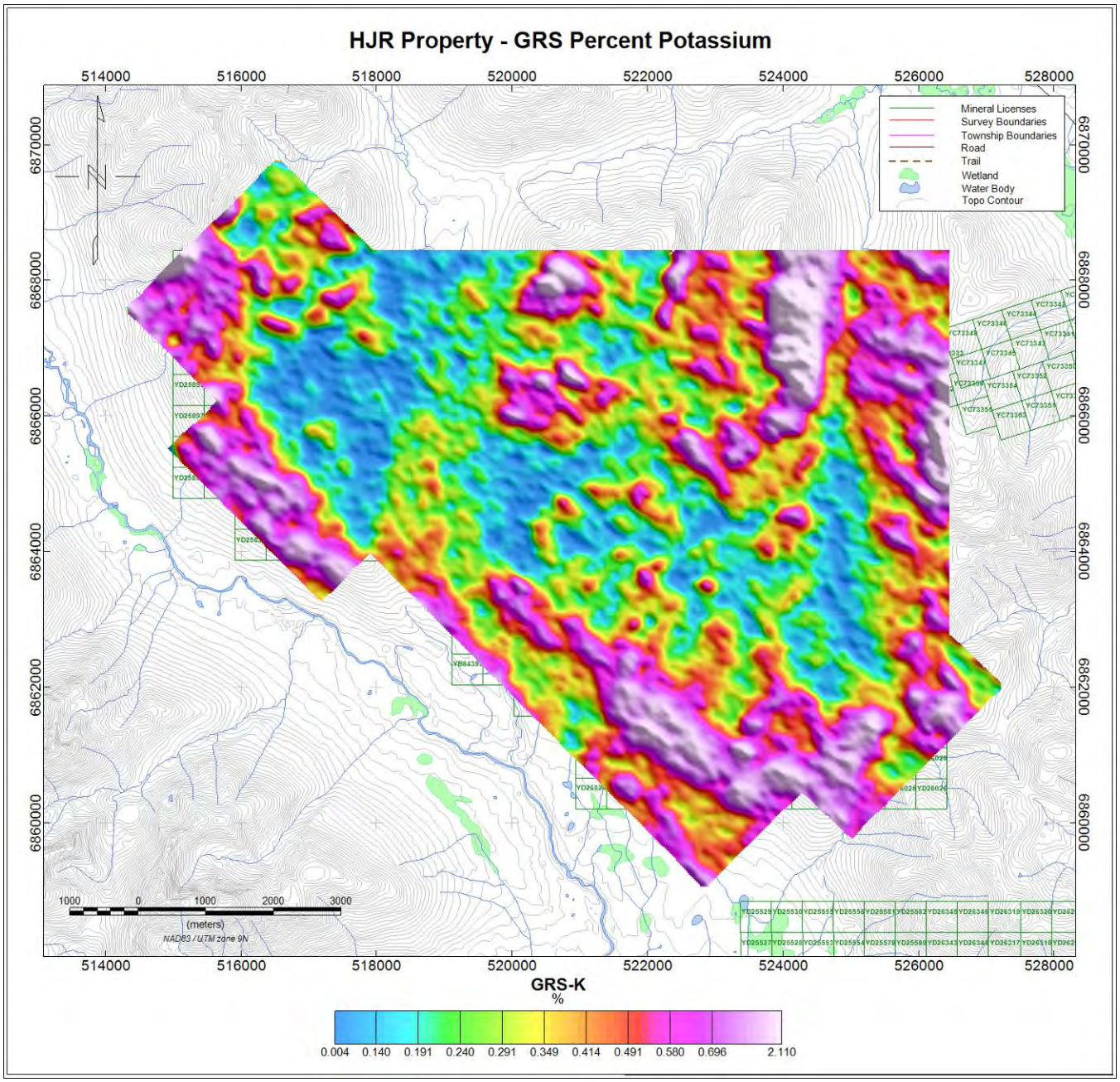


Figure 23 - Shaded image of the radiometrics percent Potassium over the VF survey area.

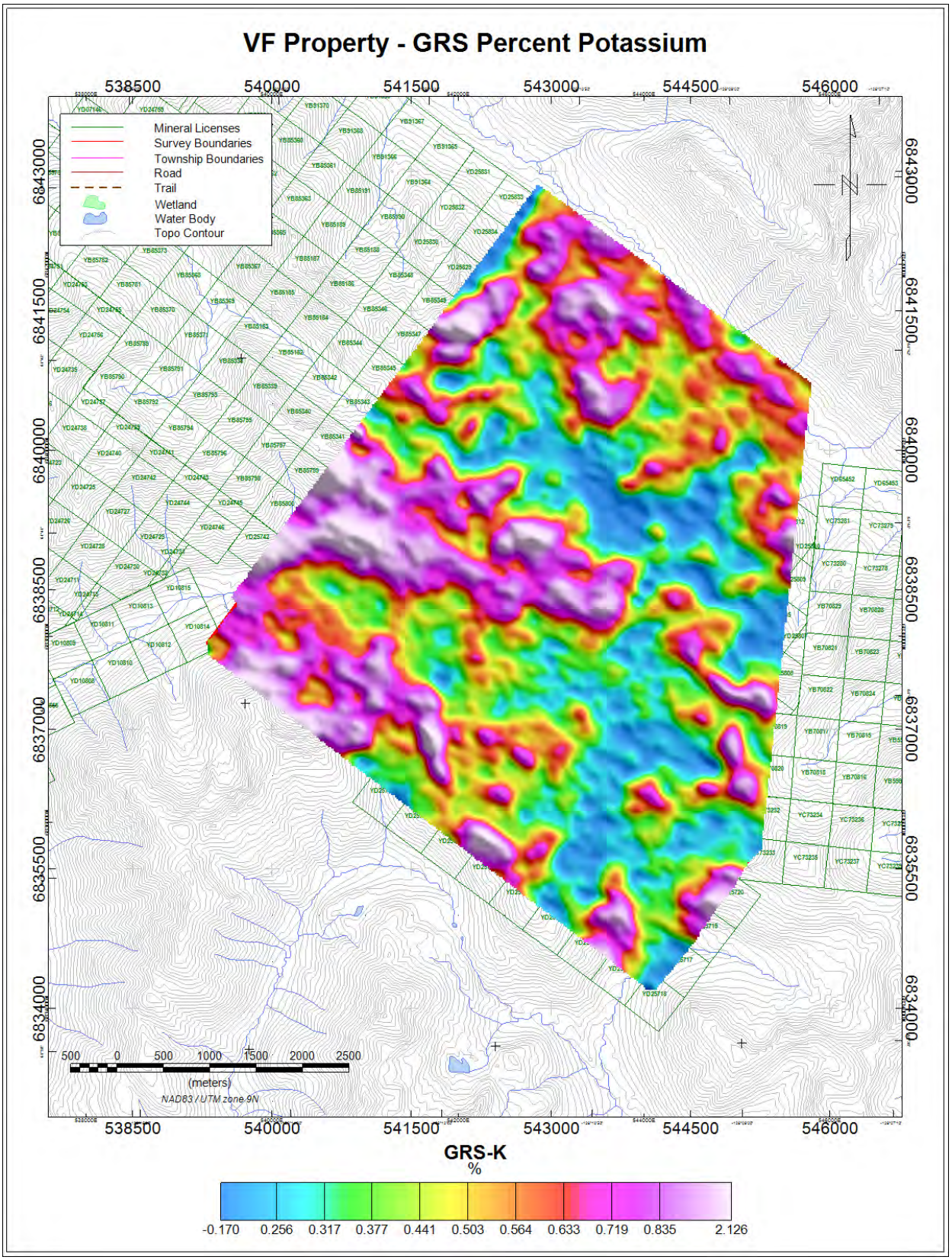


Figure 24 - Shaded image of the radiometrics percent Potassium over the VF survey area.

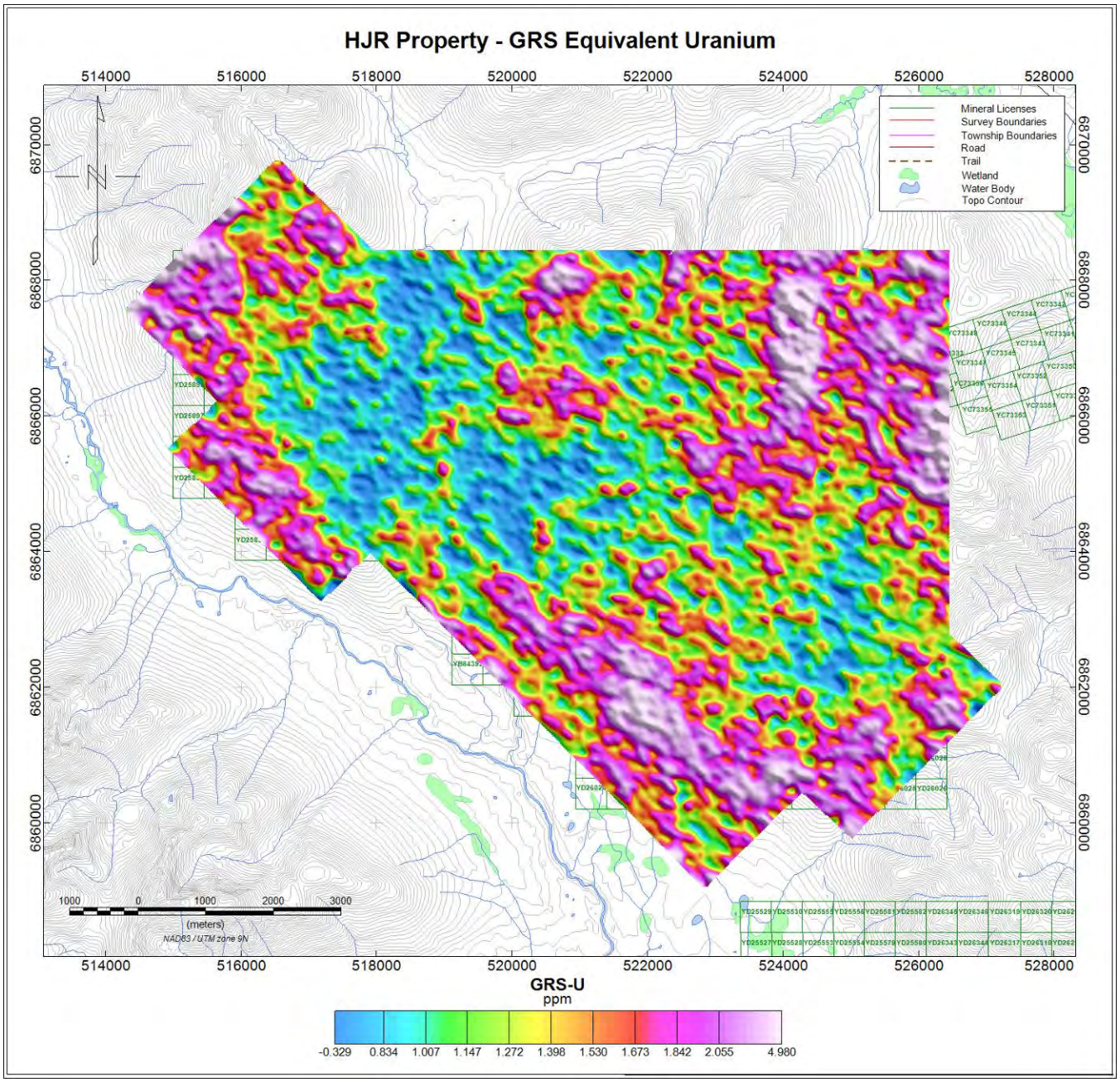


Figure 25 - Shaded image of the radiometrics equivalent Uranium over the VF survey area.

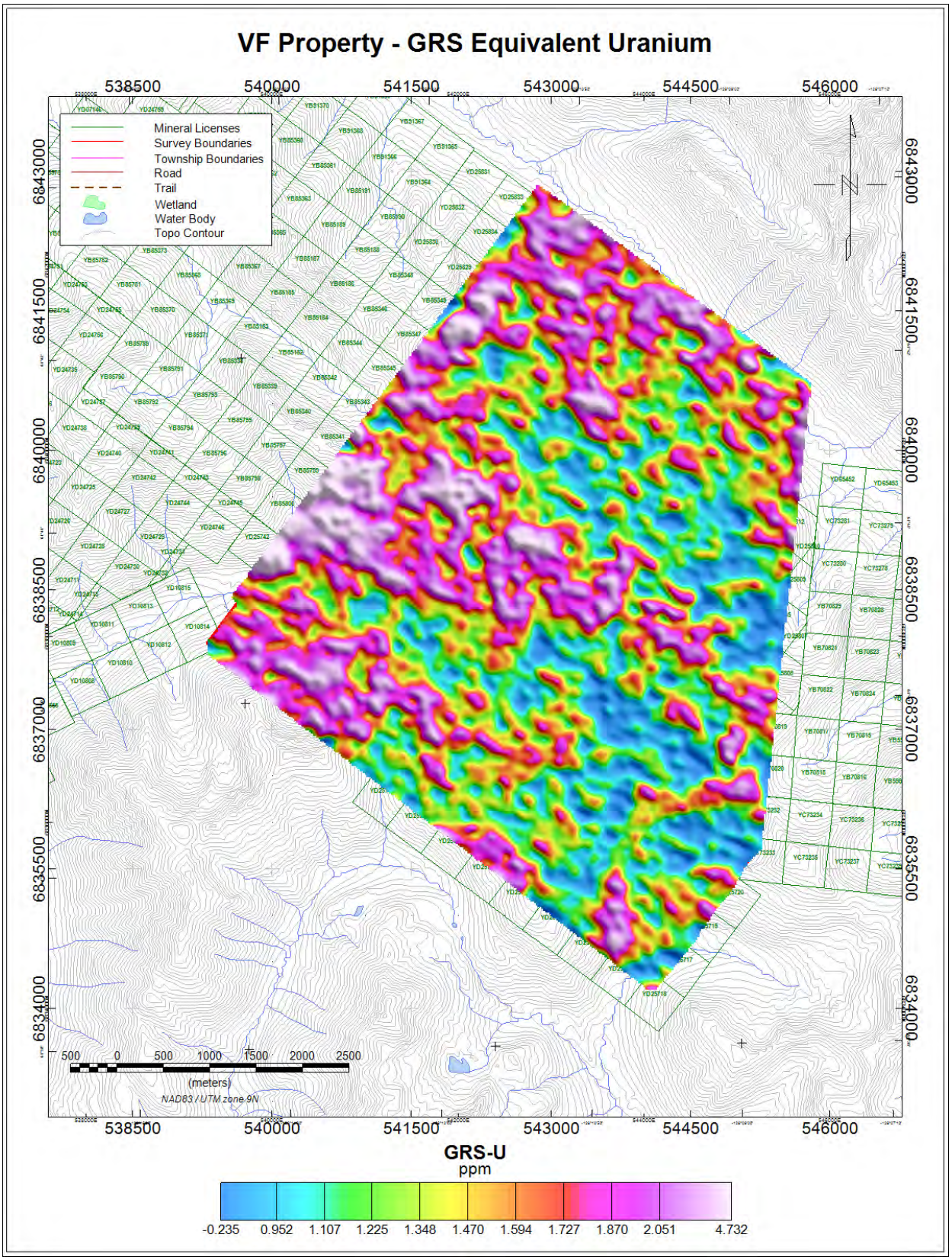


Figure 26 - Shaded image of the radiometrics equivalent Uranium over the VF survey area.

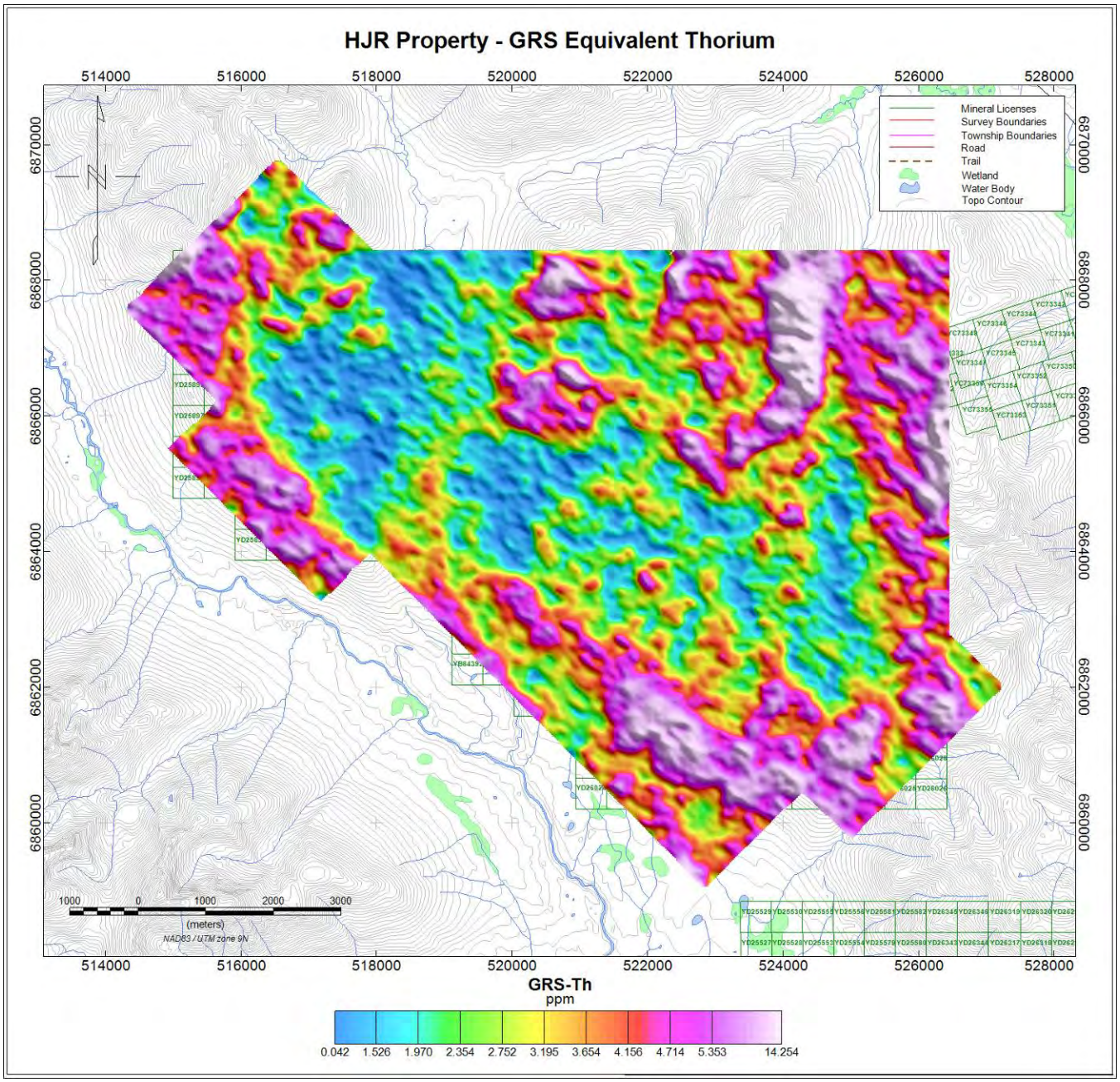


Figure 27 - Shaded image of the radiometrics equivalent Thorium over the VF survey area.

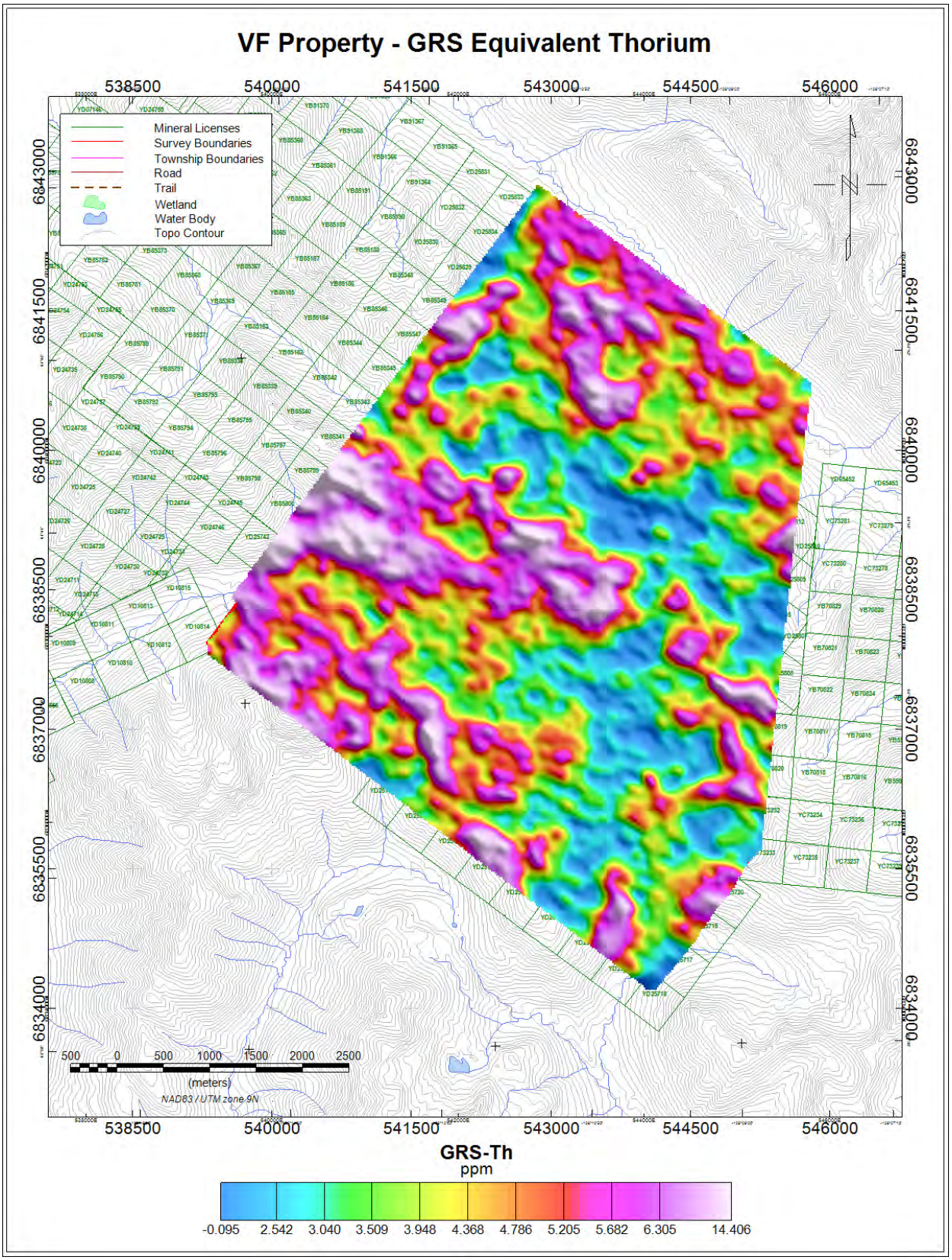


Figure 28 - Shaded image of the radiometrics equivalent Thorium over the VF survey area.

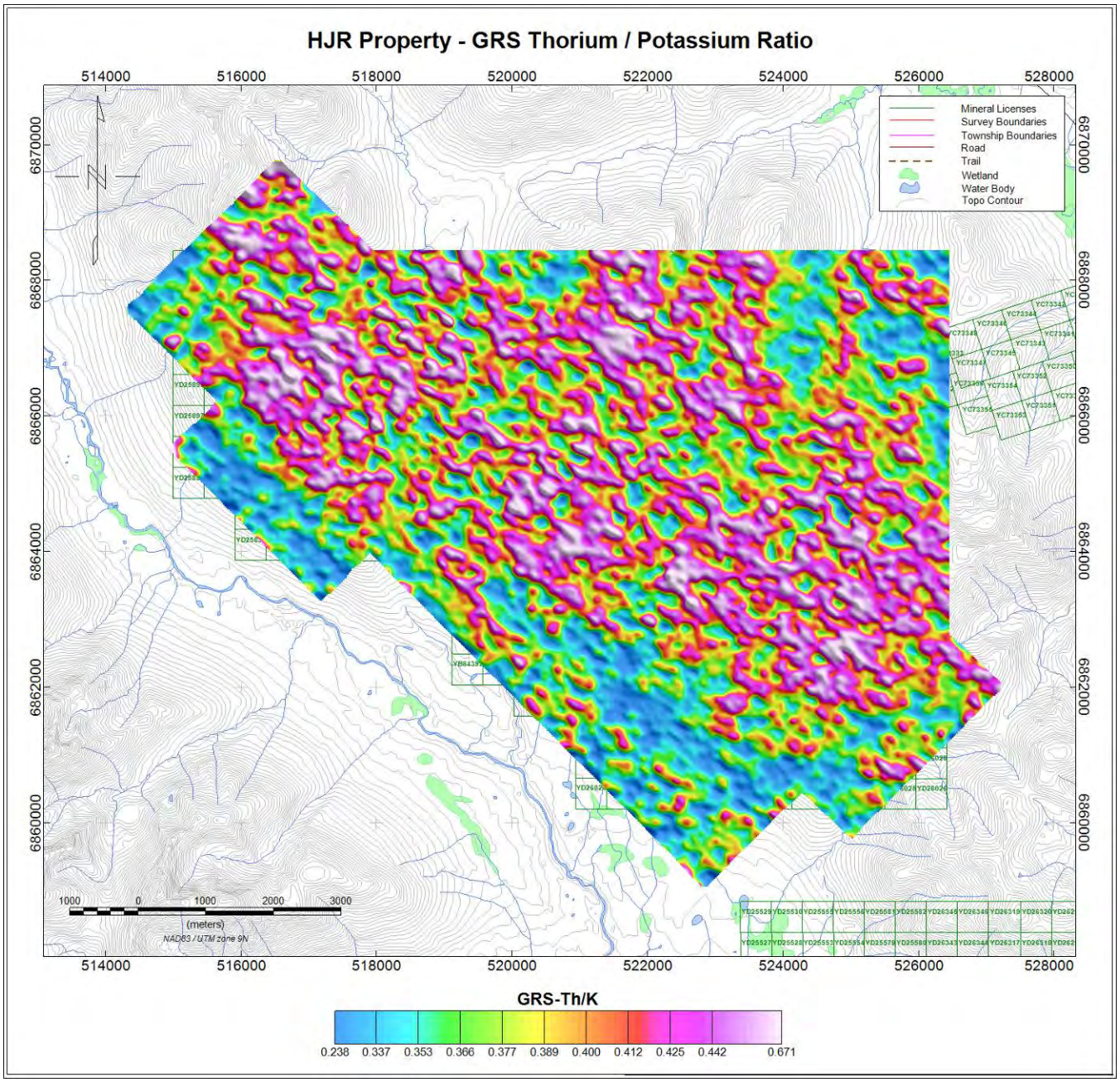


Figure 29 – Shaded image of the radiometrics Thorium – Potassium ratio over the VF survey area.

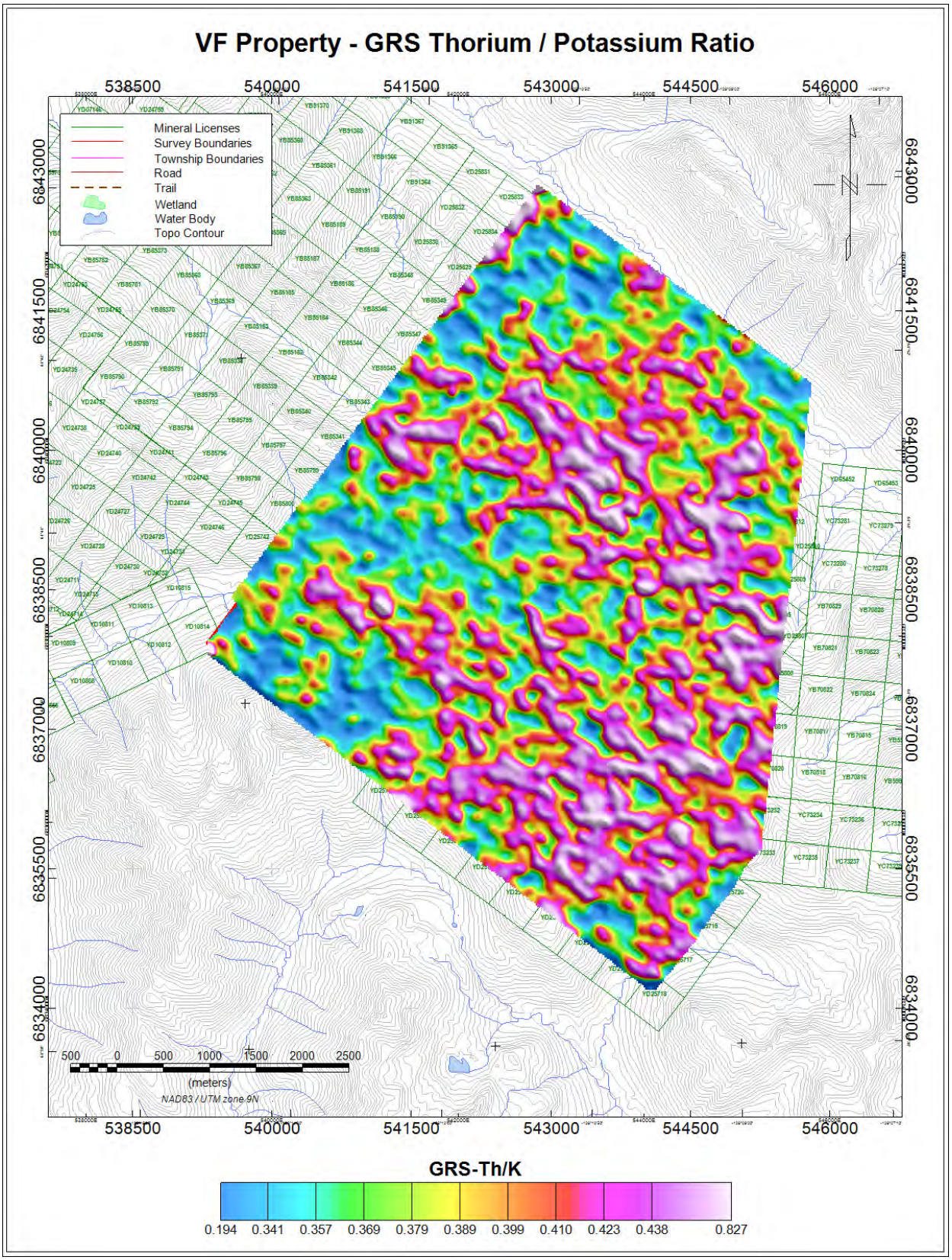


Figure 30 – Shaded image of the radiometrics Thorium – Potassium ratio over the VF survey area.

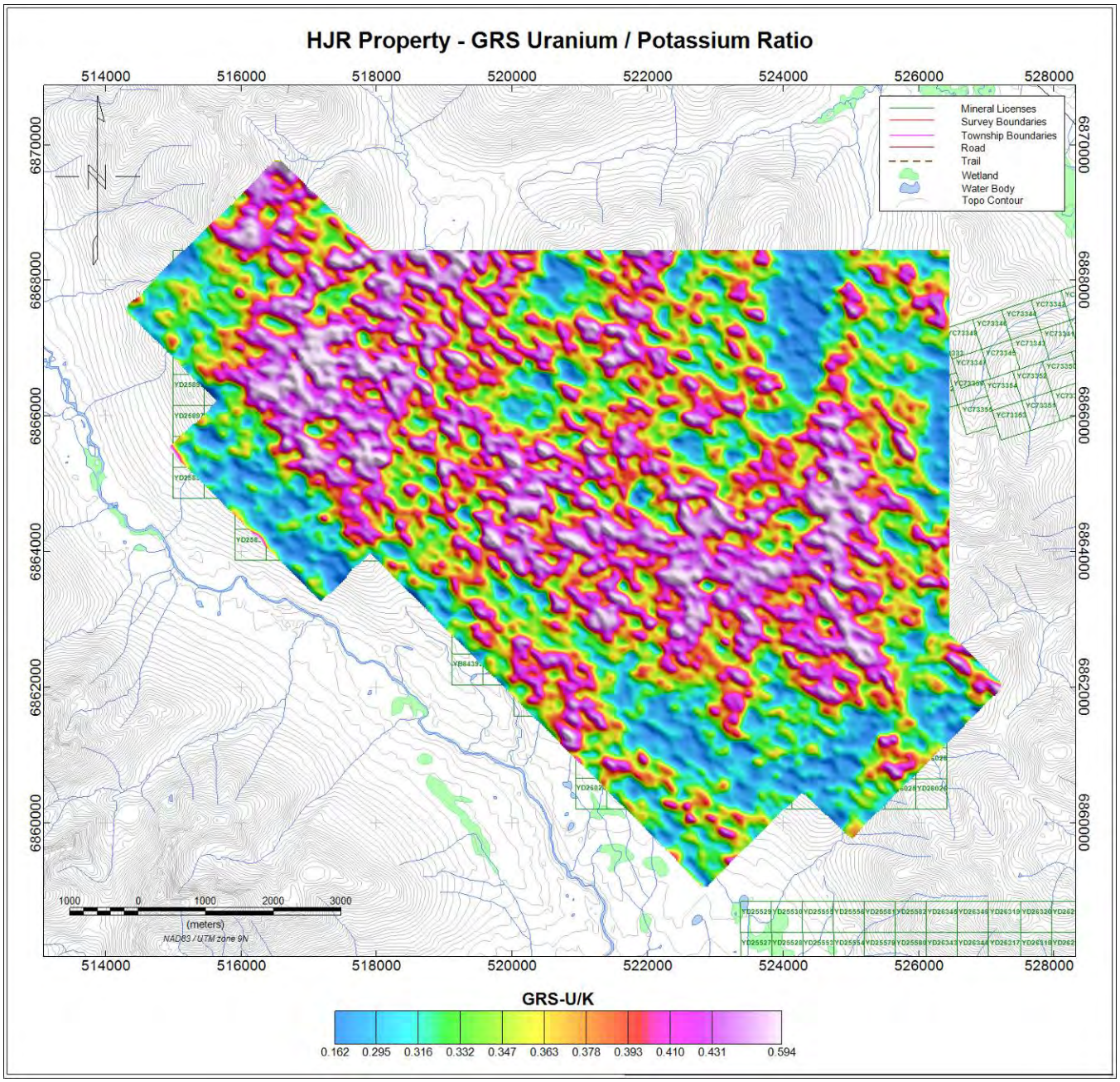


Figure 31 – Shaded image of the radiometrics Uranium – Potassium ratio over the VF survey area.

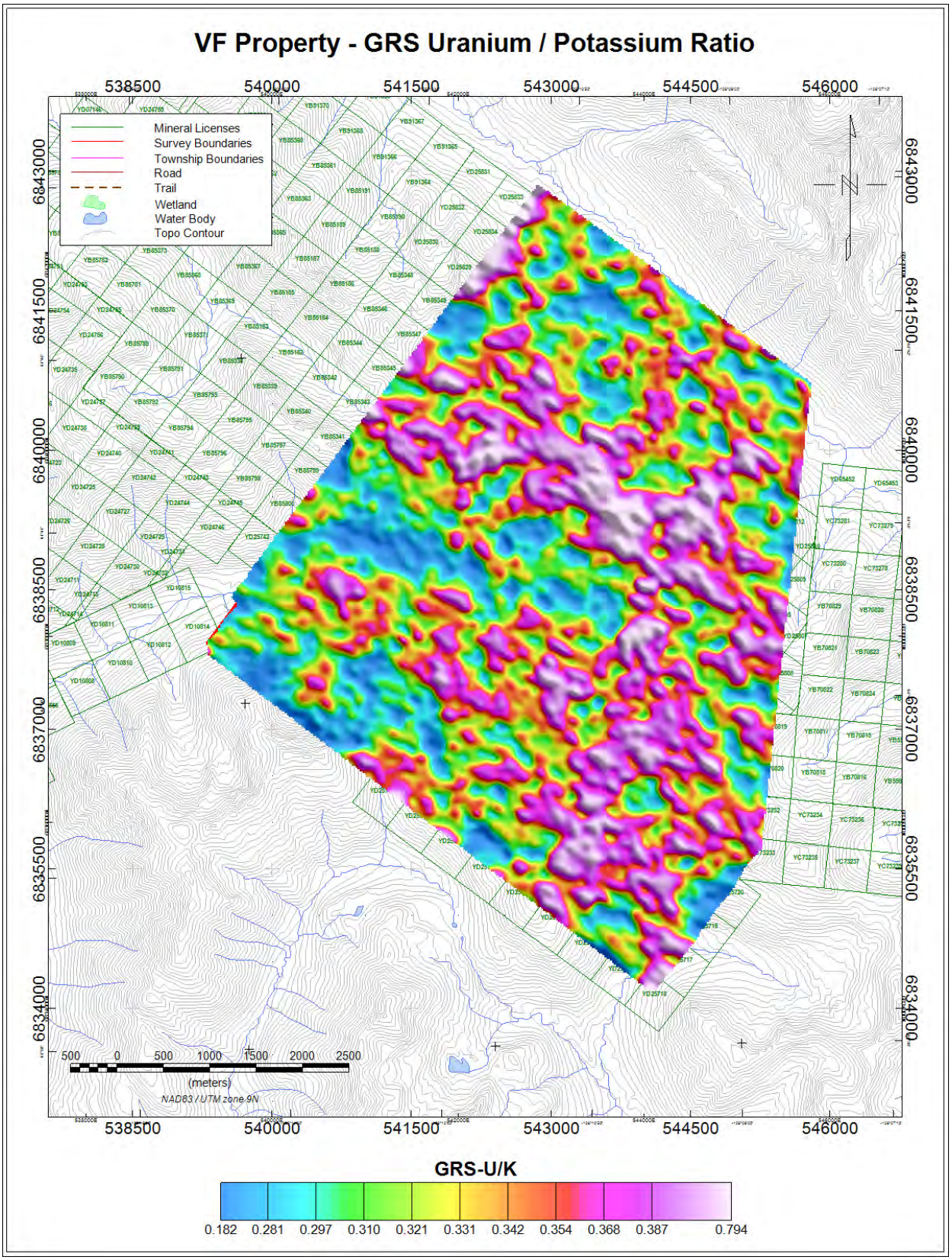


Figure 32 – Shaded image of the radiometrics Uranium – Potassium ratio over the VF survey area.

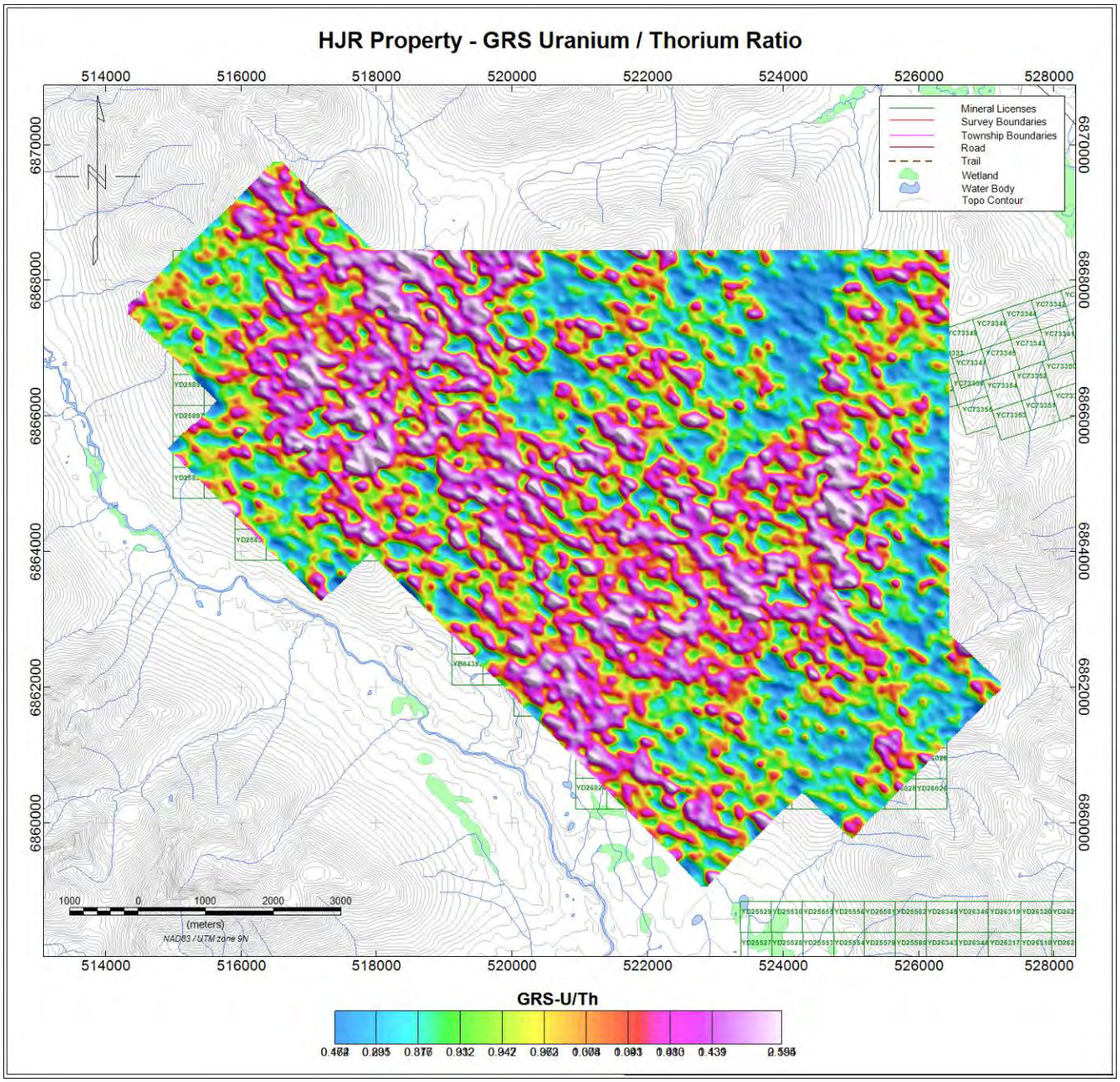


Figure 33 – Shaded image of the radiometrics Uranium - Thorium ratio over the VF survey area.

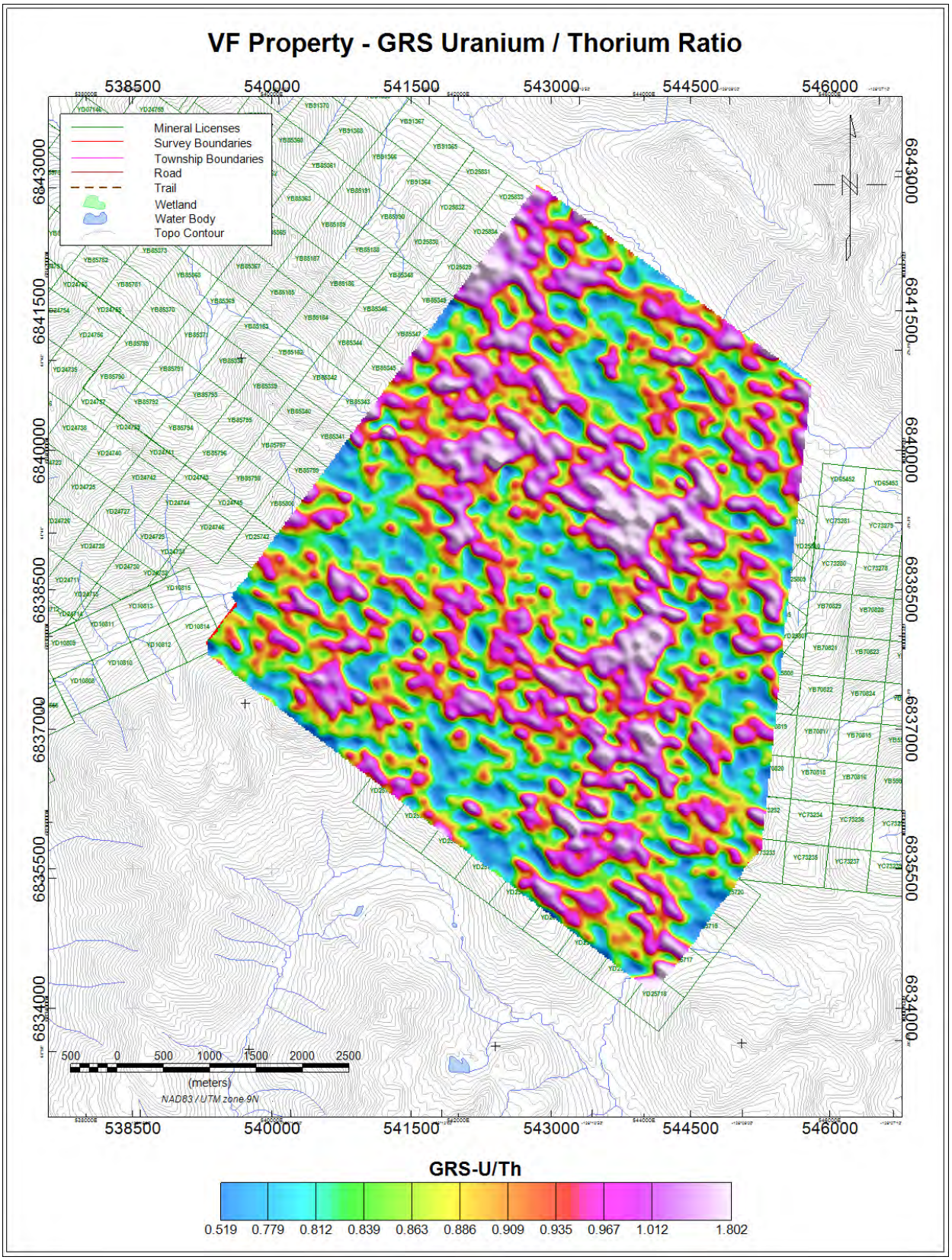


Figure 34 – Shaded image of the radiometrics Uranium - Thorium ratio over the VF survey area.

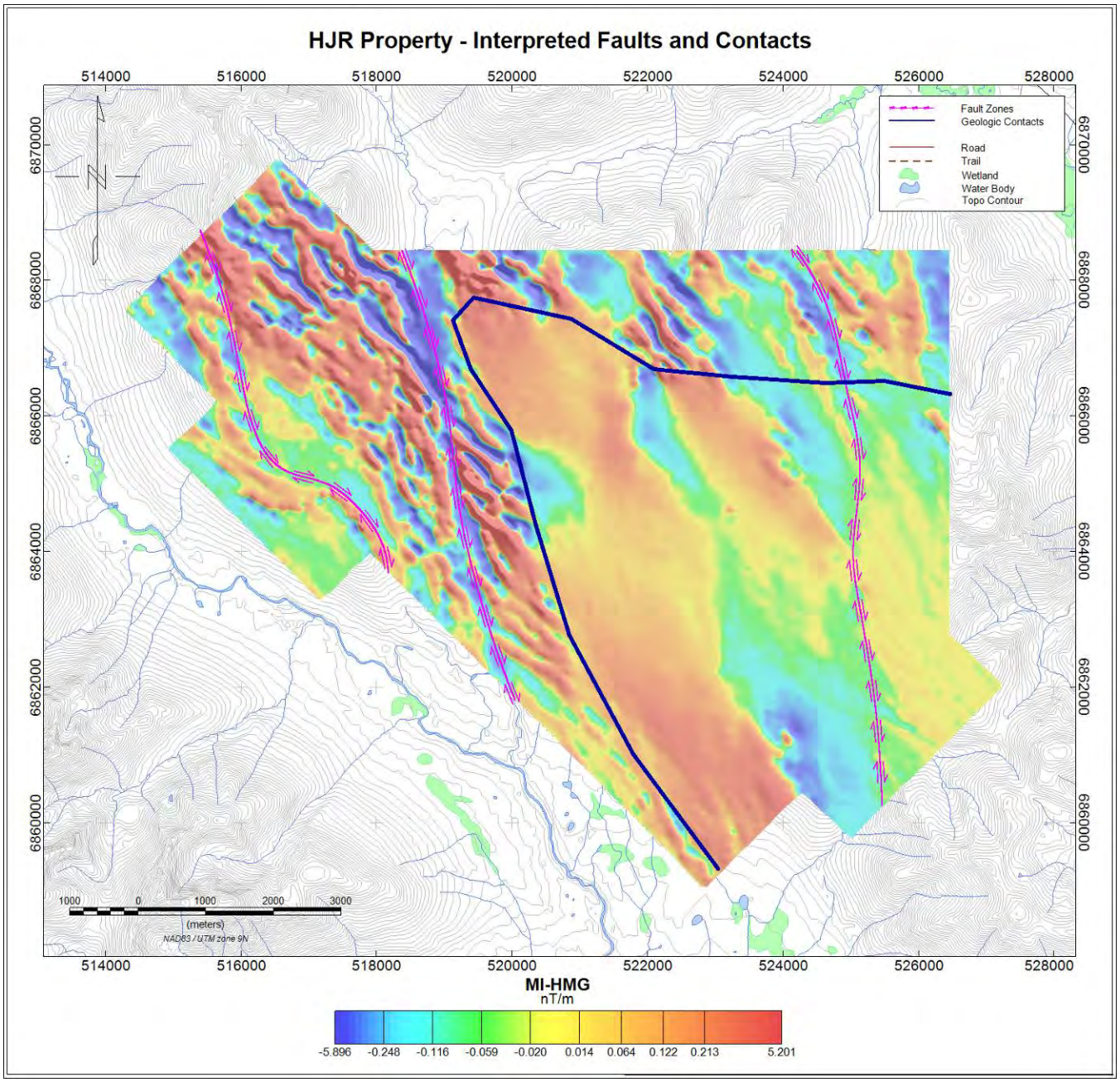


Figure 35 – MIHMG grid with suggested contacts and faults over the HJR survey area.

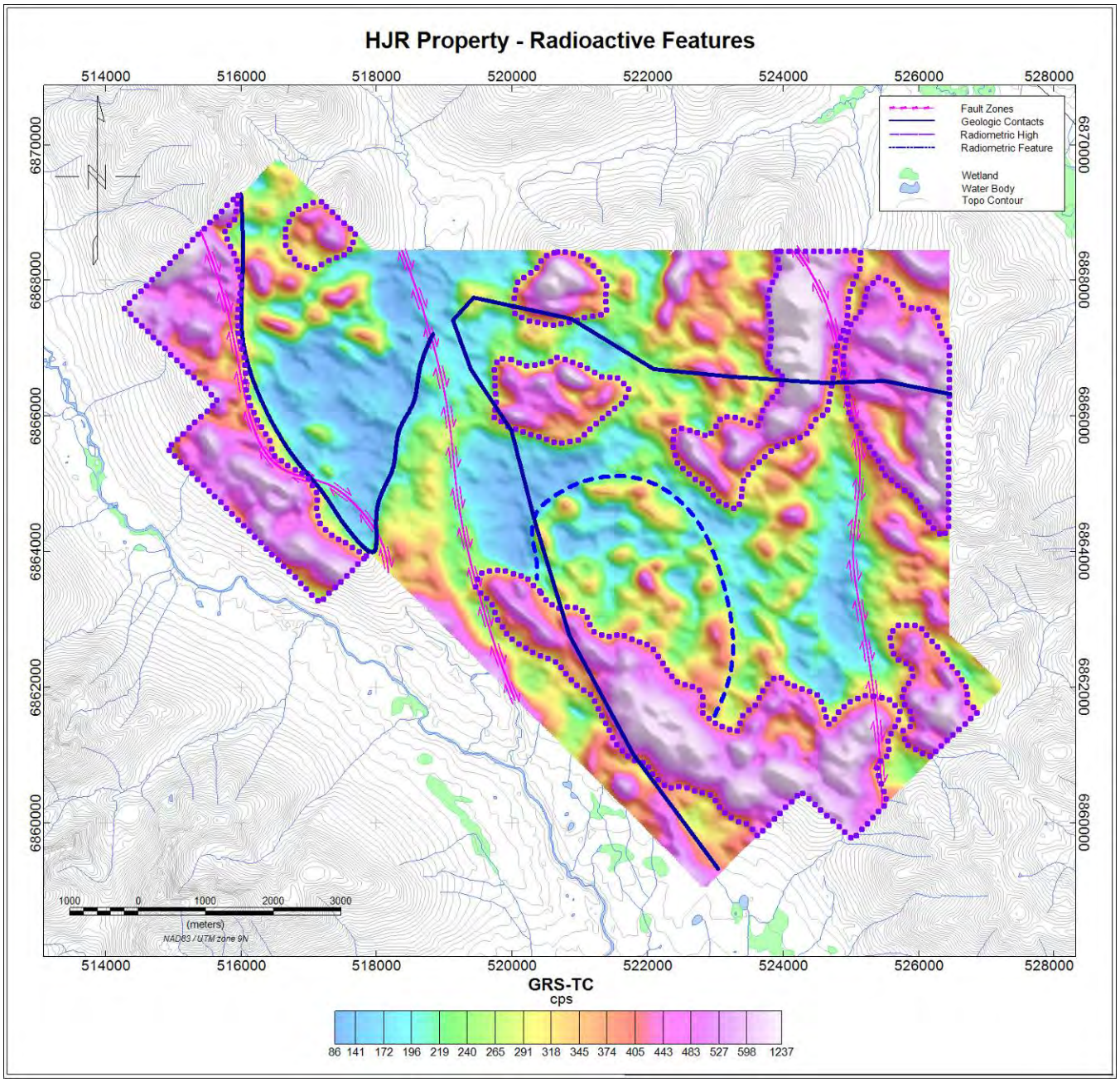


Figure 36 – Radiometric total count grid delineating areas of high radioactivity and notable features.

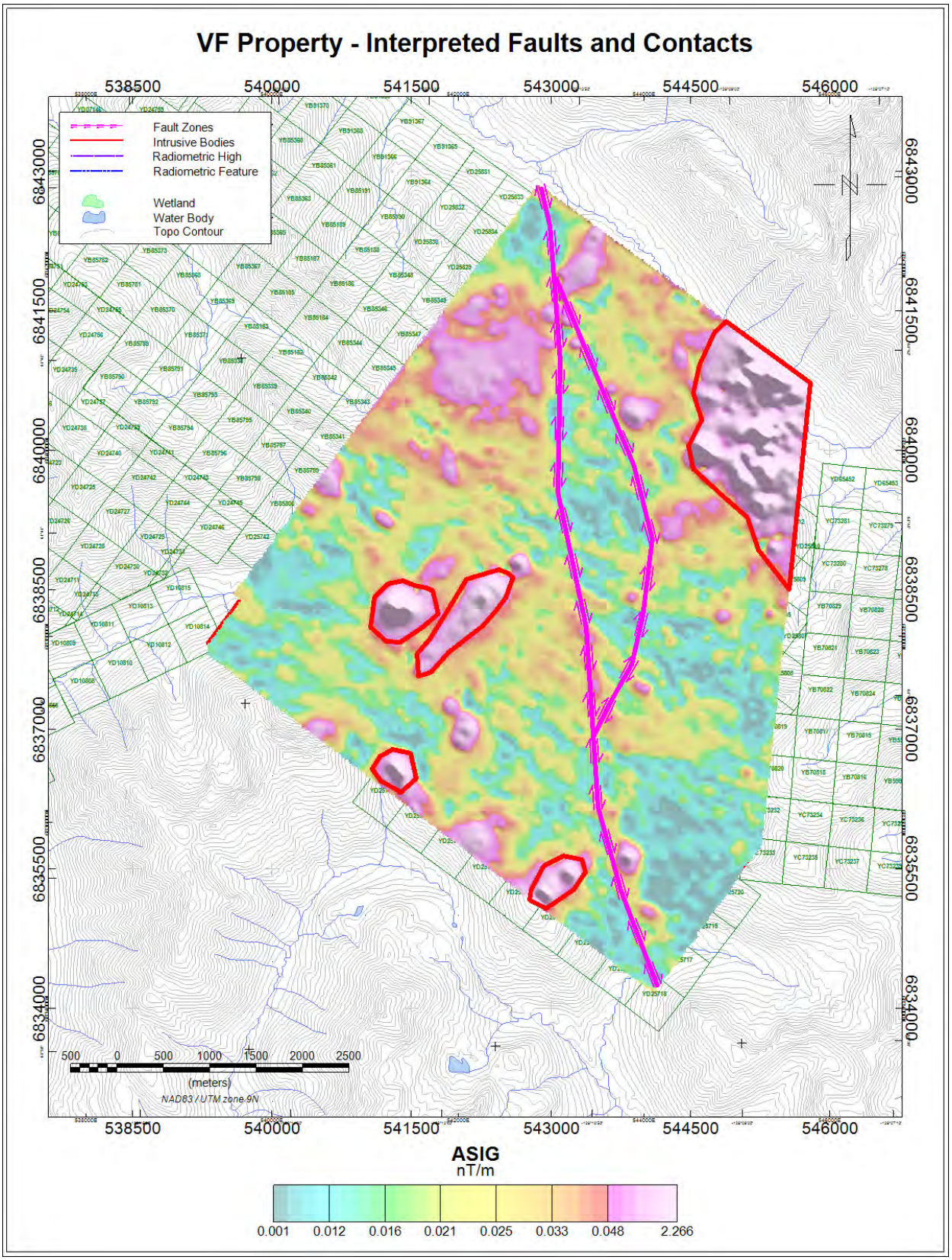


Figure 37 – ASIG grid with suggested intrusive contacts and faults over the VF survey area.

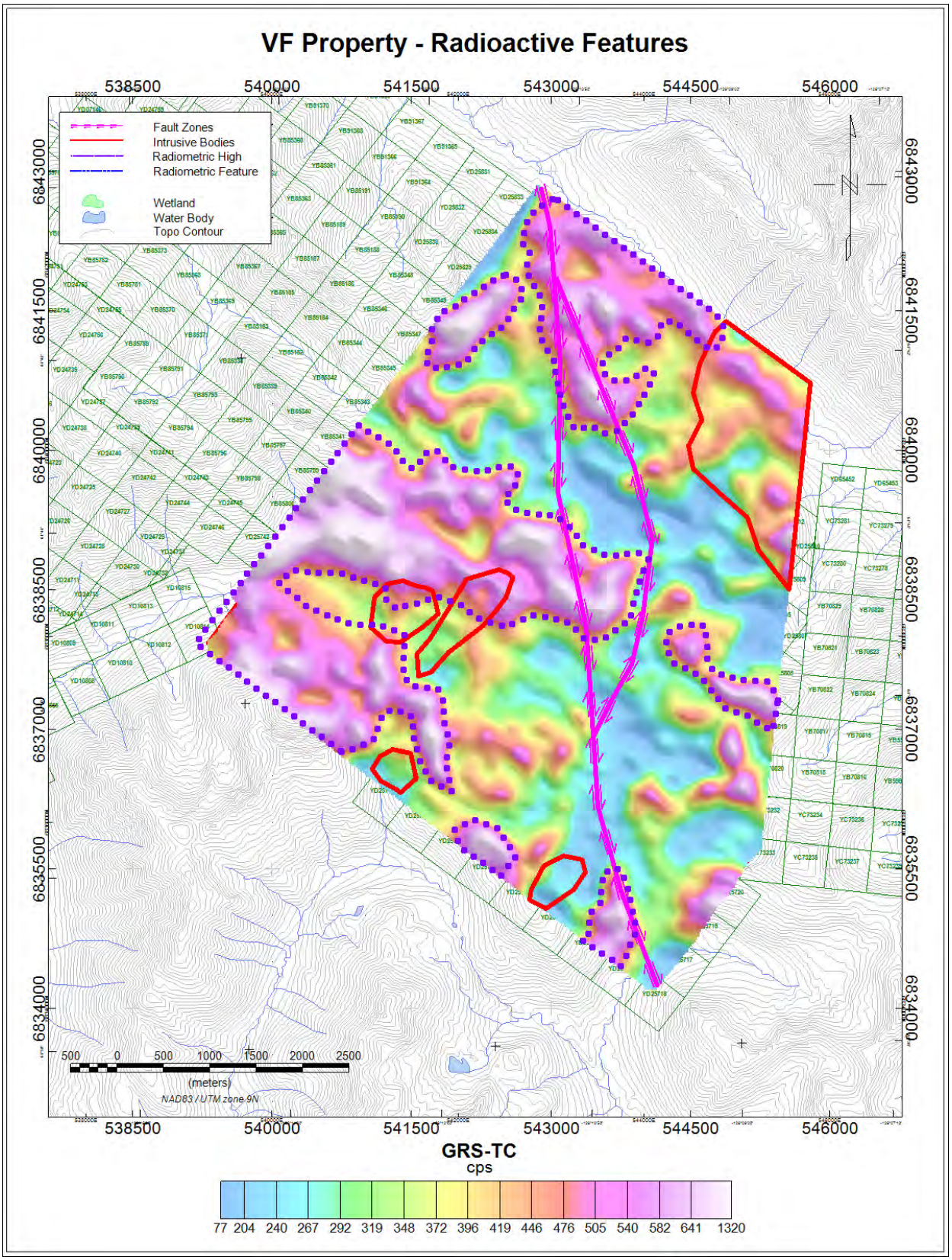


Figure 38 – Radiometric total count grid delineating areas of high radioactivity over the VF survey area.

APPENDIX A
LIST OF SURVEY OUTLINE POINTS

The following survey polygon was produced by CMG and approved by the Client.

The Datum is NAD-83.

The Projection is UTM, Zone 9 North.

VF

Easting	Northing
542875	6842720
545690	6840675
545150	6835625
544075	6834300
539300	6837930

HJR

Easting	Northing
516500	6869700
517900	6868355
526355	6868355
526355	6862735
527130	6862000
525000	6859900
524270	6860585
522830	6859170
517900	6864120
517180	6863400
515055	6865520
515770	6866225
514355	6867625

APPENDIX B
LIST OF DATABASE COLUMNS (GEOSOFT GDB FORMAT)

Channel Name	Description
x	X positional data (metres – NAD83, UTM Zone 9 north)
y	Y positional data (metres – NAD83, UTM Zone 9 north)
lon_wgs84	Longitude data (degree – WGS84)
lat_wgs84	Latitude data (degree – WGS84)
Lines	Line number
gpstime	Coordinated Universal Time (UTC) measurement
gpsalt	Bird height above sea level (metres – ASL)
radalt	Bird height above ground (metres – AGL)
DTM	Digital Terrain Model (metres – ASL)
Basemag	Base station magnetic diurnal (nT)
Mag1	Sensor 1 - Total Magnetic field data (nT)
Mag2	Sensor 2 - Total Magnetic field data (nT)
Mag3	Sensor 3 - Total Magnetic field data (nT)
TMI	Leveled Total Magnetic field data (nT)
MC_HMG	Measured Cross-Line Horizontal Magnetic Gradient (nT/m)
MI_HMG	Measured In-Line Horizontal Magnetic Gradient (nT/m)
M_VMG	Measured Vertical Magnetic Gradient (nT/m)
Temperature	Temperature record outside helicopter (ºC)
Pressure	Pressure reading outside helicopter (kPa)
TC_Corr	Corrected GRS Total Counts (cps)
pK	Percent Potassium (%)
eU	Equivalent Uranium (ppm)
eTh	Equivalent Thorium (ppm)
Th_K_Ratio	Thorium / Potassium Ratio
U_K_Ratio	Uranium / Potassium Ratio
U_Th_Ratio	Uranium / Thorium Ratio
VLF1_TF	VLF Total Field (24.8 khz)
VLF1_QD	VLF Quadrature(24.8 khz)
VLF1_IP	VLF In-Phase (24.8 khz)
VLF2_TF	VLF Total Field (25.2 khz)
VLF2_QD	VLF Quadrature(25.2 khz)
VLF2_IP	VLF In-Phase (25.2 khz)

APPENDIX A
STATEMENT OF QUALIFICATION

Sean Scrivens
Professional Geoscientist
4145 Armitage Ave.
Dunrobin, ON, K0A1T0
Telephone: 613-294-5937
Email: Sean.Scrivens@gemtec.ca

I, Sean Scrivens P.Geo. (APGO #1623) do hereby certify that:

I have reviewed all the items within the Report titled: "Report on a Helicopter-Borne Magnetic Gradiometer, VLF-EM & Radiometric Survey – VF, HJR Properties"

I am a graduate of the Carleton University and hold a BSc (with honors) in Computational Geophysics (2004).

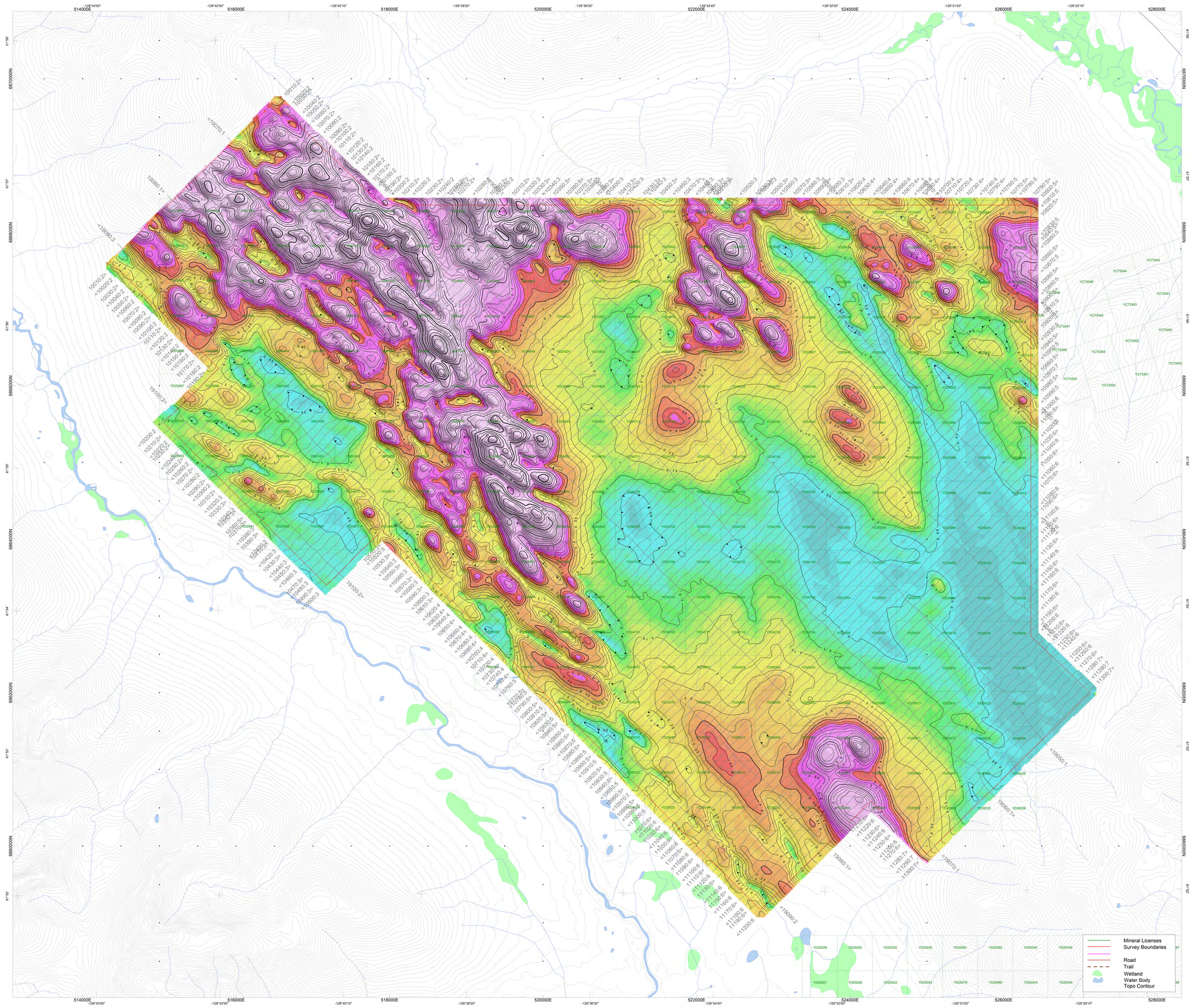
I am a current member in good standing with the Association of Professional Geoscientists of Ontario (APGO), member # 1623;

I have been a practicing geophysicist in the mineral exploration and environmental sectors for over 7 years and as a Professional Geoscientist for 3 years.

I am currently a Technical Project Manager for Gemtec Ltd. based out of Fredericton, New Brunswick.

I currently own no common shares or share options with Precipitate Gold Corp.

Dated September 8th, 2011.



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Grid North

Scale 1:10,000,000

Survey Specifications:

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Date Flown: May 21 - 24, 2011
Aircraft: AS 350 FX2
Registration: C-GOFX
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Flight Line Direction: N35°E
Tie Line Spacing: 1000 m
Tie Line Direction: N125°E
Nominal Bird Height: 45 m
Sensor Position: 30 m below aircraft

Instrumentation:

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System: Magnetic Gradiometer, VLF-EM, Radiometrics
Magnetometers: 3 GEM Potassium Total Field
Vertical Separation: 2.95 m
Horizontal Separation: 3.45 m
Sensitivity: +/- 0.001 nT
Heading Error: +/- 0.15 nT or less
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Spectrometer: Radiation Solution RS-500
Crystals: 4 Downward Looking & 1 Upward Looking
GRS Acquisition: 1024 Channel Resolution at 1Hz

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VLF: DC bias, line direction

Coordinate System:

Datum: NAD83

Major Axis: 6378737.000
Eccentricity: 0.81819191
Projection: Universal Transverse Mercator Zone 9
Central Meridian: 129°W
Central Scale Factor: 0.9996
False Easting: 500,000 mE

Countour Intervals (nT/m)

0.05
0.10
0.20
0.40
0.80
1.60

ASIG
nT/m
7.270
1.450
1.099
0.875
0.719
0.605
0.512
0.447
0.399
0.361
0.327
0.299
0.274
0.249
0.227
0.206
0.186
0.168
0.151
0.136
0.121
0.108
0.096
0.084
0.072
0.062
0.050
0.035
0.021
0.004

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

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East Central Yukon

Magnetic Analytic Signal

HY-JAY-REEF Property

CMG Airborne

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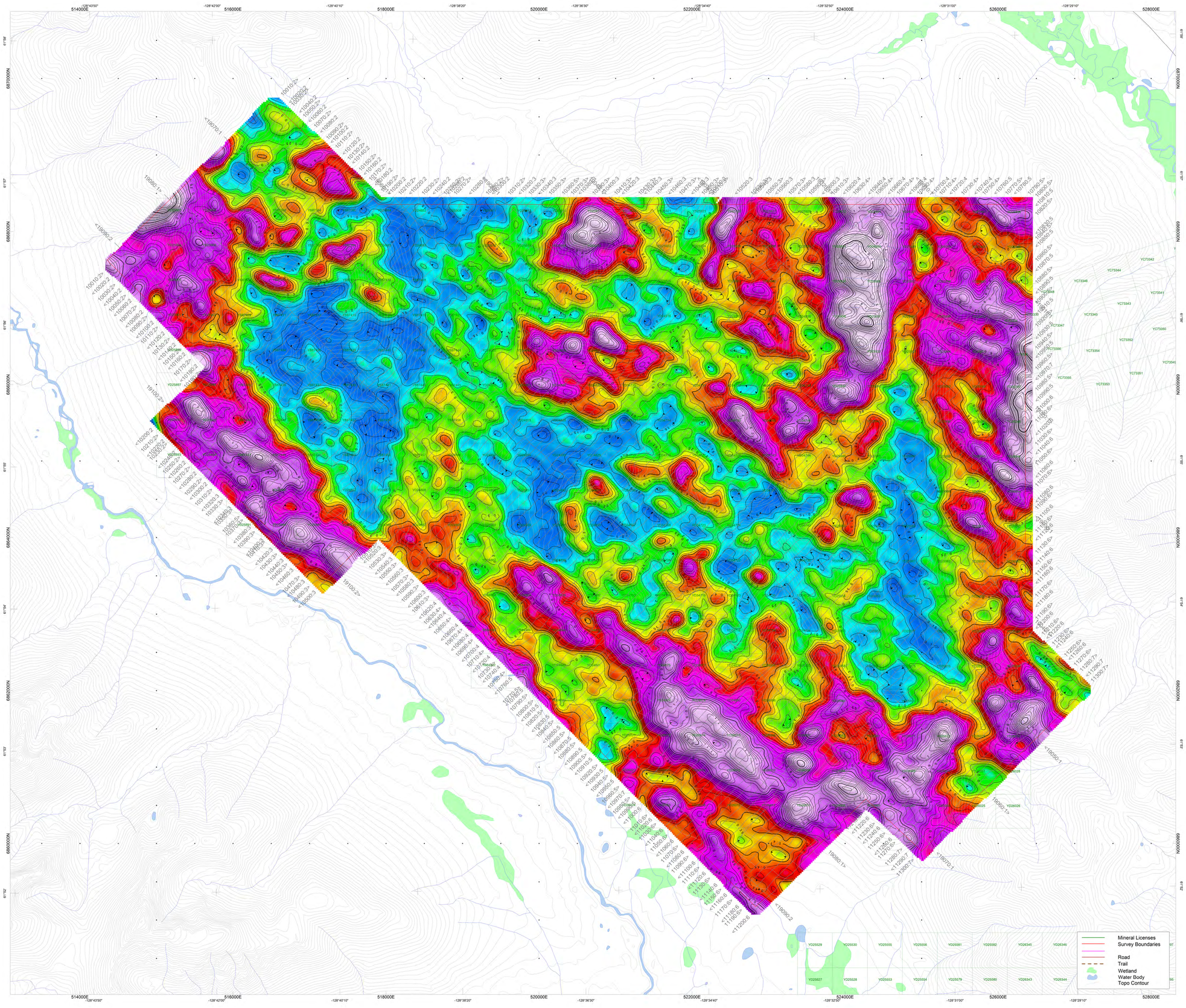
www.cmgairborne.com

CMG Project # 2011-01



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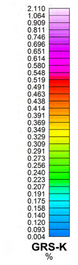
Countour Intervals (%)

0.05
0.10
0.20
0.40
0.80
1.60



Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

BEARING RESOURCES LTD.

Bearing Resources Ltd.
East Central Yukon

Gamma Ray Spectrometry Percent Potassium

HY-JAY-REEF Property

CMG Airborne

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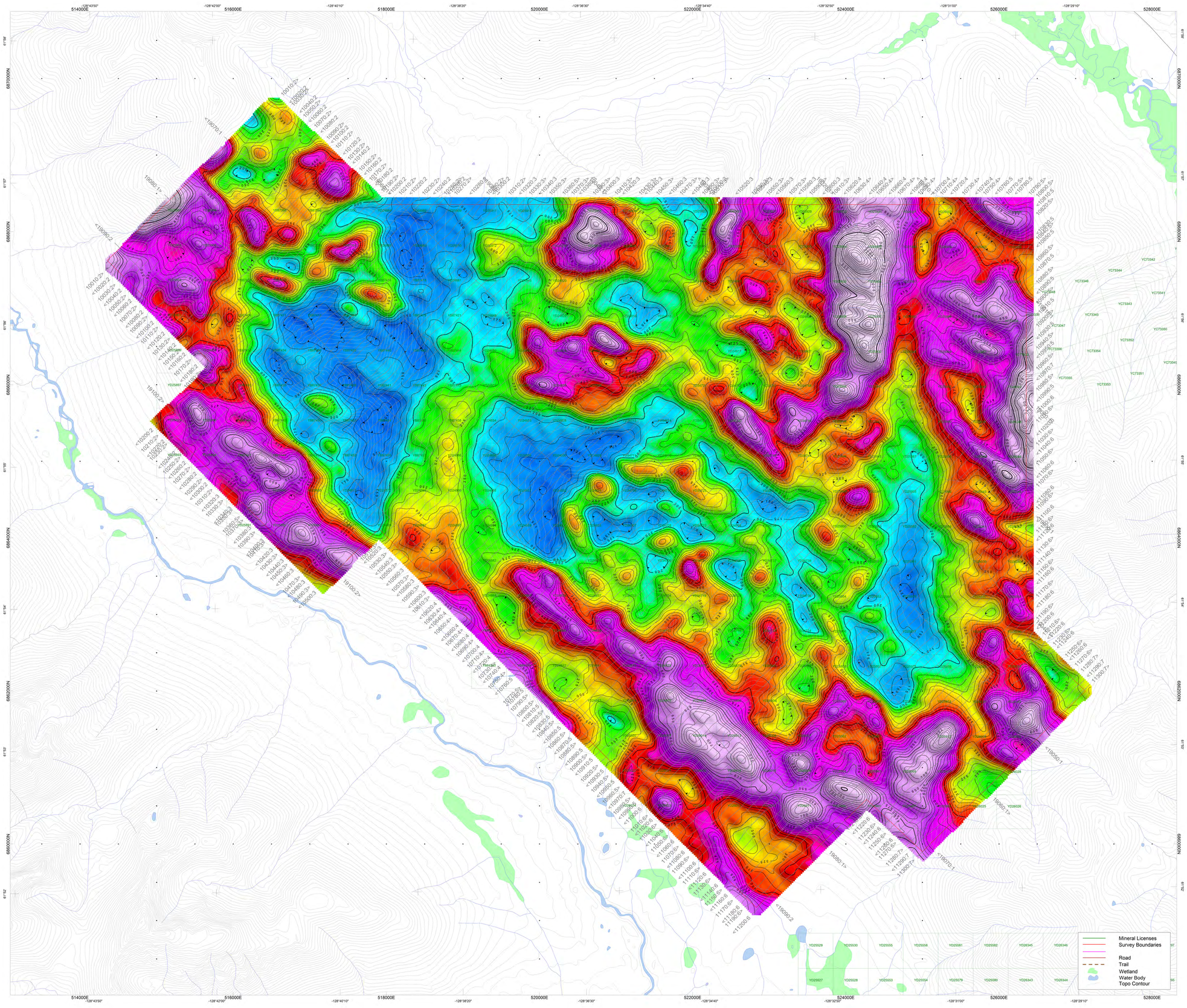
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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Central Scale Factor: 0.9996
False Easting: 500,000 mE

Countour Intervals (cps)

25
50
100
200
400
800

1237
705
625
575
545
514
493
473
453
433
414
397
381
367
353
339
325
311
298
284
271
258
246
235
224
214
202
191
179
165
149
131
86

GRS-TC
cps

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

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Bearing Resources Ltd.
East Central Yukon

Gamma Ray Spectrometry Corrected Total Count

HY-JAY-REEF Property

CMG Airborne

11500 Fifth Line
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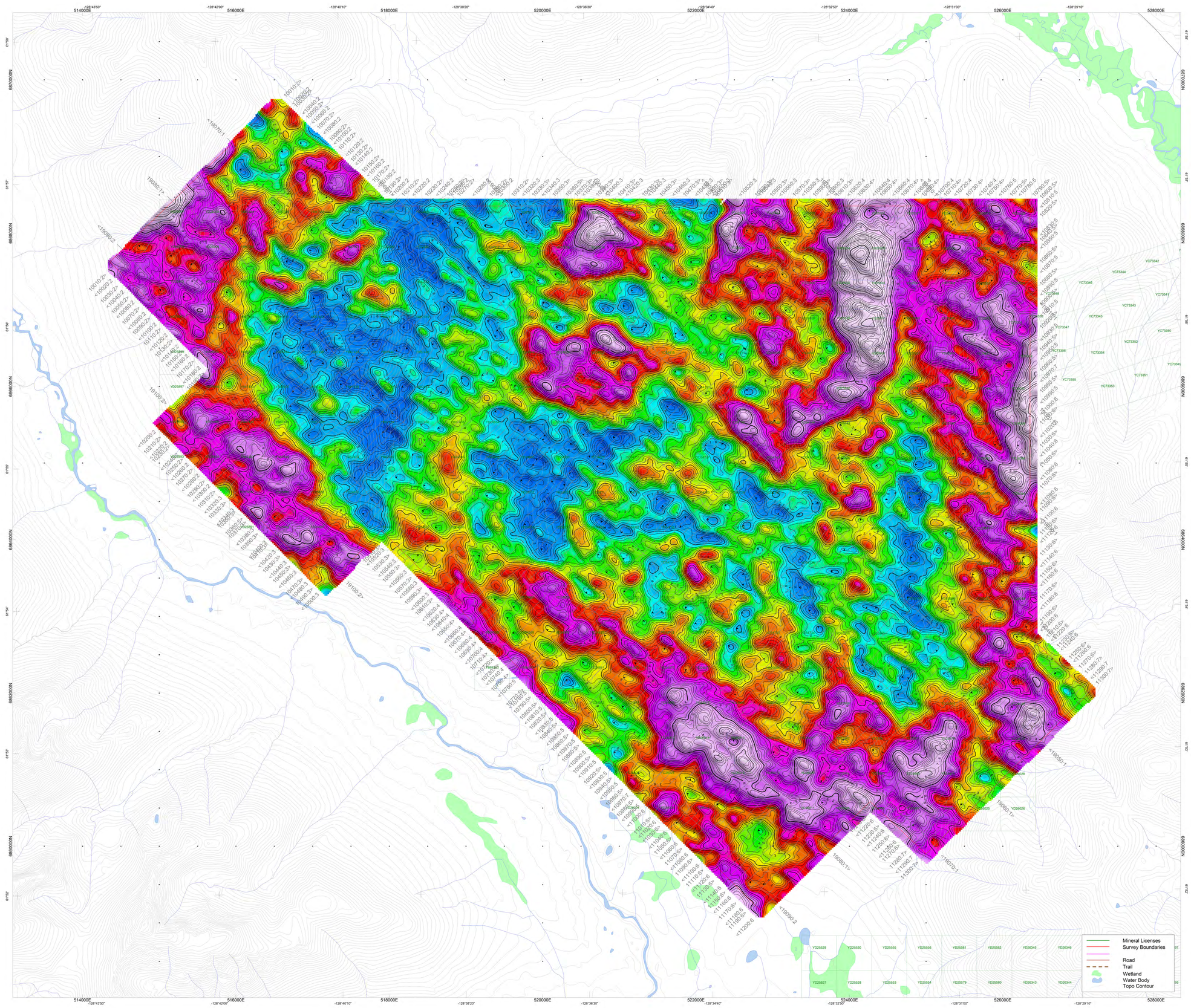
www.cmgairborne.com

CMG Project # 2011-01



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Central Scale Factor: 0.9996
False Easting: 500,000 mE

Countour Intervals (ppm)

0.20
0.40
0.80
1.60
3.20
6.40

14.254
7.502
6.520
6.012
5.635
5.353
5.119
4.912
4.714
4.524
4.338
4.156
3.983
3.814
3.654
3.499
3.347
3.195
3.048
2.896
2.752
2.613
2.484
2.354
2.223
2.097
1.970
1.834
1.687
1.526
1.343
1.094
0.043

GRS-Th
ppm

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

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East Central Yukon

Gamma Ray Spectrometry Equivalent Thorium

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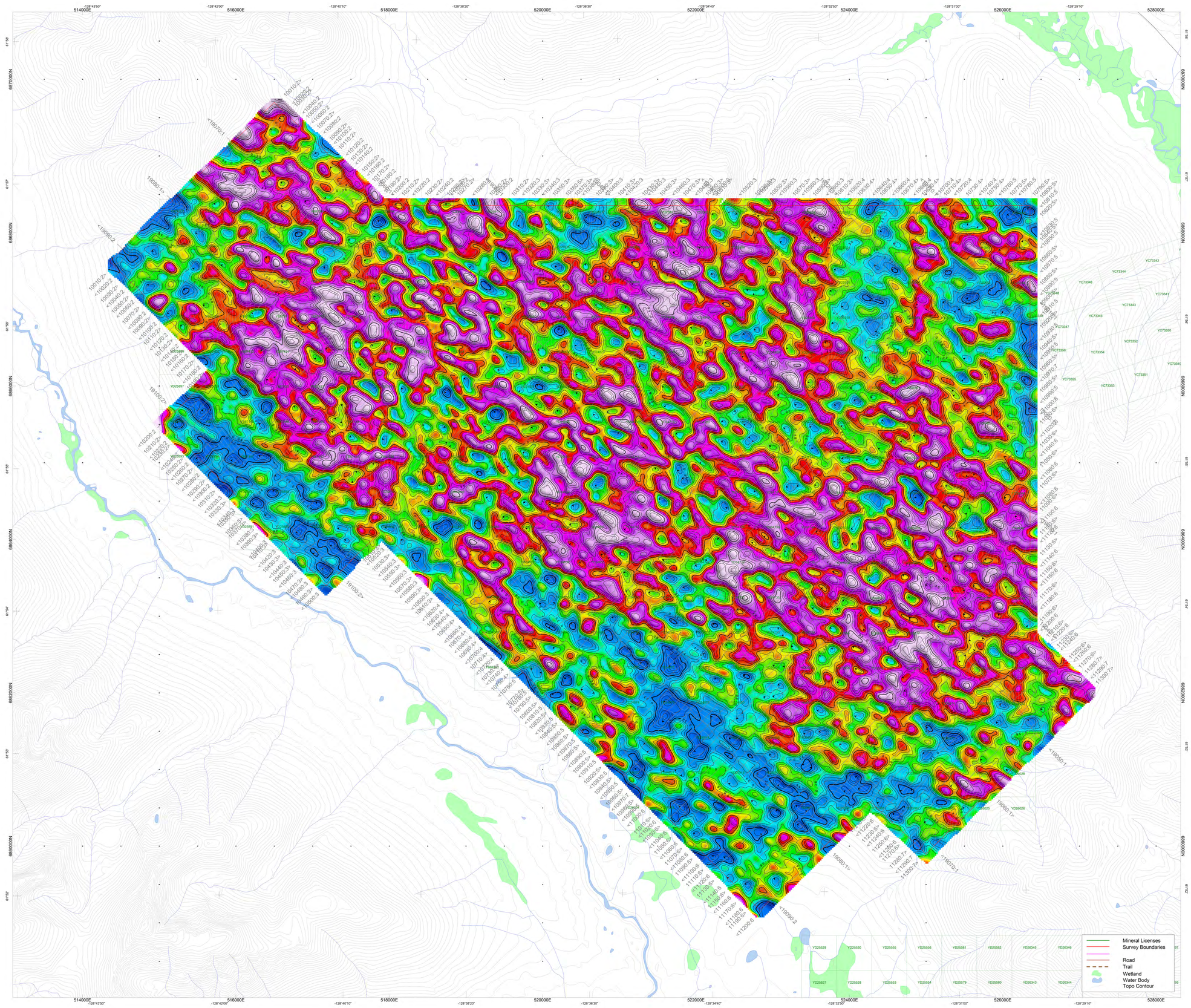
CMG Project # 2011-01



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Countour Intervals (Unitless)

0.01
0.02
0.04
0.08
0.16
0.32

0.671
0.482
0.466
0.456
0.448
0.442
0.436
0.430
0.425
0.421
0.416
0.412
0.408
0.404
0.400
0.396
0.392
0.389
0.385
0.381
0.377
0.373
0.370
0.366
0.362
0.357
0.353
0.349
0.343
0.337
0.330
0.319
0.238

GRS-Th/K
Unitless

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

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East Central Yukon

Gamma Ray Spectrometry Thorium - Potassium Ratio

HY-JAY-REEF Property

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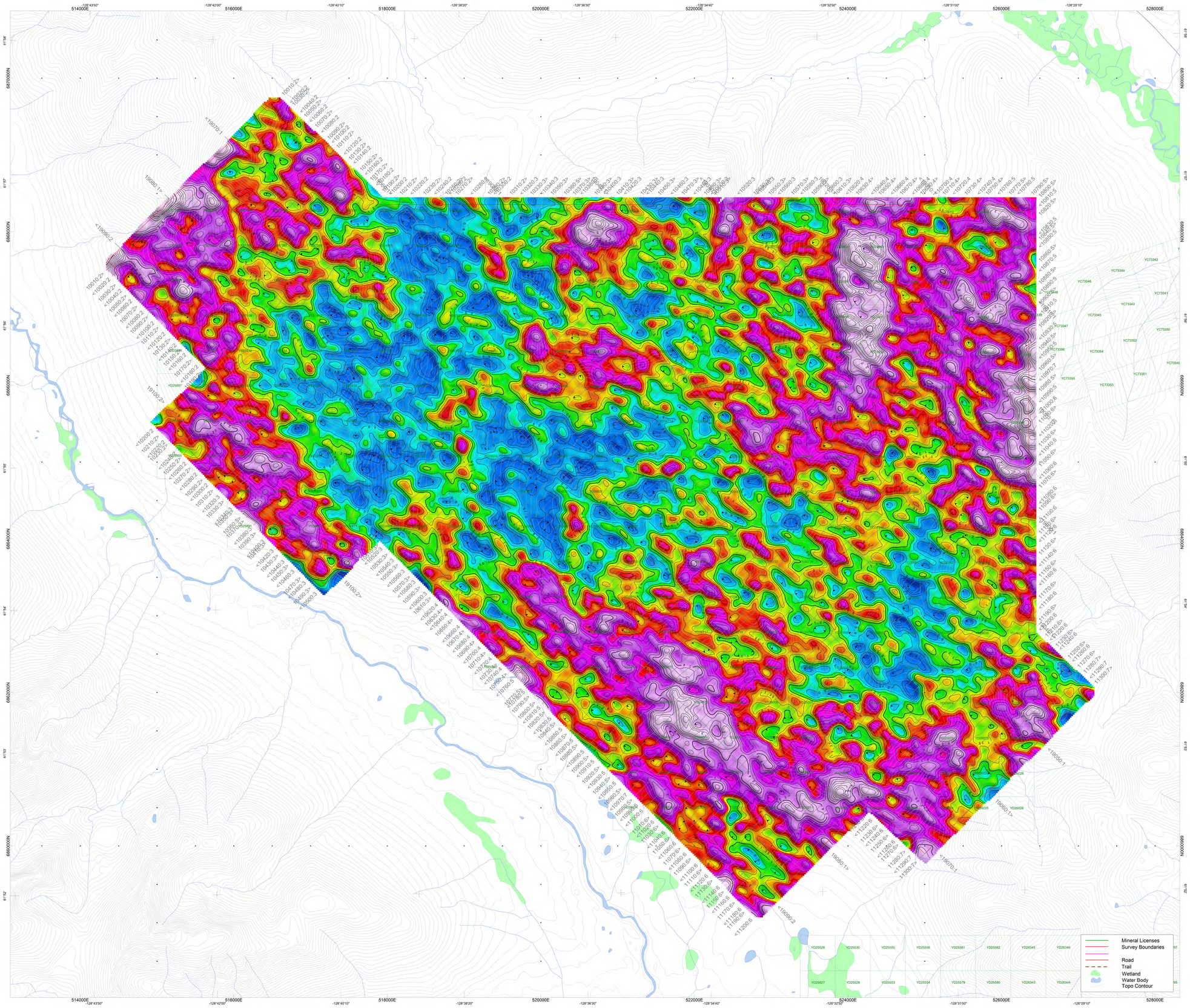

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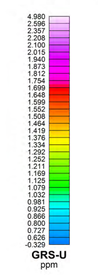
2.40
4.80



Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

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East Central Yukon

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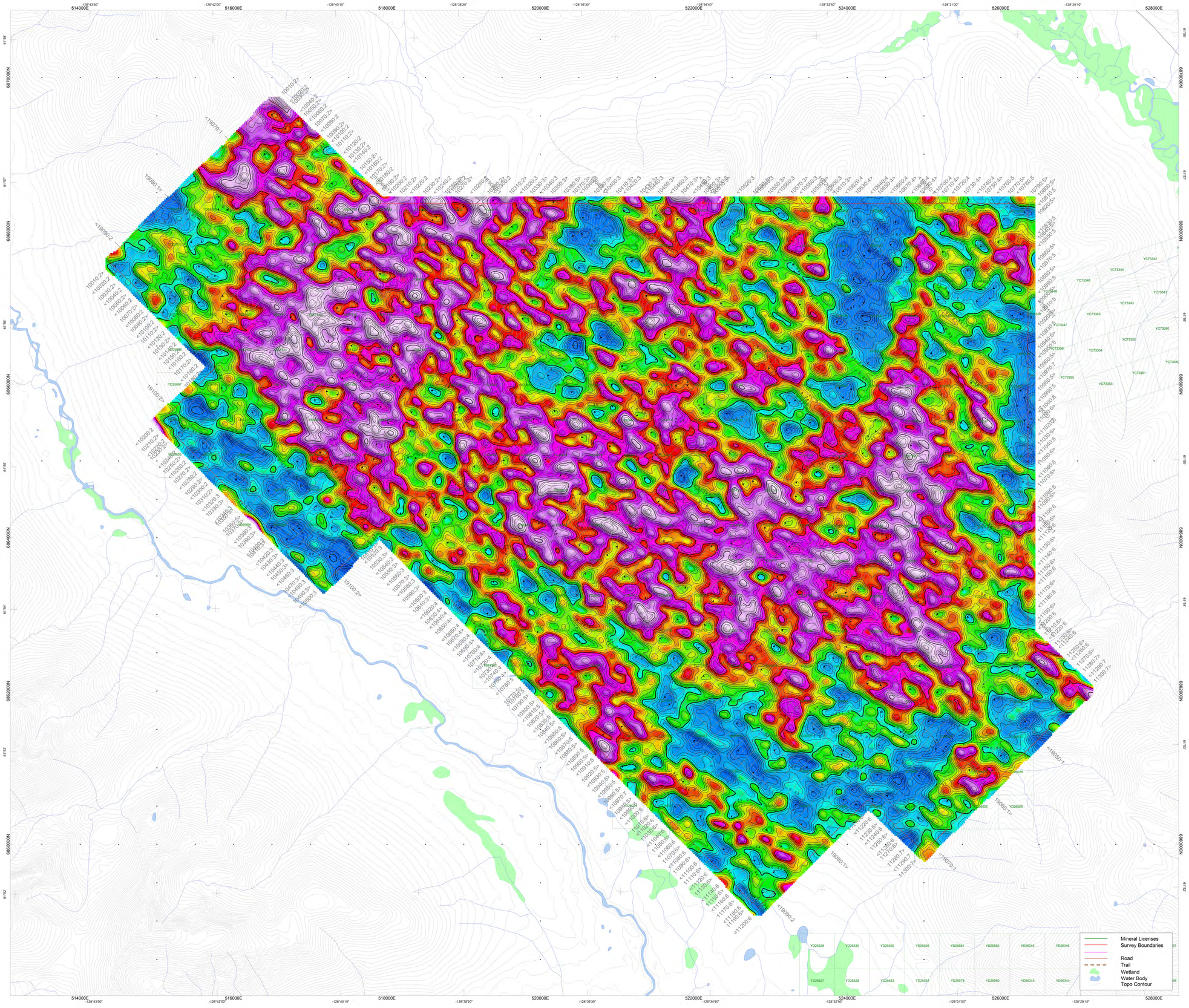

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0.01
0.02
0.04
0.08
0.16
0.32

0.594
0.484
0.463
0.450
0.439
0.431
0.423
0.416
0.410
0.404
0.398
0.393
0.388
0.383
0.378
0.373
0.368
0.363
0.357
0.353
0.347
0.342
0.337
0.332
0.327
0.322
0.316
0.310
0.303
0.295
0.285
0.272
0.252

GRS-U/K
Unitless

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

BEARING RESOURCES LTD.

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East Central Yukon

Gamma Ray Spectrometry Uranium - Potassium Ratio

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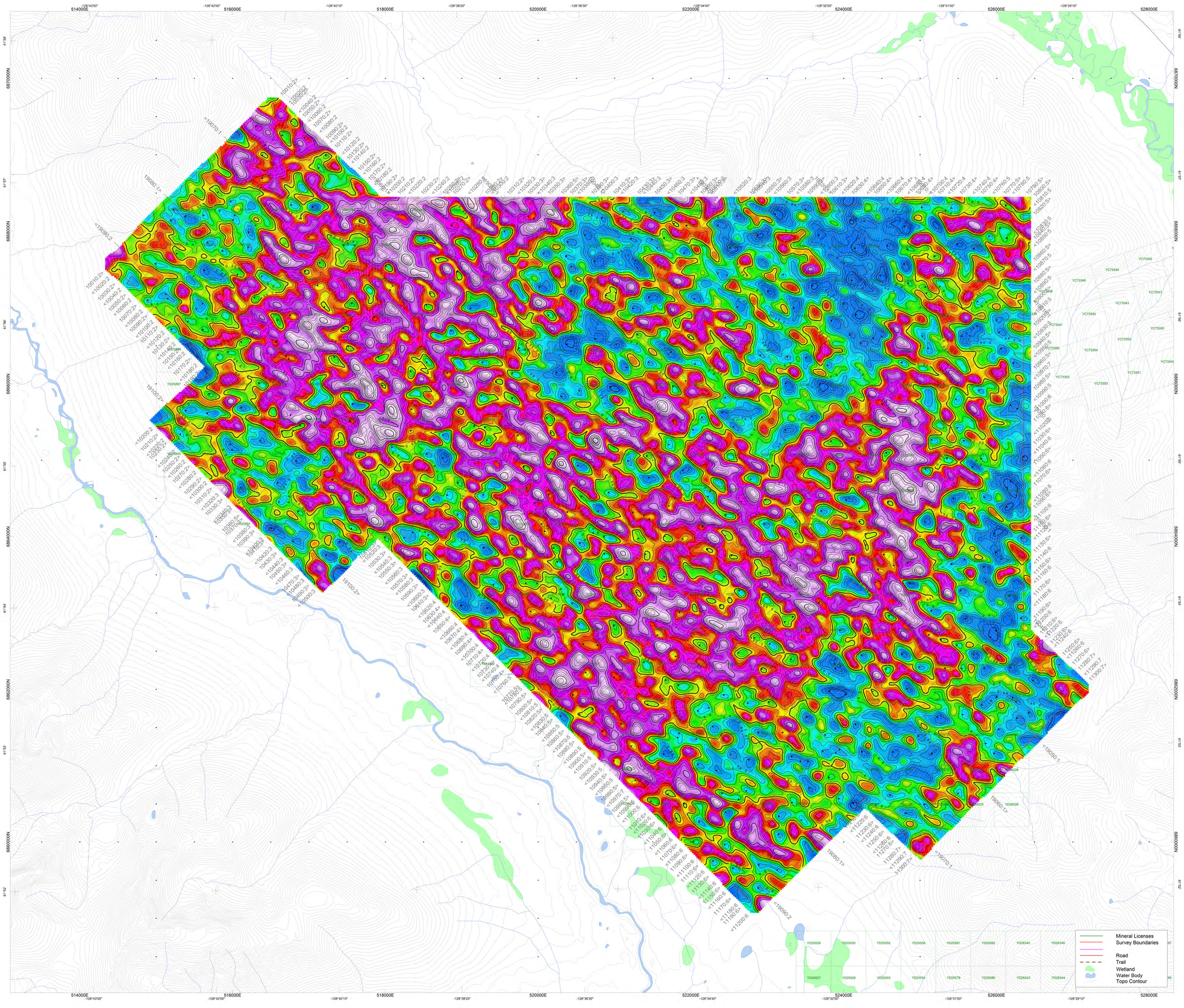
www.cmgairborne.com

CMG Project # 2011-01



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Inset data derived from Geocommunities 1:250,000 Canadian National Topographic database (www.geocomm.com)

Grid North

Survey Specifications:

Base: Cantung Mine, Yukon
Date Flown: May 21 - 24, 2011
Aircraft: AS 350 FX2
Registration: C-GOFX
Flight Line Spacing: 100 m
Flight Line Direction: N35°E
Tie Line Spacing: 1000 m
Tie Line Direction: N125°E
Nominal Bird Height: 45 m
Sensor Position: 30 m below aircraft

Instrumentation:

Data Acquisition: CMG DAS
System: Magnetic Gradiometer, VLF-EM, Radiometrics
Magnetometers: 3 GEM Potassium Total Field
Vertical Separation: 2.95 m
Horizontal Separation: 3.45 m
Sensitivity: +/- 0.001 nT
Heading Error: +/- 0.15 nT or less
Gradient Tolerance: 5,000 nT/m maximum
VLF Station # 1: LaMoure 25.2 kHz
VLF Station # 2: Jim Creek Seattle 24.8 kHz
VLF Sensitivity: +/- 5 pT
Radar Altimeter: Freeflight TRA 3500 @10 Hz, +/- 5%
GPS System: Novatel v4.0 @10 Hz, 1-5 m
Base station Unit: GSM-19 @1 Hz, +/- 0.01 nT
Spectrometer: Radiation Solution RS-500
Crystals: 4 Downward Looking & 1 Upward Looking
GRS Acquisition: 1024 Channel Resolution at 1Hz

Navigation:

System: CD-GPS (Canadian differential)
Equipment: AgNav Guia and Tee-Jet Receiver
Elevation: Freeflight TRA 3500 mounted in helicopter

Data Processing:

Total Magnetic Field: Diurnal correction, tie-line, micro-leveling
Magnetic Gradients: Heading error, micro-leveling
VLF: DC bias, line direction

Coordinate System:

Datum: NAD83

Major Axis: 6378737.000
Eccentricity: 0.81819191
Projection: Universal Transverse Mercator Zone 9
Central Meridian: 129°W
Central Scale Factor: 0.9996
False Easting: 500,000 mE

Countour Intervals (Unitless)

0.03
0.06
0.12
0.24
0.48
0.96

2.155
1.296
1.232
1.192
1.163
1.130
1.118
1.099
1.083
1.068
1.054
1.041
1.028
1.016
1.004
0.993
0.983
0.972
0.962
0.952
0.942
0.932
0.922
0.912
0.900
0.885
0.877
0.863
0.848
0.831
0.815
0.780
0.474

GRS-U/Th
Unitless

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

BEARING RESOURCES LTD.

Bearing Resources Ltd.
East Central Yukon

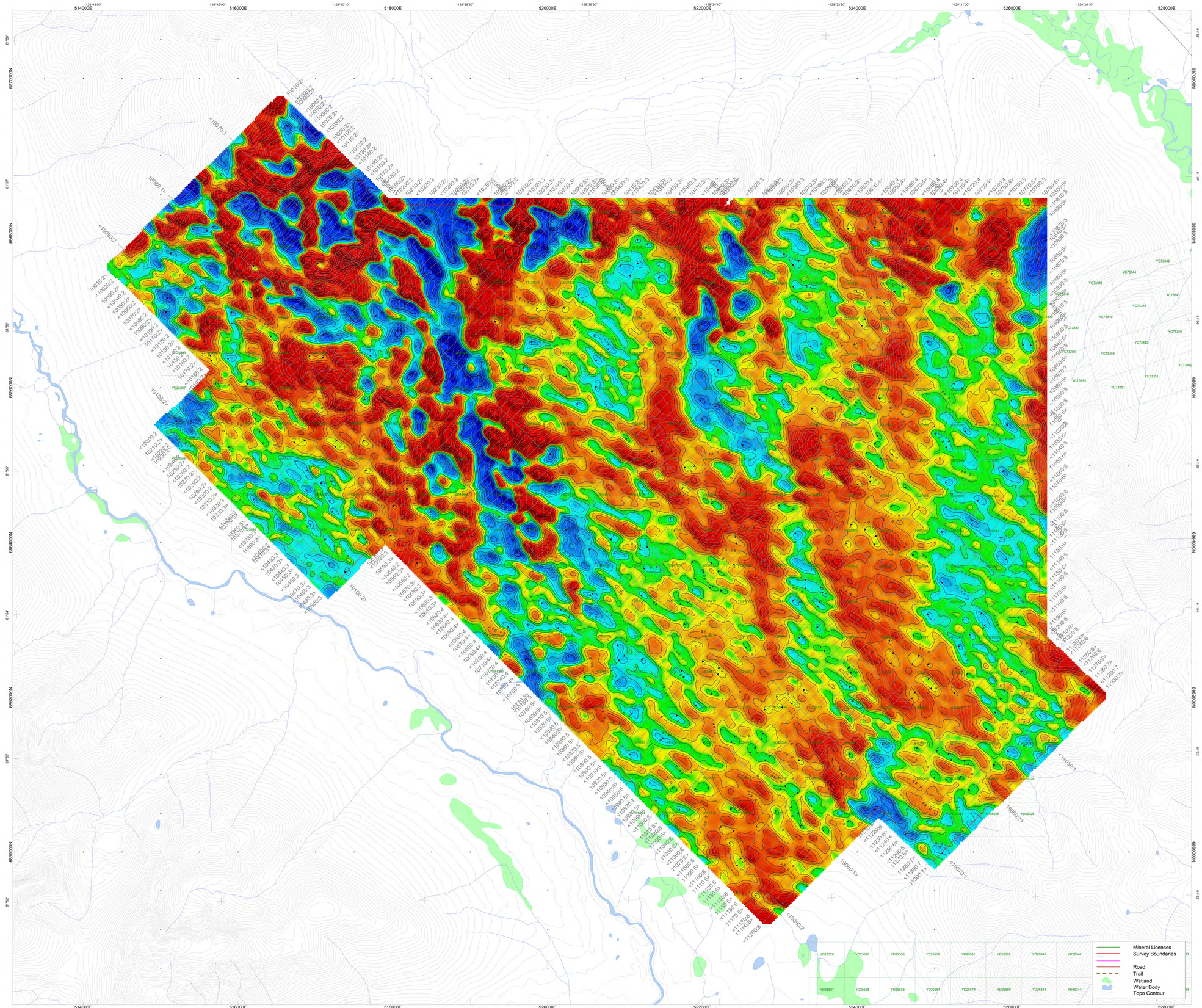
Gamma Ray Spectrometry Uranium - Thorium Ratio

HY-JAY-REEF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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Countour Intervals (nT/m)

0.05
0.10
0.20
0.40
0.80
1.60

1.992
0.333
0.241
0.192
0.161
0.137
0.118
0.103
0.089
0.077
0.065
0.054
0.043
0.032
0.022
0.012
0.002
-0.008
-0.018
-0.027
-0.037
-0.047
-0.057
-0.067
-0.076
-0.090
-0.104
-0.121
-0.143
-0.177
-0.238
-0.361
-1.540

MC-HMG
nT/m

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

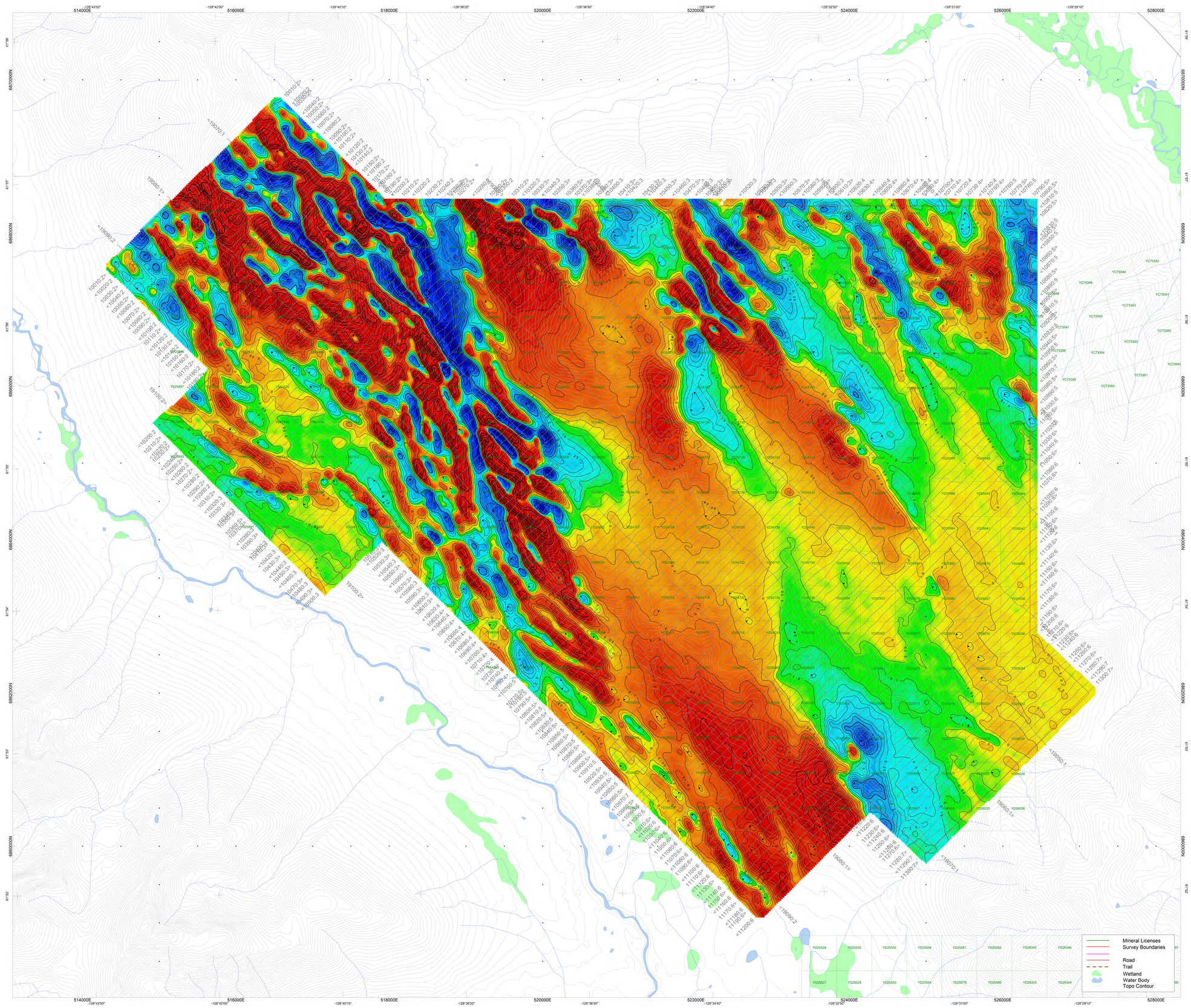
Bearing Resources Ltd.
East Central Yukon

Measured Cross-Line Magnetic Gradient

HY-JAY-REEF Property

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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Countour Intervals (nT/m)

0.05
0.10
0.20
0.40
0.80
1.60

5.201
0.760
0.465
0.356
0.296
0.236
0.193
0.158
0.133
0.111
0.092
0.074
0.056
0.039
0.022
0.006
-0.003
-0.011
-0.020
-0.030
-0.041
-0.053
-0.068
-0.081
-0.097
-0.116
-0.140
-0.175
-0.219
-0.287
-0.393
-0.596
-5.896

MI-HMG
nT/m

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

BEARING RESOURCES LTD.

Bearing Resources Ltd.
East Central Yukon

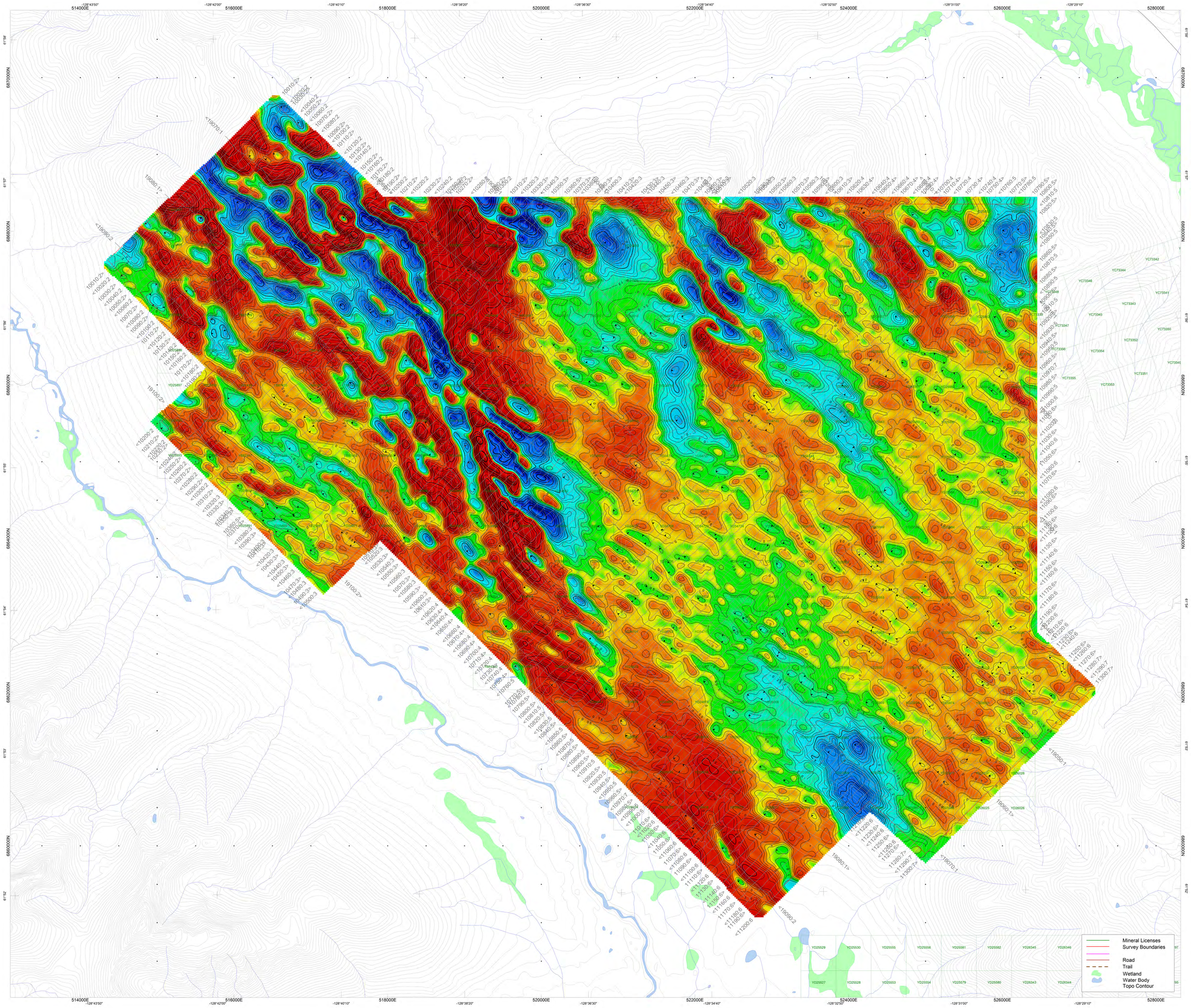
Measured In-Line Magnetic Gradient

HY-JAY-REEF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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False Easting: 500,000 mE

Countour Intervals (nT/m)

0.05
0.10
0.20
0.40
0.80
1.60

2.116
0.667
0.421
0.318
0.269
0.214
0.175
0.139
0.112
0.093
0.077
0.064
0.053
0.040
0.030
0.025
0.010
0.000
-0.010
-0.021
-0.032
-0.045
-0.060
-0.077
-0.098
-0.122
-0.153
-0.192
-0.246
-0.327
-0.457
-0.715
-8.243

M-VMG
nT/m

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

BEARING RESOURCES LTD.

Bearing Resources Ltd.
East Central Yukon

Measured Vertical Magnetic Gradient

HY-JAY-REEF Property

CMG Airborne

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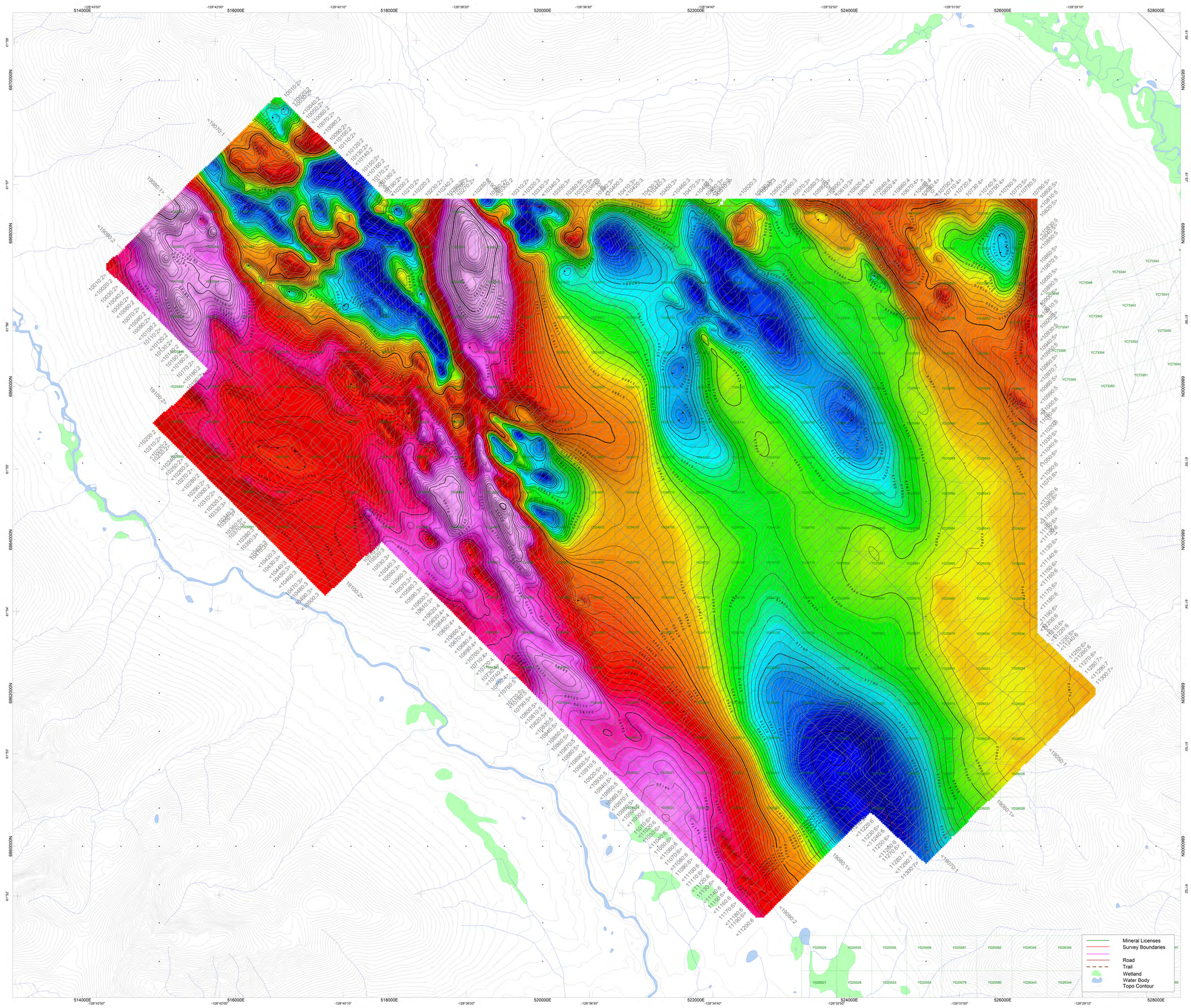
www.cmgairborne.com

CMG Project # 2011-01



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Projection: Universal Transverse Mercator Zone 9
Central Meridian: 129°W
Central Scale Factor: 0.9996
False Easting: 500,000 mE

Countour Intervals (nT)

10
20
40
80
160
320

TMI
nT
58387
58153
58115
58094
58078
58061
58047
58033
58016
57990
57954
57931
57913
57898
57881
57871
57860
57850
57855
57847
57839
57833
57828
57821
57814
57804
57791
57777
57761
57740
57715
57669
57257

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

BEARING RESOURCES LTD.

Bearing Resources Ltd.
East Central Yukon

Total Magnetic Intensity

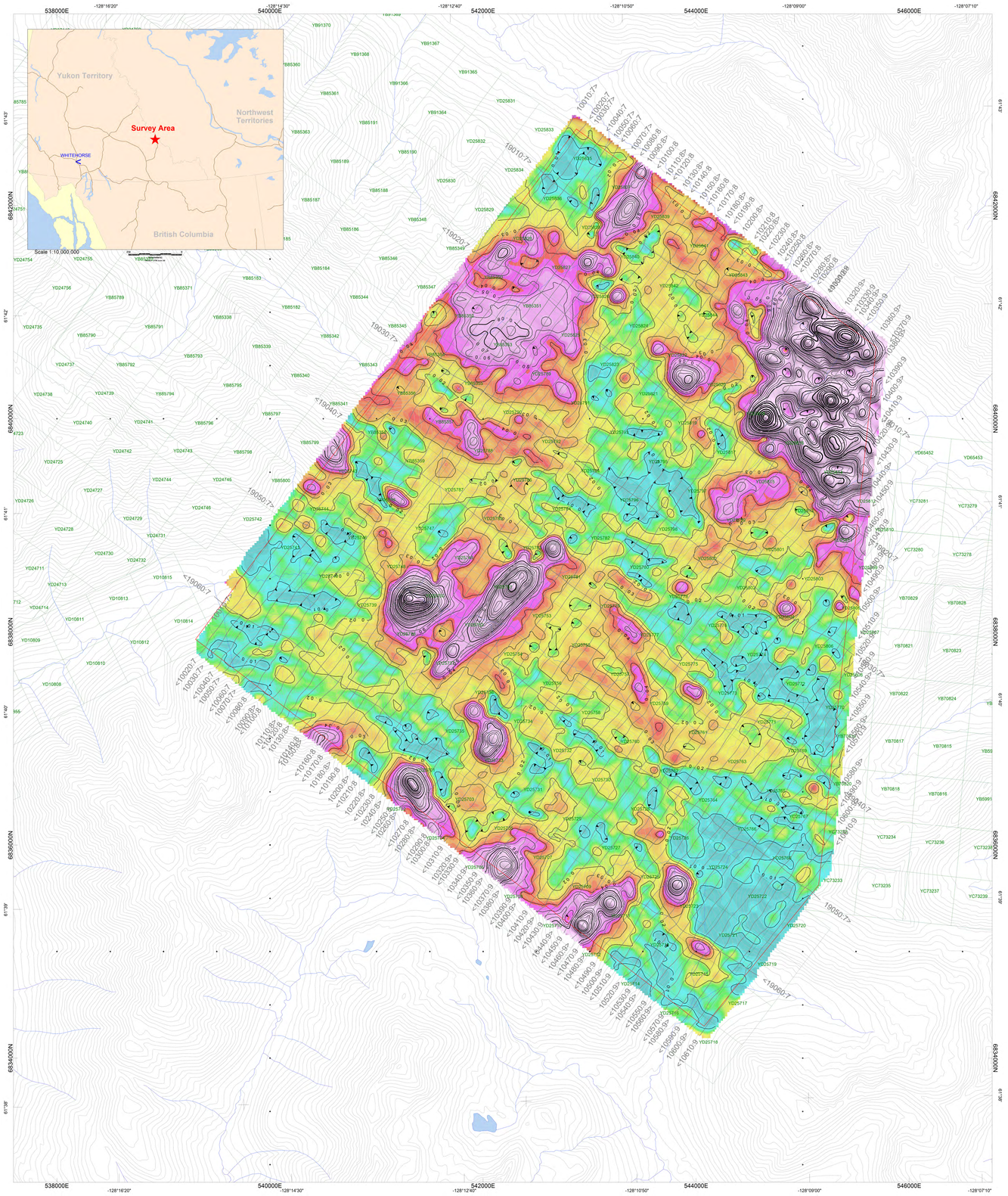
HY-JAY-REEF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0

www.cmgairborne.com

CMG Project # 2011-01



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BEARING RESOURCES LTD.

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Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Countour Intervals (nT/m)

0.01
0.02
0.04
0.08
0.16
0.32

ASIG nT/m

2.266
0.199
0.100
0.068
0.055
0.048
0.042
0.039
0.035
0.033
0.031
0.029
0.027
0.025
0.024
0.023
0.022
0.021
0.019
0.018
0.017
0.016
0.015
0.014
0.013
0.012
0.011
0.009
0.007
0.001

Grid North

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

Magnetic Analytic Signal

VF Property

CMG Airborne

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Rockwood, Ontario, Canada, N0B 2K0
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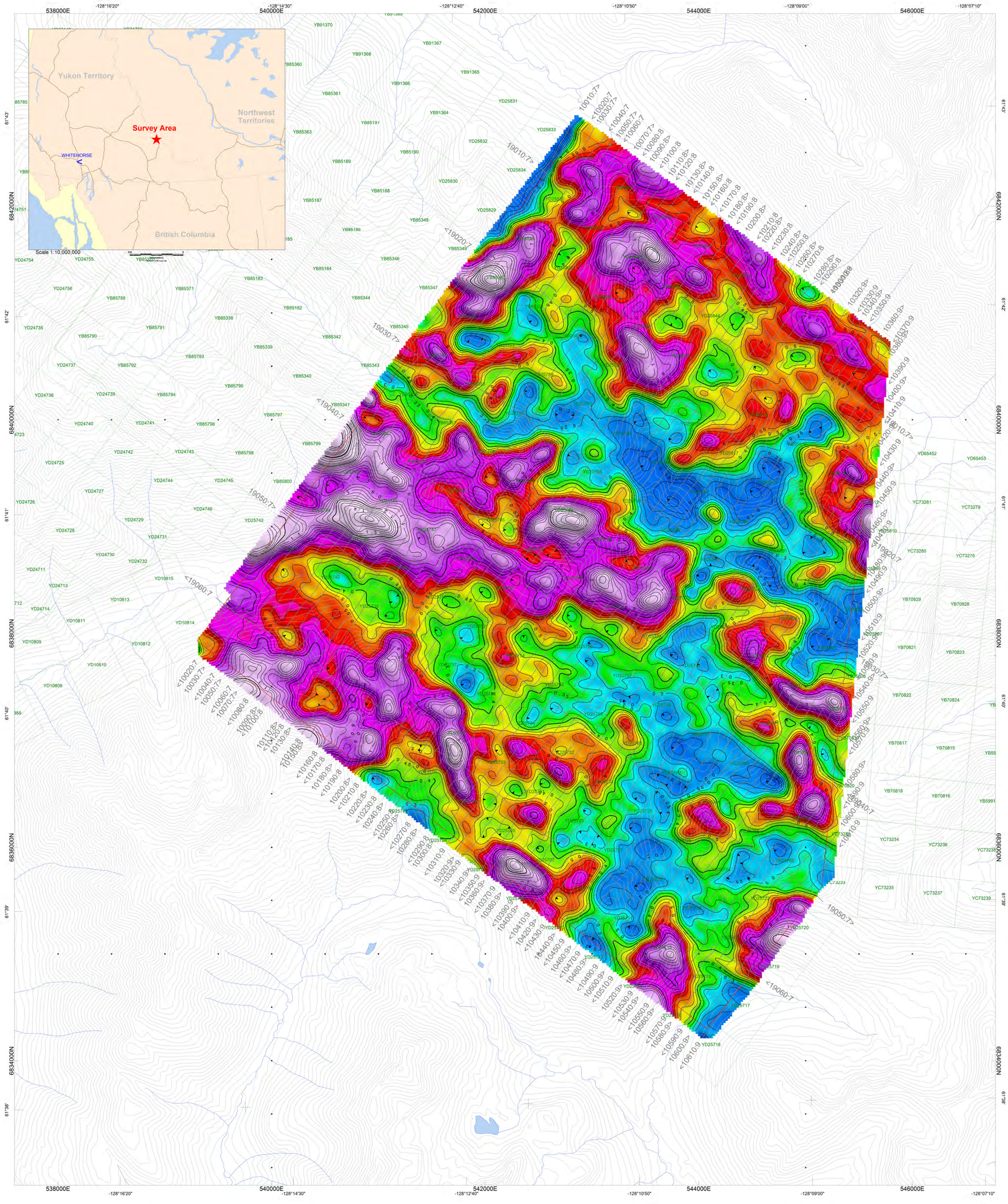
CMG Project # 2011-01



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Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Countour Intervals (%)

0.05
0.10
0.20
0.40
0.80
1.60

2.13
1.09
0.98
0.91
0.86
0.81
0.77
0.74
0.70
0.67
0.65
0.62
0.60
0.57
0.55
0.53
0.51
0.49
0.47
0.45
0.43
0.41
0.39
0.37
0.35
0.33
0.31
0.29
0.27
0.24
0.22
0.18
-0.17

GRS-K
%

Grid North

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

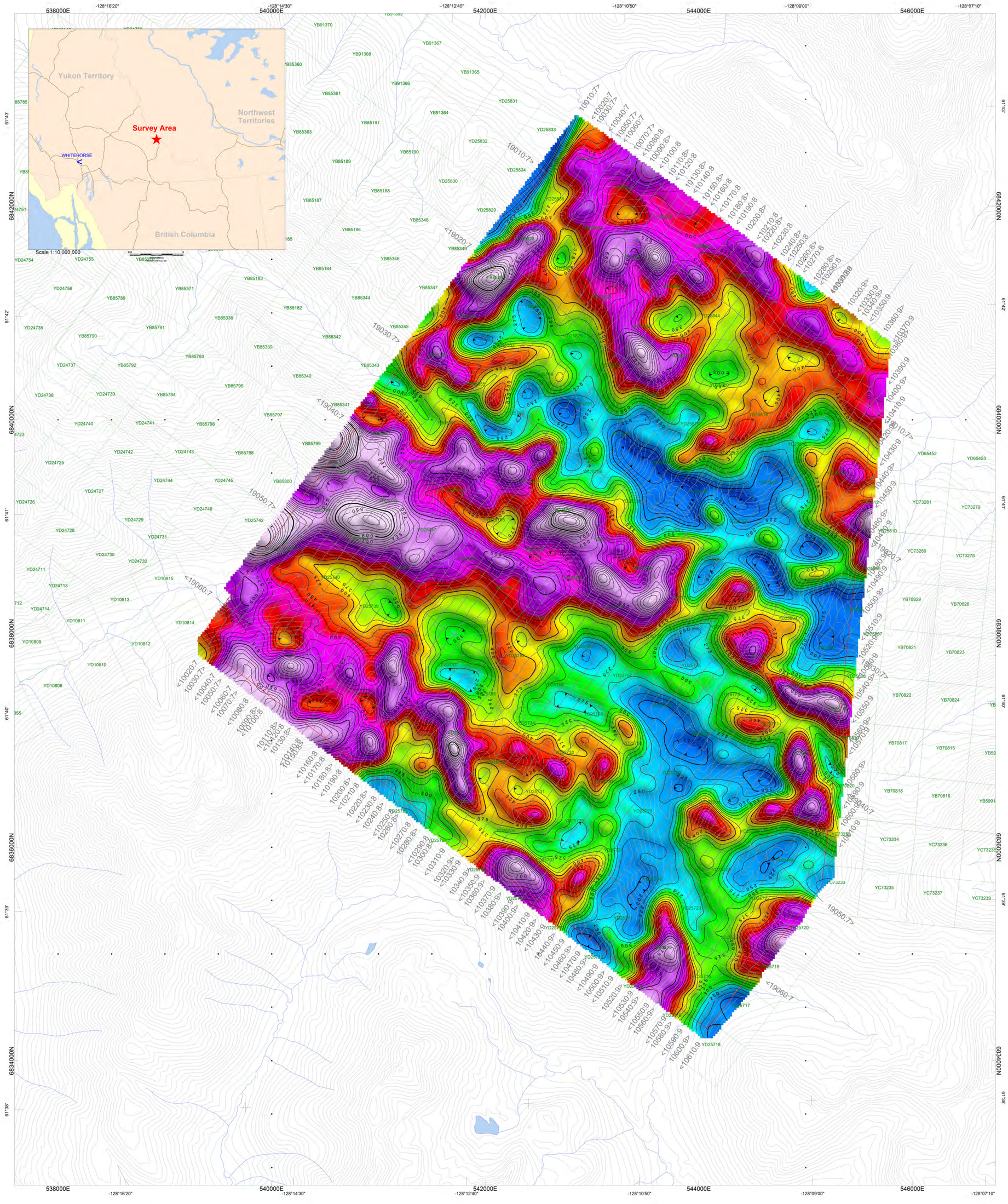
Gamma Ray Spectrometry Percent Potassium

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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VLF Sensitivity: +/- 5 pT
Radar Altimeter: Freeflight TRA 3500 @10 Hz, +/- 5%
GPS System: Novatel v4.0 @10 Hz, 1-5 m
Base station Unit: GSM-19 @1 Hz, +/- 0.01 nT
Spectrometer: Radiation Solution RS-500
Crystals: 4 Downward Looking & 1 Upward Looking
GRS Acqusition: 1024 Channel Resolution at 1Hz

Navigation:

System: CD-GPS (Canadian differential)
Equipment: AgNav Guia and Tee-Jet Receiver
Elevation: Freeflight TRA 3500 mounted in helicopter

Data Processing:

Total Magnetic Field: Diurnal correction, tie-line, micro-leveling
Magnetic Gradients: Heading error, micro-leveling
VLF: DC bias, line direction

Coordinate System:

Datum: NAD83

Major Axis: 6378737.000
Eccentricity: 0.81819191
Projection: Universal Transverse Mercator Zone 9
Central Meridian: 129°W
Central Scale Factor: 0.9996
False Easting: 500,000 mE

Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Contour Intervals (cps)

25
50
100
200
400
800

1320
722
660
624
595
571
550
530
513
499
483
468
453
439
426
413
401
389
378
366
354
340
326
312
298
285
273
261
247
232
216
190
77

GRS-TC
cps

Grid North

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

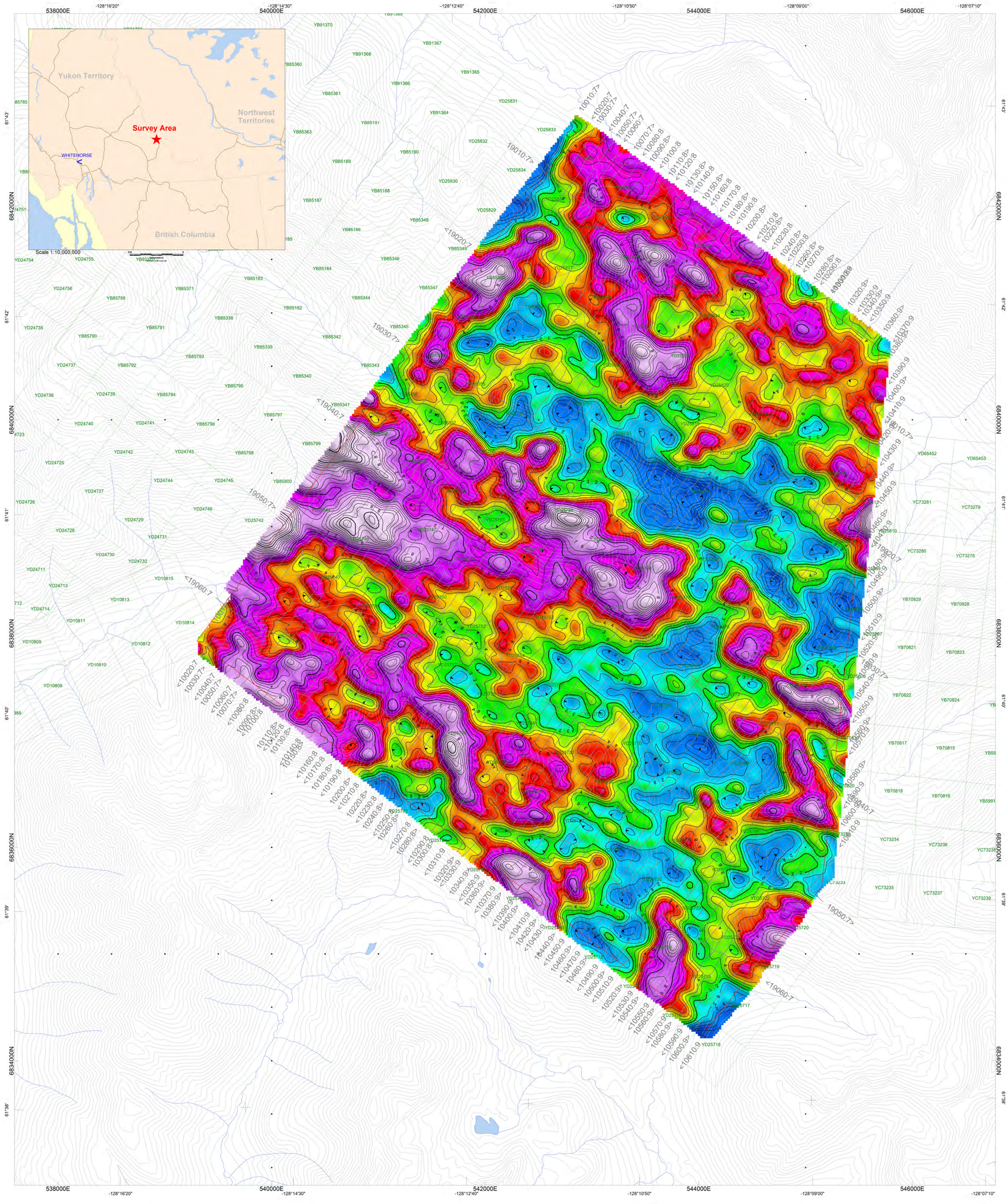
Gamma Ray Spectrometry Corrected Total Count

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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Inset data derived from Geocommunities 1:250,000 Canadian National Topographic database (www.geocomm.com)

BEARING RESOURCES LTD.

Survey Specifications:

Base: Cantung Mine, Yukon
Date Flown: May 21 - 24, 2011
Aircraft: AS 350 FX2
Registration: C-GOFX
Flight Line Spacing: 100 m
Flight Line Direction: N35°E
Tie Line Spacing: 1000 m
Tie Line Direction: N125°E
Nominal Bird Height: 45 m
Sensor Position: 30 m below aircraft

Instrumentation:

Data Acquisition: CMG DAS
System: Magnetic Gradiometer, VLF-EM, Radiometrics
Magnetometers: 3 GEM Potassium Total Field
Vertical Separation: 2.95 m
Horizontal Separation: 3.45 m
Sensitivity: +/- 0.001 nT
Heading Error: +/- 0.15 nT or less
Gradient Tolerance: 5,000 nT/m maximum
VLF Station # 1: LaMoure 25.2 kHz
VLF Station # 2: Jim Creek Seattle 24.8 kHz
VLF Sensitivity: +/- 5 pT
Radar Altimeter: Freeflight TRA 3500 @10 Hz, +/- 5%
GPS System: Novatel v4.0 @10 Hz, 1-5 m
Base station Unit: GSM-19 @1 Hz, +/- 0.01 nT
Spectrometer: Radiation Solution RS-500
Crystals: 4 Downward Looking & 1 Upward Looking
GRS Acqusition: 1024 Channel Resolution at 1Hz

Navigation:

System: CD-GPS (Canadian differential)
Equipment: AgNav Guia and Tee-Jet Receiver
Elevation: Freeflight TRA 3500 mounted in helicopter

Data Processing:

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VLF: DC bias, line direction

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Projection: Universal Transverse Mercator Zone 9
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False Easting: 500,000 mE

Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Contour Intervals (ppm)

0.40
0.80
1.60
3.20
6.40
12.80

14.41
7.96
7.22
6.78
6.44
6.18
5.97
5.77
5.60
5.44
5.28
5.13
4.99
4.85
4.72
4.58
4.44
4.30
4.16
4.02
3.88
3.73
3.58
3.44
3.28
3.12
2.96
2.80
2.63
2.44
2.22
1.89
-0.09

GRS-Th
ppm

Grid North

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

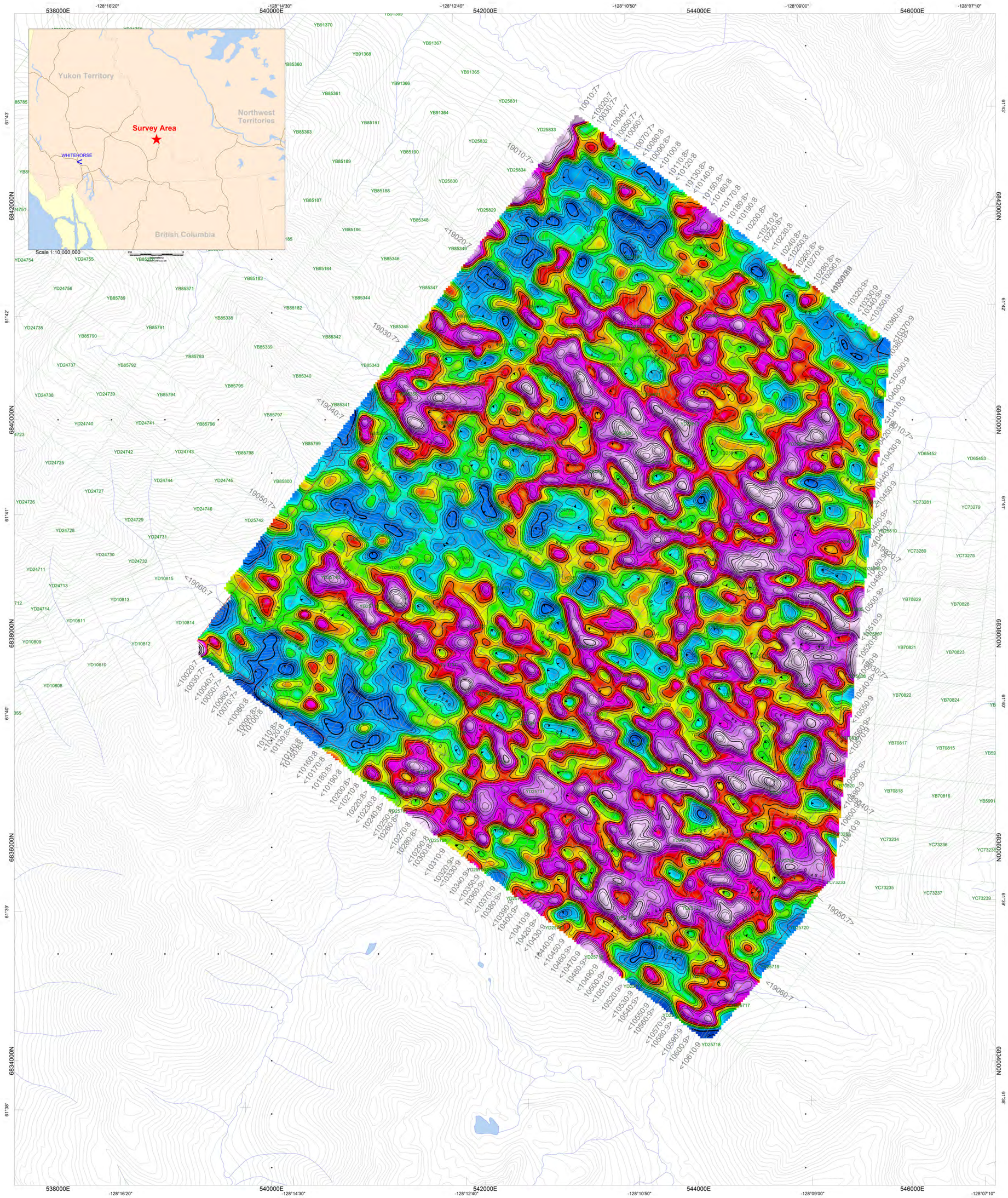
Gamma Ray Spectrometry Equivalent Thorium

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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GRS Acqusition: 1024 Channel Resolution at 1Hz

Navigation:

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Central Scale Factor: 0.9996
False Easting: 500,000 mE

Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Countour Intervals (Unitless)

0.01
0.02
0.04
0.08
0.16
0.32

0.827
0.478
0.462
0.452
0.445
0.438
0.433
0.427
0.423
0.418
0.414
0.410
0.407
0.403
0.399
0.396
0.393
0.389
0.386
0.383
0.379
0.376
0.373
0.369
0.365
0.361
0.357
0.353
0.347
0.341
0.334
0.324
0.194

GRS-Th/K
Unitless

Grid North

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

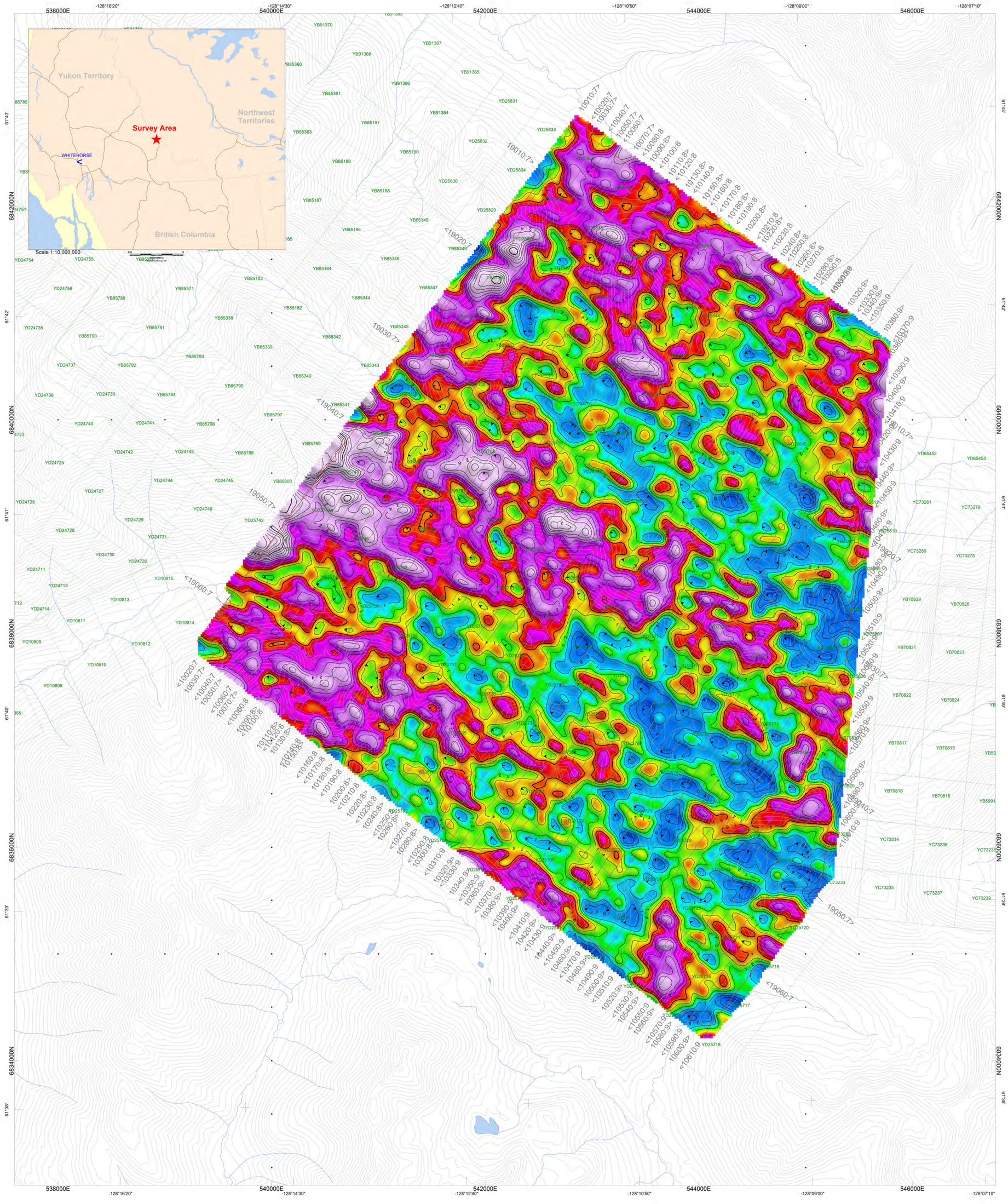
Gamma Ray Spectrometry Thorium - Potassium Ratio

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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BEARING RESOURCES LTD.

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Registration: C-GOFX
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Sensor Position: 30 m below aircraft

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Eccentricity: 0.81819191
Projection: Universal Transverse Mercator Zone 9
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Central Scale Factor: 0.9996
False Easting: 500,000 mE

Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Contour Intervals (ppm)

0.20
0.40
0.80
1.60
3.20
6.40

4.73
2.53
2.32
2.19
2.09
2.01
1.95
1.89
1.85
1.80
1.75
1.70
1.66
1.61
1.57
1.53
1.49
1.45
1.41
1.37
1.33
1.29
1.24
1.21
1.17
1.13
1.08
1.04
0.98
0.92
0.84
0.72
-0.24

GRS-U
ppm

Grid North

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

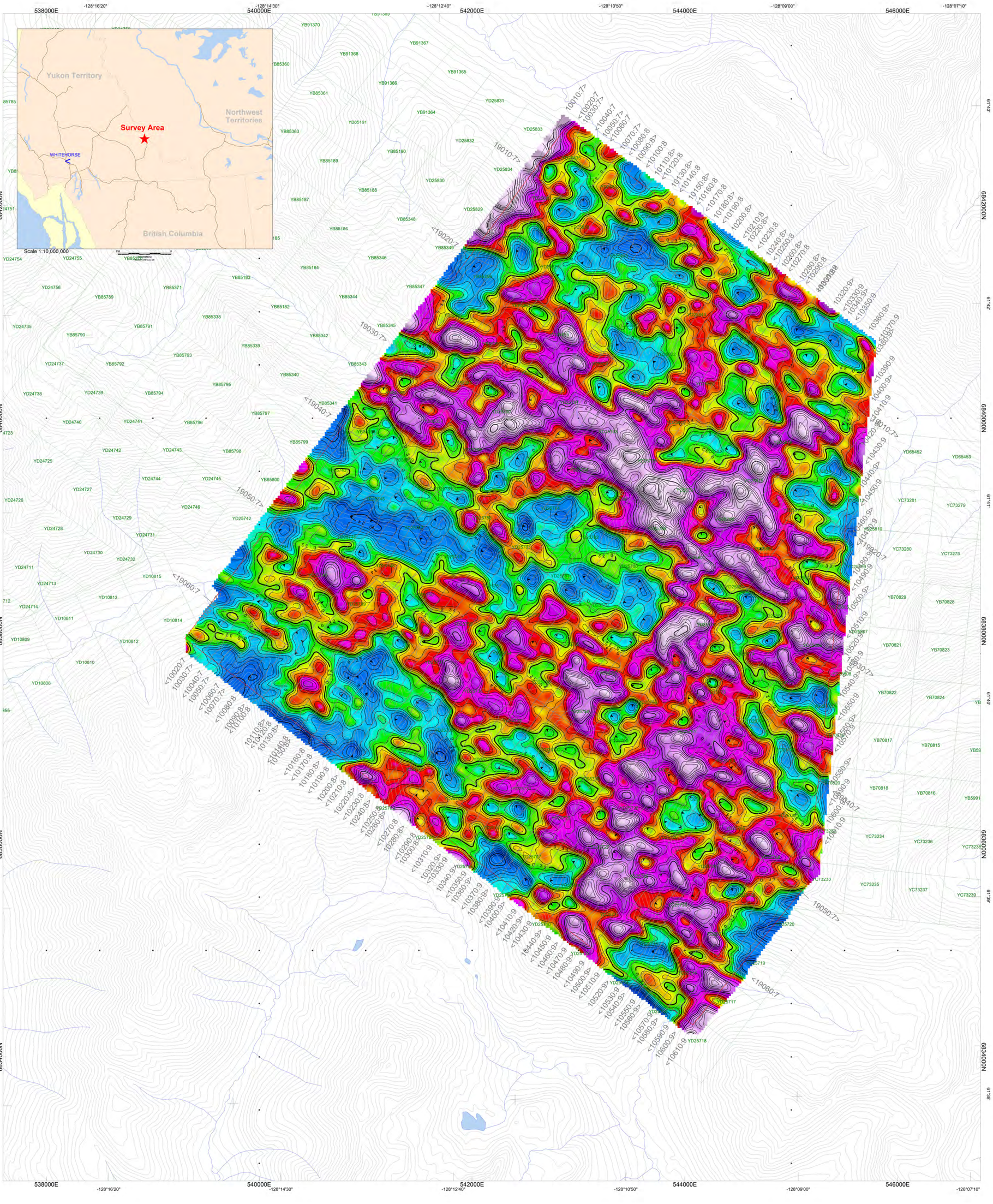
Gamma Ray Spectrometry Equivalent Uranium

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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BEARING RESOURCES LTD.

Survey Specifications:

Base: Cantung Mine, Yukon
Date Flown: May 21 - 24, 2011
Aircraft: AS 350 FX2
Registration: C-GOFX
Flight Line Spacing: 100 m
Flight Line Direction: N35°E
Tie Line Spacing: 1000 m
Tie Line Direction: N125°E
Nominal Bird Height: 45 m
Sensor Position: 30 m below aircraft

Instrumentation:

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System: Magnetic Gradiometer, VLF-EM, Radiometrics
Magnetometers: 3 GEM Potassium Total Field
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Base station Unit: GSM-19 @1 Hz, +/- 0.01 nT
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GRS Acqusition: 1024 Channel Resolution at 1Hz

Navigation:

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Equipment: AgNav Guia and Tee-Jet Receiver
Elevation: Freeflight TRA 3500 mounted in helicopter

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Magnetic Gradients: Heading error, micro-leveling
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Coordinate System:

Datum: NAD83

Major Axis: 6378737.000
Eccentricity: 0.81819191
Projection: Universal Transverse Mercator Zone 9
Central Meridian: 129°W
Central Scale Factor: 0.9996
False Easting: 500,000 mE

Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Countour Intervals (Unitless)

0.01
0.02
0.04
0.08
0.16
0.32

0.794
0.443
0.420
0.406
0.395
0.387
0.379
0.373
0.368
0.363
0.358
0.354
0.350
0.346
0.342
0.339
0.335
0.331
0.328
0.324
0.321
0.317
0.314
0.310
0.306
0.302
0.297
0.293
0.287
0.281
0.273
0.263
0.182

GRS-U/K
Unitless

Grid North

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

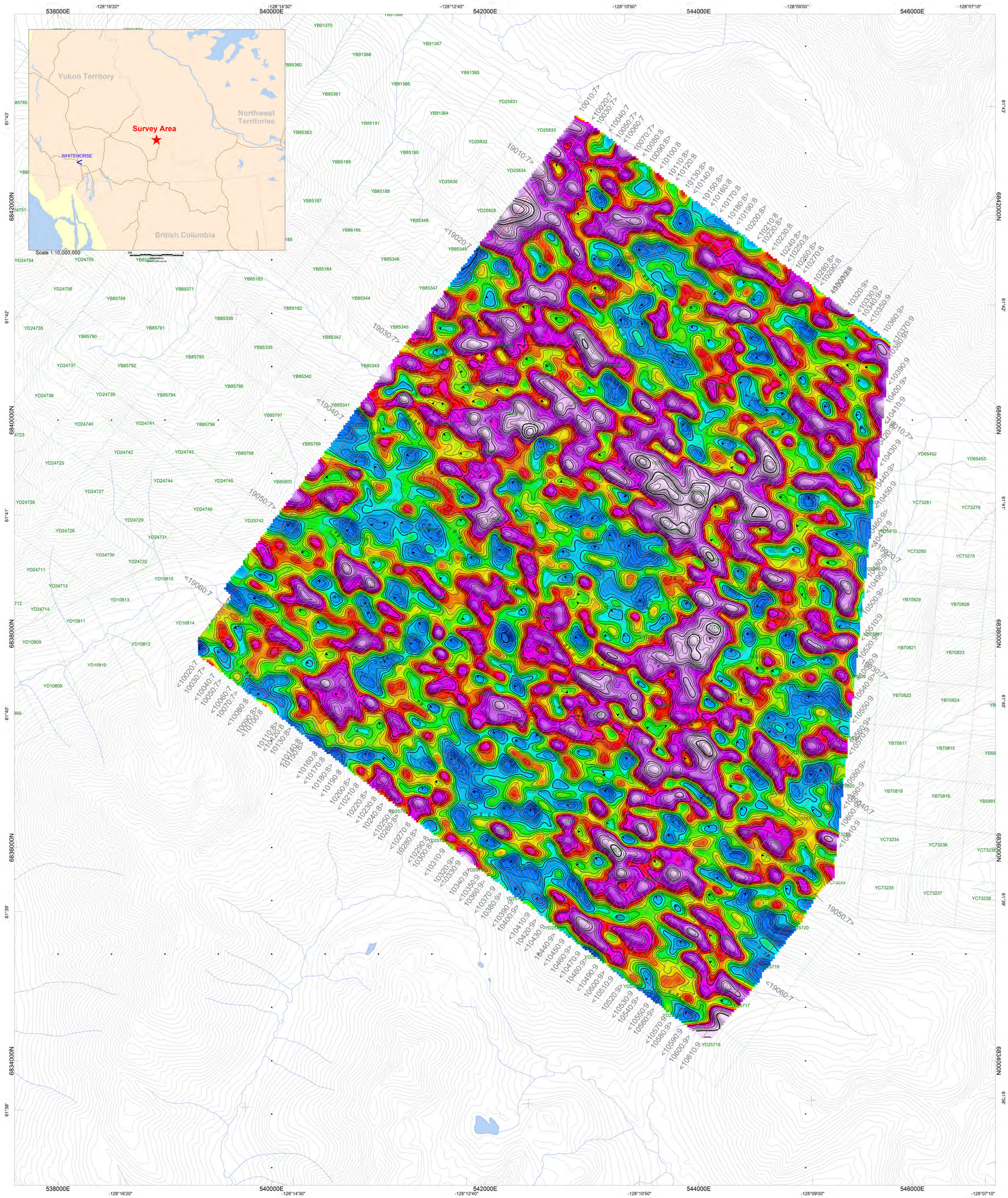
Gamma Ray Spectrometry
Uranium - Potassium Ratio

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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BEARING RESOURCES LTD.

Survey Specifications:

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Aircraft: AS 350 FX2
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Instrumentation:

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Navigation:

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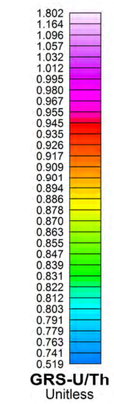
Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Countour Intervals (Unitless)

0.02
0.04
0.08
0.16
0.32
0.64



Grid North

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

Gamma Ray Spectrometry
Uranium - Thorium Ratio

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
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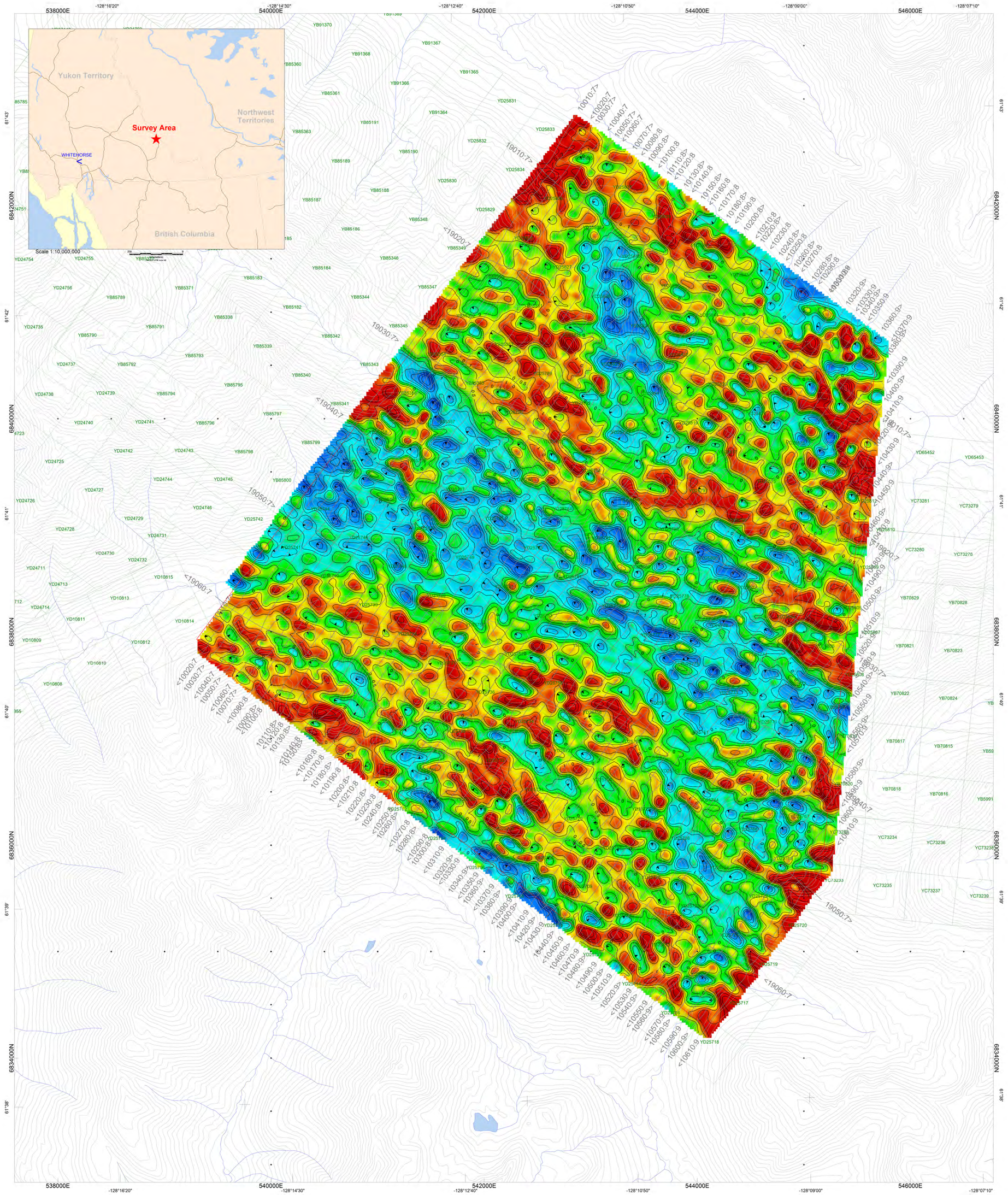
CMG Project # 2011-01



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BEARING RESOURCES LTD.

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- Mineral Licenses
- Survey Boundaries
- Township Boundaries
- Road
- Trail
- Wetland
- Water Body
- Topo Contour

Countour Intervals (nT/m)

0.05
0.10
0.20
0.40
0.80
1.60

1.048
0.206
0.171
0.150
0.133
0.120
0.108
0.096
0.087
0.077
0.068
0.060
0.052
0.044
0.036
0.027
0.018
0.009
-0.000
-0.010
-0.021
-0.031
-0.043
-0.054
-0.066
-0.078
-0.091
-0.105
-0.120
-0.138
-0.161
-0.198
-0.989

MC-HMG
nT/m

Grid North

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

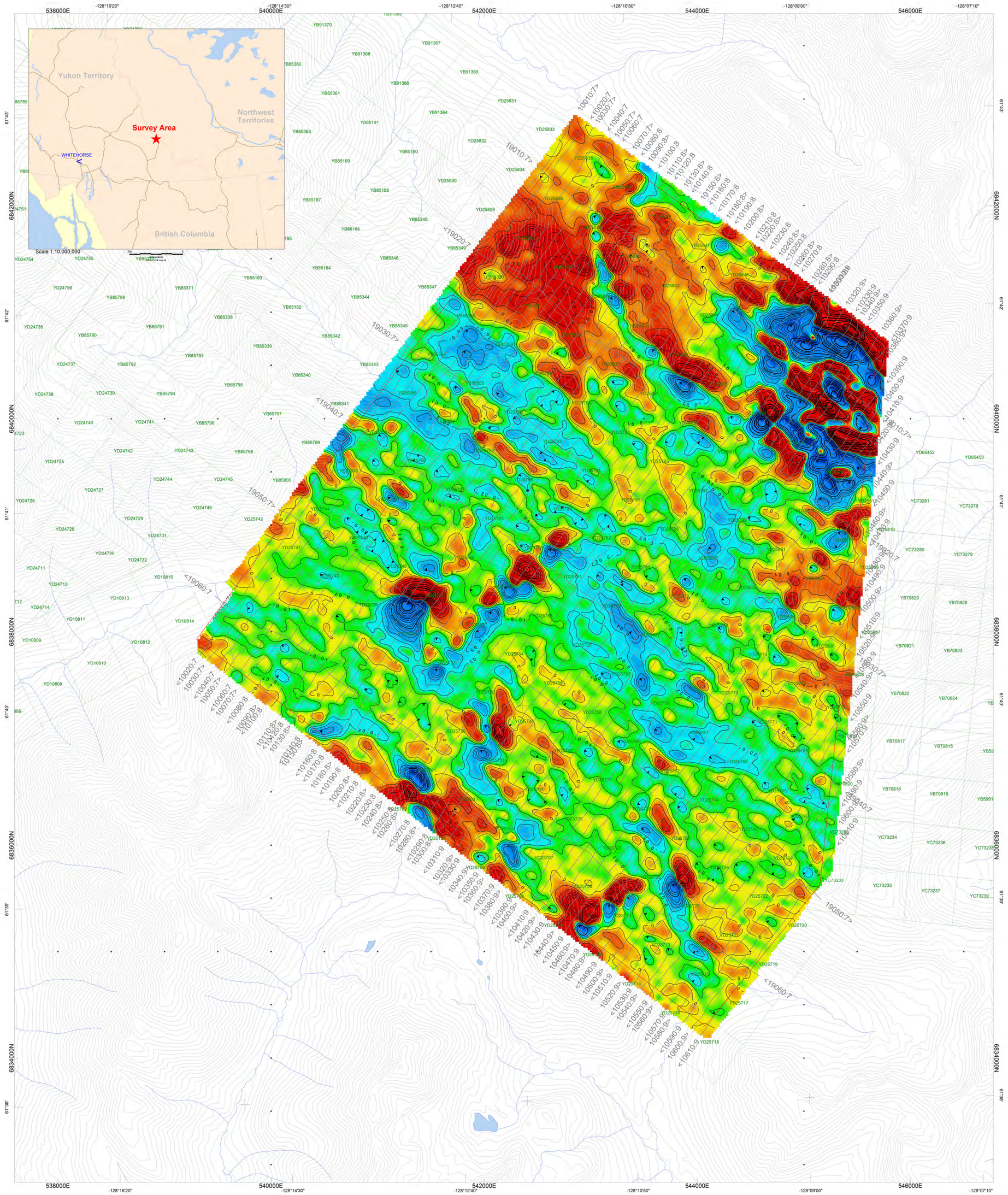
Measured Cross-Line Magnetic Gradient

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

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0.01
0.02
0.04
0.08
0.16
0.32

1.048
0.046
0.027
0.018
0.013
0.009
0.006
0.004
0.002
0.001
-0.001
-0.002
-0.004
-0.005
-0.006
-0.007
-0.008
-0.009
-0.010
-0.011
-0.012
-0.013
-0.014
-0.015
-0.016
-0.017
-0.019
-0.021
-0.024
-0.028
-0.035
-0.057
-0.989

MI-HMG
nT/m

Grid North

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

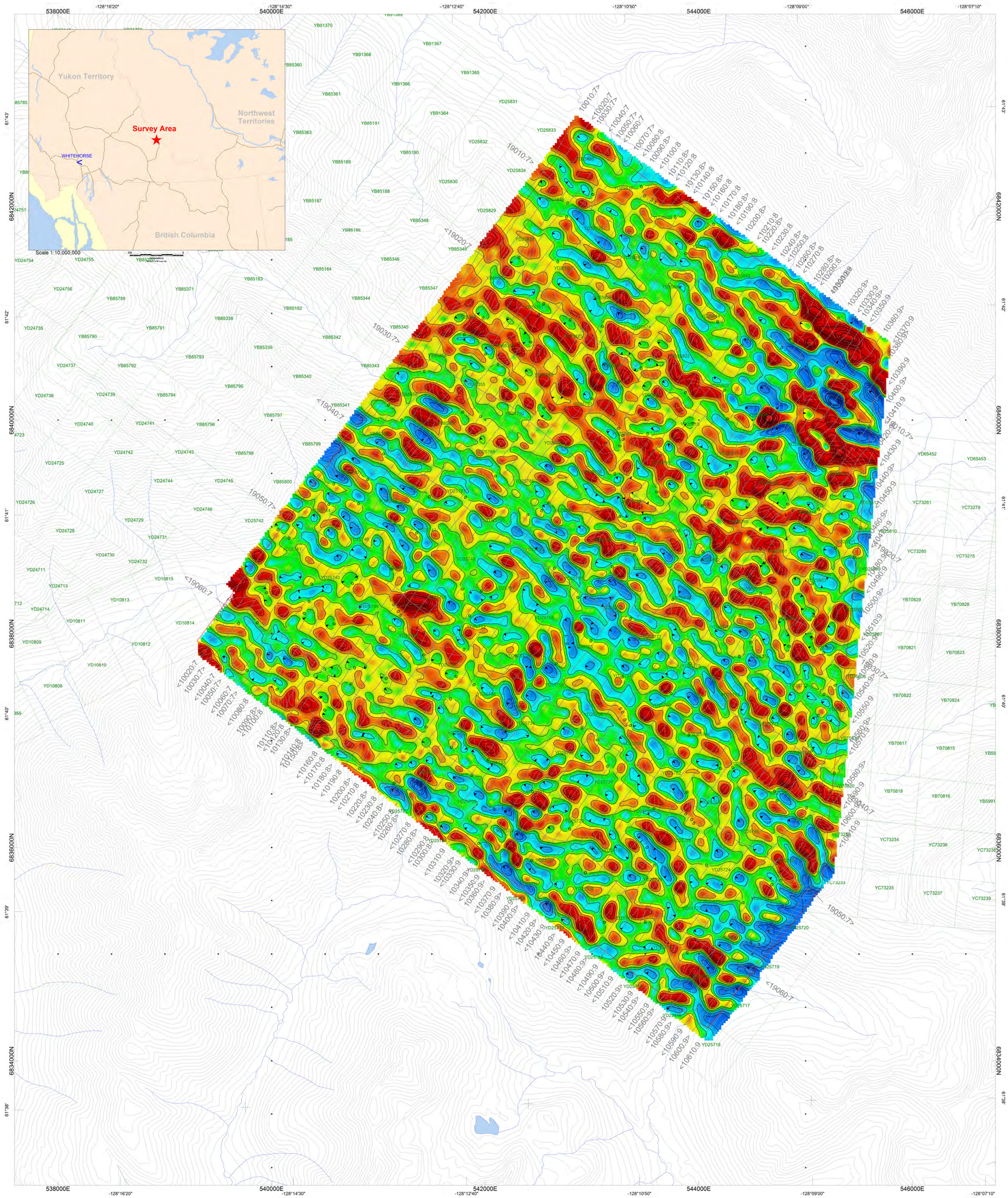
Measured In-Line Magnetic Gradient

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



The topographic data base was derived from 1:50000 NRC (Natural Resources Canada) NTDB data (www.geogratis.ca)
Background shading is derived from NASA SRTM (Shuttle Radar Topography Mission) data
Inset data derived from Geocommunities 1:250,000 Canadian National Topographic database (www.geocomm.com)

BEARING RESOURCES LTD.

Survey Specifications:

Base: Cantung Mine, Yukon
Date Flown: May 21 - 24, 2011
Aircraft: AS 350 FX2
Registration: C-GOFX
Flight Line Spacing: 100 m
Flight Line Direction: N35°E
Tie Line Spacing: 1000 m
Tie Line Direction: N125°E
Nominal Bird Height: 45 m
Sensor Position: 30 m below aircraft

Instrumentation:

Data Acquisition: CMG DAS
System: Magnetic Gradiometer, VLF-EM, Radiometrics
Magnetometers: 3 GEM Potassium Total Field
Vertical Separation: 2.95 m
Horizontal Separation: 3.45 m
Sensitivity: +/- 0.001 nT
Heading Error: +/- 0.15 nT or less
Gradient Tolerance: 5,000 nT/m maximum
VLF Station # 1: LaMoure 25.2 kHz
VLF Station # 2: Jim Creek Seattle 24.8 kHz
VLF Sensitivity: +/- 5 pT
Radar Altimeter: Freeflight TRA 3500 @10 Hz, +/- 5%
GPS System: Novatel v4.0 @10 Hz, 1-5 m
Base station Unit: GSM-19 @1 Hz, +/- 0.01 nT
Spectrometer: Radiation Solution RS-500
Crystals: 4 Downward Looking & 1 Upward Looking
GRS Acqusition: 1024 Channel Resolution at 1Hz

Navigation:

System: CD-GPS (Canadian differential)
Equipment: AgNav Guia and Tee-Jet Receiver
Elevation: Freeflight TRA 3500 mounted in helicopter

Data Processing:

Total Magnetic Field: Diurnal correction, tie-line, micro-leveling
Magnetic Gradients: Heading error, micro-leveling
VLF: DC bias, line direction

Coordinate System:

Datum: NAD83

Major Axis: 6378737.000
Eccentricity: 0.81819191
Projection: Universal Transverse Mercator Zone 9
Central Meridian: 129°W
Central Scale Factor: 0.9996
False Easting: 500,000 mE

Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Countour Intervals (nT/m)

0.05
0.10
0.20
0.40
0.80
1.60

1.048
0.167
0.129
0.108
0.092
0.080
0.070
0.062
0.054
0.047
0.040
0.034
0.028
0.023
0.017
0.012
0.006
0.001
-0.004
-0.009
-0.014
-0.020
-0.025
-0.031
-0.037
-0.044
-0.051
-0.059
-0.069
-0.080
-0.096
-0.123
-0.989

M-VMG
nT/m

Grid North

Scale 1:20000
250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

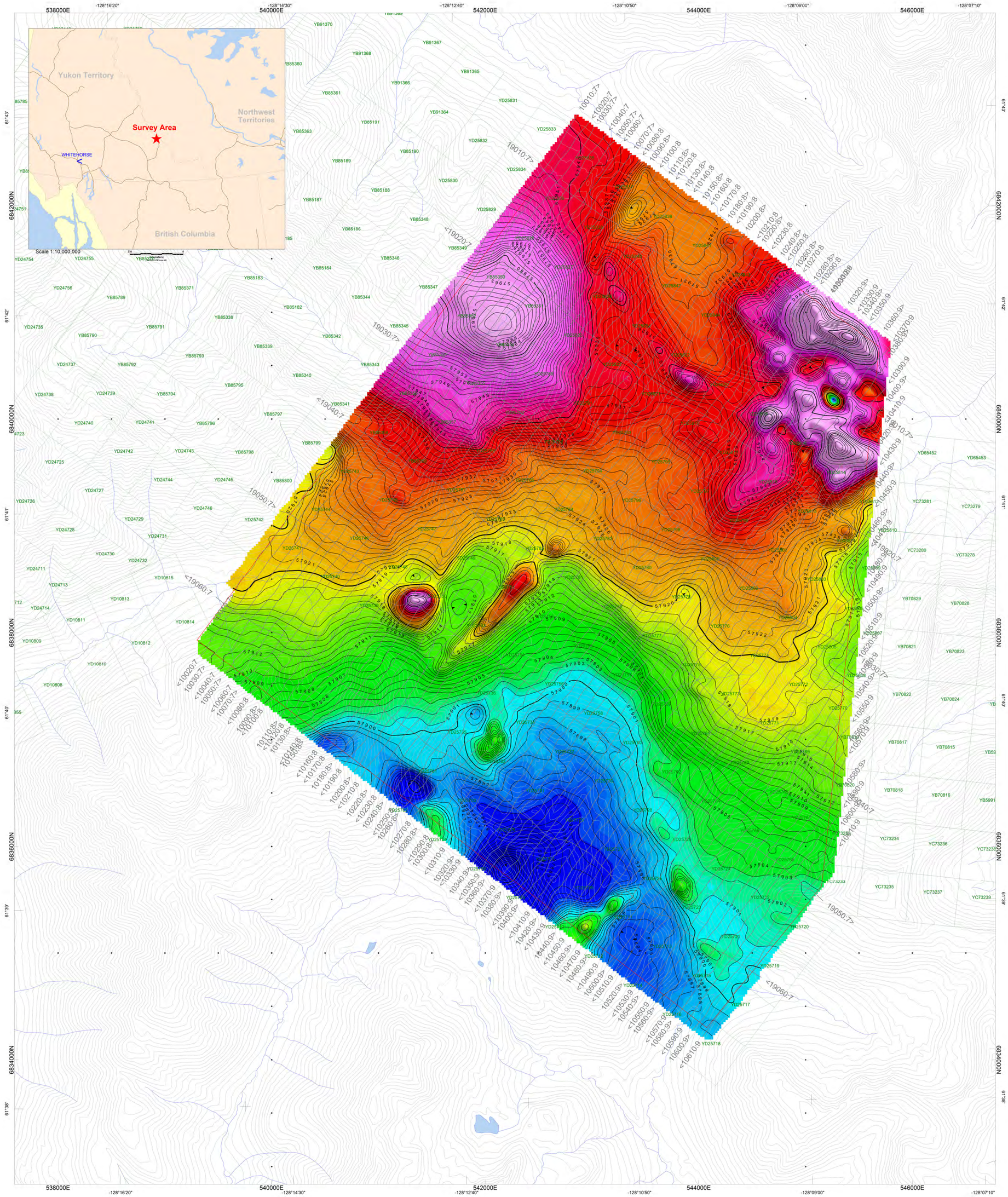
Measured Vertical Magnetic Gradient

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01



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False Easting: 500,000 mE

Mineral Licenses
Survey Boundaries
Township Boundaries
Road
Trail
Wetland
Water Body
Topo Contour

Countour Intervals (nT)

1
5
10
20
40
80

58052
57963
57955
57948
57944
57941
57939
57938
57936
57934
57932
57930
57929
57927
57924
57922
57921
57919
57918
57917
57915
57912
57910
57907
57905
57903
57902
57900
57899
57897
57895
57893
57875

TMI
nT

Grid North

Scale 1:20000

250 0 250 500 750 1000 1250 1500
(meters)
NAD83 / UTM zone 9N

Bearing Resources Ltd.
East Central Yukon

Total Magnetic Intensity

VF Property

CMG Airborne

11500 Fifth Line
Rockwood, Ontario, Canada, N0B 2K0
www.cmgairborne.com

CMG Project # 2011-01

QL 26450

Yukon
Energy, Mines and Resources

QUARTZ MINING ACT FORM 4 SECTION 56

APPLICATION FOR A CERTIFICATE OF WORK

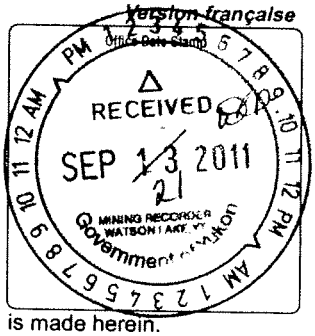
Version française

I, Olivia Brown ,

of Precipitate Gold Corp.

Phone (604) 569-2963

make oath and say that:



1. I am the owner, or agent of the owner, of the mineral claim(s) to which reference is made herein.

2. I have done, or caused to be done, work, on the following mineral claim(s): (Here list claims on which work was actually done by number and name)

See Schedule 1

situated at Upper Hyman River Claim sheet No. 105H15 and 105H16

in the Watson Lake Mining District, to the value of at least 45 000 dollars,

since the 21 day of May 20 11 ,

to represent the following mineral claims under the authority of Grouping Certificate No. HL12326.
(Here list claims to be renewed in numerical order, by grant number and claim name, showing renewal period requested).

See Schedule 2

3. The following is a detailed statement of such work: (Set out full particulars of the work done indicating dates work commenced and ended in the twelve months in which such work is required to be done as shown by Section 56).

See Schedule 3

Sworn before me at City of Vancouver this 6th day of September 20 11 .

Notary Public

Owner or Authorized Agent

GALYNA KOSTROMINE
Barrister & Solicitor
Suite 800, 789 West Pender St.
Vancouver BC V6C 1H2
Tel: (604) 569-2963
Fax: (604) 648-8105

QL 26450

Schedule 3: Reef Group Detailed Statement of Work

Work started May 21, 2011 and was completed May 24, 2011.

Airborne magnetics and radiometrics survey flown over Reef and Jay claims by CMG Airborne.

Cost, including 13% HST	**$43 999.21**

CMG helicopter pilot and engineer's stay at mine camp

Cost	**$1 125.00**

Total	**$45 124.21**