ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
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Telephone: 604-688-2568 Fax: 604-688-2578

ASSESSMENT REPORT

describing

PROSPECTING

at the

KAR PROPERTY

Kar 1-16 YD33869-YD33884

NTS 095D/9
Latitude 60°32′N; Longitude 126°12′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
November 2011

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INTRODUCTION

The Kar property covers prominent gossans that lies near the Toobally Thrust Fault in southeastern Yukon. The property is owned by Strategic Metals Ltd. and is under option to Precipitate Gold Corp.

This report describes prospecting conducted on September 11, 2011 by Archer, Cathro and Associates (1981) Limited on behalf of Precipitate Gold. The author participated in and directed this project and her Statement of Qualifications is in Appendix I.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The Kar property comprises 16 contiguous quartz claims located in southeastern Yukon at latitude 60°32′ north and longitude 126°12′ west on NTS map sheet 095D/09 (Figure 1). The property covers an area of about 320 hectares (3.2 km^2). The claims are registered with the Watson Lake Mining Recorder in the name of Archer Cathro, which holds them in trust for Strategic Metals. Specifics concerning claim registration are tabulated below, while the locations of individual claims are shown on Figure 2.

Claim Name	Grant Number	Expiry Date
Kar 1-16	YD33869-YD33884	March 9, 2016*

* Expiry date does not include 2011 work which has not yet been filed for assessment credit.

Access to the property was provided by a Hughes 500D helicopter operated by Kluane Airways from Coal River, B.C., which is located approximately 110 km south-southwest of the property. All personnel stayed at the Coal River Lodge.

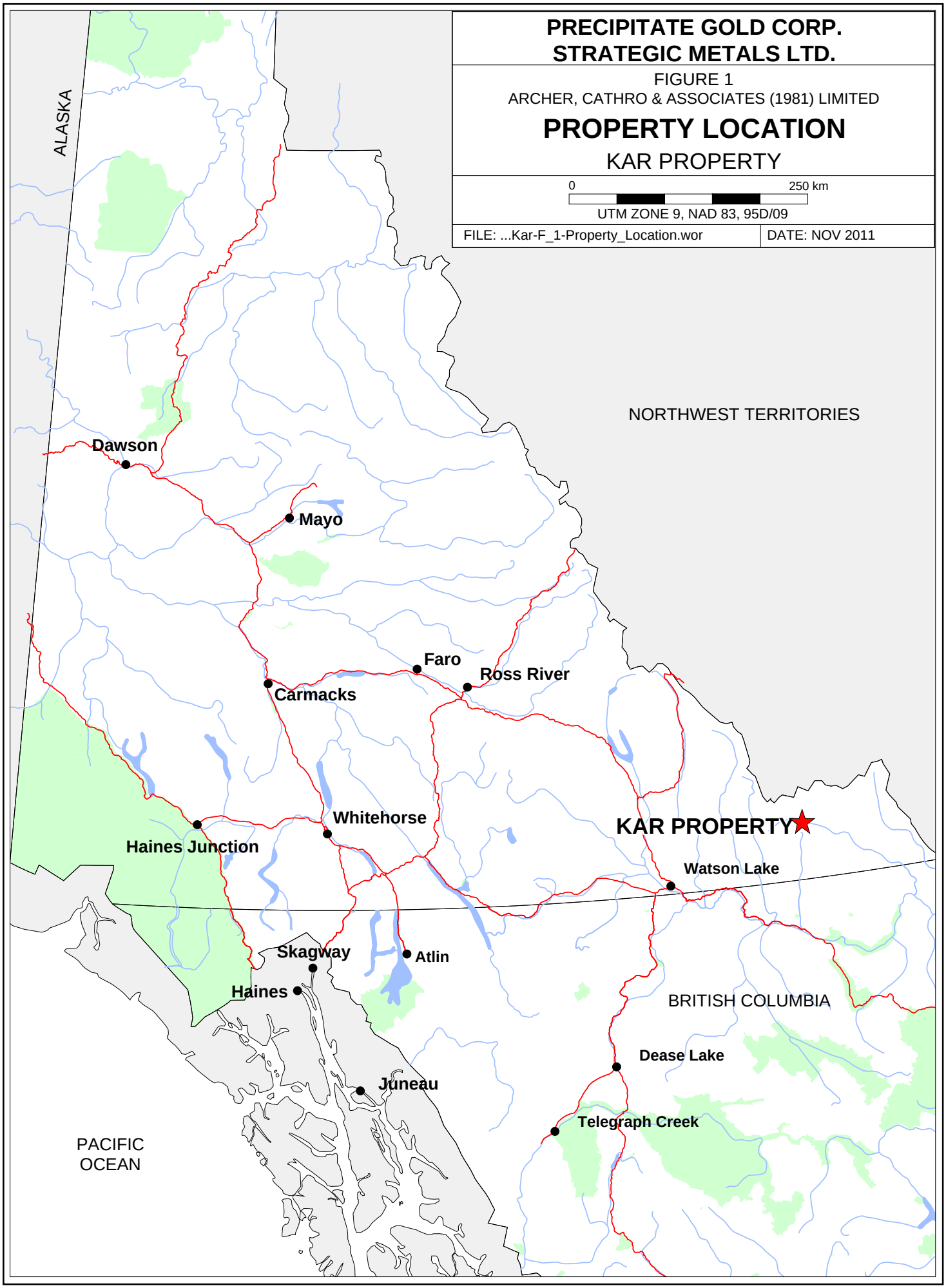
The community of Watson Lake is the nearest supply centre. It lies 150 km southwest of the property. The closest road access is from the Alaska Highway, which at its nearest point is 95 km southwest of the property. The Alaska Highway is usable in all seasons by two wheel drive vehicles.

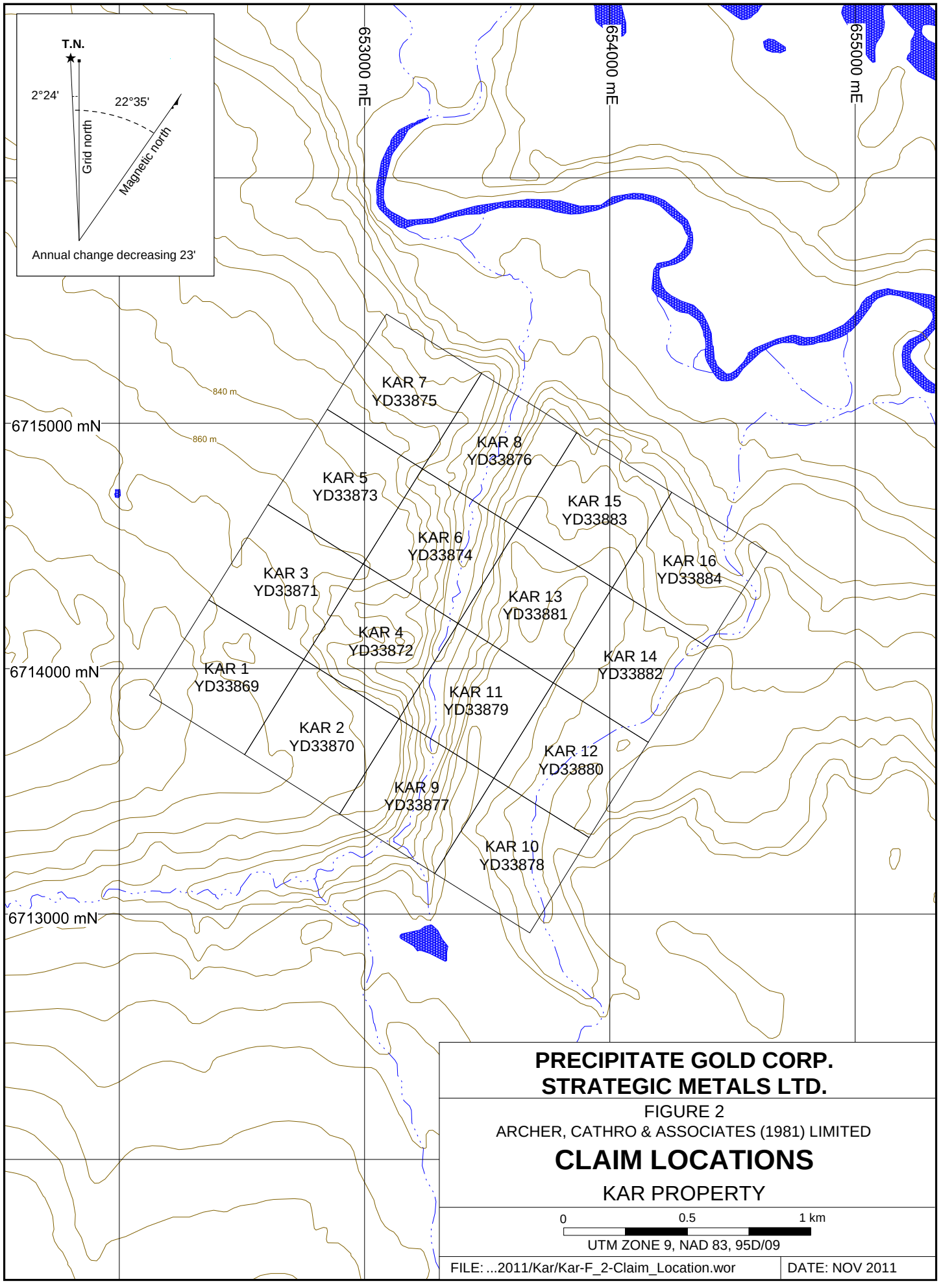
HISTORY AND PREVIOUS WORK

In 1963, Frances River Syndicate (Canex Aerial Explorations Ltd., Kerr Addison Mines Ltd. and Newconex Canadian Exploration Ltd.) discovered a prominent gossan within dolostone and sandstone (Deklerk and Traynor, 2005).

In 1966, Atlas Exploration Ltd. staked the Too claims (1-20) over the gossan and completed limited geological mapping and geochemical sampling. Anomalous lead values were obtained from the gossan (no report is available for this work). The Too claims were allowed to expire.

In 1979, Getty Canadian Minerals Ltd. restaked the gossan as the Karen claims (1-32). No work was reported and the claims subsequently lapsed.


PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.
FIGURE 1
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
PROPERTY LOCATION
KAR PROPERTY
0
250 km
UTM ZONE 9, NAD 83, 95D/09
FILE: ...Kar-F_1-Property_Location.wor
DATE: NOV 2011
ALASKA
NORTHWEST TERRITORIES
Dawson
Mayo
Faro
Ross River
Carmacks
Whitehorse
KAR PROPERTY
Haines Junction
Watson Lake
Skagway
Atlin
Haines
BRITISH COLUMBIA
Dease Lake
Juneau
Telegraph Creek
PACIFIC
OCEAN



PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.

FIGURE 2

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

CLAIM LOCATIONS

KAR PROPERTY

0 0.5 1 km

UTM ZONE 9, NAD 83, 95D/09

FILE: ...2011/Kar/Kar-F_2-Claim_Location.wor | DATE: NOV 2011

In 2009, the Yukon Geological Survey (YGS) visited the gossan during a regional mapping program (Pigage et. al., 2010). The YGS collected samples from the gossan and adjacent, pervasively altered sandstone(?). Results from these samples are discussed in the Mineralization section.

In spring 2010, Strategic Metals Ltd. staked the gossan and later in summer it collected 11 rock and chip samples from the gossan and adjacent altered sandstone(?). It also took 24 grid soil samples on a plateau along strike to the southeast of the gossan (Eaton, 2011). Results from rock and soil samples are discussed in the Mineralization and Soil Geochemistry sections, respectively. Later that year, Strategic Metals optioned the property to Precipitate Gold.

GEOMORPHOLOGY AND CLIMATE

The Kar property is situated in the Liard Plateau south of the Selwyn Mountains. It is drained by creeks that flow into the Beaver River, which ultimately connects to the Arctic Ocean via the Liard and Mackenzie Rivers.

Local elevations on the property range from 700 to 950 m above sea level (asl). Topographic relief in the area is gentle, but the property is cut by a deeply incised valley with steep walls. Outcrop is limited to the steepest sections of the valley walls. The property lies entirely below treeline. Vegetation comprises black spruce and alder with an understory of low shrubs and moss.

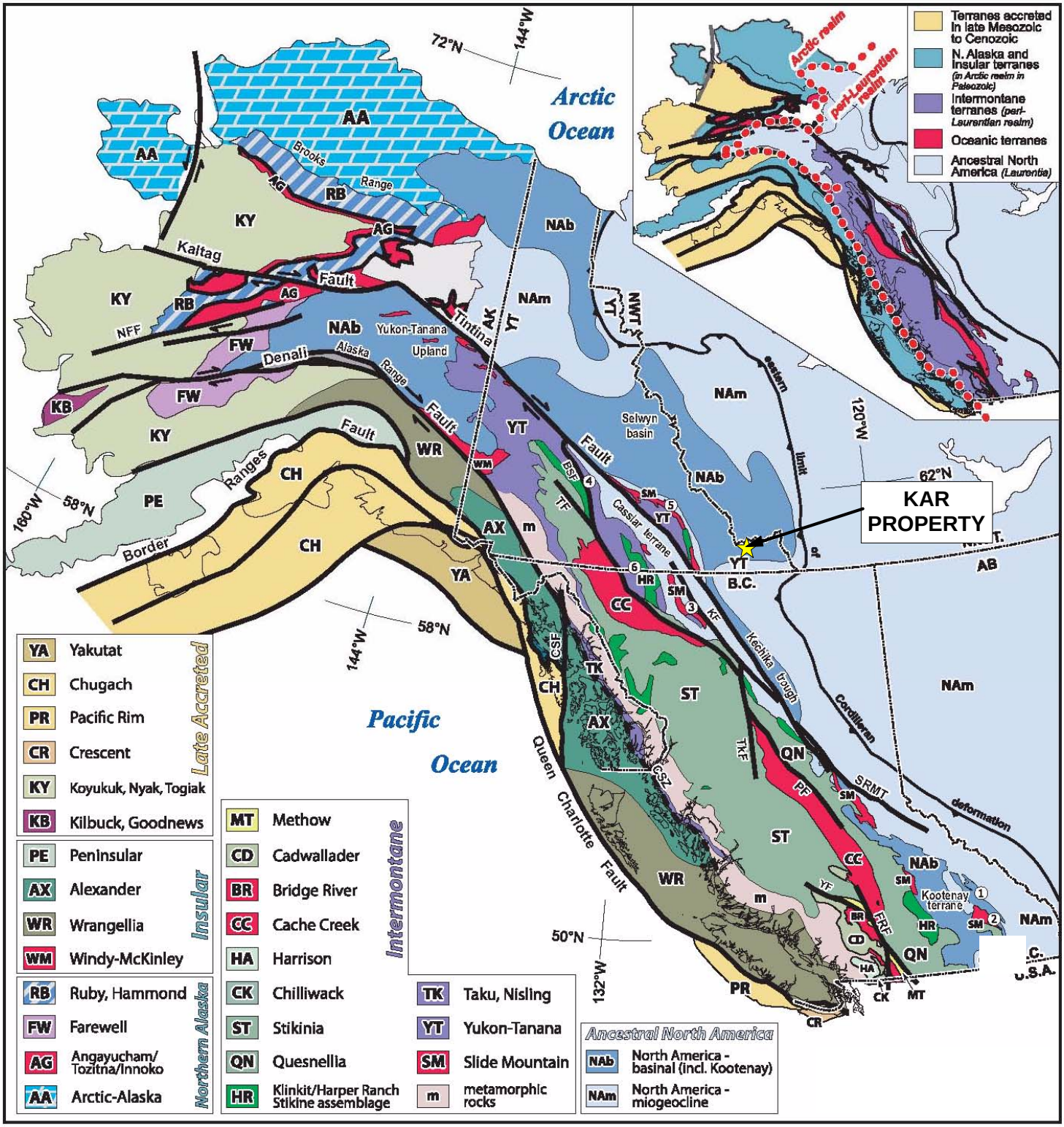
Much of the overburden in the region is associated with the most recent Cordilleran ice sheet, the McConnell glaciation, which is believed to have covered south and central Yukon between 26,500 and 10,000 years ago (Yukon Geological Survey, 2010). The area was covered by the Liard Lobe of the ice sheet, which moved in an eastward to north-eastward direction. Bedrock on the property is capped by glacial till, which is exposed along valley walls.

The climate in the Kar area is typical of northern continental regions with long, cold winters, truncated fall and spring seasons and short, mild summers. The property is mostly snow free from early June to late September.

GEOLOGY

The Coal River map sheet (NTS 095D) was mapped at a regional scale (1:250,000) by the Geological Survey of Canada (GSC) in 1969 (Gabrielse and Blusson, 1969) and the YGS in 2009 and 2010 (Pigage et. al., 2010).

The Kar property is located 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). In the Kar property area, exposed units comprise Cambrian to Ordovician Crow Formation and conformably overlying Ordovician Sunblood Formation (Figure 4). Descriptions of these units are provided in Table I.



PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.

FIGURE 3
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

TECTONIC SETTING

KAR PROPERTY

0 300 km

FILE: ...2011/Kar/Tectonic.wor | DATE: NOVEMBER 2011

After Nelson and Colpron, 2007

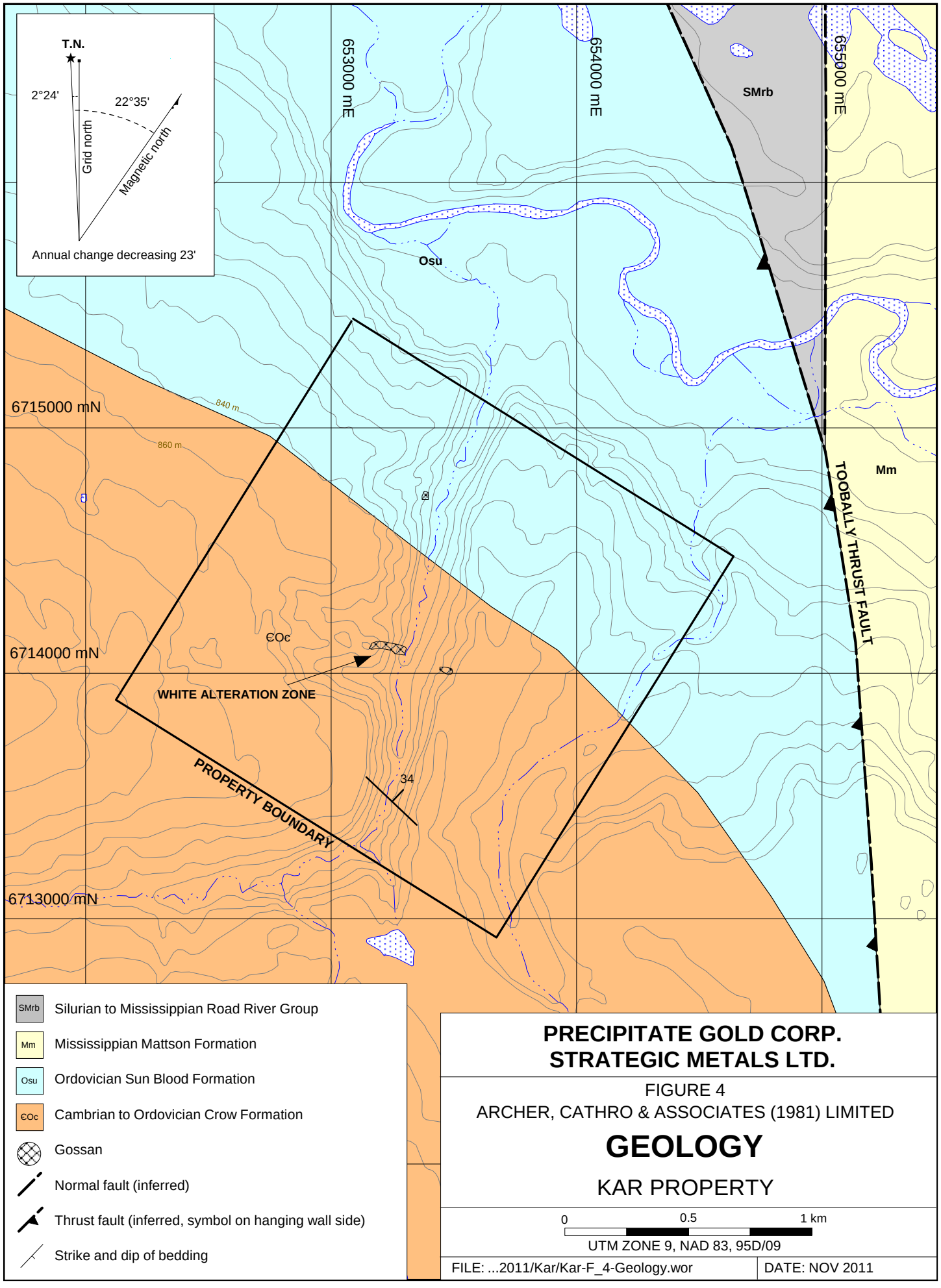

T.N.
2°24'
22°35'
Grid north
Magnetic north
Annual change decreasing 23'
653000 mE
654000 mE
655000 mE
SMrb
Osu
Mm
6715000 mN
6714000 mN
6713000 mN
840 m
860 m
TOOBALLY THRUST FAULT
€Oc
WHITE ALTERATION ZONE
PROPERTY BOUNDARY
34
SMrb Silurian to Mississippian Road River Group
Mm Mississippian Mattson Formation
Osu Ordovician Sun Blood Formation
€Oc Cambrian to Ordovician Crow Formation
Gossan
Normal fault (inferred)
Thrust fault (inferred, symbol on hanging wall side)
Strike and dip of bedding
PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.
FIGURE 4
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
GEOLOGY
KAR PROPERTY
0
0.5
1 km
UTM ZONE 9, NAD 83, 95D/09
FILE: ...2011/Kar/Kar-F_4-Geology.wor
DATE: NOV 2011

Table I – Lithological Units (*after Pigage et. al., 2010*)

Unit Name	Map Name	Age	Description
Osu	Sunblood Formation	Ordovician	Light to dark grey, light brownish grey-, buff- or orange-weathering, mottled, thin to thick bedded dolostone or limestone; commonly bioturbated; locally laminated.
COc	Crow Formation	Cambrian to Ordovician	Cream to pink, indistinctly bedded, quartzose to subarkosic sandstone; lesser maroon to greyish red, laminated siltstone to argillite; minor quartz-sandstone conglomerate, limestone and dolostone interbeds.

The property lies one kilometre west of the Toobally Thrust Fault, which is a north-trending structure that juxtaposes Cambrian to Ordovician sedimentary rocks to the west against Mississippian to Permian sedimentary rocks to the east. The Kar property is situated within the hangingwall of the fault.

On the property, bedding within Crow Formation strikes southeasterly and dips 034° to the northwest.

MINERALIZATION

Mineralization at the Kar property primarily comprises layered to massive, rusty to blood red goethite with local boxwork limonite and ferricrete. The goethite is dense but has strongly fractured and decomposed sections. The main gossan is only exposed on the walls of the deeply incised valley and projects approximately east to west perpendicular to the stream direction. A second, smaller gossan lies about 600 m downstream (Figure 5).

The main gossan overlies indurated, subarkosic sandstones of the Crow Formation that have been pervasively altered to a white, soft, non-indurated, bedded fine siltstone (Pigage et. al., 2010). Dolostone and fine grained clastic rocks between the two gossans are also locally clay altered.

In 2009, the YGS collected samples from the main gossan and underlying white alteration zone. In 2010, Strategic Metals took 13 rock and chip samples. All of Strategic Metals' samples were taken from the main gossan except one, which was collected from the underlying alteration zone. In 2011, Precipitate Gold collected an additional 12 rock and composite samples from the main and secondary gossans and the clay altered units that lie between them. Sample locations are shown on Figure 5, while results for arsenic, zinc, and thallium are illustrated thematically on Figures 6 to 8, respectively. Rock Sample Descriptions are given in Appendix II and the Certificate of Analysis is in Appendix III.

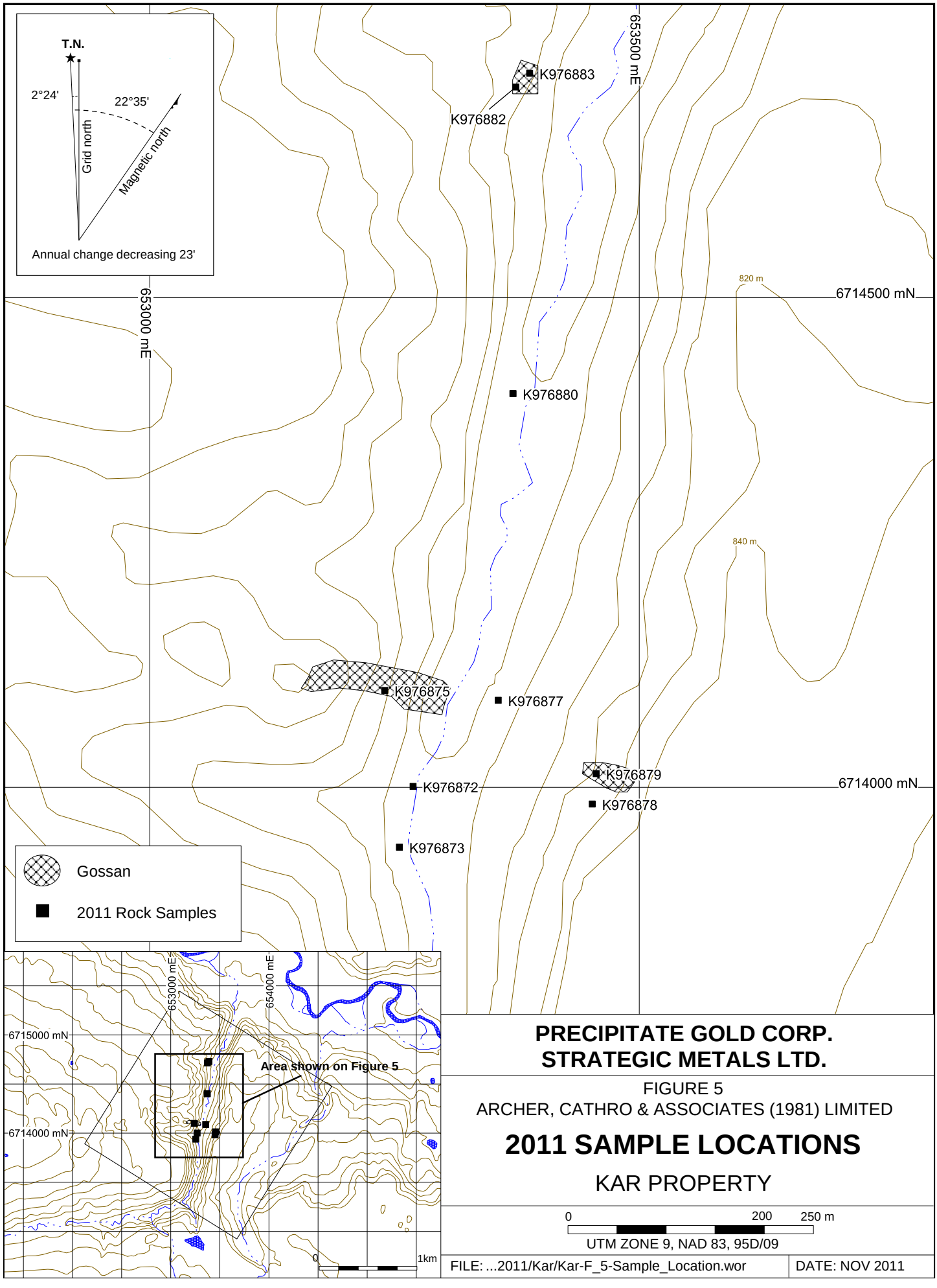


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FIGURE 5
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

2011 SAMPLE LOCATIONS

KAR PROPERTY

0 200 250 m

UTM ZONE 9, NAD 83, 95D/09

FILE: ...2011/Kar/Kar-F_5-Sample_Location.wor | DATE: NOV 2011

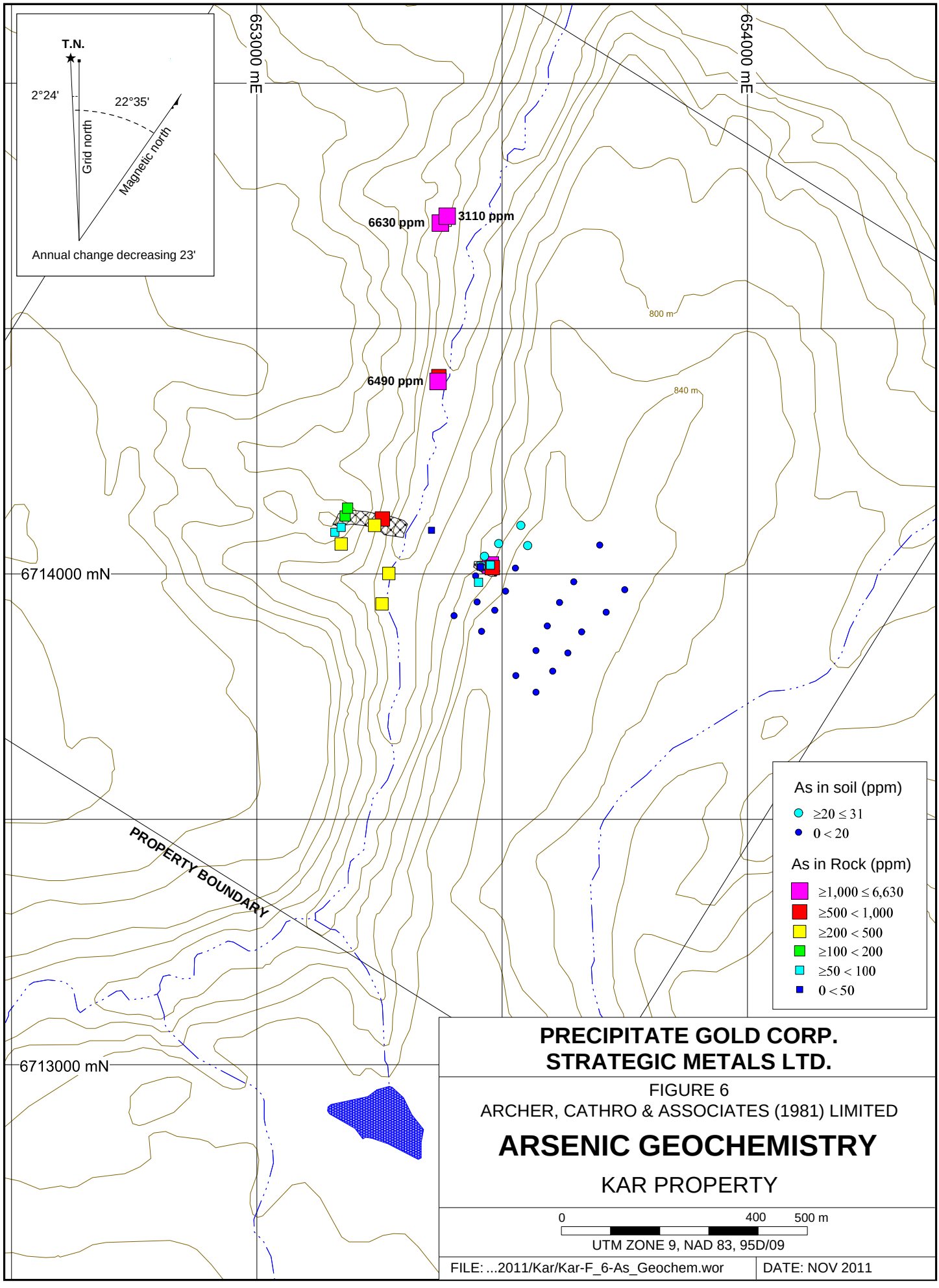

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FIGURE 6
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

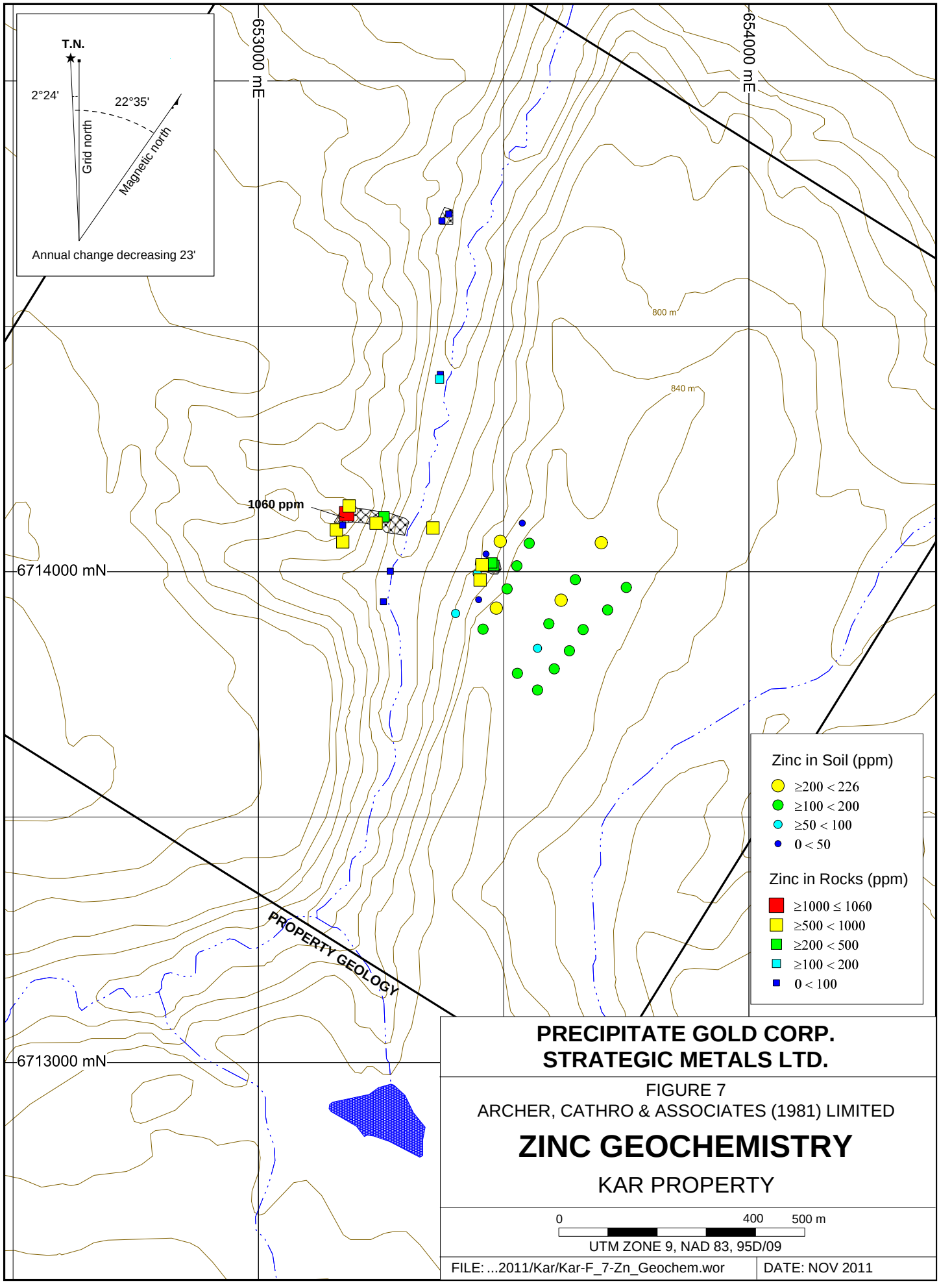
ARSENIC GEOCHEMISTRY

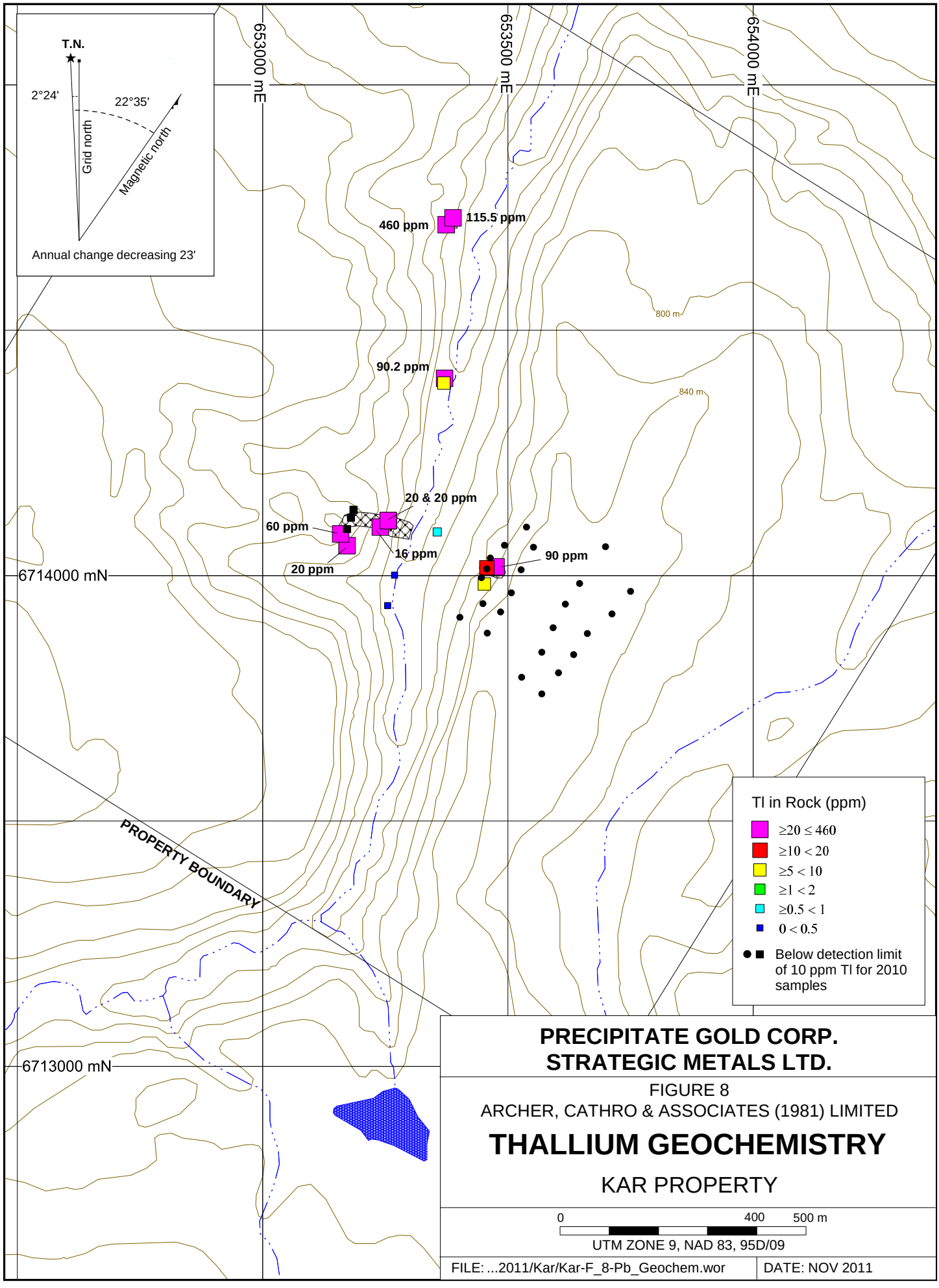
KAR PROPERTY

0 400 500 m

UTM ZONE 9, NAD 83, 95D/09

FILE: ...2011/Kar/Kar-F_6-As_Geochem.wor | DATE: NOV 2011


T.N.
2°24'
22°35'
Grid north
Magnetic north
Annual change decreasing 23'
653000 mE
654000 mE
800 m
840 m
1060 ppm
6714000 mN
6713000 mN
PROPERTY GEOLOGY
Zinc in Soil (ppm)
≥200 < 226
≥100 < 200
≥50 < 100
0 < 50
Zinc in Rocks (ppm)
≥1000 ≤ 1060
≥500 < 1000
≥200 < 500
≥100 < 200
0 < 100
PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.
FIGURE 7
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
ZINC GEOCHEMISTRY
KAR PROPERTY
0
400
500 m
UTM ZONE 9, NAD 83, 95D/09
FILE: ...2011/Kar/Kar-F_7-Zn_Geochem.wor
DATE: NOV 2011


T.N.
2°24'
22°35'
Grid north
Magnetic north
Annual change decreasing 23'
653000 mE
653500 mE
654000 mE
6714000 mN
6713000 mN
460 ppm
115.5 ppm
90.2 ppm
800 m
840 m
20 & 20 ppm
60 ppm
16 ppm
20 ppm
90 ppm
PROPERTY BOUNDARY
Tl in Rock (ppm)
≥20 ≤ 460
≥10 < 20
≥5 < 10
≥1 < 2
≥0.5 < 1
0 < 0.5
Below detection limit of 10 ppm Tl for 2010 samples
PRECIPITATE GOLD CORP.
STRATEGIC METALS LTD.
FIGURE 8
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
THALLIUM GEOCHEMISTRY
KAR PROPERTY
0
400
500 m
UTM ZONE 9, NAD 83, 95D/09
FILE: ...2011/Kar/Kar-F_8-Pb_Geochem.wor
DATE: NOV 2011

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. In 2011, multi-element analyses for rock samples were carried out at ALS Chemex in Whitehorse, Yukon and/or North Vancouver, B.C. Each sample was dried, fine crushed to better than 70% passing 2 mm and then a 250 g split was pulverized to better than 85% passing 75 microns. The fine fraction was then analyzed for 51 elements using an aqua regia digestion followed by inductively coupled plasma combined with mass spectroscopy and atomic emission spectroscopy (ME-MS41). An additional 25 g charge was further analysed for gold by aqua regia digestion with inductively coupled plasma mass spectroscopy finish (Au-TL44).

The YGS sample taken from the main gossan (Pigage et. al., 2010) returned anomalous values for arsenic (185.5 ppm), zinc (218.2 ppm), lead (38.2 ppm), nickel (95.9 ppm), cobalt (90.5 ppm), manganese (>10,000 ppm) and iron (33.2%).

Rock and chip samples collected in 2010 and 2011 from the main gossan are weakly to strongly enriched in arsenic (59 to 618 ppm, average of 222 ppm), zinc (249 to 1060 ppm, average of 473 ppm) and thallium (3.23 to 90 ppm, average of 22 ppm). Most gold and silver values are subdued (less than 5 ppb gold and 1 g/t silver). The peak values for these elements are 19 ppb gold and 1.8 g/t silver. Values from the 2010 and 2011 samples are comparable to the YGS sample for lead and iron, but are more subdued for nickel, cobalt and manganese.

Two composite samples of ferricrete from the smaller, downstream gossan yielded very strongly anomalous arsenic and thallium response, with background zinc, gold and silver values. A five piece composite sample taken across five metres returned 6630 ppm arsenic and 460 ppm thallium, while a nearby 20 piece composite sample collected across 15 m yielded 3110 ppm arsenic and 115.5 ppm thallium.

Two samples of float were collected from a landslide path between the two gossans. A yellow-grey weathering, partly decomposed, green-orange clay altered dolostone or fine clastic rock returned 548 ppm arsenic and 90.2 ppm thallium, while a sample of goethite yielded 6490 ppm arsenic and 4.21 ppm thallium. Both samples returned background values for zinc, gold and silver.

The YGS sample from the alteration zone underlying the main gossan was anomalous in barium (1,907 ppm). Strategic Metals' rock sample from this zone yielded elevated lead (90 ppm) and antimony (7 ppm) values but the barium was relatively low (60 ppm) compared to the YGS sample. The arsenic (31 ppm), zinc (6 ppm), thallium (< 10 ppm), gold (< 5 ppb) and silver (0.4 g/t) values were low compared to those from the overlying gossan.

SOIL GEOCHEMISTRY

In 2010, Strategic Metals collected 24 soil samples on the plateau along strike to the southeast of the main gossan. Results for arsenic, zinc and thallium are illustrated thematically on Figures 6 to 8, respectively.

Approximately half of the 2010 soil samples yielded weakly elevated values for arsenic (≥ 10 ≤ 31 ppm) and zinc (≥ 100 ≤ 226 ppm). No values are available for thallium due to the high detection limit (10 ppm) of the analytical technique that was used in 2010. The weakly anomalous arsenic values are clustered to the north of the main gossan, while the elevated zinc and lead values are more widely spread throughout the grid.

DISCUSSION AND CONCLUSIONS

Precipitate Gold's 2011 exploration program was designed to follow up and expand upon Strategic Metals' 2010 work, which tested the economic potential (particularly gold) of the main gossan on the Kar property. The exploration was modelled on the Tiger Zone and Osiris Discovery, which were found in a similar geological setting, by ATAC Resources Ltd. on its Rau property northeast of Mayo in central Yukon. Although no significant precious metal values have been obtained from the Kar property, values for gold pathfinder elements arsenic and thallium were very strongly elevated. The main gossan is also locally enriched in zinc.

The Kar property definitely warrants additional exploration. Detailed prospecting and geological mapping should be performed within the deeply incised valley to better constrain the lithological and/or structural controls of the mineralization and alteration. A track mounted reverse circulation drill should be used on the plateau adjacent to the valley to test the gossan(s) along strike at shallow to moderate depths. If reverse circulation drilling successfully traces the mineralized horizon(s) and if significant results are obtained, deeper diamond drilling should be completed. A geophysical survey might be considered prior to drilling to search for evidence of a buried sulphide-rich zone underlying the gossan.

Respectfully submitted,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

Sarah Eaton, B.Sc., 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 Squamish, 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 participated in the field work reported herein and have interpreted all data resulting from this work.

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

APPENDIX II

ROCK SAMPLE DESCRIPTIONS

Rock Sample Descriptions Project: Kar Property: 2011

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976872	UTM: 653269	E	UTM: 6714001	N	Float	20 cm2
	Elevation:	m			Sample Width:	Abundance:

Comments: Grab sample of dolostone with orange-red alteration throughout.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976873	UTM: 653255	E	UTM: 6713939	N	Float	10 cm
	Elevation:	m			Sample Width:	Abundance:

Comments: Float sample of clay altered, pink to grey weahterine (prevasive) strong clay-altered dolostone? Weakly porous.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976874	UTM: 653249	E	UTM: 6713934	N	Float	
	Elevation:	m			Sample Width:	Abundance:

Comments: Float sample of strongly clay altered, pale green and pink dolostone. Weakly porous with quartz eyes.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976875	UTM: 653240	E	UTM: 6714099	N	Chip	
	Elevation:	m			Sample Width: 30-35 m	Abundance:

Comments: Composite chip sample of bedrock. Main gossan - goethite. Spans 30 to 35 m. End coordinate at 653273 mE, 6714127 mN.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976876	UTM: 653355	E	UTM: 6714088	N	Float	2 pieces, 10 cm
	Elevation:	m			Sample Width:	Abundance:

Comments: Float sample from landslide path. Goethite with bright red aleteration (?).

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976877	UTM: 653356	E	UTM: 6714089	N	Float	6 pieces
	Elevation:	m			Sample Width:	Abundance:

Comments: Float sample from landslide. Six pieces, boulder size, chips taken from all. Bright red with yellow/orange goethite swirls throughout. Colours comprise 85% of rock.

Rock Sample Descriptions Project: Kar Property: 2011

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976878	UTM: 653452	E	UTM: 6713983	N	Sample Width: 15 m	Abundance:
	Elevation:	m				

Comments: Composite chip sample across 15 m. Near in-situ gossan. Bright red-yellow with banded and wavy goethite (matte-brown, massive and glassy goethite).

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976879	UTM: 653456	E	UTM: 6714014	N	Sample Width: 10 m	Abundance:
	Elevation:	m				

Comments: Composite chip across 10 m. Samples collected at 0.5 m separation between subcrop-bedrock exposures. Bart talues, brick-red ? And goethite gossan.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976880	UTM: 653371	E	UTM: 6714402	N	Sample Width:	Abundance:
	Elevation:	m				

Comments: Float sample of yellow-grey weathering, punky green-orange, strongly altered dolostone.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976881	UTM: 653371	E	UTM: 6714402	N	Sample Width:	Abundance:
	Elevation:	m				

Comments: Float from landslide. Goethite with limonitic fillers.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976882	UTM: 653374	E	UTM: 6714715	N	Sample Width:	Abundance:
	Elevation:	m				

Comments: Composite grab sample of 5 pieces over 5 m. Secondary gossan/ferrocrete, goethite-limonite.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
K976883	UTM: 653388	E	UTM: 6714729	N	Sample Width:	Abundance:
	Elevation:	m				

Comments: Composite grab of 20 pieces over 15 m. Ferrocrete-gossan, limonite-goethite. 1 piece subcrop 2 m by 3 m.

APPENDIX III

CERTIFICATE OF ANALYSIS

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: **ARCHER, CATHRO AND ASSOCIATES (1981) LIMITED**
1016- 510 W HASTINGS ST
VANCOUVER BC V6B 1L8

Finalized Date: 7- NOV- 2011
Account: F

CERTIFICATE WH11187196

Project: KAR

P.O. No.:

This report is for 12 Rock samples submitted to our lab in Whitehorse, YT, Canada on 14- SEP- 2011.

The following have access to data associated with this certificate:

SARAH EATON	JOAN MARIACHER	HEATHER SMITH

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI- 21	Received Sample Weight
LOG- 22	Sample login - Rcd w/o BarCode
CRU- QC	Crushing QC Test
PUL- QC	Pulverizing QC Test
CRU- 31	Fine crushing - 70% < 2mm
SPL- 21	Split sample - riffle splitter
PUL- 31	Pulverize split to 85% < 75 um

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Au- TL44	Trace Level Au - 50 g AR	ICP- MS
ME- MS41	51 anal. aqua regia ICPMS	

To: **ARCHER, CATHRO AND ASSOCIATES (1981) LIMITED**
ATTN: JOAN MARIACHER
1016- 510 W HASTINGS ST
VANCOUVER BC V6B 1L8

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:

Colin Ramshaw, Vancouver Laboratory Manager

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: **ARCHER, CATHRO AND ASSOCIATES (1981) LIMITED**
1016- 510 W HASTINGS ST
VANCOUVER BC V6B 1L8

Finalized Date: 7- NOV- 2011
Account: F

Project: KAR

CERTIFICATE OF ANALYSIS WH11187196

Sample Description	Method Analyte Units LOR	WEI- 21 Recvd Wt. kg .02	Au- TL44 Au ppm 0.001	ME- MS41 Ag ppm 0.01	ME- MS41 Al % 0.01	ME- MS41 As ppm 0.1	ME- MS41 Au ppm 0.2	ME- MS41 B ppm 10	ME- MS41 Ba ppm 10	ME- MS41 Be ppm 0.05	ME- MS41 Bi ppm 0.01	ME- MS41 Ca % 0.01	ME- MS41 Cd ppm 0.01	ME- MS41 Ce ppm 0.02	ME- MS41 Co ppm 0.1	ME- MS41 Cr ppm 1
K976872		0.88	0.001	0.01	0.59	216	<0.2	<10	50	0.25	0.09	0.01	0.03	7.61	0.5	16
K976873		0.10	0.001	0.01	1.06	297	<0.2	20	140	0.56	0.20	0.03	0.03	15.25	0.8	49
K976874		Not Recvd														
K976875		2.58	0.004	0.22	0.37	321	<0.2	<10	150	9.28	0.02	0.08	1.69	25.8	40.2	5
K976876		Not Recvd														
K976877		0.31	0.001	0.15	0.56	8.3	<0.2	<10	30	1.54	0.03	0.05	0.15	8.68	3.7	1
K976878		0.97	0.002	0.17	0.94	65.4	<0.2	<10	100	6.78	0.04	0.06	0.56	23.5	11.1	4
K976879		0.69	0.002	0.12	0.80	29.8	<0.2	<10	180	12.10	0.06	0.03	0.92	27.5	13.3	9
K976880		0.43	0.001	0.04	0.34	548	<0.2	<10	40	0.16	0.04	0.02	0.02	13.90	0.3	4
K976881		0.23	0.004	0.33	0.27	6490	<0.2	<10	120	0.62	0.06	0.06	1.73	14.15	33.8	13
K976882		0.37	0.002	0.15	0.13	6630	<0.2	<10	30	0.06	0.05	<0.01	0.02	9.68	0.2	13
K976883		0.71	0.002	0.23	0.32	3110	<0.2	<10	70	0.16	0.15	<0.01	0.02	13.85	0.3	13

***** See Appendix Page for comments regarding this certificate *****

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1016- 510 W HASTINGS ST
VANCOUVER BC V6B 1L8

Finalized Date: 7- NOV- 2011
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Project: KAR

CERTIFICATE OF ANALYSIS WH11187196

Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Cs	Cu	Fe	Ga	Ge	Hf	Hg	In	K	La	Li	Mg	Mn	Mo	Na
	Units	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	%
	LOR	0.05	0.2	0.01	0.05	0.05	0.02	0.01	0.005	0.01	0.2	0.1	0.01	5	0.05	0.01
K976872		0.29	17.1	4.29	2.84	0.09	0.20	2.98	0.049	0.16	3.2	0.5	0.02	38	1.74	<0.01
K976873		0.71	3.4	6.82	11.55	0.10	0.33	2.94	0.118	0.60	7.5	1.8	0.09	38	2.24	<0.01
K976874																
K976875		0.63	5.7	34.9	0.91	0.49	0.10	0.44	0.020	0.08	10.3	4.2	0.04	5280	2.97	0.01
K976876																
K976877		0.48	12.4	33.0	0.68	0.53	0.19	0.18	0.014	0.09	3.9	0.7	0.02	281	0.37	<0.01
K976878		1.27	23.3	32.1	1.06	0.49	0.24	0.33	0.021	0.12	10.7	1.6	0.03	1750	1.35	0.01
K976879		1.40	15.5	31.2	1.25	0.10	0.12	0.20	0.023	0.13	12.5	2.4	0.02	1880	1.59	0.02
K976880		0.99	1.4	3.11	1.84	0.08	0.22	0.55	0.011	0.49	6.9	3.0	0.01	43	8.07	<0.01
K976881		0.95	21.9	15.25	1.40	0.12	0.09	2.20	0.032	0.06	6.3	1.3	0.02	18	14.05	<0.01
K976882		1.59	4.6	33.4	1.70	0.40	0.20	0.23	0.050	2.50	7.7	1.0	0.01	<5	7.17	0.05
K976883		2.37	11.3	19.15	3.37	0.24	0.23	0.32	0.026	0.54	8.0	2.3	0.01	6	19.70	0.02

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1016- 510 W HASTINGS ST
VANCOUVER BC V6B 1L8

Finalized Date: 7- NOV- 2011
Account: F

Project: KAR

CERTIFICATE OF ANALYSIS WH11187196

Sample Description	Method Analyte Units LOR	ME- MS41 Nb ppm 0.05	ME- MS41 Ni ppm 0.2	ME- MS41 P ppm 10	ME- MS41 Pb ppm 0.2	ME- MS41 Rb ppm 0.1	ME- MS41 Re ppm 0.001	ME- MS41 S % 0.01	ME- MS41 Sb ppm 0.05	ME- MS41 Sc ppm 0.1	ME- MS41 Se ppm 0.2	ME- MS41 Sn ppm 0.2	ME- MS41 Sr ppm 0.2	ME- MS41 Ta ppm 0.01	ME- MS41 Te ppm 0.01	ME- MS41 Th ppm 0.2
K976872		0.10	2.7	320	1.4	5.3	<0.001	0.01	3.06	4.1	0.7	0.3	56.4	<0.01	0.01	2.0
K976873		0.11	3.4	490	3.9	19.9	<0.001	0.01	4.64	6.5	<0.2	0.9	85.0	<0.01	0.01	6.8
K976874																
K976875		0.31	42.0	2250	15.1	1.8	0.001	<0.01	1.37	2.8	0.6	<0.2	33.4	0.01	0.02	2.2
K976876																
K976877		0.45	11.4	900	39.9	1.9	0.001	<0.01	0.31	2.6	0.2	<0.2	37.0	<0.01	0.02	2.1
K976878		0.47	20.8	1600	18.1	3.3	0.001	0.01	0.95	4.7	0.6	0.2	37.4	0.01	0.02	3.1
K976879		0.06	29.7	1610	23.6	4.0	<0.001	0.02	0.51	5.7	0.6	0.2	53.1	<0.01	<0.01	3.5
K976880		<0.05	1.0	390	13.1	15.8	<0.001	0.96	1.87	0.3	0.3	0.2	206	<0.01	0.01	2.8
K976881		0.05	45.0	620	8.0	3.6	<0.001	0.04	12.70	0.9	2.8	0.2	28.7	<0.01	0.05	1.7
K976882		0.36	0.4	1400	9.0	88.3	0.001	5.39	1.20	0.5	0.6	<0.2	293	<0.01	0.02	1.7
K976883		0.23	1.0	720	18.6	27.3	0.003	1.36	2.04	0.6	1.1	0.3	96.1	<0.01	0.03	4.1

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VANCOUVER BC V6B 1L8

Finalized Date: 7- NOV- 2011
Account: F

Project: KAR

CERTIFICATE OF ANALYSIS WH11187196

Sample Description	Method Analyte Units LOR	ME- MS41 Ti % 0.005	ME- MS41 Tl ppm 0.02	ME- MS41 U ppm 0.05	ME- MS41 V ppm 1	ME- MS41 W ppm 0.05	ME- MS41 Y ppm 0.05	ME- MS41 Zn ppm 2	ME- MS41 Zr ppm 0.5
K976872		0.005	0.07	4.28	70	<0.05	2.19	5	7.6
K976873		0.011	0.27	1.73	111	0.06	2.56	3	10.7
K976874									
K976875		<0.005	16.00	2.19	24	0.06	29.0	359	3.7
K976876									
K976877		<0.005	0.65	1.22	26	<0.05	2.01	262	8.5
K976878		<0.005	3.23	4.46	40	0.07	21.5	349	8.8
K976879		<0.005	3.58	2.60	48	<0.05	27.7	249	5.9
K976880		<0.005	90.2	0.28	7	<0.05	1.75	2	11.6
K976881		<0.005	4.21	2.33	38	<0.05	2.41	61	4.6
K976882		<0.005	460	0.12	624	<0.05	0.67	4	8.8
K976883		<0.005	115.5	0.19	370	<0.05	1.11	4	12.5

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CERTIFICATE OF ANALYSIS WH11187196

Method	CERTIFICATE COMMENTS
ME- MS41	Gold determinations by this method are semi- quantitative due to the small sample weight used (0.5g).

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
1016 – 510 West Hastings Street
Vancouver, B.C. V6B 1L8
Telephone: 604-688-2568 Fax: 604-688-2578

AFFIDAVIT

I, Joan Mariacher, of Vancouver, B.C. make oath and say:

That to the best of my knowledge the attached Statement of Expenditures for exploration work on the Kar 1-16 mineral claims on claim sheets 95D/9 is accurate.

Joan Mariacher

Sworn before me at Vancouver, B.C.

this 6th day of February 2012.

Barrister & Solicitor

IAN J. TALBOT
Barrister & Solicitor
281 East 5th Street
North Vancouver
British Columbia
Canada V7L 1L8

Statement of Expenditures
Kar 1-16 Mineral Claims
February 6, 2012

Labour

H. Smith (geologist) September 2011 – 1 day @ $720/day	$ 806.40
S. Eaton (geologist) September 2011 – 1 day @ $680/day	761.60
September to November 2011 – 14 hours @ $85/hour	1,332.80
A. Mitchell (field assistant) September 2011 – 1 day @ $496/day	555.52
	3,456.32

Expenses (including management fee)

Field room and board – 3 days @ $125/day	453.60
Outbound Aviation – 0.6 hours @ $1075/hour plus fuel	731.43
ALS Chemex	346.98
	1,532.01

Total	$4,988.33