Assessment of Airborne Magnetics and Radiometrics Surveys at the CCC Prospect

A 360 line km helicopter magnetic and radiometric survey has been completed over the CCC prospect (Klotassin project) by New-Sense Geophysics Ltd. (New-Sense) for Strategic Metals Ltd. (Strategic Metals). CCC is reported to be a grassroots stockwork (White Gold Type) prospect located approximately 200 km north-west of Whitehorse in the Yukon Territory. Condor Consulting, Inc. (Condor) has been commissioned to assess the data sets and provide a 3D model of the magnetics. Refer to New-Sense's logistic report (HMR100816) for any additional survey details. Figure 1 shows the location of the survey area and flight path.

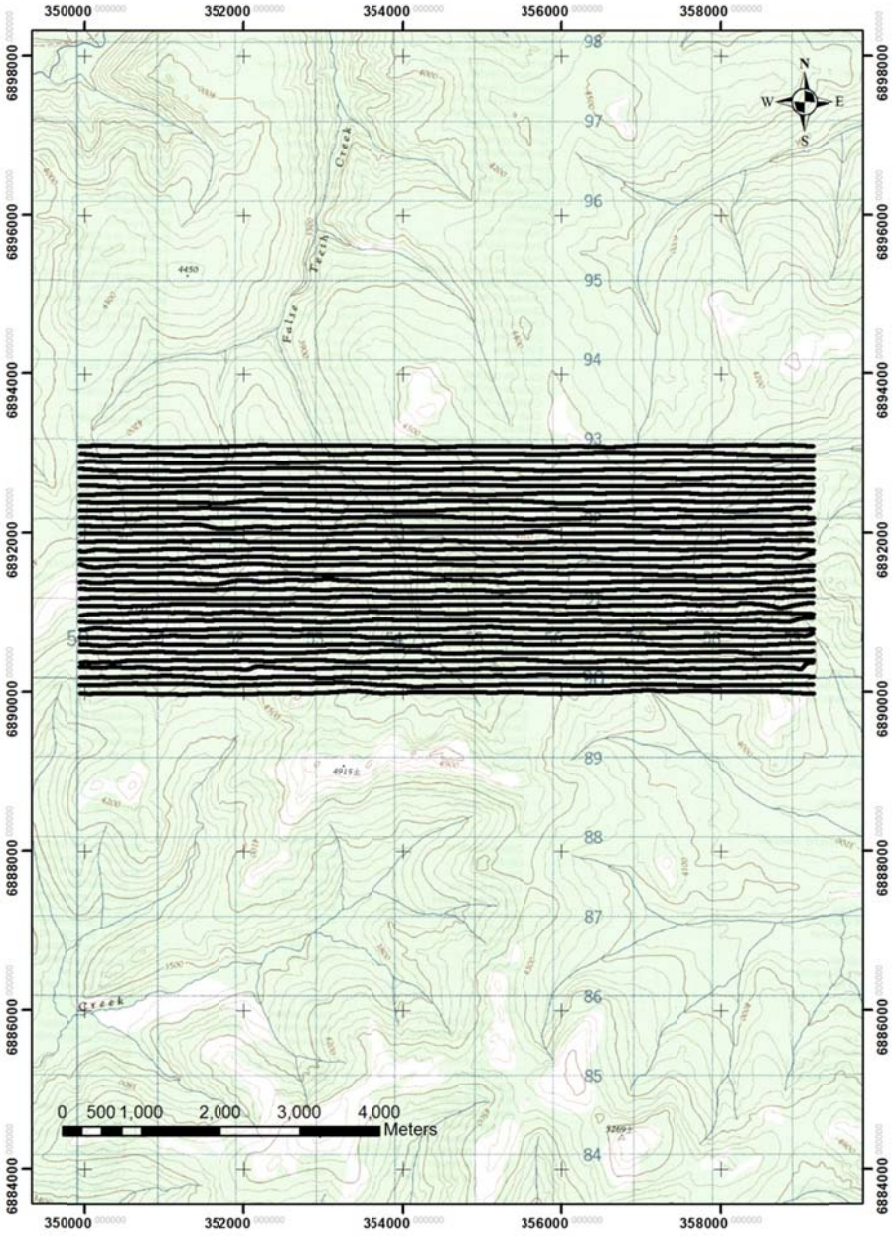

Figure 1: CCC airborne magnetics and radiometrics survey flight path.

The range of the magnetic response across the survey area is approximately 200 nT. The results show several distinct zones of elevated magnetism and interpreted structural breaks that are shown in Figure 2. The interpreted lineaments were derived from the total magnetic intensity image and associated filter products (1st and 2nd vertical derivative, tilt derivative, total gradient, upward continuation). Note the discrete magnetic low occurring between the two structures that are coincident with a 2 km diameter circular feature as seen in the topography. Anomalous As and Cu (up to 12 and 24 ppm respectively) measurements derived from the regional stream sediment sampling occur in the vicinity. It is recommended that this area be field checked for any exposed alteration and subsequently mapped and sampled.

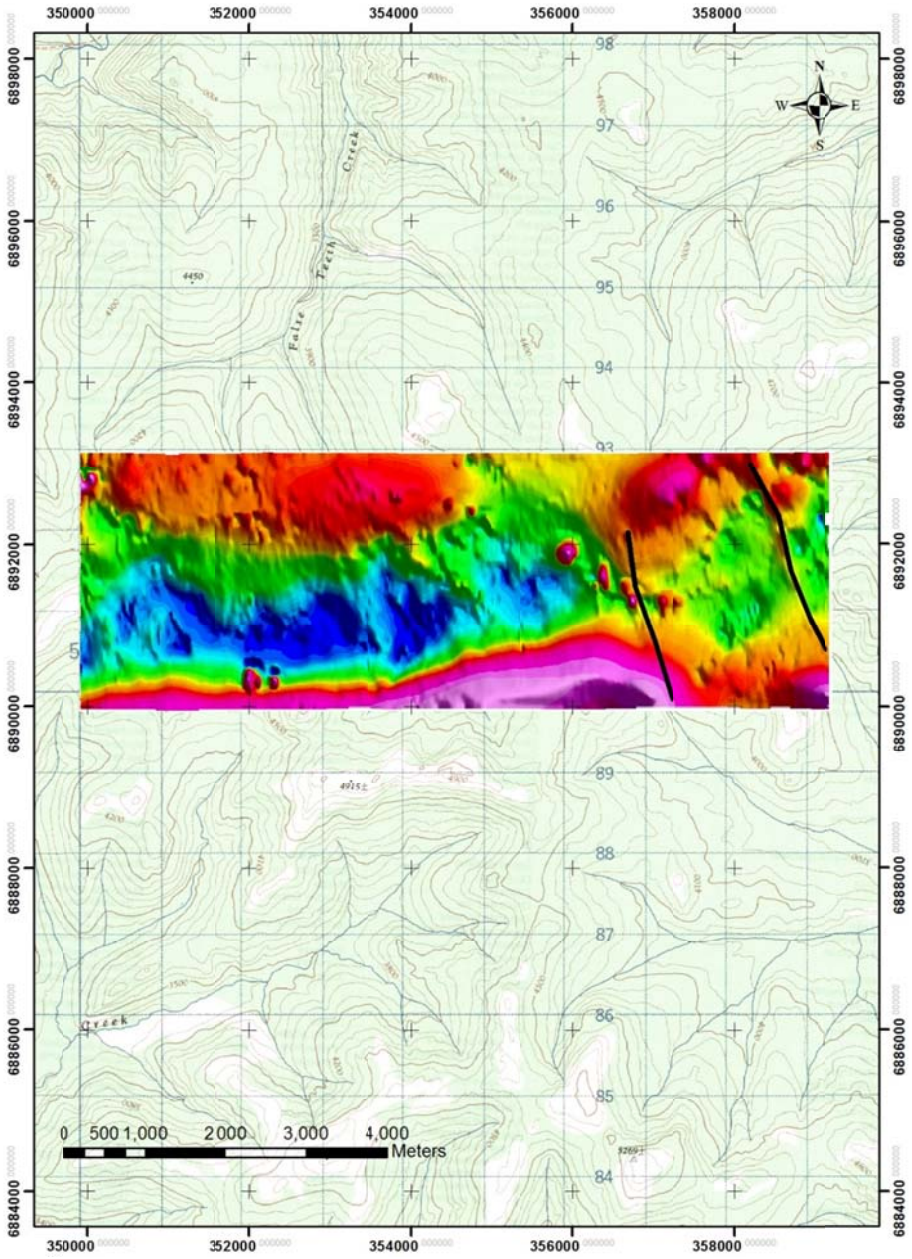

Figure 1: CCC total magnetic intensity image and interpreted structural lineaments.

The University of British Columbia (UBC) 3D magnetic inversion program MAD3D (version 4.0) was used to produce a model of the magnetics data. MAG3D is a program library for carrying out forward modeling and inversion of surface, airborne, and/or borehole magnetic data in the presence of a three dimensional Earth. Data are assumed to be the anomalous magnetic response to buried susceptible material, not including Earth's ambient field. The model is specified using a mesh of rectangular cells, each with a constant value of susceptibility, and topography is included. The magnetic response can be calculated anywhere within the model volume, including above the topography, simulating ground or airborne surveys, and inside the ground simulating borehole surveys. Figure 3 displays the 3D inversion results of the magnetics data at CCC.

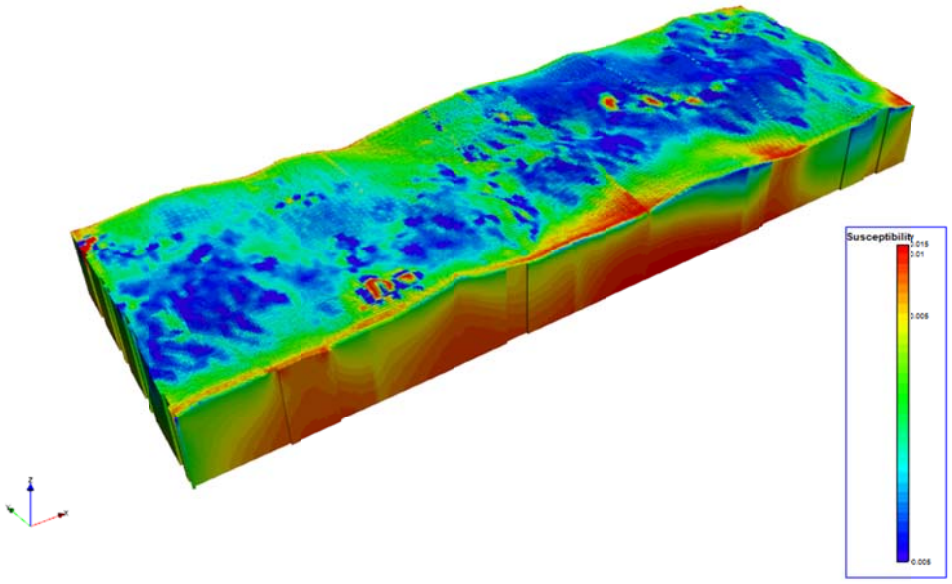

Figure 3: CCC 3D magnetic model.

The radiometrics data appears to be responding closely to topography. The higher responses appear associated with the topographic highs and drainage features while the lows correspond to the flatter lying covered valleys.

The following products can be found and downloaded from the Condor ftp site (ftp://ftp.condorconsult.com , user id: archer@condorconsult.com , password: skywalker19):

- Summary report of the assessment
- Registered images of the airborne magnetics and radiometrics (NAD83, Zone 8N)
- 3D magnetic model and associated sections
- ArcGIS formatted .shp file of the interpreted lineaments derived from the magnetics

It is recommended that the results of the airborne magnetics and radiometrics data be compared with any available geologic and geochemical information in order to help advance the exploration program at CCC.

Respectfully submitted;

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Condor Consulting, Inc.

November 9, 2010

References:

Li, Y. and Oldenburg, D. W., 1996, 3-D Inversion of Magnetic Data: Geophysics, 61, no. 02, 394-408.

Yakovenko, A., Logistics Report for the High Resolution Helicopter Magnetic and Gamma-ray Spectrometric Airborne Geophysical Survey flown over Klotassin Project Properties: BBB, CCC and DDD Blocks, YT, Canada from Carmacks, Yukon carried out on behalf of Strategic Metals Ltd. by New-Sense geophysics Limited, Project # HMR100816, October 2010.