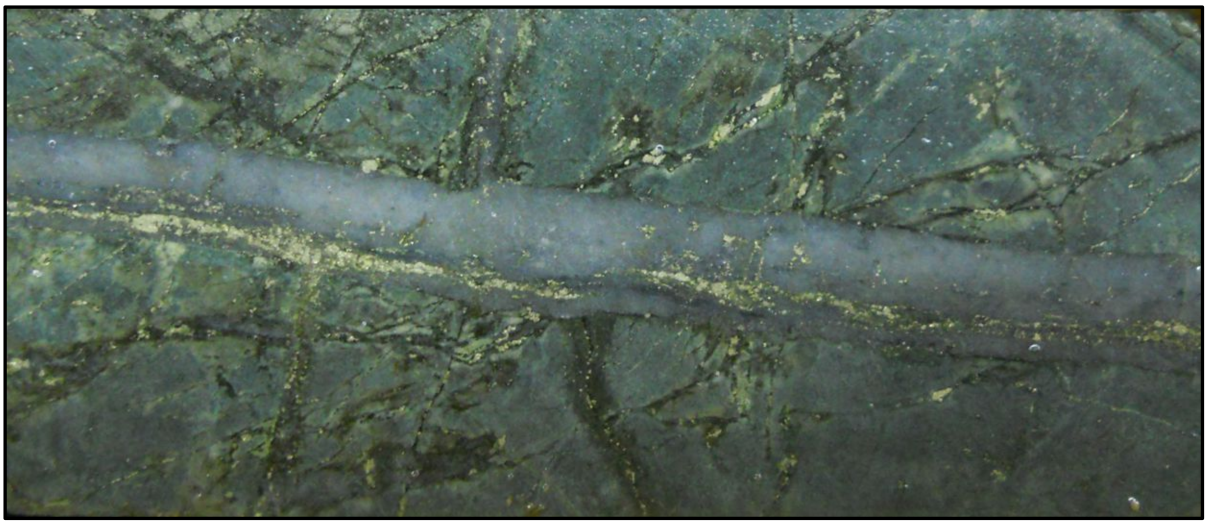
STRATTON
RESOURCES INC.

MAC Project

Omineca Mining Division of central British Columbia, Canada, approximately 75 km north-northeast of Burns Lake, B.C. and 80 km northwest of Fort St. James

43-101 Technical Report

Molybdenum-Copper Resource Estimate



Prepared for:

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Effective date: **May 11, 2012**

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1.0 Summary

This independent technical report was prepared for **Stratton Resources Inc**. ("Stratton") to document the results of the 2011 exploration, drill campaign and resource estimate on the advanced stage **MAC molybdenum-copper project ("MAC")**. The report was prepared at the request of Stratton and was written under the guidelines of Canadian National Instrument 43-101.

MAC is located in the Omineca Mining Division of central British Columbia, Canada, approximately 75 km north-northeast of Burns Lake, B.C. and 80 km northwest of Fort St. James, B.C. Stratton holds the MAC property though an option agreement and it consists of 57 contiguous mineral tenures covering an area of 18,948 hectares. Access to the property from Fort St. James or Burns Lake is by well-maintained Forest Service access roads.

Exploration at MAC has outlined significant porphyry molybdenum and copper mineralization in both alkali-rich intrusive rocks and hornfelsed volcanic rocks. The MAC mineral zones are best characterized as "quartz molybdenite veinlet stockwork" and in terms of host rock lithologies, alteration patterns and size, qualify as "Porphyry Mo (Low-F Type)," according to Sinclair (1995) in B.C. Mineral Deposit Profiles.

To date, three principal Mo-Cu enriched areas have been identified and variably drill tested: *Pond, Camp* and *Peak Zones*. The *Camp Zone* is the property's most advanced target, having been the focus of the majority of drill testing and the 2012 resource estimate. Exploration thus far has shown that the property's priority porphyry-related mineralization is hosted in hornfelsed volcanic rocks and to a lesser extent quartz monzonite intrusive. No intrusive lithologies have been identified at the Pond and Peak Zones.

The MAC property is underlain by rocks of the Cache Creek Terrane. The central portion of the property is underlain by greenstone, greenschist, gabbro and diorite of the Early Permian to Late Triassic Rubyrock Igneous Complex. Ultramafic rocks belonging to the late Pennsylvanian to Late Triassic Trembleur Ultramafite, and alkali-rich granitic rocks of the latest Jurassic to Early Cretaceous Francois Lake Suite of the Endako Batholith, intrude the Rubyrock Complex in the vicinity of the MAC molybdenum and copper occurrence. These alkali-rich intrusions, which are part of the Francois Lake Intrusive Suite, also host the Endako porphyry molybdenum deposit in the Fraser Lake area, approximately 90 km south-southeast of MAC.

MAC was staked in 1982 by Rio Algom Exploration Inc. (then Riocanex) following the discovery of molybdenum mineralization in float. In 1983 and 1984, Rio Algom conducted geochemical and geophysical surveys, geological mapping and trenching which resulted in the discovery of a stock-like body of quartz monzonite underlying what is now known as the Camp Zone, plus two peripheral anomalous zones, the Pond and Peak Zones. No further work was done on MAC until 1989, when Rio Algom drilled 12 holes on the Camp Zone. In 1995, Spokane Resources Ltd. optioned the MAC property from Rio Algom and conducted several meaningful exploration programs during the period 1995 to 1997. The best available records indicate that Spokane conducted geochemical and geophysical surveys, geological mapping, prospecting and drilled 49

diamond drill holes, mostly directed at the Camp Zone (~ 10,818 m) resulting in the publishing of a historical resource estimate for the Camp Zone in 1997.

During 2011, Stratton conducted an extensive exploration program including airborne and ground geophysical surveys, preliminary soil geochemical sampling and diamond drilling. In August, a 1,780 line km heliborne ZTEM & magnetics geophysical survey was conducted over the entire property. In September, a base camp was completed on the property and a drill access road from the exploration camp to the Camp Zone was constructed. A 38.4 line km induced polarization (IP) survey was conducted during October to December. In early December, test soil geochemical sample profile lines were completed over the Pond, Peak and Camp Zones in order to aid the interpretation of future geochemical surveys on the property. From September to December, a 44 hole HQ diamond drilling program, totaling 10,067 m, was conducted. Most of the drilling was directed at the Camp Zone in order to verify and expand upon historical Mo-Cu mineralization and also to provide data for a 43-101-compliant resource estimation. Some 9,651 m of core was recovered from 42 holes with 6,102 meters drilled in 25 holes in the East Contact Zone and 3,549 m drilled in 17 holes in the Northwest Contact Zone. An additional two holes, totaling 416 m, were drilled to investigate preliminary targets generated by ground IP geophysical surveys.

Mineralization at the Camp Zone is found in two contact zones of hornfelsed volcanic rocks ('East' and 'Northwest') which are connected by a core of lower grade molybdenum mineralization within a quartz monzonite stock. Particularly elevated concentrations of molybdenum and copper mineralization are related to increased intensity of stockwork quartz veining containing disseminated molybdenite and chalcopyrite. The lateral extents of the East Contact Zone mineralization appear to be fully outlined over an estimated strike length of 700 m to a vertical depth of at least 280 m, being open at depth. The Northwest Contact Zone has been defined along a strike length of about 400 m to a vertical depth of 230 m. The Northwest Contact Zone remains open along strike to the south and at depth. No drilling has been conducted by Stratton to test the mineralization through the intervening quartz monzonite stock between the East and Northwest Contact Zones; however, limited historical drill testing has indicated that the intrusive body hosts a lower grade core zone of dominantly molybdenum mineralization.

Giroux Consultants Ltd. was contracted to produce a NI43-101-compliant resource estimation for the Camp Zone. A total of 104 historic and current diamond drill holes were used in the resource estimate. The grade distributions for Mo and Cu in the historic holes were compared to the Stratton holes and no bias was identified. A three-dimensional model was built by Stratton geologists to outline the Quartz Monzonite intrusive and several post-mineral dykes. The remainder of the model consisted of hornfelsed volcanics. Within each rock type cap levels were established from the grade distributions. Semivariograms for Mo and Cu within volcanics and intrusives were produced from 5 m composites to quantify the grade continuity. Grades for Mo and Cu were interpolated into 10 x 10 x 5 m blocks by Ordinary Kriging. Estimated blocks were classified as Indicated or Inferred based on the grade continuity and density of drilling. The summary table below highlights a cut-off of 0.035% Mo as a possible open pit cut-off, although at this time no economic evaluation has been completed.

Table 1.0 MAC Camp Zone Grade Distribution Summary

Indicated Resource

Mo Cut-off (%)	Tonnes (tonnes)	Grade > Cut-off				Contained Metal in Million lbs.			
		Mo (%)	Cu(%)	MoEq(%)*	CuEq(%)*	Mo	Cu	MoEq.*	CuEq.*
0.030	79,502,000	0.059	0.090	0.082	0.326	103.43	157.77	142.87	571.48
0.035	**70,360,000**	**0.063**	**0.100**	**0.088**	**0.352**	**97.74**	**155.14**	**136.53**	**546.11**
0.040	61,616,000	0.067	0.100	0.092	0.368	91.03	135.86	124.99	499.98

Inferred Resource

Mo Cut-off (%)	Tonnes (tonnes)	Grade > Cut-off				Contained Metal in Million lbs.			
		Mo (%)	Cu(%)	MoEq(%)*	CuEq(%)*	Mo	Cu	MoEq.*	CuEq.*
0.030	226,647,000	0.039	0.050	0.052	0.206	194.91	249.88	257.37	1029.50
0.035	**177,934,000**	**0.042**	**0.050**	**0.055**	**0.218**	**164.78**	**196.17**	**213.83**	**855.31**
0.040	120,621,000	0.046	0.050	0.059	0.234	122.35	132.98	155.59	622.37

* **Mo Eq and Cu Eq** = Copper Equivalent: Calculated at a molybdenum price of $14.00/lb and a copper price of $3.50/lb with no adjustment made for relative payable or recoverable metal.

This 2012 Mo-Cu Camp Zone resource estimate is a significant increase in contained metal (for both indicated and inferred categories), when compared to the 1997 non-compliant resource estimation.

It is recommended herein that Stratton carry out additional exploration on the MAC property. At a total estimated cost of $10.0 million, the suggested program would be completed in two $10.0 million phases. The program includes, (i) property-wide reconnaissance style exploration to be carried out in the summer months (est. $2.5M) and (ii) follow up fall-winter drill testing of newly generated targets plus additional Camp Zone deposit definition and expansion (est. $7.5M). The main reconnaissance objective is to target areas which are geochemically, geologically and geophysically analogous to the Camp Zone. A further exploration phase may consist of advanced drill testing of targets generated in the first program, further Camp Zone resource delineation and infill drilling to increase confidence, metallurgical testing and environmental assessments.

2.0 Introduction and Terms of Reference

Stratton Resources Inc. ("Stratton"), via an option agreement, holds an interest in the 16,944 hectare advanced stage MAC molybdenum and copper project situated about 80 km northwest of Fort St. James or 90 km north of the Endako porphyry molybdenum deposit, in central British Columbia, Canada.

Since acquiring the property through the acquisition of AZ Copper Corp., a private company, in 2011, Stratton has completed an extensive exploration program including preliminary geochemical sampling, airborne and ground geophysical surveys and 10,067 m of diamond drilling from 44 holes.

The authors were retained by Stratton to prepare this technical report providing an independent summary of the project with particular emphasis on a preliminary resource estimate for the Camp Zone. This report has been prepared under the guidelines of Canadian National Instrument 43-101 ("NI 43-101") for the purpose of providing documentation in support of any necessary filings with the TSX Venture Exchange and other regulatory agencies as required. Stratton is a publicly traded company with shares trading on the TSX Venture Exchange (symbol SI), with an office at 700-1199 West Hastings Street, Vancouver, BC V6E 3T5. The former AZ Copper Corp., now Stratton Resources (Canada) Inc, is a private BC registered company and a wholly-owned subsidiary of Stratton.

Co-author M. Moore, P.Geo., is responsible for all sections of this report, except Section 14 (Mineral Resource Estimates). Gary Giroux, P.Eng., MASc, principal of Giroux Consultants Ltd, is solely responsible for the preparation of Section 14 (Mineral Resource Estimates). On-site supervision of the exploration program at MAC during the period September to December 2011 was the responsibility of Brian Game, P.Geo., and John Walther, P.Geo., of Geominex Consultants Inc., both of whom may be termed "Qualified Persons".

All currencies are in Canadian dollar denominations and measurements are in metric units (unless noted otherwise). All report plan and geology maps are plotted in NAD 83, Zone 10 as UTM grid coordinates, metric base. All figures are plotted with North to the top of the page.

Sources of information utilized in the creation of this report include exploration, geological and other reports available in the public record and from private corporate files. Where cited, references are referred to in the text by author and date. Complete references are provided in Section 27. This report relies on information from various British Columbian and Canadian government websites and company-specific searches on SEDAR. The authors have reviewed the geologic data provided by Stratton and Geominex. The authors have had conversations with Stratton's principals and its legal counsel regarding the property's corporate files and Stratton's plans for the property. Property assessment and recommendations made herein are based on these documents.

Co-author of this report, Michael Moore, P. Geo., conducted a field visit to MAC between the 25^{th} and 27^{th} of November 2011. The following objectives were accomplished: project site examination, inspection of select drill core, and a review of geology and styles of mineralization and alteration reported in the historical records. The authors believe that sufficient sites of significance were inspected to make a quality assessment of MAC.

3.0 Reliance on Other Experts

The authors have relied on technical data from government publications, assessment files and previous work conducted by prior operators for some sections of this report. Critical components include historical property assessment reports, internal company reports, and BC and Canadian federal government publications and websites. Mineral Resource Estimates included in this report are based on data supplied by Stratton and Geominex Consultants. The authors have reviewed the private and public data and believe them to be accurate and reliable in their collection, disclosure and analysis of results and therefore can be relied upon and can be used for project evaluation. In cases of uncertainty, the authors have qualified that information with accompanying clarification and explanation.

The authors, not experts in legal matters, are required by NI 43-101 to include a description of the property title, terms of legal agreements and related information found in Section 4.2 of this report. The authors have relied on property agreement information provided by Stratton and claim information from the British Columbia Mineral Titles office in order to provide summaries of title, ownership and related information. The property agreements and other relevant legal documents were prepared or reviewed by Stratton legal counsel, McMillan LLP. The authors have relied on the expert opinion and documents provided by Richard Haslinger (COO Stratton Resources), Peter Rees (CFO Stratton Resources) and also McMillan LLP in these matters, via emails and conversations in January and February 2012. A review of the MAC claim title information was conducted by the authors on January 28, 2012, via the British Columbia Mineral Titles inquiry website. The results of this review are discussed in Section 4.2 of this report. An independent verification of land title and tenure was not performed and as such, this report does not represent a legal title opinion. This report has been prepared on the understanding that the property is, or will be, lawfully accessible for evaluation, development, mining, and processing.

4.0 Property Description and Location

4.1 AREA AND LOCATION

MAC is situated in central British Columbia, Canada in the Omineca Mining Division approximately 75 km north-northeast of Burns Lake, B.C. and 80 km northwest of Fort St. James, B.C. (Figure 4.1). The project is centered at latitude 54° 53' 30" North and longitude 125° 34' 00" West or 335391 E, 6085753 N (Zone 10, NAD 83) within the area covered by topographic sheet NTS 93K/13 and on BCGS maps 93K.082, 93K.083, 93K.092 and 93K.093. The property stretches roughly 22 km north to south by about 8km east to west, covering approximately 18,948 hectares.

4.2 CLAIMS AND TITLE

MAC consists of 57 contiguous Mineral Titles Online (MTO) mineral tenures acquired either through option agreement or staking and encompasses an area of 18,948.9813 hectares (Figure 4.2). Thirty-six of the claims are registered to Kelly B. Funk and held on behalf of private Alberta registered company 802213 AB Ltd., the beneficial owner of an undivided 100% interest in these claims. The remaining 21 claims are solely registered to Stratton Resources (Canada) Inc., a private BC registered company and wholly-owned subsidiary of Stratton. Table 4.2a lists the details of the property mineral tenures.

By virtue of the Mineral Tenure Act of the Province of British Columbia and the recently finalized property purchase agreement, Stratton has the right to access the land it legally owns for the purposes of conducting mineral exploration. The surface rights holder for the land covered by the MAC claims are property of the "Crown", i.e. the Province of British Columbia (notwithstanding any ongoing First Nations treaty negotiations).

The property claims have a good standing date ranging from August 09, 2012 to August 11, 2014. The mineral titles were acquired online and thus claim locations are determined as plotted on MTO maps. There are no claim posts or lines marking the location of the MTO claims on the ground. In order to maintain the MAC mineral tenures in good standing with respect to the British Columbia Government, certain annual cash payments (cash in lieu of work) or equivalent exploration expenses in on-the-ground-based exploration work must be applied to the claims (supported by assessment reports in the case of exploration work). Expenses from valid exploration programs can be applied to the mineral titles within one calendar year of when the work was performed and can extend the expiration dates of the property for up to a maximum of 10years.

Table 4.2a: MAC Claim Statistics

Tenure Number	ISSUE DATE (yr mon day)	Good To Date (yr mon day)	CLAIM NAME	Area (hectares)	Owner FMC #	Owner Name
522451	20051121	20140811		223.339	146571 (100%)	Kelly Funk
545541	20061120	20140811		223.2818	146571 (100%)	Kelly Funk
545542	20061120	20140811		167.5038	146571 (100%)	Kelly Funk
545543	20061120	20140811		111.7039	146571 (100%)	Kelly Funk
545544	20061120	20140811		130.2949	146571 (100%)	Kelly Funk
545545	20061120	20140811		148.9826	146571 (100%)	Kelly Funk
545546	20061120	20140811		93.0956	146571 (100%)	Kelly Funk
545756	20061123	20140811	MAC 1	18.6248	146571 (100%)	Kelly Funk
545757	20061123	20140811	MAC 2	55.8745	146571 (100%)	Kelly Funk
547860	20061223	20140811	BIG MAC	447.0539	146571 (100%)	Kelly Funk
633844	20090914	20140811		111.7093	146571 (100%)	Kelly Funk
633846	20090914	20140811		260.6738	146571 (100%)	Kelly Funk
670603	20091117	20140811		409.5005	146571 (100%)	Kelly Funk
756522	20100425	20140811		445.5084	146571 (100%)	Kelly Funk
756562	20100425	20140811		445.8298	146571 (100%)	Kelly Funk
756582	20100425	20140811		445.9212	146571 (100%)	Kelly Funk
756602	20100425	20140811		445.7095	146571 (100%)	Kelly Funk
757182	20100425	20140811		372.06	146571 (100%)	Kelly Funk
757202	20100425	20140811		334.9762	146571 (100%)	Kelly Funk
757222	20100425	20140811		223.2807	146571 (100%)	Kelly Funk
757242	20100425	20140811		111.7614	146571 (100%)	Kelly Funk
757262	20100425	20140811		185.9157	146571 (100%)	Kelly Funk
757282	20100425	20140811		464.1275	146571 (100%)	Kelly Funk
757322	20100425	20140811		464.1245	146571 (100%)	Kelly Funk
831451	20100812	20140811		464.0969	146571 (100%)	Kelly Funk
831452	20100812	20140811		464.3365	146571 (100%)	Kelly Funk
831454	20100812	20140811		260.1338	146571 (100%)	Kelly Funk
831455	20100812	20140811		464.0981	146571 (100%)	Kelly Funk
831456	20100812	20140811		464.3373	146571 (100%)	Kelly Funk
831458	20100812	20140811		278.7174	146571 (100%)	Kelly Funk
831459	20100812	20140811		278.3719	146571 (100%)	Kelly Funk
831461	20100812	20140811		352.9318	146571 (100%)	Kelly Funk
831462	20100812	20140811		74.2323	146571 (100%)	Kelly Funk
935963	20111203	20121203	CU MO - 93N831910	463.7163	146571 (100%)	Kelly Funk
966769	20120319	20130319		464.8574	146571 (100%)	Kelly Funk
966809	20120319	20130319		148.8074	146571 (100%)	Kelly Funk

Tenure Number	ISSUE DATE (yr mon day)	Good To Date (yr mon day)	CLAIM NAME	Area (hectares)	Owner FMC #	Owner Name
754402	20100422	20140811		409.9171	246901 (100%)	AZ Copper
754422	20100422	20140811		465.7785	246901 (100%)	AZ Copper
754442	20100422	20140811		447.3302	246901 (100%)	AZ Copper
755102	20100422	20140811		223.4178	246901 (100%)	AZ Copper
755122	20100422	20140811		447.438	246901 (100%)	AZ Copper
755142	20100422	20140811		465.8485	246901 (100%)	AZ Copper
804342	20100629	20140811	EAST MAC 1	446.7429	246901 (100%)	AZ Copper
804362	20100629	20140811	EAST MAC 2	335.1771	246901 (100%)	AZ Copper
804382	20100629	20140811	EAST MAC 3	260.7753	246901 (100%)	AZ Copper
857115	20110617	20140811	WEST MAC 1	464.721	246901 (100%)	AZ Copper
857116	20110617	20140811	WEST MAC 2	297.4054	246901 (100%)	AZ Copper
857117	20110617	20140811	WEST MAC 3	371.9645	246901 (100%)	AZ Copper
887029	20110809	20120809	MAC SOUTH EAST 1	279.5372	246901 (100%)	AZ Copper
923629	20111025	20121025	OCT25 535PM	427.7851	246901 (100%)	AZ Copper
935703	20111201	20121201	EL COBRE	428.6167	246901 (100%)	AZ Copper
936726	20111208	20121208	NICKEL MAC 1	464.5969	246901 (100%)	AZ Copper
936727	20111208	20121208	NICKEL MAC 2	446.2568	246901 (100%)	AZ Copper
936729	20111208	20121208	NICKEL MAC 3	446.4333	246901 (100%)	AZ Copper
936730	20111208	20121208	NICKEL MAC 4	372.1967	246901 (100%)	AZ Copper
956330	20120308	20130308	NICKLE MAC 5	463.8713	246901 (100%)	AZ Copper
956331	20120308	20130308	NICKLE MAC 6	463.6806	246901 (100%)	AZ Copper

NOTE: The claim information of Table 4.2 is not a legal title opinion but is a compilation of claims data based on the author's review of the Government of British Columbia mineral rights inquiry website (May 10, 2012). The claims are located on BCGS Maps 93K.082, 93K.083, 93K.092 and 93K.093.

Figure 4.1 Location map

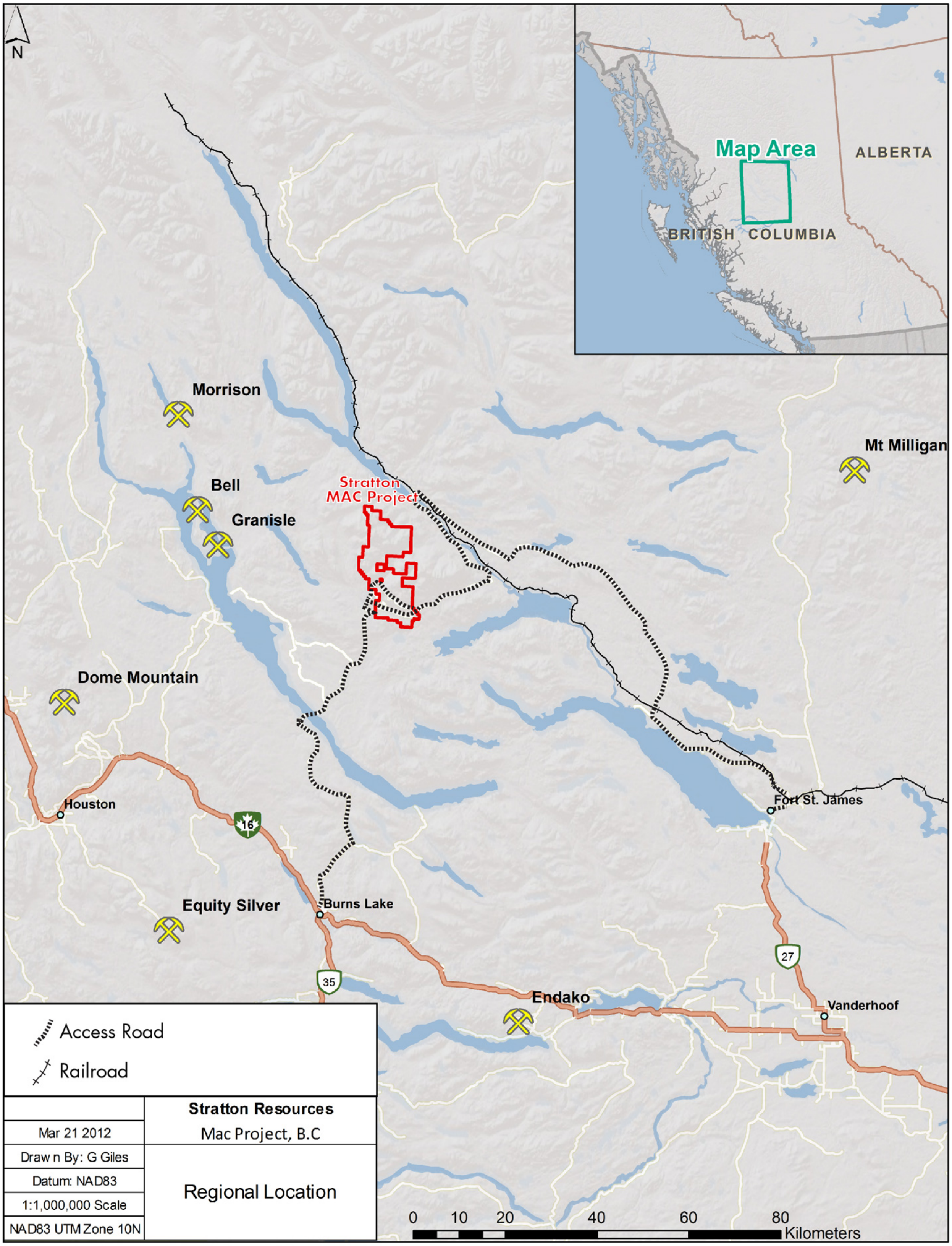
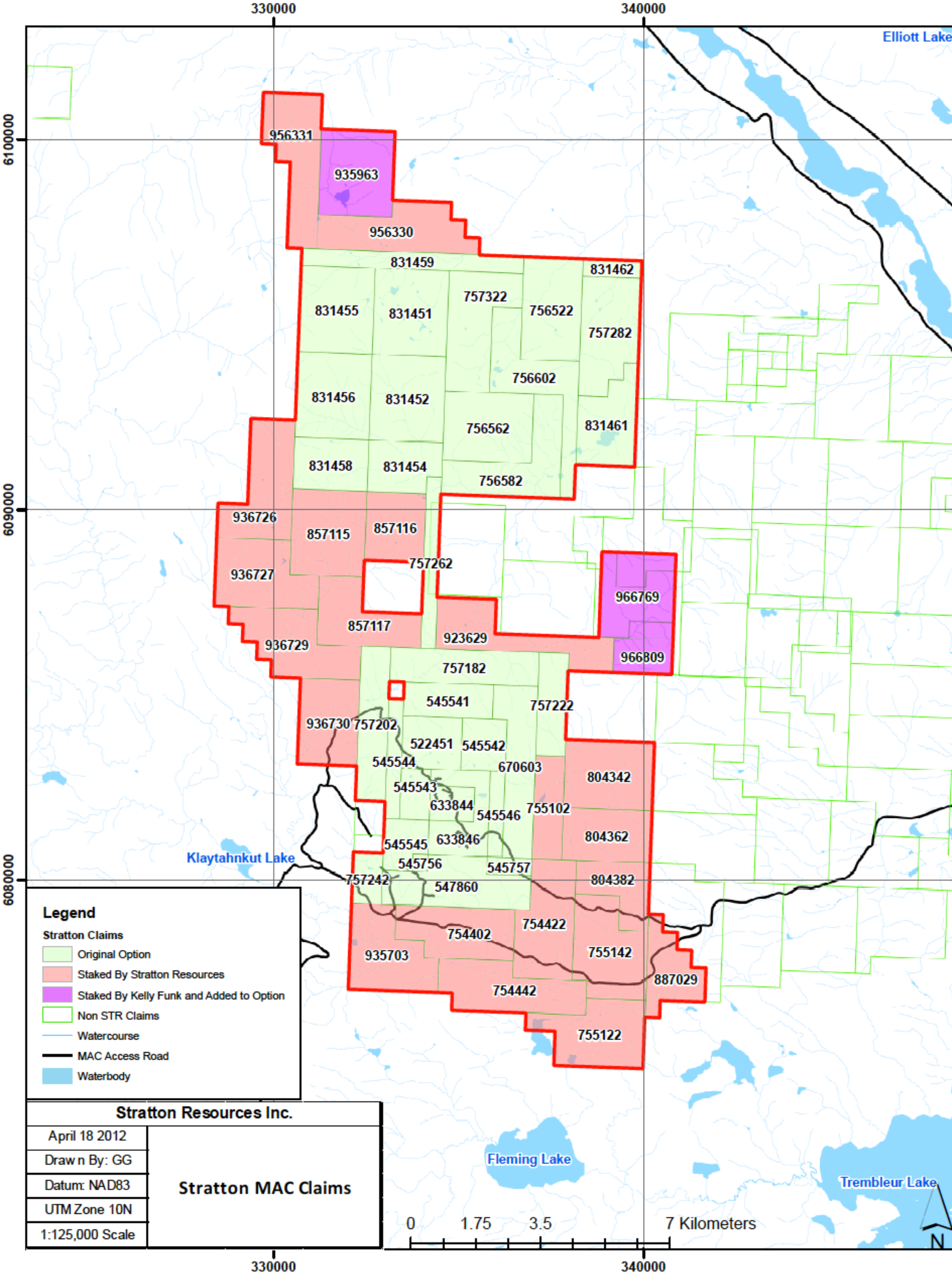


Figure 4.2 Claim map



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Stratton (formerly Tribune Minerals Ltd.) entered into an agreement dated May 19, 2011 with AZ Copper Corp. whereby AZ Copper, pursuant to a statutory plan of arrangement, would be acquired by Stratton. The acquisition of AZ Copper was completed September 13, 2011 resulting in AZ Copper becoming a wholly-owned subsidiary of Stratton. AZ Copper subsequently changed its name to Stratton Resources (Canada) Inc.

Stratton Resources (Canada) Inc. (the "Optionee") has an Option, dated for reference on May 4, 2010, with 802213 AB Ltd. (the "Optionor") to acquire an undivided 90% interest in the 33 mineral claims listed in Table 4.2a, Part 1.

In order to fully exercise the 90% earn-in Option, Stratton must submit an aggregate of $3.145 million cash payments and incur $7.5 million in mining-work expenditures on the Property, as summarized in table 4.2b. The share issuances were completed by AZ Copper prior to Stratton's acquisition.

Table 4.2b AZ Copper Corp Option Agreement

The Company can earn a 90% interest in the property by fulfilling the following requirements:

Date	**Cash payments**	**Issuance common shares**	**Exploration Expenditures** (cumulative)
May 4, 2010	$145,000 (paid)	750,000 (issued)	-
November 30, 2010	-	4,250,000 (issued)	-
May 15, 2011	$250,000 (paid)	-	-
November 15, 2011	$250,000 (paid)	-	$3,250,000 (incurred)
May 15, 2012	$250,000 (paid)	-	-
May 15, 2013	$750,000	-	$4,500,000
May 15, 2014	$750,000	-	-
May 15, 2015	$750,000	-	-
Total	**$3,145,000**	**5,000,000** (issued)	**$7,750,000**

If the project is advanced to Feasibility Study, then, if the Optionor elects not to finance the 10% interest to commencement of commercial production or to find a suitable buyer for the 10% interest, then Stratton (the Optionee) may elect, at its option, to:

A) purchase the 10% property interest at a price equal to 2/3 of the value of the 10% interest based upon a 5% discounted net present value report based upon proven and probable ore reserves as defined by a feasibility report pursuant to NI43-101 standards incorporating as a general guideline the historical resource estimates on the property;

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or

B) finance the 10% interest to commencement to commercial production with repayment terms to be negotiated on commercially reasonable terms provided that the Optionor shall have the right to participate in any production financing on the same terms as available to the Optionee should it elect to do so.

On commencement of commercial production, a 2% Net Smelter Royalty ("NSR") will be payable to the Optionor. The NSR will extend for an area of influence extending 3 km from the Property boundary as defined at the effective date of the agreement provided any lands acquired within that area of influence are not presently owned 100% by the Optionor nor encumbered by a pre-existing royalty. The Optionor grants the Optionee the option to purchase one-half of the NSR (1%) for the sum of $3 million dollars for the term of one year following commencement of commercial production.

If the Property has not achieved commencement of commercial production by May 15, 2017, then the Optionee must pay to the Optionor $100,000 each year commencing on May 15, 2017 until commencement of commercial production.

4.3 Environmental Liability, Permits, Bonds & other Significant Risk Factors

The authors, not experts in political, environmental and societal matters, are required by NI 43-101 to comment on the environmental, permitting, First Nation treaty negotiations, and social and community factors related to the project. To this end, the authors have relied on British Columbia and federal publications, reports and websites, guidance by Stratton and its legal counsel, BC government representatives, and also a general working knowledge of the mineral exploration industry in British Columbia. The authors have reviewed these data and believe them to be accurate and reliable in their collection and disclosure.

To the best of the authors' knowledge, there are no known environmental liabilities on the property. An abandoned camp from prior property exploration, consisting of a collection of dilapidated wood structures, a few abandoned fuel drums, assorted discarded metal and glass, and historical drill core was partially reclaimed by Stratton in 2010. Stratton should complete this reclamation effort by removing the abandoned fuel drums, metal and glass debris and burn the wood waste. There are no mine workings, tailings ponds, waste deposits or other significant natural features on the claims that may impact future development of the property. No archaeological studies have been carried out at MAC.

In order to conduct work on the MAC property, Stratton must obtain permits from the BC Ministry of Energy, Mines and Petroleum Resources ("BCMEMPR"). Stratton has received all necessary permits it needs in order to conduct the mineral exploration. The exploration permit (No. Mx-2-187) carries a reclamation bond totalling $50,000 and with an expiry date of March 31, 2016. In addition, a License to Cut (No L 48949) has been issued to Stratton by the Nadina office of the British Columbia Ministry of Forests. The property lies within the Omineca Forest Region (Fort St. James District) and the Skeena Forestry Region (Nadina District) of the British Columbia Ministry of Forests.

There are no First Nations reserves located on or in immediate proximity of the MAC claims.

The property is located within an overlap area of the claimed traditional territories of the Tl'azt'en First Nation and the Lake Babine First Nation. Within the Tl'azt'en First Nation, the MAC property is within three family Keyoh areas. Keyohs are the traditional family areas within the First Nation for which the family head controlled traditional hunting, fishing and gathering. These historic Keyohs are reflected in contemporary traplines registered to these families and surpass territorial claims.

According to information supplied to the authors, Stratton has memorandum of understanding agreements ("MOUs") in place with the two First Nations bands, Tl'azt'en and Lake Babine, and the three Keyoh holders. The MOUs set out a framework for how Stratton will interact with each group and express Stratton's willingness to engage the First Nations to ensure exploration work is conducted in a manner that is mutually beneficial to all stakeholders.

Stratton is presently in discussions with the Tl'azt'en First Nation regarding a more detailed exploration agreement.

The Company has and continues to actively employ and support local First Nations individuals, businesses and community organizations.

The authors are not aware of any significant risks or uncertainties or any reasonably foreseeable impacts thereof that could reasonably be expected to affect the MAC Project future potential, other than uncertainties related to ongoing First Nations treaty negotiations.

5.0 Access, Climate, Local Resources, Infrastructure and Physiography

Access to the property is most easily gained by well-maintained forestry roads from Fort St. James, via either the Cunningham Road onto Babine Forest Products Road using Cunningham Road to Phantom Road to Fleming Road to Tildesley, or via Canfor Leo Creek 700 to 200 Forest Service Roads crossing from the Fort St. James Forest District into the Nadina Forest District. A network of secondary logging roads provides access to many areas of the property, particularly within the southern portion of the claims.

The area has a typical central interior climate characterized by a wide temperature range with warm summers, cold winters and moderate precipitation. At Burns Lake, the average annual temperatures are 16.6 degrees Celsius in summer and -11.7 degrees Celsius in winter, with annual rainfall averaging 29.1 cm and annual snowfall averaging 189.8 cm, respectively.

The property is generally snow-free from May to October. Normal surface programs should be completed during this period. Drilling can be completed 12 months of the year with adequate winter equipment and camp facilities.

During the 2011 field season, Stratton established a base camp for operations with space for about 40 persons in a clear-cut just off of Km 26.5 of the Austin road. Communications, including satellite telephone and internet connections, are provided on site by linkage to Starlynx Communications. At the commencement of the 2011 field season, Stratton constructed a 12 km access road, including 7 km of new road and 5 km of rehabilitated road, from the exploration camp to the Camp Zone, the area of focus for the 2011 drilling campaign.

The most accessible major supply center is Fort St. James (population 5,000), 80 km to the southeast where supplies and services adequate to explore the property can be found. The towns of Smithers (population 6,000) and Burns Lake (population 2,500) to the west and southwest, respectively, also provide a variety of services.

A skilled labour force for mining and exploration is available in Fort St. James, Smithers and Burns Lake as well as in a number of other surrounding communities.

Due to the moderate terrain, there exist ample areas on the property for all aspects of large mining operation, including adequate areas for plant, waste and tailings disposal, and other recovery designs. Water for mining purposes is abundant. The nearest power supply for a large mining operation is located at Granisle, approximately 40 km west of the property.

The property has generally moderate topography. Overall relief is about 900 m with elevations ranging from 800 to 1,600 m above sea level. Broad open meadows with grass and scrub brush occur adjacent to most streams. Ponds and swamps are common in flat-lying areas. Timber cover consists of mature spruce, lodgepole pine and balsam. Clear-cut logging has taken place in the lower third of the southern block of the property.

6.0 Exploration History

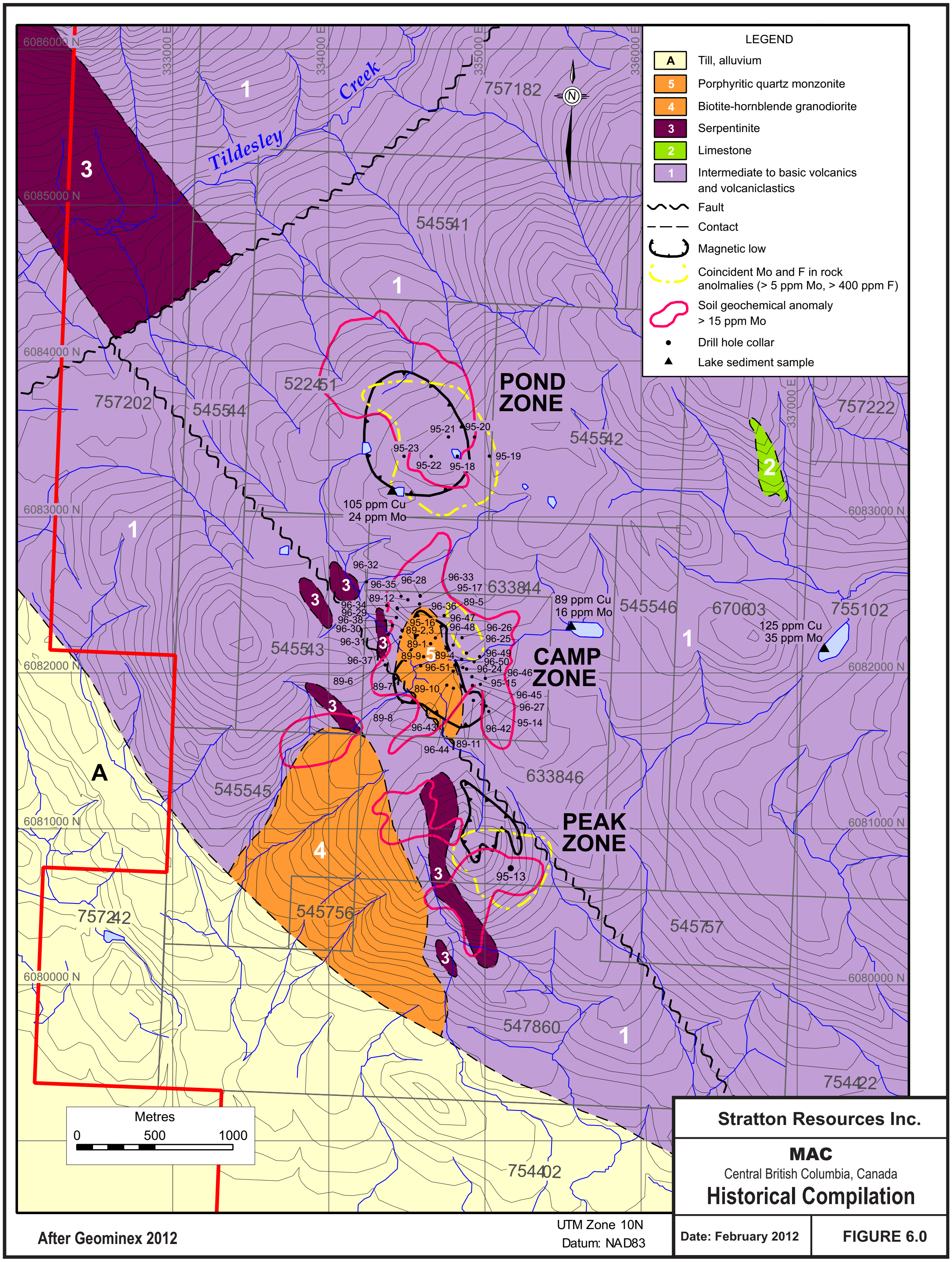
6.1 RIO ALGOM EXPLORATION INC: 1982-1984, 1989

In 1982, Rio Algom Exploration Inc. (then Riocanex Inc.) conducted a regional lake sediment sampling program in central British Columbia. During the course of this program, anomalous molybdenum-copper-silver values were detected in lake-bottom sediments of three adjacent lakes located within the southern portion of the current property. Rio Algom staked the original MAC claims when molybdenite-bearing quartz veins in altered quartz monzonite float was discovered and reconnaissance soil and silt sampling identified widespread anomalous molybdenum concentrations. There is no record of mineral exploration in the immediate vicinity of the MAC claims prior to 1982 (Game 2011).

Work conducted by Rio Algom in the period May-July 1983 consisted of 2,198 grid soil samples, collected at 50 m intervals along north-south oriented lines spaced 150 m apart. Soil geochemistry and reconnaissance geological mapping was directed at locating the source of the mineralized float discovered in 1982. A stock-like body of quartz monzonite was discovered underlying what is now known as the Camp Zone. Grab samples taken from the intrusion yielded analysis of between 0.034% and 0.250% molybdenum. The soil survey outlined three large zones of >15 ppm molybdenum, one of which was centered over the intrusive body. The remaining two anomalous zones, the Pond and Peak Zones, were found to be underlain by hornfelsed and mineralized volcanic rocks.

From May to September 1984, further work by Rio Algom consisted of line cutting, soil and stream sediment sampling, ground magnetic surveys, trenching, geological mapping and rock geochemical sampling. A total of 376 soil samples were collected to close off anomalies delineated in 1983 in the Peak, Pond and Camp Zones. Ground magnetic surveys were conducted over all three zones. Approximately 80 line kilometres (+3,200 readings) of field magnetic data was collected within an 11.5 square kilometre area. Broad magnetic anomalies were found to be coincident with distinct molybdenum and fluorine lithogeochemical anomalies for all three zones. Blasting of outcrop and hand trenching over the known Camp Zone was conducted in order to expose fresh, unleached mineralization. Thirteen of 20 trenches were successful in exposing fresh, unleached mineralized rock. Twenty-four rock samples were obtained from the trenches at mostly three-metre lengths. Molybdenum grades of up to 0.166% over three metres were obtained from the Camp Zone trenches. Geological mapping of the 1984 grid area was done at a scale of 1:5,000. Rock geochemical samples (242) were collected during geological mapping traverses.

No further work was conducted until 1989 when during the period July to August Rio Algom drilled 12 diamond drill holes on the Camp Zone to test results of previous exploration work.



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Holes 89-1 to 89-12 were completed comprising 1,488 m of BQ core. Core from all holes except for 6, 7 and 8 was sampled over the entire length of the hole and submitted for assay for molybdenum and copper, and further analyzed by ICP methods for a 32 element suite. Drilling established the limits of the mineralized stock and discovered a higher grade mineralized halo in the hornfelsed volcanics surrounding the stock.

6.2 1995-1998: SPOKANE RESOURCES LTD.

Rio Algom did no additional work and in early 1995, Spokane Resources Ltd. (now Silvercorp Metals Inc.) signed an option to earn a 60% working interest in MAC from Rio Algom by spending two million dollars on exploration on the property. In June 1996, after earning a 60% working interest, Spokane acquired a 100% interest in MAC from Rio Algom via payment of 1.5 million shares.

During the period 1995 to 1997, Spokane Resources conducted several meaningful programs of exploration on the MAC claims. According to a June 2007 Silvercorp Metals Inc. news release (Marketwire, June 18, 2007), Silvercorp had completed 49 diamond drill holes totaling 10,818 m and 62 km of ground magnetic and IP geophysics as well as geological mapping, prospecting and geochemical sampling in the period 1995 to 1997.

In July to October 1995, Spokane Resources conducted extensive exploration at MAC (Goodall 1996). This work consisted of establishing 62 line km of grid, cutting some 54 km of line, geological mapping and prospecting, induced polarization and magnetometer surveys over 45.6 km of the grid and 11 BQ size diamond drill holes totaling 1,987.6 m. The induced polarization survey was designed to evaluate geochemical and geophysical anomalies previously outlined in the Pond and Peak Zones and allow for correlation to previously delineated mineralization at the Camp Zone. The pole-dipole array was used on the survey with an electrode spacing of 50 m. The Camp stock was found to be situated on the eastern flank of an ovate area of low chargeability and moderate-low resistivity. The Pond and Peak Zones were found to have similar geophysical signatures (Fox, 1995). Limited geological mapping and prospecting was conducted in the area of the Pond and Peak Zones. There is no record of the number of rock samples collected or any results reported. The 1,987.6 m, eleven-hole diamond drill program tested the three known zones of mineralization. One hole, 95-13, tested the Peak Zone; four holes, 95-14 to 95-17 tested the Camp Zone; and six holes, 95-18 to 95-23, are located on the Pond Zone. Core samples were analyzed by molybdenum and copper assay from the Peak and Camp Zone holes and by 32 element ICP on core from the Pond Zone holes.

Records of exploration conducted in 1996 by Spokane Resources are incomplete. Spokane filed assessment (AR 24,638) on nine (96-24 through to 96-32) NQWL size diamond drill holes, totaling 1,609.6 m, cored in February, 1996 (Fox, 1996). Company news releases (Stockwatch; June 14, 1996, August 9, 1996, September 11, 1996, October 11, 1996, November 22, 1996 and

December 13, 1996) report that Spokane also conducted detailed geological mapping of the Camp and Peak Zones, completed 36 km of induced polarization geophysics on the Camp and Peak Zones and drilled a further 19 diamond drill holes, for a total of 28 holes in 1996. The 28 holes were drilled during several drilling campaigns in 1996 and were directed at the Camp Zone (21 holes), Peak Zone (3 holes) and one hole to the northwest of the Camp Zone to test an area with coincident high IP chargeability and anomalous copper geochemical concentrations. Core samples for holes 96-24 through to 96-32 were assayed for copper and molybdenum with select samples analyzed for precious metal and platinum group element concentrations (Fox, 1996).

In 1977, Spokane Resources drill 9 NQ diameter diamond drill holes totaling about 2,581.1 m at the Camp Zone (DDH 97-52 to 97-60). In February 1997, Spokane published a Camp Zone resource estimate (generated by Giroux Consultants) of 52,420,000 indicated tonnes and 7,520,000 inferred tonnes at an average grade of 0.072% Mo, all calculated at a cut-off grade of 0.04% Mo. **All drill-hole data collected for this historical resource estimate pre-date NI 43-101 compliance. These historical resources at MAC should be used for geological reference purposes only. They have not been adequately reviewed by a Qualified Person to be reported as current resources and cannot be relied upon.**

There has been no recorded production from MAC.

6.3 2007-2009

No work was recorded on MAC until 2007, when a program of stream sediment sampling was conducted by Amarc Resources Ltd. on a large group of claims that included all of the southern block of the current MAC project area, with the exception of a small internal area that covered the Camp and Peak occurrences (Tenure Numbers 633844, 633846), and a portion of the western half of the northern block (AR 29,697). A total of 291 silt samples were collected from road accessible areas of the claims. Anomalous values for molybdenum, copper and zinc were detected with the most significant clusters of molybdenum and copper values occurring in creeks draining the area of the Camp and Peak occurrences and in an area about 2 to 3 km to the east of the Camp Zone, in the Paula Creek drainage (Ditson et al, 2008).

In September, 2009, the two claims (Tenure Numbers 633844 and 633846) that covered the Camp and Peak occurrences lapsed and were acquired via on-line staking by Kelly Funk.

6.4 2010: AZ COPPER

After obtaining the option on MAC in May 2010, AZ Copper began a process of geologic data compilation, core recovery and photo logging, and regional scale magnetic profiling of the property.

AZ Copper compiled and reinterpreted all publicly available data to improve the geological understanding of the property. This work included reassessment of approximately 24 line km of historical IP geophysical data, plus soil geochemical data and geological mapping of the area (Game 2011).

AZ Copper commissioned a study of the regional magnetic data available for the MAC area from T.E. Pezzot of S.J. Geophysics Ltd. The study included coverage of the entire property and extended beyond for a more regional basis. Data was processed in Geosoft Oasis Montaj and the UBC Mag3D inversion algorithm. The magnetic response of the area maps a belt of greenstone and greenschist metamorphic rocks of the Ruby Creek Igneous Complex. The three known mineralized zones of the property lie along the flank of a weak magnetic high lineation within this broad low trend. The magnetic data indicate that the host environment of the Camp Zone deposit extends for some 500 to 1,000 m southeast beyond the Peak Zone.

In addition to confirming the existence of the three known mineralized zones associated with a weak magnetic high, the study identified three other weak magnetic highs occurring in areas underlain by rocks of the Rubyrock Igneous Complex. Preliminary field investigations confirmed porphyry style alteration in the area of these features. The reader is referred to Game 2011 for additional related details.

In late 2010, AZ Copper conducted fieldwork focused on the Camp Zone. The program included recovery and re-logging of the existing drill core to improve the geological database. Approximately 11,000 m of core was recovered, logged and photographed. The geological framework for the deposit was established, including mineralization relationships to primary contacts and controlling secondary structures.

7.0 Geological Setting and Mineralization

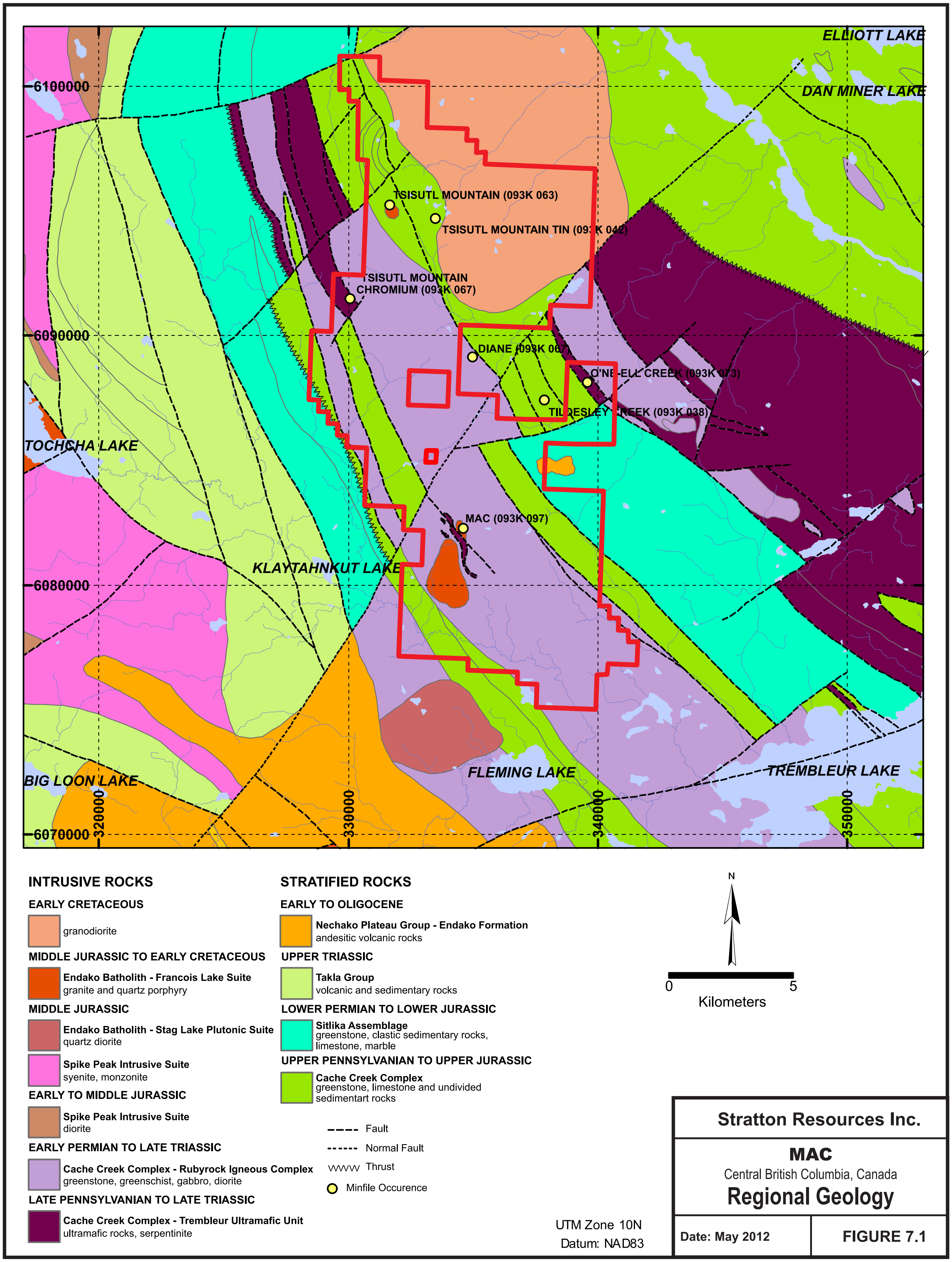
7.1 REGIONAL GEOLOGY

The most recent work in the area was done as part of the joint Nechako Natmap project (Geology of the Babine Lake-Takla Lake Area, Central British Columbia, Shiarizza and MacIntyre, 1999). Previous geological work in the area was done by J.E. Armstrong (G.S.C. Memoir 252, Fort St. James Maparea, Cassiar and Coast District).

MAC lies primarily in Cache Creek Terrane (see Figure 7.1). The Cache Creek Terrane includes the Sitlika assemblage in the west and the Cache Creek Complex to the east. The Sitlika assemblage consists of Permo-Triassic bimodal volcanic rocks overlain by Upper Triassic to Lower Jurassic clastic sedimentary rocks. This assemblage is structurally overlain by a poorly dated, but partially age-equivalent ophiolitic sequence that forms the western part of the Cache Creek Complex. Eastern elements of the Cache Creek Complex include a Permian to Lower Jurassic succession of predominantly pelagic metasedimentary rocks and thick Pennsylvanian-Permian carbonate sequences associated with ocean island basalts. Structural imbrication of Cache Creek Terrane, across predominantly well-directed thrust faults, occurred in Early to Middle Jurassic time, and was approximately coincident with its amalgamation with the adjacent Stikine Terrane.

Intrusive rocks are common in the region and belong to several distinct suites. Late Triassic-Early Jurassic and Middle Jurassic plutons assigned to the Topley and Spike Peak intrusive suites cut rocks of the Stikine Terrane, whereas the adjacent Cache Creek Terrane is host to at least three distinct plutonic suites of late Middle Jurassic, Late Jurassic-Early Cretaceous and Early Cretaceous age.

MAC is underlain by northwest trending rocks of the Cache Creek Terrane. The central portion of the property is underlain by the Early Permian to Late Triassic Rubyrock Igneous Complex of the Cache Creek Complex. This unit includes greenstone, greenschist, gabbro and diorite. Ultramafic rocks belonging to the Late Pennsylvanian to Late Triassic Trembleur Ultramafite, and alkali-rich granitic rocks of the latest Jurassic to Early Cretaceous Francois Lake Suite of the Endako Batholith, intrude the Rubyrock Complex in the vicinity of the MAC molybdenum occurrences. These alkali-rich intrusions, which are part of the latest Jurassic to earliest Cretaceous Francois Lake intrusive suite, also host the Endako porphyry molybdenum deposit in the Fraser Lake area, approximately 90 km south-southeast of MAC. Trembleur Ultramafite also occurs in the northern section, where it underlies the Tsitsutl Mountain chromite occurrence. Greenstone, limestone and other sedimentary rocks of the Upper Pennsylvanian to Upper Jurassic Cache Creek Complex largely flank the central band of the Rubyrock Igneous Complex. These sedimentary rocks belong to the Sowchea Succession.



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Quartz diorite belonging to the Middle Jurassic Stag Lake plutonic Suite of the Endako Batholith intrudes Rubyrock Complex and Cache Creek sedimentary rocks near the southern edge of the property. A large Early Cretaceous granodiorite batholith intrudes Cache Creek sedimentary rocks to the north. Andesitic rocks of the Eocene to Oligocene Nechako Plateau Group occupy a large area southwest of the property, and are also present in a relatively small remnant overlying Sitlika rocks at the central west edge of the property.

7.2 PROPERTY GEOLOGY

7.2.1 Introduction

The following description of the geology of MAC is adapted from Fox (1996) and is based on mapping and drilling by Rio Algom in 1983, 1984 and 1989, work conducted by Fox Geological Services for Spokane Resources in 1995 and 1996, and drilling conducted by Stratton in 2011. MAC geology is shown inFigure 7.1.

7.2.2 General

McClintock (1983), Holmgren et al (1984) and Cope (1989) report that MAC is predominantly underlain by intermediate to basic volcaniclastic rocks which are correlative with the Mississippian – Triassic Cache Creek Group. These rocks are typically fine-grained and pale to dark green in colour. The volcaniclastic rocks are composed of intercalated massive fine tuff and fine to coarse lapilli tuff.

Angular lapilli are up to two centimetres across, comprise up to 80% of the fragmental layers and are surrounded by a fine matrix. Light to dark grey massive limestone is exposed in the northeast corner of the southern claim block. A moderate to intense regional foliation, trending 310 to 340 degrees and dipping steeply to the southwest, overprints the volcanic rocks. Where most intense, the resultant rock type is a pale green to grey–green chloritic phyllite with no evidence of original textures.

Numerous intrusions invade the layered rocks. The oldest is a dark green serpentinite forming northwest trending outcrops in the south–central portion of the property. The serpentinite is composed predominantly of radiating laths of tremolite and fibrous talc, and weathers to a distinct orange–buff colour. The serpentinite is assumed to be related to the Trembleur intrusions of Upper Paleozoic age.

A 2.5 by 3 km stock of biotite–hornblende granodiorite is exposed in the southwestern portion of the claims. It is composed of pale yellow–white euhedral 1 to 3 mm feldspar phenocrysts, 1 to 2 mm biotite books and subhedral black hornblende crystals. Quartz phenocrysts to 8 mm are common. A K-Ar date on biotite yielded a Lower Cretaceous age of 141 ± 5 million years (Godwin and Cann, 1985).

In the center of the claim block, a 500 m by 300 m stock of porphyritic quartz monzonite intruding Cache Creek rocks has been outlined. The southern end of the stock is truncated and possibly offset southeastward by a northwest trending, high-angle sinistral fault. Contacts with the surrounding hornfelsed volcanic rocks are not observed in outcrop. Observations from drill holes suggest the contacts are steeply dipping to vertical. The intrusion is medium grained, leucocratic and porphyritic to equigranular with 15 percent 1-3 mm feldspar, 25 percent 1-2 mm quartz, 35-45 percent 1-4 mm K-feldspar, and up to 5 percent biotite, muscovite and hornblende (Cope and Spence, 1995). A radiometric age of 136 ± 5 million years has been obtained (Godwin and Cann, 1985). Xenoliths of volcanic rock, a few centimetres to several metres in size, are found near the margins of the stock. Dykes of fine grained porphyritic quartz monzonite are common. The quartz monzonite body is host to stockwork quartz-molybdenite mineralization as discussed further below. Dykes of biotite-feldspar porphyry cut both the quartz monzonite stock and the host volcanic rocks. Generally these dykes are pale grey to tan, medium grained with conspicuous 1 to 2 mm biotite books. Locally the dykes are pegmatic with perthitic feldspar phenocrysts to 1 cm. These dykes tend to occur near the margins of the quartz monzonite stock, though not exclusively, and are variably altered and mineralized, and commonly occupy east-northeast trending faults.

The youngest intrusive on the property occurs as dykes of dark green, fine grained amygdaloidal andesite. Calcite-filled amygdules, 1 to 4 mm in diameter, constitute 5% of these rocks.

Soil and glacial cover is extensive and generally shallow, but includes locally deep mounds that can be over 5 metres thick, particularly in the river valleys. Overall bedrock exposure is poor to moderate but locally abundant in road cuts and in some stream gullies, as well as on steep upper slopes and ridge tops. Glacial striae of 105 degrees have been observed in outcrop on the property (Ditson et al., 2008), which agrees well with the local ice flow directions as shown in the published literature (Plouffe, A., 1997).

7.2.3 Structure

As noted in section 7.2.2, a moderate to intense regional schistosity, trending 310 to 340 degrees, overprints the volcanic lithologies. Where schistosity is most intense, the volcanic rocks are altered to chloritic phyllites. The attitude of the volcanic rocks has not been determined due to masking of original textures in outcrop by the regional fabric.

A major through-going, northwest-trending fault, intersected in hole 89-6 and MC11-40 in the south-central portion of the claims, is expressed on surface as a strong topographic lineament. This fault truncates the southern end of the Camp Zone stock and it is interpreted that rocks to the southwest of the fault are down-dropped. The fault lies along the contact between serpentine and the more competent surrounding volcanic lithologies.

7.2.4 Alteration

Regional greenschist grade metamorphism of the volcanic rocks has resulted in a dark green schistose rock with abundant chlorite and minor amounts of fine disseminated pyrite.

Hornfelsing along intrusive contacts has further altered the volcanics to dark, brownish-green massive rock with abundant biotite, amphibole and up to 5% fine pyrite. Where carbonate was present, lime silicates including epidote, garnet and possibly diopside were formed. In the hornfelsed volcanics, lens-like quartz sweats occur up to several metres thick. These sweats have sharp contacts and appear to pinch and swell. Alteration selvages, 2-3 cm on either side of the sweats, may contain wispy hydrothermal biotite.

Hydrothermal alteration associated with intrusion of the quartz monzonite stock includes the development of a quartz stockwork, prominent secondary potassic feldspar flooding, pervasive sericitization of feldspar in the intrusive and development of lenses of quartz in the surrounding hornfelsed volcanics. Intense sericitization of feldspars within the quartz monzonite stock imparts a green tinge to the rock. This alteration appears to decrease in intensity with depth. Potassium feldspar alteration is limited in distribution and largely restricted to vein selvages in the quartz stockwork. Kaolinization has occurred along certain post-mineralization faults.

7.3 Mineralization

MAC mineralization is known to occur principally in association with a stockwork of quartz veins in the north extents of a 300 by 500 metre, northerly elongate, porphyritic quartz monzonite stock and with quartz veins and silicified zones in the proximal volcanics (Cope, 1989). The quartz stockwork is characterized by steeply dipping multi-directional quartz veinlets comprising up to 15% of the quartz monzonite stock. Vein widths are typically between 1 mm and 5 mm, but range up to 5 cm.

MAC molybdenum and copper mineralization occurs in three areas: the Camp, Pond and Peak Zones (see Figures 7.1 and 9.0). Historical and current drilling has mainly focused on the Camp Zone. The Camp Zone appears to form two lobes or lenses of better grade mineralization at the “East Contact Zone” and the “Northwest Contact Zone”, which are linked by a lower grade core zone of molybdenum mineralization within the quartz monzonite body. Coarse flaky molybdenite and molybdenite coatings occur along fractures and as vein selvages in the quartz monzonite stock. Molybdenite also occurs to a minor extent as fine disseminations and sparse, 1 millimeter rosettes. Where the quartz monzonite stock is exposed on surface, it is leached and has only minor ferri-molybdenite staining on fractures. Molybdenum grades within the stock generally decrease with depth (Fox, 1996).

Quartz veins or sweats and cross-cutting quartz veinlets in volcanic rocks surrounding the Camp Zone carry fine disseminated and mm-scale wide, weakly laminated or banded molybdenite. Molybdenite mineralization extends outward for some 50 to 90 metres in a zone of biotite-bearing, hornfelsed rocks along the east, north and west contacts of the stock.

Chalcopyrite occurs primarily as disseminations in siliceous zones within the mineralized volcanics fringing the Camp Zone stock where two relatively copper-rich lobes of stockwork and dissemination have formed (Fox, 1996). Traces of fine-grained disseminated chalcopyrite also occur within the core of the Camp Zone quartz monzonite stock. Pyrite, as disseminations and fracture fillings, commonly exceeds 5% in the proximal volcanics. Background level for pyrite in the more distal volcanics is 2%. Disseminated pyrite within the quartz monzonite typically comprises less than 1%.

Limited historical drilling in the Pond and Peak Zones has intersected similar styles of mineralization in hornfelsed volcanic rocks as described for the Camp Zone. Grades for both zones are lower than observed in the Camp Zone, with the available records showing grades in the Pond Zone up to 0.024% molybdenum and 0.059% copper over 286.5 meters in hole 95-13 (Fox, 1996). Results for just one Peak Zone hole has been found and they record grades of 0.012% molybdenum and 0.016% copper over 196.6 metres in hole 95-18. An intrusive source for the mineralization in the Pond Zone has not been found (Goodall, 1996).

8.0 Deposit Types

The mineral zones explored at the MAC property are best characterized as "quartz molybdenite veinlet stockwork" and in terms of host rock lithologies, alteration patterns and size, qualify as "Porphyry Mo (Low-F-Type)" with related examples in B.C. such as the Endako mine, Boss Mountain and Adanac deposits (Sinclair, 1995).

Sinclair (1995), in B.C. Mineral Deposit Profiles describes "Porphyry Mo (Low-F-Type)" as a stockwork of molybdenite-bearing quartz veinlets and fractures in intermediate to felsic intrusive rocks and associated country rocks. Deposits are typically low grade but large and amenable to bulk mining methods. The tectonic setting is subduction zones related to arc-continent or continent-continent collision, in high level to subvolcanic felsic intrusive centres with multiple stages of intrusion. A variety of lithologies may be host rocks. Tuffs or other extrusive volcanic rocks may be associated with deposits related to subvolcanic intrusive rocks. Genetically related intrusive rocks range from granodiorite to granite and their fine grained equivalents, with quartz monzonite most common. The intrusive rocks are characterized by low fluorine contents (generally <0.1%F).

Molybdenite is the principal ore mineral, chalcopyrite is generally subordinate, and associated minerals include quartz, pyrite, magnetite, hematite, K-feldspar, biotite, sericite, clays, scheelite, tetrahedrite, galena, calcite and anhydrite. Ore is predominantly structurally controlled, mainly stockworks of crosscutting fractures and quartz veinlets, veins, vein sets and breccias. Alteration generally consists of a central core of potassic and silicic alteration, surrounded by or superimposed by a zone of phyllic alteration, giving way to an extensive zone of propylitic alteration, often overprinted by argillic alteration.

The genetic model involves multiple phases of felsic magmatic and associated hydrothermal activity during which highly saline fluids strip Mo, S and Fe from the magma, and deposit it as quartz, molybdenite and pyrite in breccias and fractures generated by pulses of intrusive activity and tectonism. Molybdenite skarns, and copper, tungsten, lead, zinc and silver-bearing veins may be peripherally associated with molybdenite stockworks.

Besides the MAC porphyry occurrences, there are three other minor Minfile occurrences located at MAC (Figure 7.1). They are:

- *093K 042; Tsitsutl Mountain Tin* is a narrow vein showing in metasedimentary rocks with minor tin, manganese vanadium cobalt, zinc and rhodonite. It is located in the northwest corner of the property.
- *093K 063; Tsitsutl Mountain* is a copper showing with minor amounts of disseminated pyrite and chalcopyrite in limestone near the contact with granitic rocks. It is located in the northwest corner of the property.
- *093K 067; Tsitsutl Mountain Chromium*is a small chromium showing where a 1.5 to 2.1 m long chromite lens is hosted in a serpentite. It is located in the northwest corner of the property.

9.0 Exploration

Stratton embarked on an extensive exploration program including airborne and ground geophysics, soil geochemical sampling and drilling at MAC in 2011.

In August 2011, a heliborne combined magnetics and ZTEM survey was completed covering the entire MAC claim group and a grid controlled induced polarization survey was completed by early December covering the Camp and a portion of the Pond and Peak Zones. The purpose of these surveys was to help map lithology, structure and geological contacts and help define structural and geological controls on mineralization and provide additional targets for future exploration. In early December, a limited program of test soil geochemical sampling was completed over the Camp, Pond and Peak Zones to provide soil profiles over known mineralized zones in order to aid the interpretation of future geochemical surveys on the property (Figure 9.0).A 44-hole diamond drill program (10,067 m) was completed from September 9th to December 8th, 2011.

9.1 Airborne Geophysics

A helicopter-borne ZTEM electromagnetic and magnetic airborne geophysical survey was completed from August 3to August 9, 2011, by Geotech Ltd. ("Geotech")of Aurora, Ontario. The survey employed a Z-axis Tipper electromagnetic (ZTEM) system and a caesium magnetometer. Ancillary equipment included a GPS navigation system and radar altimeter. A total of 1,780 line kilometres of data at 100 to 200 m line spacing over all but a small part of the west central edge of MAC were covered by the survey. Flight lines were oriented east-west, transecting the dominant north-northwest regional lithological fabric as well as major faults and lineaments (Figure 9.1a).

In a ZTEM survey, a single vertical-dipole air-core receiver coil is flown over the survey area in a grid pattern, similar to regional airborne EM surveys. Two orthogonal, air-core horizontal axis coils are placed close to the survey site to measure the horizontal EM reference fields. Data from the three coils are used to obtain the Tzx and Tzy Tipper Vozcoff, (1972) components at six frequencies in the 30 to 720 Hz band. The ZTEM is useful in mapping lithology using resistivity contrasts and magnetometer data provides additional information on geology using magnetic susceptibility contrasts.

Geotech submitted a final survey report and digital files to Stratton in September 2011. The data was forwarded to Condor Consulting Inc. (Lakewood, Colorado, USA) for inversion processing of the magnetic data and ZTEM review. An interpretive report of the survey data remains pending at the time of completion of this technical report.

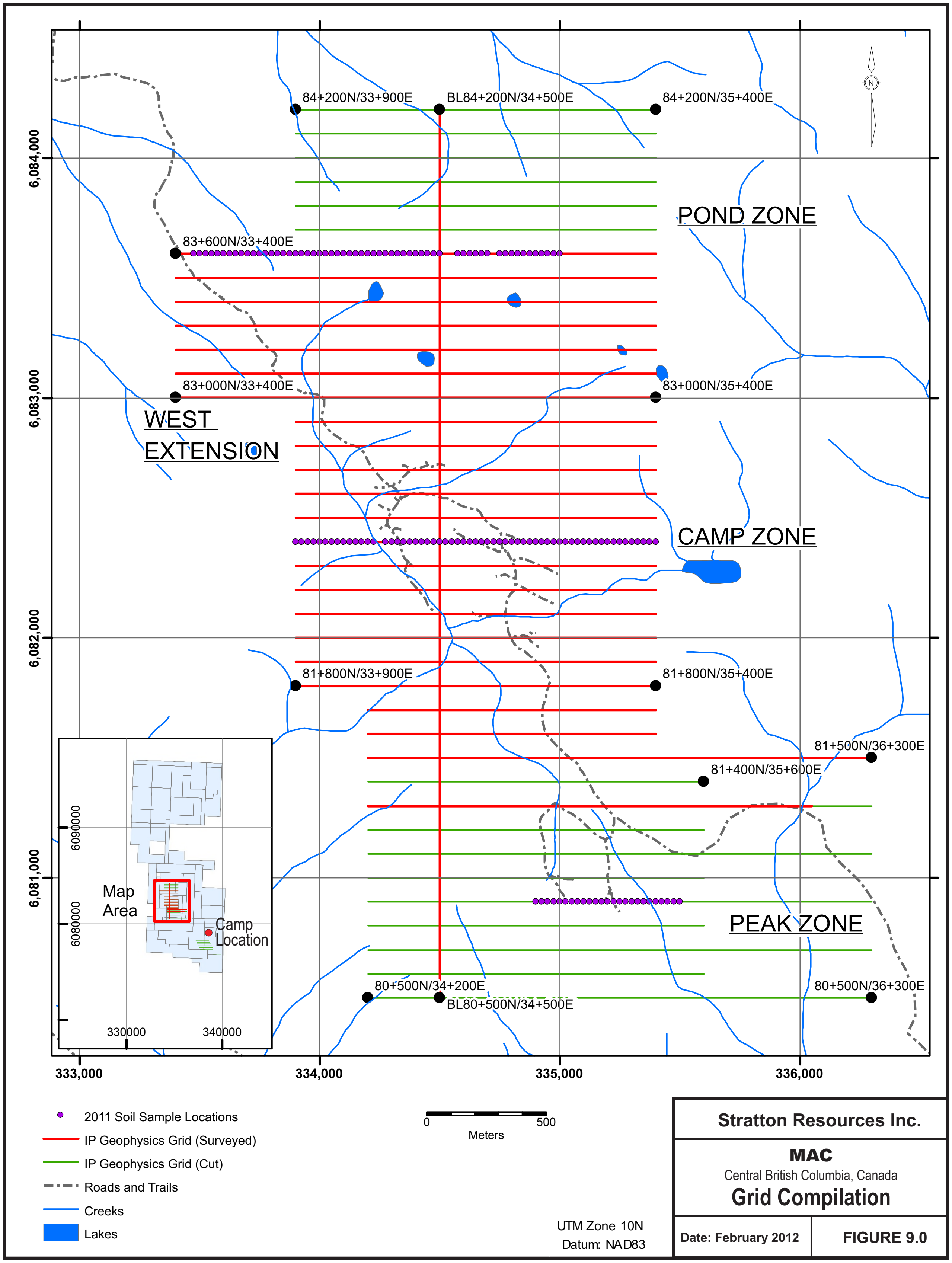
Figures 9.1b (Total Magnetic Intensity) and 9.1c (360 Hz Total Phase rotated in phase) illustrate the selection of the results provided by Geotech's September 2011 report. Both the magnetics and ZTEM surveys reflect the dominant orientation of the regional lithologies, showing discrete and lobate linear anomalies which trend NW-SE. Strong, linear and lengthy magnetic high anomalies likely outline ultramafic serpentite and volcanic (greenstone) rocks and the linear magnetic lows likely reflect limestone or other sedimentary lithologies. The smaller more circular magnetic highs, particularly on the southeast part of the property, may indicate masked magnetite bearing intrusive bodies. The authors have little experience with ZTEM surveys and therefore cannot provide comments on these results.

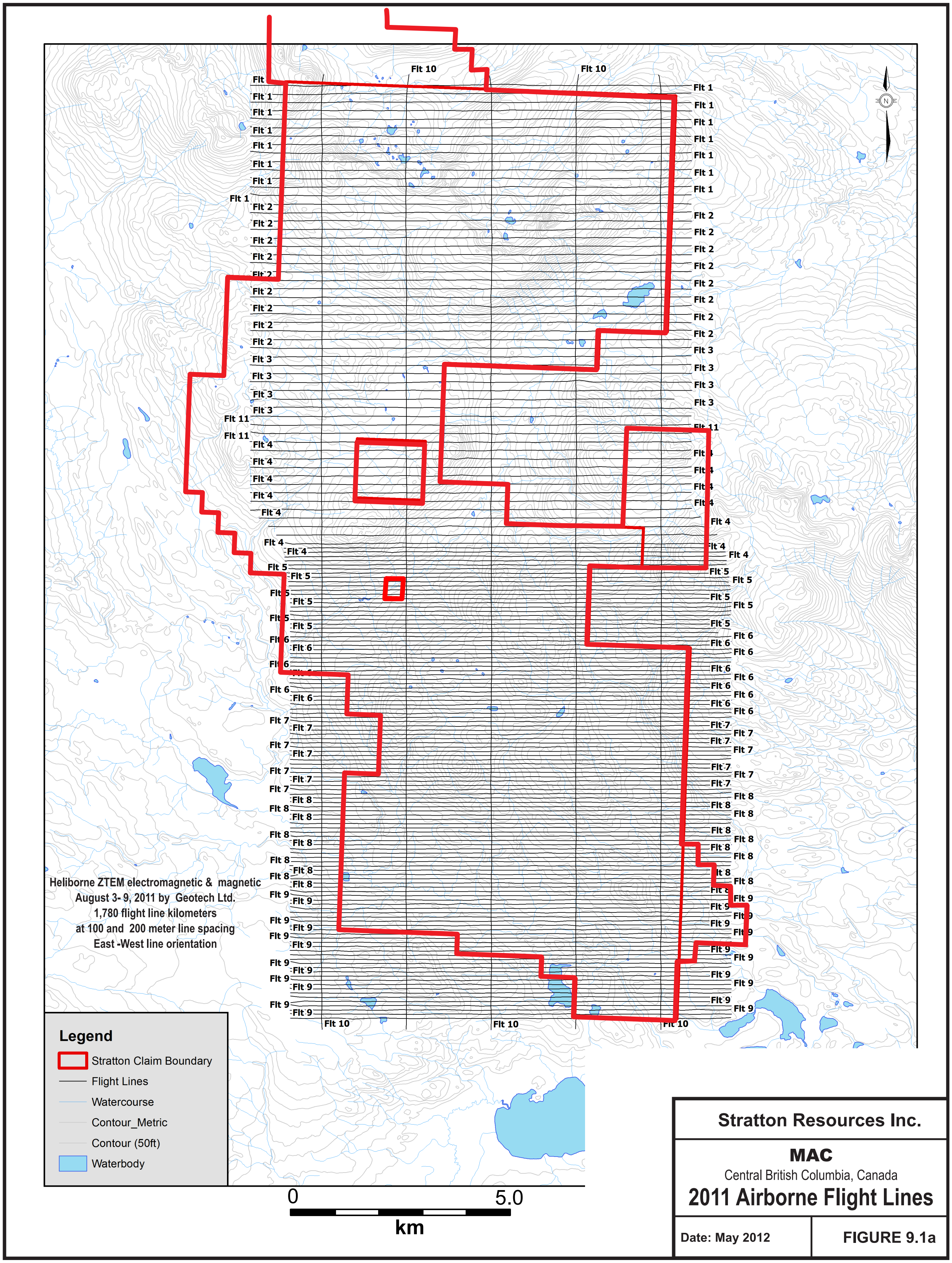
9.2 Induced Polarization Survey

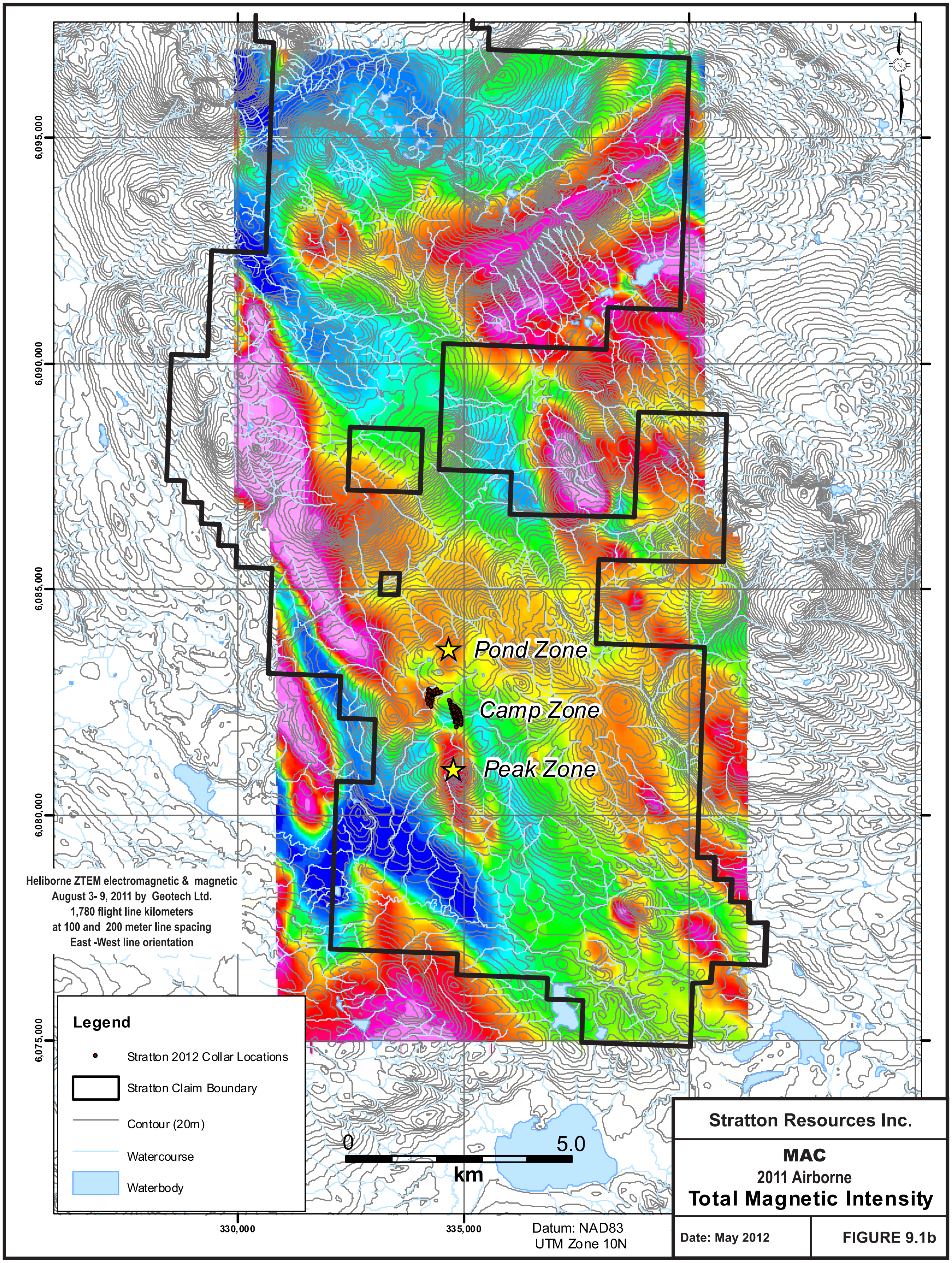
The induced polarization (IP) survey was conducted by Geotronics Consulting Ltd. of Surrey, B.C. during the period October 20 to November 28, 2011. The main objective of the survey was to see if, and how well, IP could correlate to previously delineated mineralization at the Camp, Peak and Pond Zones.

A total of 38.4 line kilometres of IP data over 23 lines was collected. Data was collected from east-west oriented cut grid lines spaced at 100 m intervals, with readings recorded at 50 m intervals from the lines. The array chosen was dipole-dipole with an electrode spacing ("a" spacing) of 50 m read to 10 separations.

The Geotronics IP survey results were inconclusive. A collaborative interpretation provided by Geominex, Stratton, Geotronics, and Condor Consulting indicates that the generally ubiquitous, albeit modest disseminations of sulfides throughout most of MAC rocks hinder electrically induced geophysical methods for the successful differentiation of possible prospective Mo-Cu sulphide mineralization from barren country rock.


84+200N/33+900E
BL84+200N/34+500E
84+200N/35+400E
POND ZONE
83+600N/33+400E
83+000N/33+400E
83+000N/35+400E
WEST EXTENSION
CAMP ZONE
81+800N/33+900E
81+800N/35+400E
81+500N/36+300E
81+400N/35+600E
PEAK ZONE
80+500N/34+200E
BL80+500N/34+500E
80+500N/36+300E
6,084,000
6,083,000
6,082,000
6,081,000
333,000
334,000
335,000
336,000
Map Area
Camp Location
6090000
6080000
330000
340000
2011 Soil Sample Locations
IP Geophysics Grid (Surveyed)
IP Geophysics Grid (Cut)
Roads and Trails
Creeks
Lakes
0
500
Meters
UTM Zone 10N
Datum: NAD83
Stratton Resources Inc.
MAC
Central British Columbia, Canada
Grid Compilation
Date: February 2012
FIGURE 9.0


Heliborne ZTEM electromagnetic & magnetic
August 3- 9, 2011 by Geotech Ltd.
1,780 flight line kilometers
at 100 and 200 meter line spacing
East -West line orientation
Legend
Stratton Claim Boundary
Flight Lines
Watercourse
Contour_Metric
Contour (50ft)
Waterbody
0
5.0
km
Stratton Resources Inc.
MAC
Central British Columbia, Canada
2011 Airborne Flight Lines
Date: May 2012
FIGURE 9.1a



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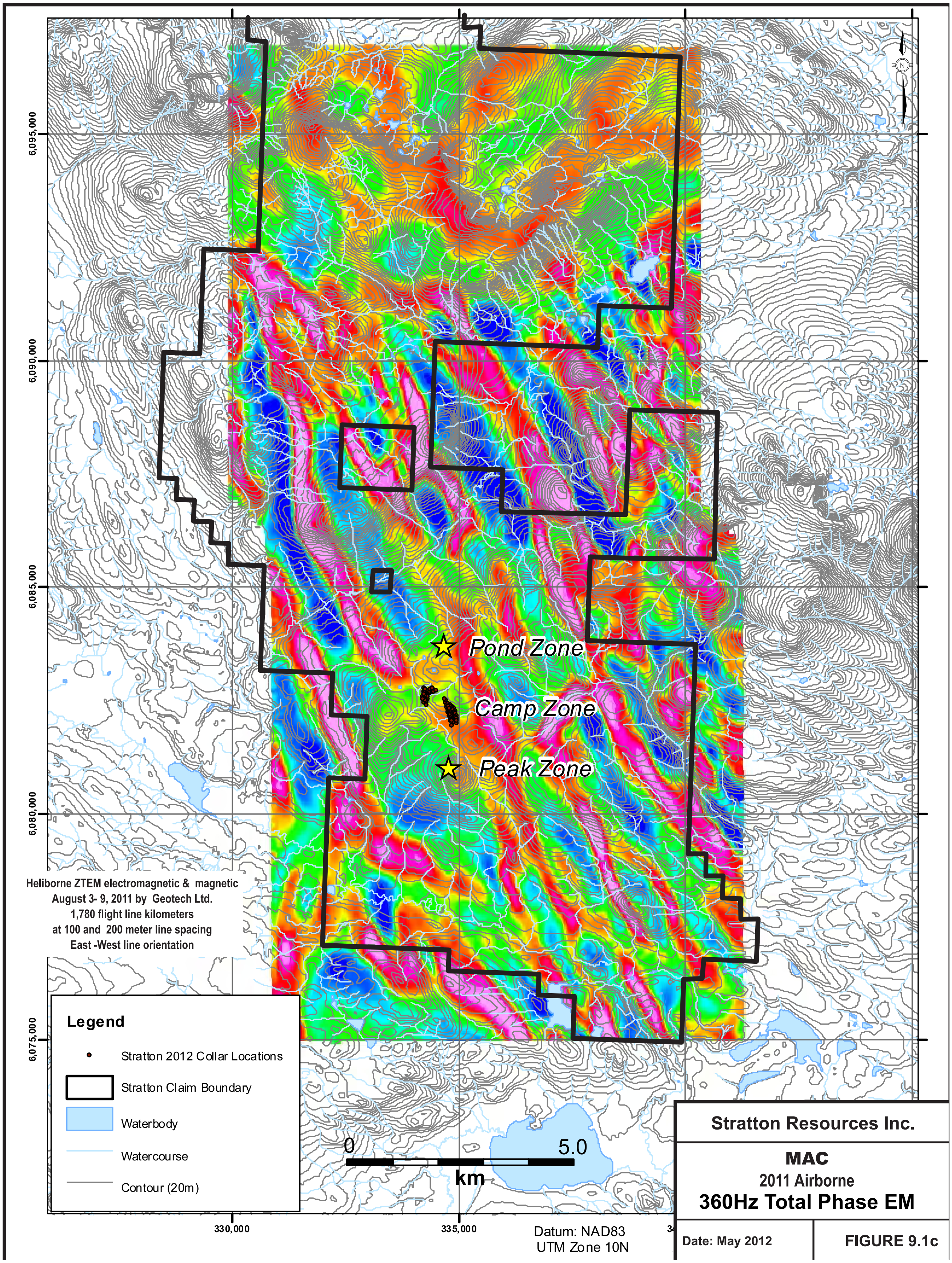

6,095,000
6,090,000
6,085,000
6,080,000
6,075,000
330,000
335,000
Pond Zone
Camp Zone
Peak Zone
Heliborne ZTEM electromagnetic & magnetic
August 3- 9, 2011 by Geotech Ltd.
1,780 flight line kilometers
at 100 and 200 meter line spacing
East -West line orientation
Legend
Stratton 2012 Collar Locations
Stratton Claim Boundary
Waterbody
Watercourse
Contour (20m)
0
5.0
km
Datum: NAD83
UTM Zone 10N
Stratton Resources Inc.
MAC
2011 Airborne
360Hz Total Phase EM
Date: May 2012
FIGURE 9.1c

9.3 Soil Geochemical Sampling

A preliminary soil geochemical sampling program was conducted by Geominex Consultants during the period December 5 to December 9, 2011. A total of 144 samples were collected at 25 m intervals from three separate grid lines covering the Camp, Pond and Peak Zones in order to provide soil profiles over known mineralized zones (Figure 9.0). No blanks, standards or field duplicates were submitted as part of this limited program. Samples were sent to Acme Analytical Laboratories in Smithers, B.C. for sample preparation and then by air freight to Acme in Vancouver, B.C. for 36 element ICP-ES analyses. Soil samples are representative and unbiased.

Samples were collected using a soil auger, generally 10-25 cm below the base of the organic horizon, placed into pre-numbered kraft paper bags, and air dried prior to shipment to Acme Labs. The auger was hand cleaned after each sample to avoid contamination. Results for molybdenum and copper are summarized in Table 9.3.

Table 9.3 Summary Statistics Mo & Cu Soil Samples

	Mo ppm	Cu ppm
Mean	34	100
Median	13	59
St. Deviation	63	110
Minimum	<2	17
Maximum	554	673

Results from the preliminary soil sampling program demonstrate that the known mineral occurrences at MAC respond well to soil geochemistry with both molybdenum and copper being the most effective pathfinder elements. Samples collected over the Camp Zone returned values up to 554 ppm Mo and 673 ppm Cu while samples near the Peak and Pond Zones returned values up to 195 ppm Mo and 290 ppm Cu. The ICP-ES analyses conducted on these samples did not include fluorine which may prove to be another important pathfinder element. Future geochemical analyses should include fluorine.

10.0 Drilling

Sporadically since 1989, a total of 104 diamond drill holes (~22,377 m) have been drilled property-wide. The main focus of drill testing has and continues to be the priority Camp Zone, where 92 of the 104 holes have been drilled.

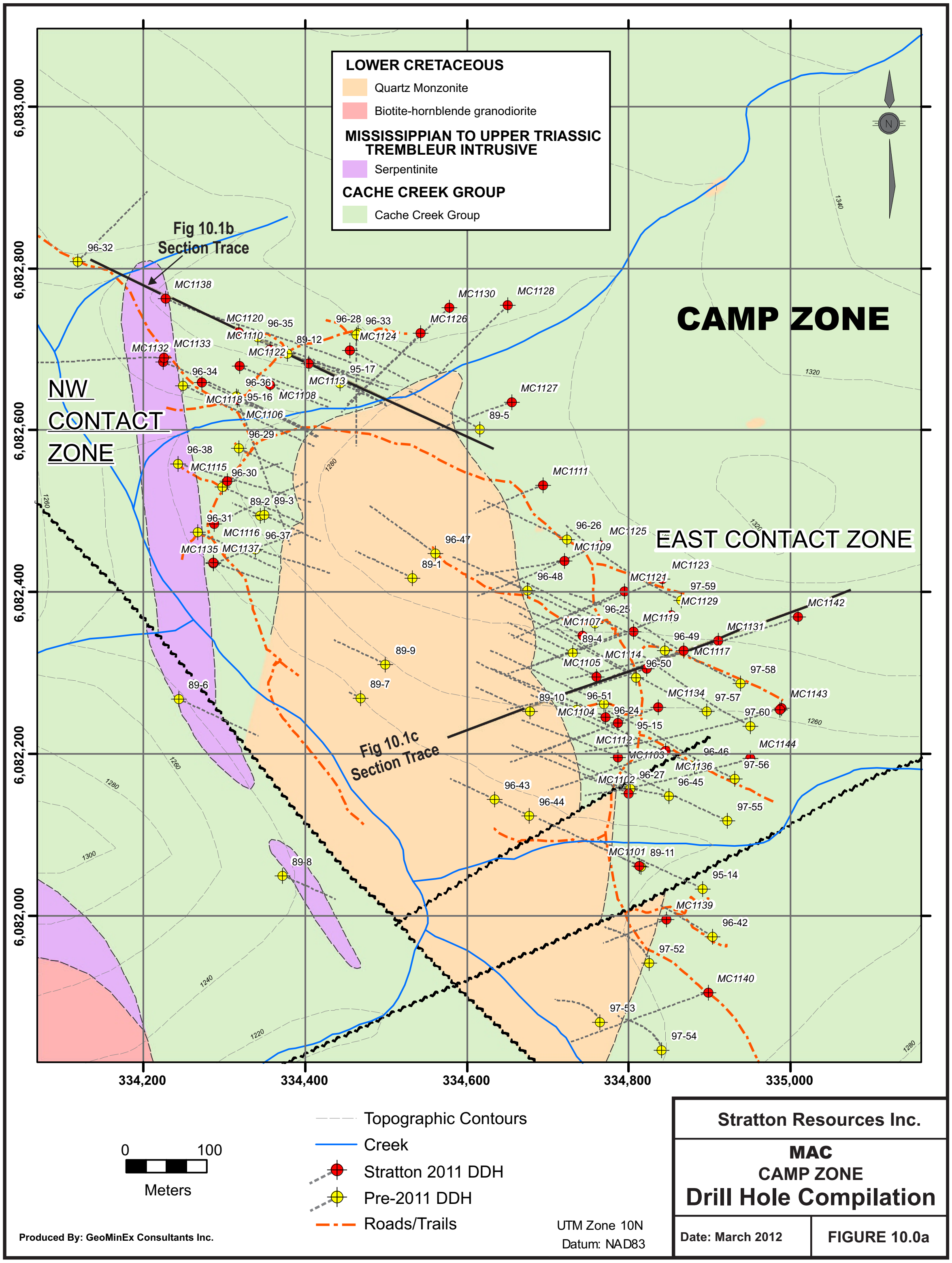
10.1 Pre-Stratton Drilling 1989-1997

Porphyry molybdenum and copper mineralization was first discovered at MAC in 1982. Diamond drill programs in the late 1980s and mid1990s have included a total of 12,306 m in 61 holes (Rio Algom 1,488 m in 12 holes (1989); Spokane Resources 10,818 m in 49 holes (1995-1997)). The majority of the drilling was directed at the Camp Zone with a smaller number of holes in the Pond and Peak Zones. Figure 10.0a illustrates the drill-hole locations for the priority Camp Zone. Appendix A includes a complete property drill hole summary table.

Drilling carried out in 1989 and 1995 was BQ (40.7 mm) in size. The core diameter was increased to NQ (47.6 mm) in 1996. All documented drilling on the property was conducted by contractor, J.T. Thomas Drilling of Smithers, B.C. The 1989 drilling utilized a JT600 diamond drill with the drill moved from set-up to set-up by helicopter. In 1995, a skid-mounted JT2000 drill was used, and a skid-mounted Longyear 38 drill was used in 1996-1997. For both the 1995 and 1996-1997 programs, the drill was dragged from set-up to set-up utilizing a bulldozer. Core logging for all drill programs was done in metric and hand split core was stored on site.

A review of available assessment reports (AR numbers 19451, 24319, and 24638) indicates that all mineralized drill core was split and sampled in intervals ranging from 0.6 to 6.0 m with a median length of 2.0 m, a sample interval appropriate for porphyry style mineralization. Most of the 1989 and 1996 drilling was sampled at 2.0 m intervals while almost all of the 1995 drilling was sampled at 1.0 or 2.0 m intervals, with about half of the 1.0 m split samples subsequently composited to 2.0 m samples for analysis.

From an examination of the historical core stored on the property and an examination of drill logs, drill recoveries in general were good. However, no detailed records were kept with respect to drill recovery or rock quality data.



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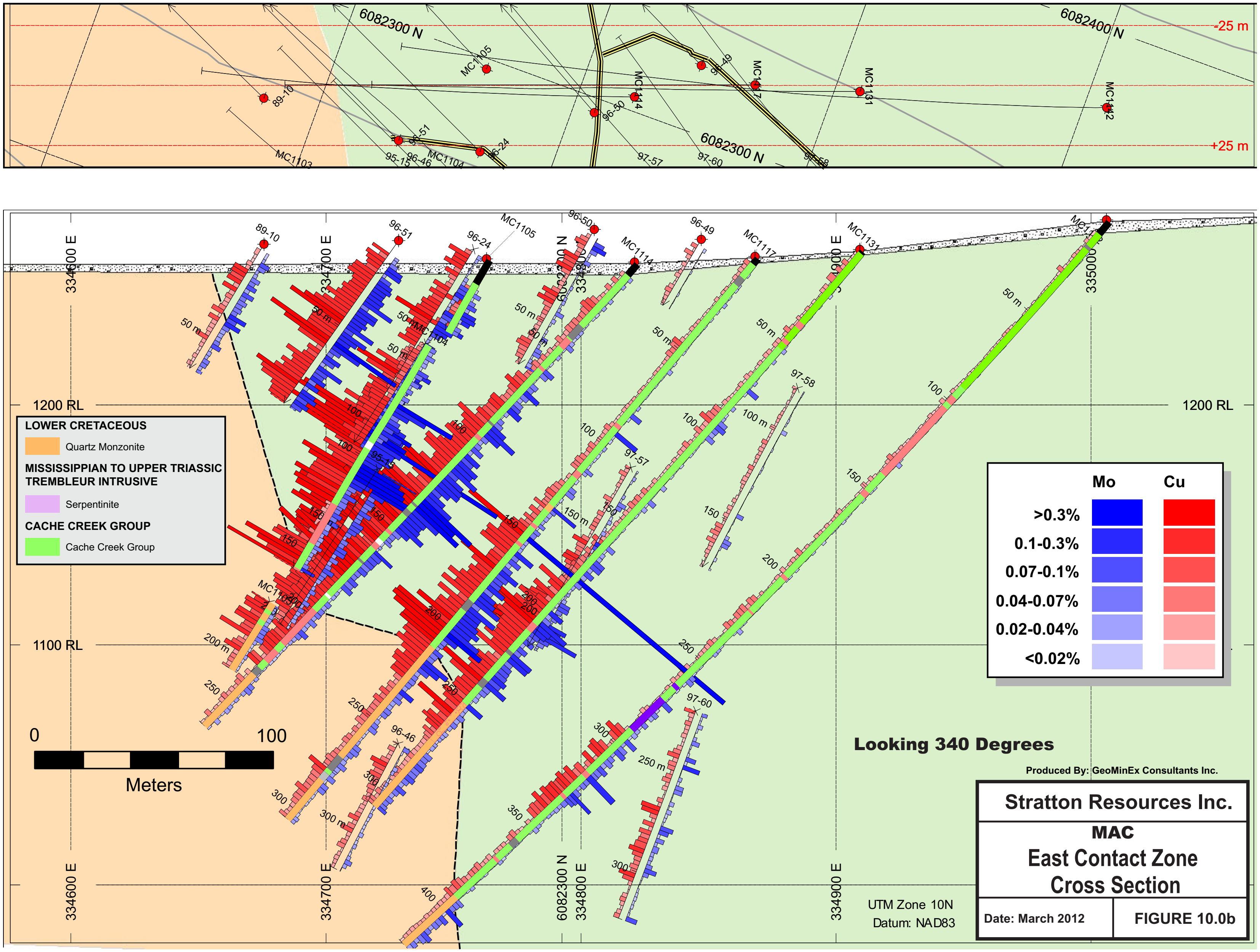
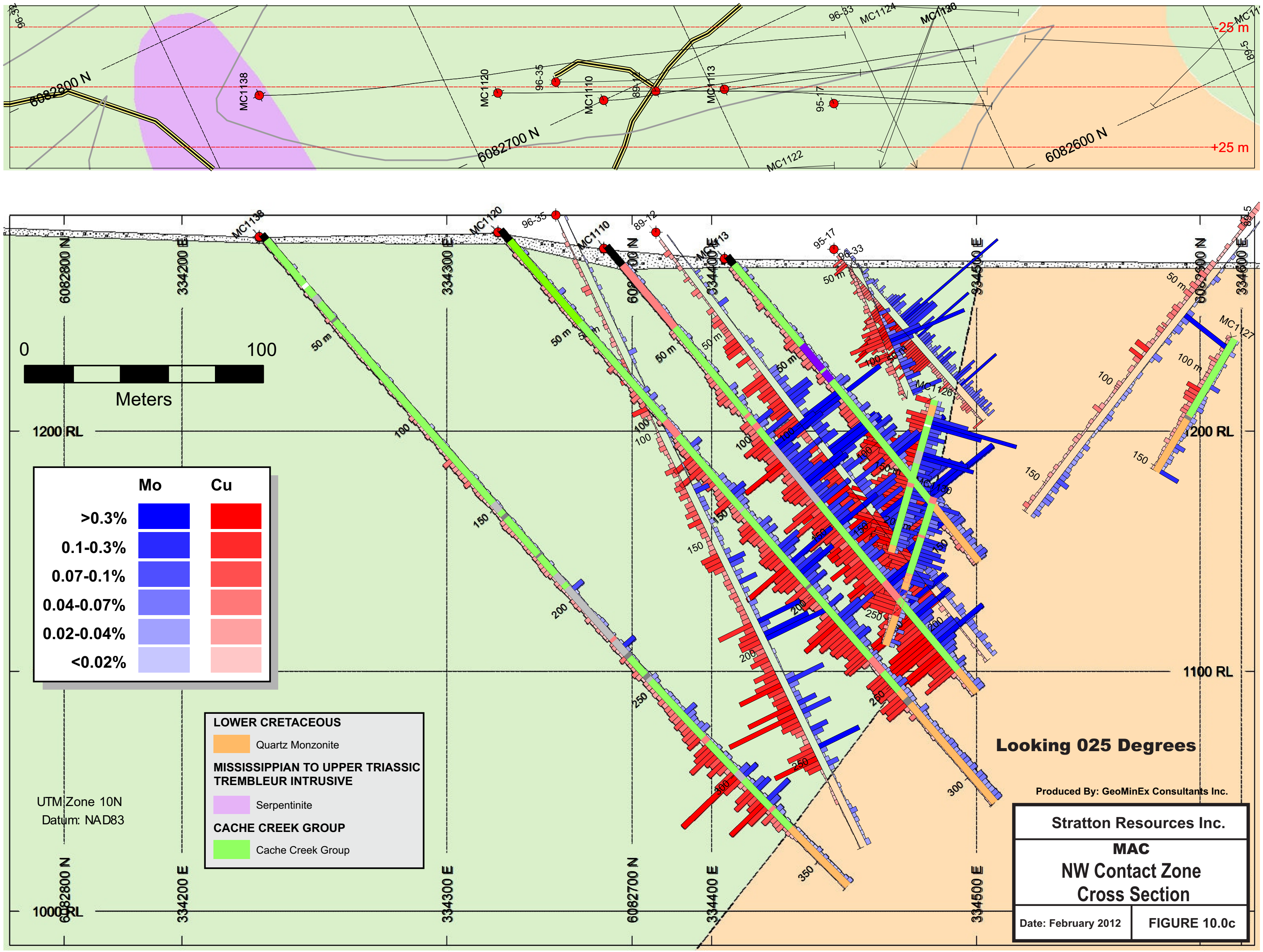

6082300 N
6082400 N
-25 m
+25 m
1200 RL
1100 RL
334600 E
334700 E
334800 E
334900 E
335000 E
6082300 N
LOWER CRETACEOUS
Quartz Monzonite
MISSISSIPPIAN TO UPPER TRIASSIC TREMBLEUR INTRUSIVE
Serpentinite
CACHE CREEK GROUP
Cache Creek Group
Mo
Cu
>0.3%
0.1-0.3%
0.07-0.1%
0.04-0.07%
0.02-0.04%
<0.02%
0
100
Meters
Looking 340 Degrees
Produced By: GeoMinEx Consultants Inc.
UTM Zone 10N
Datum: NAD83
Stratton Resources Inc.
MAC
East Contact Zone
Cross Section
Date: March 2012
FIGURE 10.0b



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M Moore P. Geo

10.2 Stratton Drilling 2011

A 44 hole diamond drill program, totalling 10,067 m of HQ- sized (63.5 mm) drill core, was conducted on the MAC property by Stratton from September 9th to December 8th 2011. The purpose of the 2011 drilling was to verify and expand upon the results of historical drilling at the Camp Zone and provide assay data for a 43-101 compliant resource estimate calculation for the Camp Zone. Figure 10.0a illustrates the drill hole locations for the Camp Zone. Appendix A includes a complete property drill hole summary table.

The 2011 MAC drill program was performed by Omineca Diamond Drilling of Burns Lake, B.C. Omineca used two Multipower Discovery IIdrill rigs mounted on skids. Core logging and sampling supervision was completed by Geominex Consultants Inc. of Vancouver, B.C and assaying was performed by Acme Analytical Laboratories of Vancouver, B.C.

A purpose-built core logging facility is located at the exploration camp close to the drilling area where core is measured, geologically examined, logged and marked for sampling. Core samples are selected and bagged; the half core that remains after sampling is cross-stacked by hole in a cleared area within the camp compound.

A Reflex multi-shot survey tool was used at 30 m downhole intervals to provide in-hole survey data and a Reflex ACT orientation tool was used on approximately ¼ of the holes to help provide oriented structural data. Drill hole locations were determined by a handheld Topcon GPS and were later adjusted by a precision GPS method utilizing an Ashtech PM100 GPS unit utilizing a base station and rover.

Most of the 2011 drilling at MAC was directed at the Camp Zone with the intention of initiating resource definition of known mineralization. At the Camp Zone, some 9,651 m of core was recovered from 42 holes with 6,102 m drilled in 25 holes in the East Contact Zone and 3,549 m drilled in 17 holes in the Northwest Contact Zone.

An additional two holes (MC11-33, MC11-41), totaling 416 m, were completed to investigate preliminary targets generated by ground IP geophysical surveys. No significant results were obtained from these two holes.

Appendix A includes a list of all property drill holes (including the 2011 holes) and their locations, collar elevations, orientations, total depths, etc. Those drill holes which were not part of the 2012 resource estimate calculation are shaded grey in colour.

2011 drill holes at the Camp Zone were spaced at 50 to 100 m intervals and positioned along the intrusive-volcanic contact based on historical drilling and initially oriented at azimuth 115 for the Northwest Contact Zone and at azimuth 295° for the East Contact Zone. These hole orientations are consistent with drill orientations from historical drilling. After an initial nine holes were completed, hole azimuths for the Northwest and East Contact Zones were adjusted to 070° and 250° respectively to penetrate the strong regional northwest foliation fabric in a more favourable orthogonal manner. All 2011 drill holes were drilled with dips ranging from -45° to -50° from the horizontal in order to intersect the steeply dipping mineralization as orthogonal as possible thereby resulting in drill intercepts that are close to true widths. Figures 10.0b and 10.0c show typical drill sections through the East and Northwest Contact Zones and illustrate the geometry of the intrusive-volcanic contact and distribution of molybdenum-copper mineralization.

Camp Zone
Together, the 2011 and historical drilling have successfully delineated molybdenum and copper mineralization at the Camp Zone, where two lenses or contact zones in hornfelsed volcanic rocks are linked by a body of lower grade molybdenum mineralization in a quartz monzonite stock. Better grade molybdenum and copper mineralization is related to increased intensity of stockwork quartz veining containing disseminated molybdenite and chalcopyrite mineralization within strongly hornfelsed volcanic rocks proximal to the intrusive-volcanic contact. The lateral extents of the East Contact Zone mineralized body appears to be fully outlined over an estimated strike length of 700 m to a vertical depth of at least 280 m, remaining open at depth and to the south-east. The Northwest Contact Zone mineralized body has been defined along a strike length of approximately 400 m to a vertical depth of at least 230 m and remains open along strike to the south, north-west and at depth. No drilling has been conducted by Stratton to test the mineralization through the intervening quartz monzonite stock between the East and Northwest Contact Zones; however, limited historical drill testing has indicated that the intrusive body hosts a lower grade core zone of dominantly molybdenum mineralization.

A summary of the weighted averages of significant 2011 intersections for molybdenum and copper over the reported intersection length of the drill core is tabled below.

Table 10.2 2011 Drill Hole Select Highlight Results Summary

Hole No.	Purpose	From (m)	To (m)	Interval (m)	Mo %	Cu %
MC11-01	East Zone Contact	56	186	130.0	0.067	0.178
including		58	140	82.0	0.081	0.168
MC11-02	East Zone Contact	36	172	**136.0**	**0.098**	**0.232**
including		47.3	140.2	**92.9**	**0.123**	**0.219**
MC11-03	East Zone Contact	9.1	190	181.0	0.081	0.198
including		49	123	**74.0**	**0.133**	**0.217**
MC11-04	East Zone Contact	9.1	184	174.9	0.083	0.151
including		71	125.6	**54.6**	**0.172**	**0.225**
MC11-05	East Zone Contact	35	152	117.0	0.084	0.178
MC11-06	Northwest Contact Zone	39	144.4	**105.4**	**0.117**	**0.097**
including		87	129	**42.0**	**0.200**	**0.116**
MC11-07	East Zone Contact	50	124.3	**74.3**	**0.119**	**0.191**
including		72	107.8	**35.8**	**0.150**	**0.209**
MC11-08	Northwest Contact Zone	28	126	98.0	0.076	0.050
including		32	94	62.0	0.082	0.069
MC11-09	East Zone Contact	66.6	167.6	**101.0**	**0.117**	**0.189**
MC11-10	Northwest Contact Zone	96	230.2	**134.2**	**0.140**	**0.177**
including		108	203	**95.0**	**0.153**	**0.155**
MC11-11	East Zone Contact	86	141	55.0	0.076	0.087
including		86	120	34.0	0.090	0.130
MC11-12	East Zone Contact	54	156	**102.0**	**0.204**	**0.234**
including		88	120	**32.0**	**0.485**	**0.347**
MC11-13	Northwest Contact Zone	68	165	97.0	0.098	0.080
including		96	134	**38.0**	**0.166**	**0.139**
MC11-14	East Zone Contact	70	150	**80.0**	**0.141**	**0.205**
including		106	150	**44.0**	**0.193**	**0.273**
MC11-15	West Zone Contact	30	84	54.0	0.076	0.084
including		60	80	**20.0**	**0.109**	**0.080**
MC11-16	West Zone Contact	47	198	151.0	0.073	0.109
including		47	163	116.0	0.080	0.135
MC11-17	East Zone Contact	134	288	**154.0**	**0.101**	**0.137**
including		150	206	**56.0**	**0.187**	**0.220**
MC11-18	Northwest Contact Zone	96	210	114.0	0.083	0.090
including		124	158	**34.0**	**0.174**	**0.082**
MC11-19	East Zone Contact	68	193	125.0	0.083	0.141
including		96	161	**65.0**	**0.113**	**0.178**
MC11-20	Northwest Contact Zone	137	231	94.0	0.088	0.114
including		175	217	**42.0**	**0.128**	**0.136**
MC11-21	East Contact Zone	96	233	137.0	0.072	0.102
Including		124	158	**34.0**	**0.124**	**0.144**
MC11-22	Northwest Contact Zone	93	175	82.0	0.054	0.047
Including		93	107	**14.0**	**0.107**	**0.078**
MC11-23	East Contact Zone	166	222.4	56.4	0.063	0.087
including		180	194	**14.0**	**0.109**	**0.178**
MC11-24	Northwest Contact Zone	86.3	107	20.7	0.072	0.030
MC11-25	East Contact Zone	130	254	124.0	0.077	0.198
including		130	176	**46.0**	**0.116**	**0.266**
MC11-26	Northwest Contact Zone	94.2	212	**117.8**	**0.105**	**0.135**

including		117.9	174	**56.1**	**0.155**	**0.200**
MC11-27	East Contact Zone	No significant results				
MC11-28	Northwest Contact Zone	No significant results				
MC11-29	East Contact Zone	143.5	246.0	102.5	0.094	0.204
including		173.0	227.0	**54.0**	**0.132**	**0.239**
MC11-30	Northwest Contact Zone	104.1	266.0	161.9	0.069	0.097
including		184.9	228.5	**43.6**	**0.114**	**0.186**
MC11-31	East Contact Zone	162.0	308.0	146.0	0.060	0.121
including		198.0	240.0	**42.0**	**0.102**	**0.214**
MC11-32	Northwest Contact Zone	189.0	281.0	92.0	0.055	0.052
including		189.0	223.0	34.0	0.097	0.059
MC11-33	IP Target	No significant results				
MC11-34	East Contact Zone	46.0	233.0	177.0	0.079	0.206
including		131.0	180.0	**49.0**	**0.147**	**0.403**
MC11-35	West Contact Zone	23.9	177.0	153.1	0.065	0.071
including		61.0	118.0	57.0	0.088	0.1
MC11-36	East Contact Zone	44.0	227.0	183.0	0.094	0.179
including		126.0	177.0	**51.0**	**0.202**	**0.286**
MC11-37	West Contact Zone	20.7	120.0	99.3	0.047	0.068
MC11-38	Northwest Contact Zone	266.0	324.0	58.0	0.046	0.124
including		299.6	320.2	20.6	0.076	0.179
MC11-39	East Contact Zone	86.0	127.5	41.5	0.045	0.080
MC11-40	East Contact Zone	No Significant Results				
MC11-41	IP Target	No significant results				
MC11-42	East Contact Zone	272.8	334.0	61.2	0.059	0.061
including		295.0	334.0	39.0	0.075	0.085
MC11-43	East Contact Zone	237.0	295.0	58.0	0.063	0.091
MC11-44	East Contact Zone	200.0	303.0	103.0	0.049	0.080
including		200.0	246.0	46.0	0.067	0.090

Note: Reported intercepts are intercept lengths and not true widths

10.3 2011 Core Logging Procedure

Diamond drilling, core logging and sampling at MAC have been supervised by Brian Game, P.Geo. and John Walther, P.Geo. of Geominex Consultants Inc., both Qualified Persons in accordance with National Instrument 43-101.

Core logging included lithological logging of recovered core which included description of mineralogy and major geological features such as dikes, faults (gouge rock), simple RQD calculations, core recovery and specific gravity calculations. The information was initially recorded onto paper sheets and then input later into the digital database.

Logging of each hole was carried out in two phases. In phase one, core recoveries, Rock Quality Designation (RQD), and selective specific gravity calculations were determined. Core recoveries were calculated using total length of rock core contained in a length of run divided by the length of run, multiplied by 100% to get recovery.

Generally speaking, core recoveries from the HQ core were excellent, with recoveries generally in the 95%–98% range. Minor core losses occurred in faulted zones where the rock was crushed and chloritized. Fragments may have ground together in the core tube with minor losses occurring. Molybdenite, being a soft platy mineral, is inherently subject to small losses in the drilling process. A loss of molybdenite and chalcopyrite can also occur in sheared and broken rock formations where the rock is friable and easily ground up and carried out of the hole with the drill fluids. These losses can be mitigated by capable drillers paying careful attention to ground conditions, but any potential losses are always difficult to quantify. At the MAC project, such difficult ground conditions were encountered infrequently, particularly after modifying drill orientations to penetrate the regional fabric at a more orthogonal orientation. It is reasonable, on a global basis, to accept molybdenum and copper assay values from core samples as closely approximating in situ values.

RQD calculations were performed using D.U. Deere's method where all pieces longer than 10 cm in length of intact and competent core in a run were identified by the geologist and then summed up. The sum of the length was then divided by the length of run all multiplied by 100 to calculate percent.

Specific gravity calculations were performed on about 7% of the sampled core intervals with samples collected from mineralized and relatively unmineralized core and the various rock lithologies. The specific gravity is calculated by weighing a specific length of sample in air and then weighing the same sample in water. Where possible, the entire sample interval was used for measuring specific gravity. Weight determinations were made using an Ohaus Scout Pro balance, Model SP6001, with accuracy to 0.1 grams.

In the second phase, the lithological description of recovered core was recorded, which primarily included rock type, color, texture, sulphide content, alteration and description of major geological features such as intrusive dikes, faults, quartz veining density and foliation relative to either oriented or unoriented core axis. Phase two also included photographing the core for a visual record and marking the core for sampling. As a general rule, sample lengths were 2.0 meters through mineralized and unmineralized core, with some shorter and longer samples taken to reflect specific higher grade mineralized intervals or specific lithologies. The shortest sample taken was 0.6 m and the longest sample was 4.0 m.

11.0 Sample Preparation, Analysis and Security

11.1 Sample Preparation, Analysis and Security 1989-1997

The authors consider all of the pre-2011 geological, analytical and related data to be historical in nature and as such, make no representation as to whether the historical information is complete or wholly accurate. While the sampling methods and analytical procedures may not meet the current standards of National Instrument 43-101, and verification of the data is no longer possible, the work was completed by recognized professional geoscientists. It is the opinion of the authors that the sampling and analytical work was done to the highest standards of the day, and that the results may be relied upon and used for future work in estimating the grades and volumes of mineralization present in the Camp Zone. There is no reason to believe that either sampling integrity or security was jeopardized at any time during the pre-2011 sampling programs reported in the project's historical reports.

Sample preparation and analysis for diamond drilling at MAC between 1989 and 1996 is covered in assessment reports by Cope (1989) and Fox (1996a, 1996b). Analytical certificates indicate that analyses were done by Acme Analytical Laboratories of Vancouver, B.C. or Chemex Labs of North Vancouver, B.C.

Core samples from the 1989 drilling were collected by splitting the core with a jaw-type splitter. One half of the core was shipped for sample preparation and analysis to Chemex Labs of North Vancouver, B.C. All samples were dried, crushed and pulverized and then assayed for molybdenum and further analyzed by various combinations of copper assay, gold assay and 32 element inductively coupled plasma (ICP).

Core samples from the 1995 and 1996 drilling were collected by splitting the core with a jaw-type splitter. One half of the core was shipped for sample preparation and analysis to Acme Analytical Laboratories in Vancouver, B.C. Samples from the 1995 drilling were dried, crushed and pulverized. The pulverized samples were split down to 1 gram. The 1-gram sample is leached in 50 or 75 millilitres (ml) aqua-regia, diluted to 100 or 250 ml and analyzed by ICP. Samples from the 1996 drilling were dried, crushed and pulverized. The pulverized samples were split down to 1 gram. The 1-gram sample is leached in 50 ml aqua-regia and diluted to 100 ml. Copper and molybdenum concentrations are detected by ICP analysis. A select number of samples were further analyzed for gold, silver, platinum and palladium. An assay sample is analyzed by lead collection fire assay. Concentrations are determined by ICP.

While little data is available on the levels of quality controls used during the drilling programs, Fox (1996) describes a limited program of check assaying from two holes in the 1995 drill program. Samples assayed for molybdenum and copper at Acme Analytical Laboratories of Vancouver, B.C., were checked at Chemex Labs of North Vancouver, B.C. From an initial population of 483 samples, 20 samples were selected for check assay. The check assay program, carried out on selected rejects agreed.

11.2 Sample Preparation, Analysis and Security 2011

After geotechnical and geological logging, drill core samples intervals were marked directly on the core with red lumber crayons. Each sample interval is marked with an Acme paper sample tag to be included in the sampling bag for analysis and a butter-soft metal tag displaying the sample number and the sample interval (From-To) was stapled into the wooden core box at the start of the sample interval.

Once the sampling intervals have been selected by the geologist, they are moved to the cutting room where each length of core is cut in half lengths using an electric diamond blade circular saw. A cut half core sample was then placed into a plastic sample bag, the paper sample tag placed in the bag and the sample ID written on the outside of the bag. Each sample bag is secured with a “zap” strap to prevent any material entering or exiting the bag. Individual samples were combined in a large rice bag up to a weight of about 40 kg and the top of the rice bag sealed with a “zap” strap and a numbered security tag. The rice bags would list the range of samples that it contained. Appendix D contains a number of photos of core, sample bags and the core logging and cutting facilities.

Suites of certified reference material (standards), blanks and duplicates were added into the core sample sequence every 20 samples. The reference material was 100 grams of CDN-MoS-1 and the blank material used was dolomite landscaping material. Duplicates were created by inserting two sample tags into one sample of half core.

The samples were transported directly by employees of Stratton to Acme Analytical Labs in Smithers, B.C. for sample preparation and then by air freight to Acme in Vancouver, B.C. for assay. Acme Laboratories is ISO 9001:2000 accredited. The authors are not aware of any relationship between Acme Analytical Laboratories and Stratton.

On receipt of the samples at Acme Laboratories in Smithers, Acme confirmed the security numbers of the sacks received the individual sample numbers and the integrity of each sample. No breaks in the chain of custody for the samples have been recorded.

Soil samples were collected using a hand auger with samples collected at depths of 15 to 25 cm below the organic layer. Samples were placed in kraft soil bags appropriately numbered to correspond with the grid coordinate from where they were taken. Samples were air dried at site and then packaged in large rice bags following all of the same security protocols observed for the drill core samples.

Upon receipt by Acme Analytical Laboratories, all core samples are dried, crushed to 80% passing 10 mesh and pulverized until 85% passes 200 mesh. Soil samples are oven dried to

60°C then screened to -80 mesh with the oversize material discarded. The pulverized samples for all 42 holes drilled at the Camp Zone were split down to 0.5g and treated to a 4-Acid digestion (Group 7TD2) by being heated in HF-HNO3-HClO4 to fuming and taken to complete dryness. The residue was dissolved in HCl and solutions were then analyzed by ICP-ES for 23 elements including Mo and Cu to low detection limits. For the two anomaly holes (MC11-33 and MC11-41) and the soil samples, the pulverized or sieved samples were split down to 0.25 g and treated to a 4-Acid digestion (Group 1E) by being heated in HF-HClO4-HNO3 to fuming and taken to complete dryness. The residue was dissolved in HCl and solutions were analyzed by ICP-ES for 36 elements including Mo and Cu. A detailed description of the analysis protocols for the Acme procedures is included in Appendix B.

At Acme, a suite of blanks, reference materials and duplicate samples were inserted by the lab into the sample stream. The results reported from the lab control samples were within the limits of instrumental and analytical accuracy. No corrective actions were taken by the lab. Control samples submitted by the Company are reported in the Data Verification section of this report.

In the opinion of the authors, the sampling methods, analytical procedures and security protocols employed by Stratton are accepted industry practice and have produced samples of appropriate quality and reliability for the purposes of resource estimation. There is no reason to believe that either sampling integrity or security was jeopardized at any time during the 2011 sampling programs.

12.0 Data Verification

12.1 Drill Holes from 1989-1997

None of the original analytical certificates for the drilling done between 1989 and 1997 are available for review, however, assessment reports contain photocopies of drill logs and assays for the 1989 and a portion of the 1995 and 1996 drilling. The digital assay database for the historical drill holes used for this resource estimate contains 10,855 assay records. As part of this study, the authors performed a review of about 10% of the drillhole database against photocopied versions of the original assay records. The authors found no material errors within the database.

12.2 Drill Holes from 2011

In support of the core sample analysis program; blank samples, certified reference materials (standards) and sample duplicates were included in the samples submitted to Acme Analytical Laboratories. For the 2011 diamond drill program, approximately one in seven analyses represents some form of Quality Analysis/Quality Control data verification.

12.2.1 Analytical Blanks 2011

Blank material was sourced from dolomite landscaping material and inserted by the geologist into the sample stream every 20 samples in order to verify that the laboratory equipment was properly cleaned between samples and to detect any contamination during preparation.

In total, Stratton assayed 277 blank samples, representing approximately 5 % of the assay database. 258 of the 284 samples were below the detection limit of 0.001% Mo and 246 of the 284 samples were below the detection limit of 0.001% Cu, with the average value of the samples above detection limit being 0.002% Mo and 0.004% Cu respectively. The Mo and Cu values reported for the blank samples have been plotted on the control charts below. There does not appear to be any evidence of laboratory contamination.

Figure 12.2a Blank Sample Performance - Mo

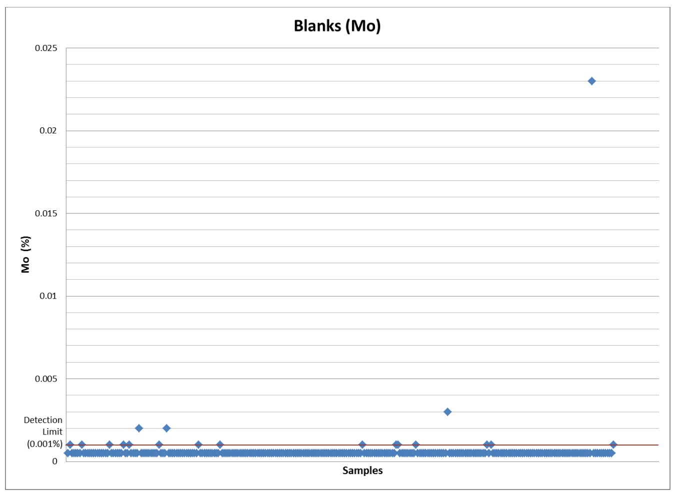
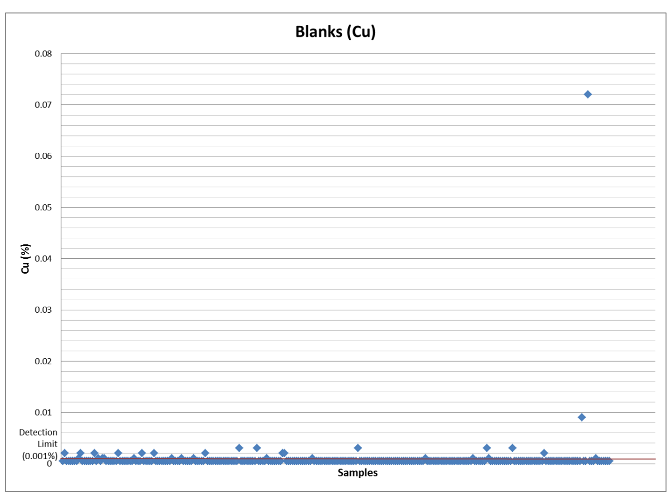


Figure 12.2b Blank Sample Performance - Cu



12.2.2Duplicate Samples 2011

One type of duplicate was employed. It involved the insertion of two sample tags into one sample of half core resulting in a duplicate or repeat sample from a single pulp. The purpose of the duplicate is to establish sample variance through the sample analysis process. These duplicates do not provide an assessment of variance in the sample preparation stage.

Stratton assayed 277 duplicate samples, representing approximately 5% of the assay database. The accepted limit for duplicates was established at +/- 20% relative pair difference with relative pair difference expressed as:

$$\left|\frac{A-B}{0.5*(A+B)}\right|*100$$

Duplicate sample analysis for Mo and Cu was in general good (see tables below). The duplicate control samples, with six exceptions for Mo and three exceptions for Cu found to be within acceptable levels of reproducibility.

Figure 12.2c Mo Repeat Samples

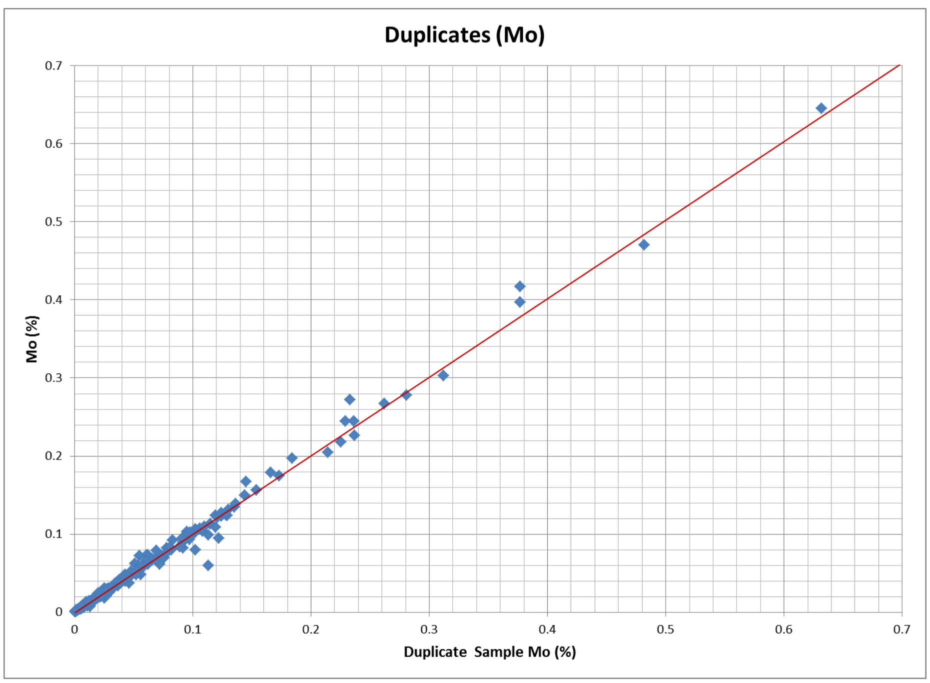
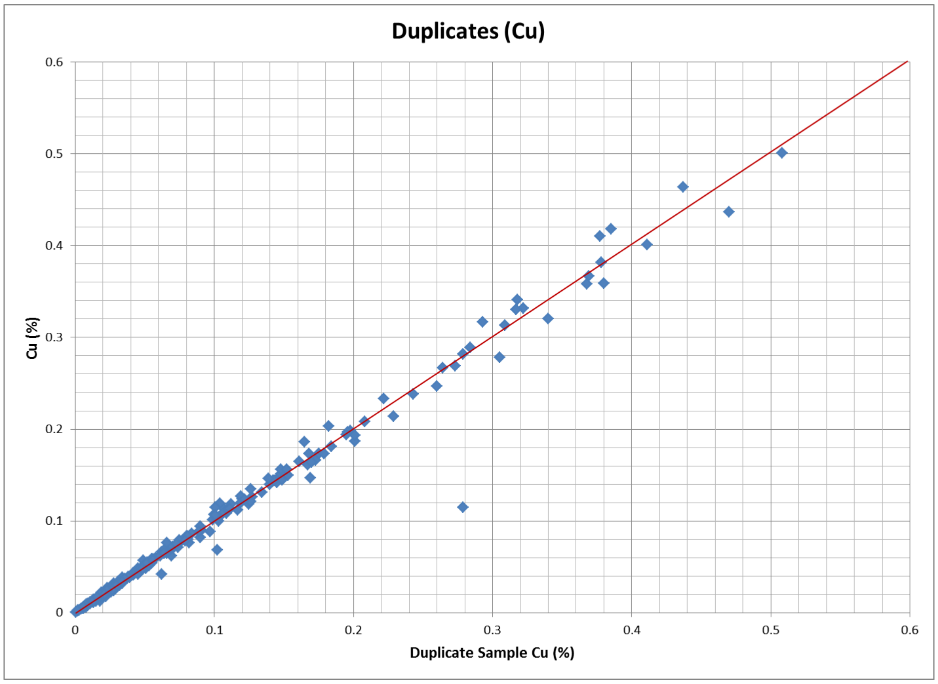


Figure 12.2d Cu Repeat Samples



12.2.3 Standards or Reference Material

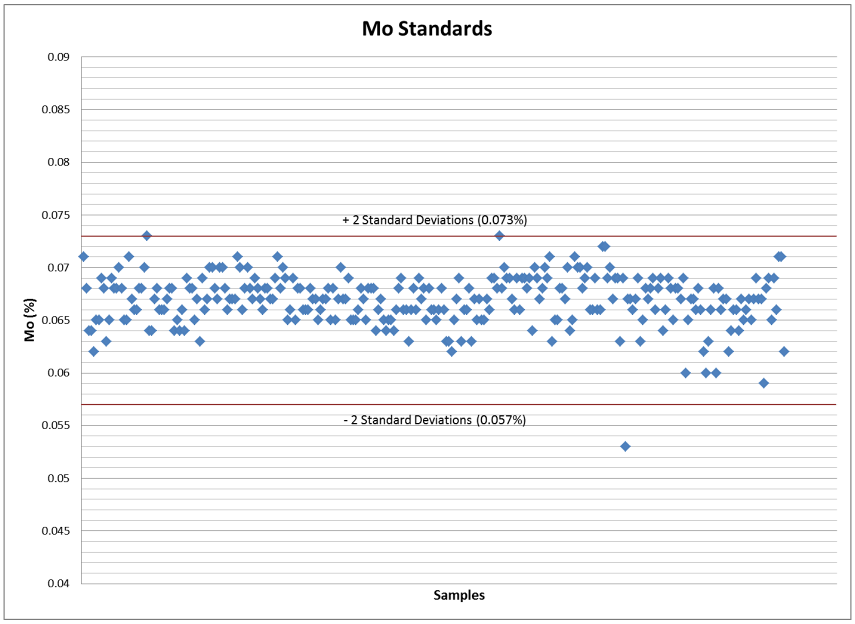
An analytical standard was obtained from CDN Resources Laboratories Ltd as CDN-MoS-1. This is a well-established standard prepared using mill feed from the Endako Mine in central British Columbia, located approximately 90 km south-southwest of the MAC property. The selected standard provides a good reflection of the average molybdenum grade encountered. The certificate for CDN-MoS-1 can be found in Appendix C of this report.

The analytical standard was inserted by the geologist into the sample stream every 20 samples in order to test the accuracy and precision of the analysis. In total, 279 analyses of standards have been conducted, representing a frequency of 5% of the samples analyzed. The acceptable criterion for the standard is the mean value +/- $\leq$2 x standard deviation. Table 12.2.3 presents the mean grade and accepted standard deviation range for the standard used.

Table 12.2.3 Standard Reference Material for Molybdenum

Standard	Mo %	1sd	2sd	2sd low limit	2sd high limit
CDN-MoS-1	0.065	0.008	0.016	0.049	0.081

Figure 12.2e CDN-MoS-1 Assay Analysis for Mo



Review of CDN-MoS-1 data by Acme indicates that only one apparently erroneous sample exists, corresponding to 0.36% of the total standard analyses. Generally, the standard performs within two standard deviations, indicating reasonable accuracy and precision.

In the opinion of the authors, the programs of Quality Analysis/Quality Control employed by Stratton are accepted industry practice and would produce analytical data of appropriate quality and reliability for the purposes of resource estimation.

13.0 Mineral Processing and Metallurgical Testing

There has been no recent mineral processing or metallurgical testing on the Property.

A 2007 news release by Silvercorp Metals Inc. (formerly Spokane Resources Ltd.) refers to a preliminary metallurgical study carried out on the property by Lakefield in 1997. However, neither Stratton nor the authors have seen a report on this study or has any information about the metallurgical characteristics of mineralization from MAC.

14.0 Mineral Resource Estimates

Giroux Consultants was contracted by Stratton to complete a Resource Estimate for the Camp Zone. The resources were estimated by Gary Giroux, P.Eng., MASc. who is a qualified person and independent of the both the issuer and the title holder, based on the tests outlined in National Instrument 43-101.

14.1 Data Analysis

MAC has been drill-tested in a number of campaigns by a number of different companies as summarized below (see Figure 14.1 and Appendix A).

Table 14.1: MAC Drill Hole and Drill Metreage Historical Summary

Year	Company	DDH Labels	#DDH	Total metres
1989	Rio Algom Exploration	89-1 to 89-12	12	1,488 m
1995	Spokane Resources Ltd.	95-13 to 95-23	11	1,992 m
1996	Spokane Resources Ltd.	96-24 to 96-51	28	6,248 m
1997	Spokane Resources Ltd.	97-52 to 97-60	9	2,581 m
2011	Stratton Resources Inc.	MC1101 to 1144	44	10,067 m
		Total	**104**	**22,378 m**

To evaluate the assay sampling on these various drill campaigns, most of which were completed before 43-101 QA/QC protocols were in place, the grade distributions for historic and recent drill holes were compared using lognormal cumulative frequency plots. For both copper and molybdenum (see Figures 14.2 and 14.3) the curves are very similar for both time periods with the only difference being the 2011 drill holes intersected higher values for both variables. There is no indication of bias and no reason both data sets can't be used to estimate the resource.

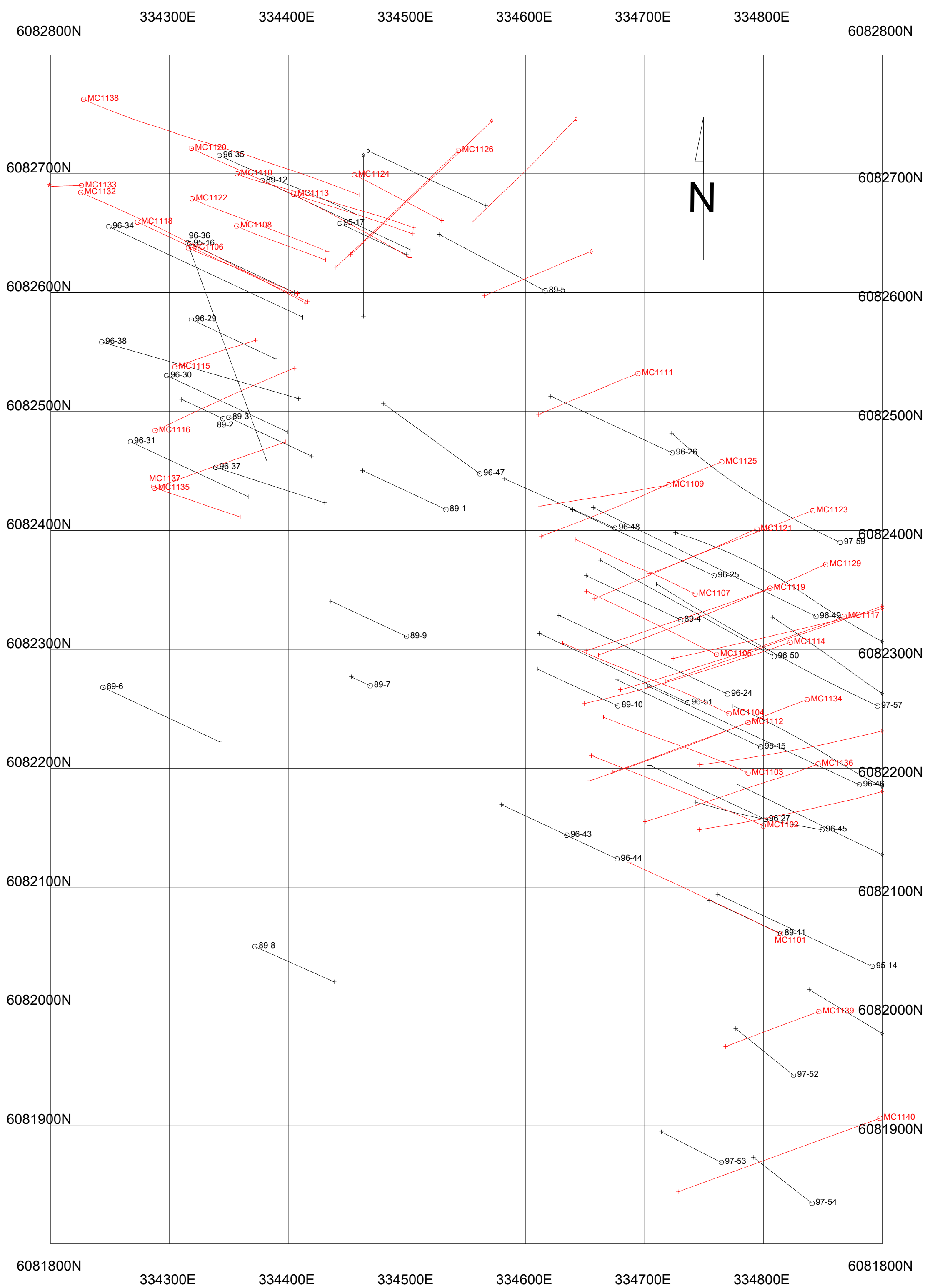


Figure 14.1: Plan view showing historic holes in black and 2011 holes in red

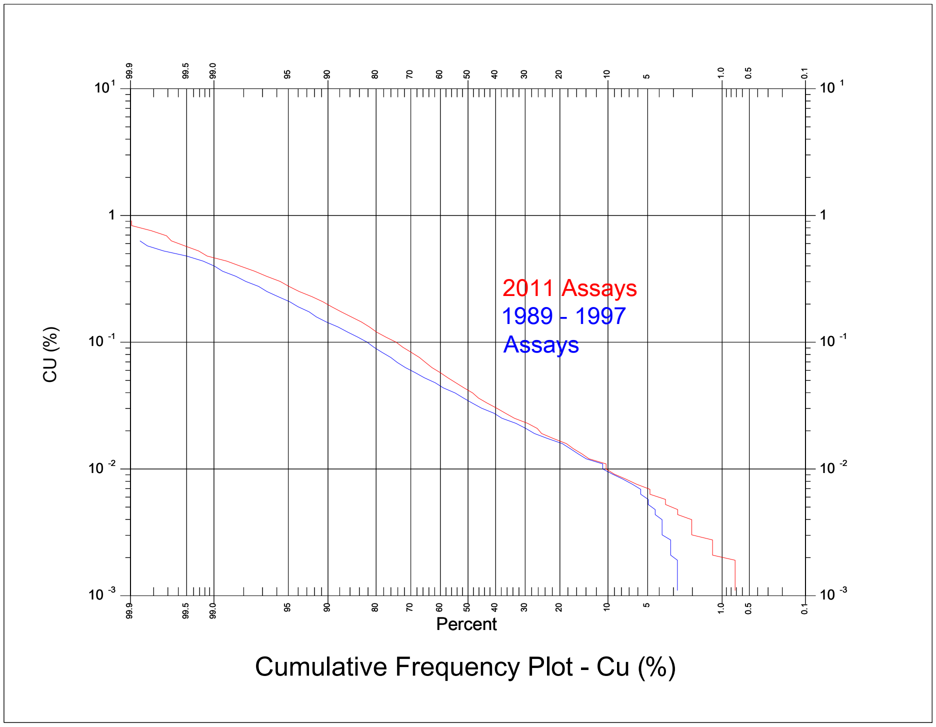


Figure 14.2: Lognormal Cumulative Frequency Plot for Copper

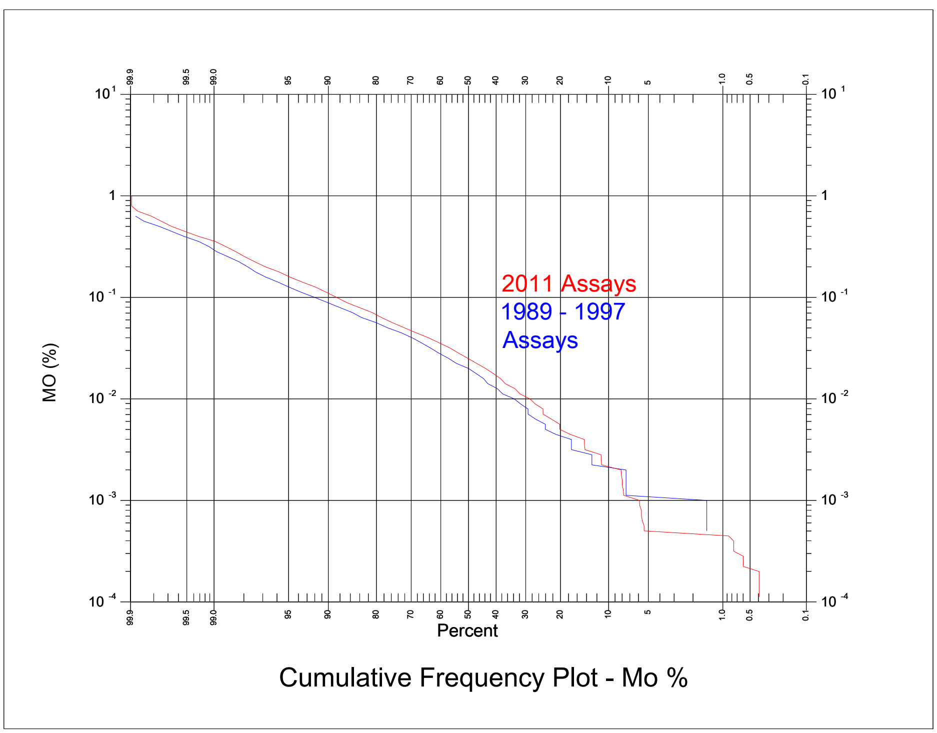


Figure 14.3: Lognormal Cumulative Frequency Plot for Molybdenum

Geologists from Stratton produced a three-dimensional geologic solid for the quartz monzonite stock and for several post mineral dykes large enough to model. All other material outside these solids was considered Cache Creek metavolcanics.

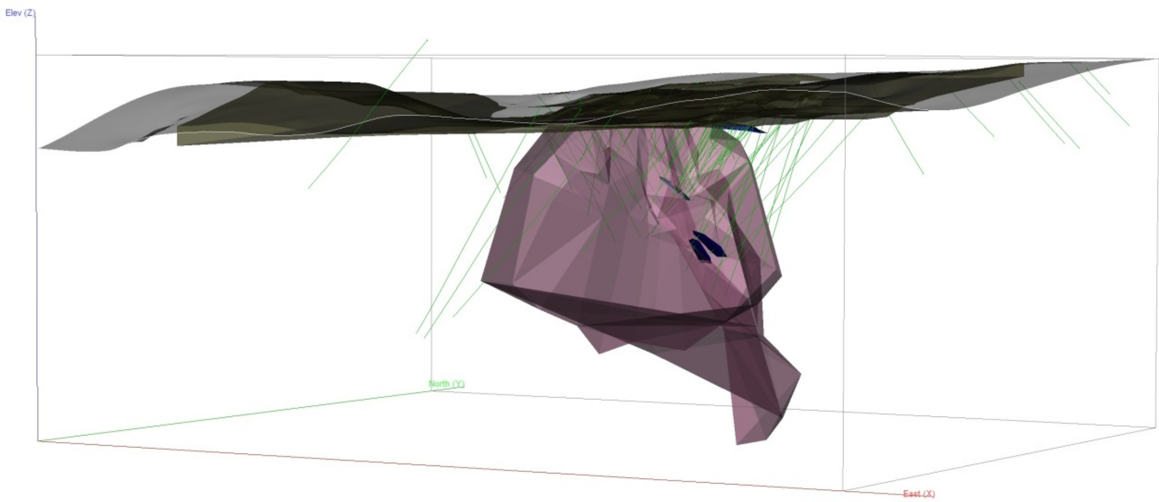


Figure 14.4: Isometric view looking NW showing drill hole traces, Quartz Monzonite in pink, Dykes in Red, Surface topography in grey and Overburden in green

Drill holes were "passed through" these 3D solids for Quartz Monzonite and Dykes and the entry and exit points determined. The assays were then back tagged with a lithology code of QTZMZ and DYKE. All the rest of the samples were coded VOLC. An overburden surface was modelled. The statistics for the various lithologies are tabulated below.

Table 14.2: Statistics for Cu and Mo sorted by Domain

Domain	Variable	Number Of assays	Mean	S.D.	Min.	Max.	Coef. Of Variation
QTZMZ	Cu (%)	1,782	0.051	0.061	0.001	0.706	1.21
	Mo (%)	1,782	0.043	0.033	0.0005	0.408	0.76
VOLC	Cu (%)	9,010	0.074	0.094	0.001	1.368	1.27
	Mo (%)	9,010	0.042	0.079	0.0001	1.878	1.89
DYKE	Cu (%)	63	0.032	0.035	0.001	0.199	1.10
	Mo (%)	63	0.031	0.050	0.0005	0.209	1.63

To determine if capping was required and if so at what levels, the grade distribution for each variable was evaluated within each domain using lognormal cumulative frequency plots. In all cases multiple overlapping lognormal populations were observed.

The procedure used is explained in a paper by Dr. A.J. Sinclair, titled *Applications of probability graphs in mineral exploration* (Sinclair, 1976). In short, the cumulative distribution of a single normal distribution will plot as a straight line on probability paper while a single lognormal distribution will plot as a straight line on lognormal probability paper. Overlapping populations will plot as curves separated by inflection points. Sinclair proposed a method of separating out these overlapping populations using a technique called partitioning. In 1993 a computer program called P-RES was made available to partition probability plots interactively on a computer (Bentzen and Sinclair, 1993). Screen dumps from this program are shown for Cu and Mo in Volcanics as Figures 14.5 and 14.6, respectively. In each figure, the actual data distribution is shown as black dots. The inflection points that separate the populations are shown as vertical lines and each population is shown by the straight lines of open circles. The interpretation is tested by recombining the data in the proportions selected and the test is shown as triangles compared to the original distribution. Each variable is examined in the following section with the populations broken out and thresholds selected for capping if required.

Table 14-3 shows the five overlapping populations for Cu. Population 1 representing 0.06 % of the data can be considered erratic high outliers. A threshold to separate these from the main mineralizing events would be 0.80 % Cu. A total of six assays for Cu were capped at 0.8 %.

For Mo in volcanics, a total of six overlapping populations were identified. The highest grade population 1 represented 0.07 % of the data and had a mean of 1.687 % Mo. This population is erratic high grade outliers and should be capped at 0.8 %. A total of 10 Mo assays were capped at 0.8%.

Table 14.3: Cu and Mo Populations in Volcanics

Population	Mean Cu (%)	% of Total Assays	Number of Assays
1	0.58	0.06 %	5
2	0.42	0.24 %	22
3	0.12	37.96 %	3,419
4	0.02	58.10 %	5,231
5	0.003	3.65 %	329

Population	Mean Mo (%)	% of Total Assays	Number of Assays
1	1.687	0.07 %	6
2	0.391	1.29 %	116
3	0.091	21.89 %	1,971
4	0.027	32.69 %	2,945
5	0.007	14.87 %	1,339
6	0.003	29.19 %	2,629

A similar procedure was used for the Quartz Monzonite stock and the dykes. Within the QTZMZ unit a total of three assays were capped at 0.40% Cu and five assays were capped at 0.26% Mo. Within the Dykes two assays were capped at 0.08% Cu and six were capped at 0.08% Mo.

Table 14.4: Cap Levels for all variables in all domains

Domain	Variable	Cap Level	Number Capped
VOLC	Cu	0.80 %	6
	Mo	0.80 %	10
QTZMZ	Cu	0.40 %	3
	Mo	0.26 %	5
DYKE	Cu	0.08 %	2
	Mo	0.08 %	6

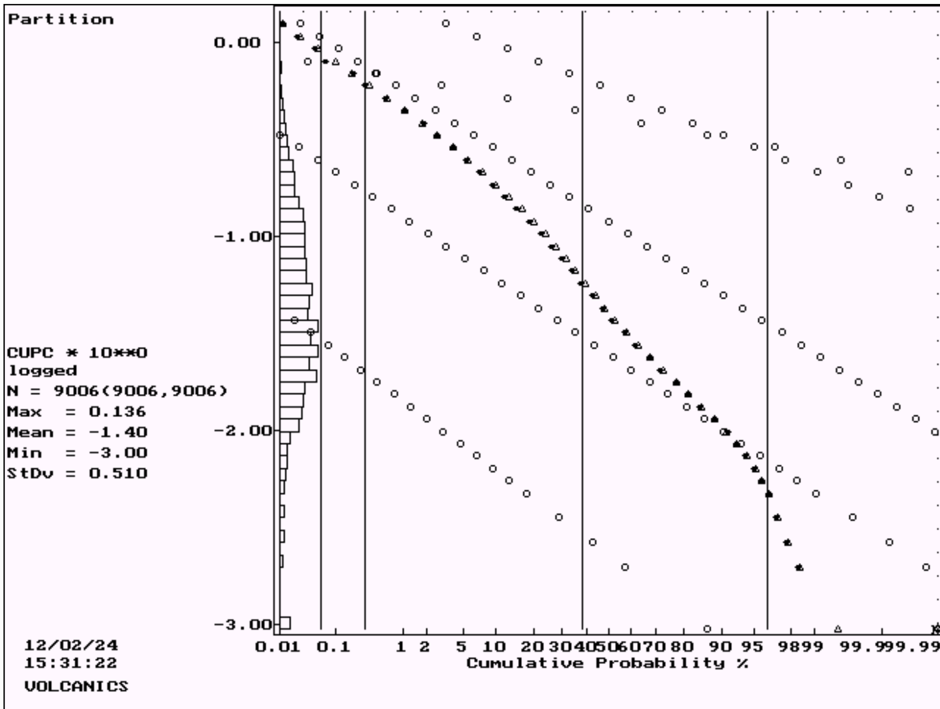


Figure 14.5: Lognormal Cumulative Frequency Plot for Cu in Volcanics

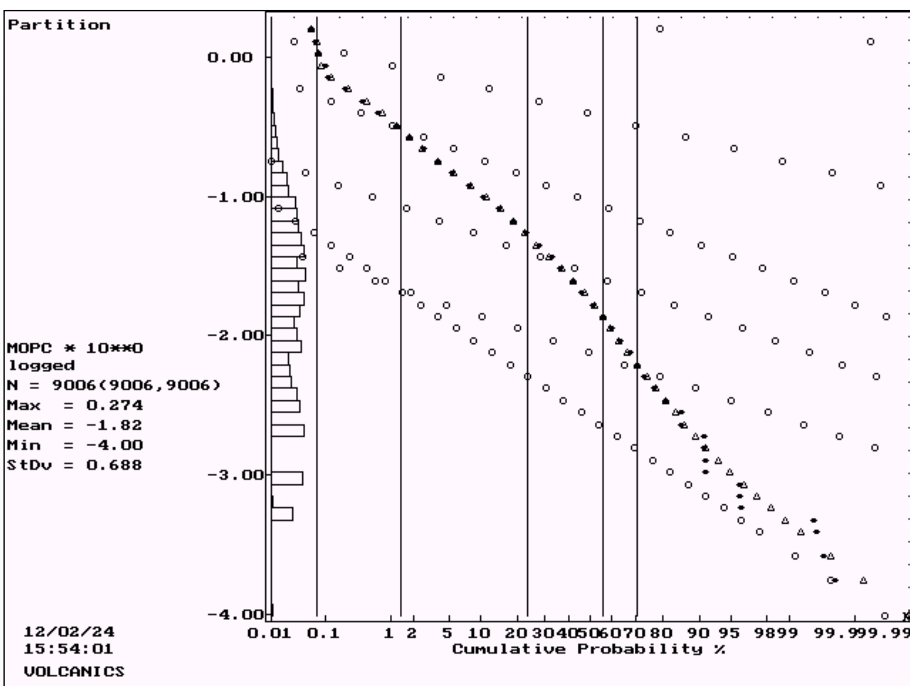


Figure 14.6: Lognormal Cumulative Frequency Plot for Mo in Volcanics

The results from capping are shown in Table 14-5 with small reductions in mean grade but significant reductions in standard deviation and as a result coefficient of variation.

Table 14.5: Statistics for Capped Cu and Mo sorted by Domain

Domain	Variable	Number Of assays	Mean	S.D.	Min.	Max.	Coeff. Of Variation
QTZMZ	Cu (%)	1,782	0.050	0.057	0.001	0.40	1.14
	Mo (%)	1,782	0.043	0.031	0.0005	0.26	0.72
VOLC	Cu (%)	9,010	0.073	0.092	0.001	0.80	1,25
	Mo (%)	9,010	0.041	0.069	0.0001	0.80	1.66
DYKE	Cu (%)	63	0.028	0.021	0.001	0.08	0.74
	Mo (%)	63	0.022	0.025	0.0005	0.08	1.14

The relationship between Cu and Mo in the volcanics and quartz monzonite was examined using a Pearson Correlation on log values.

The correlation between Cu and Mo in volcanics was 0.7056. Within the quartz monzonite the correlation was lower at 0.3173.

14.2 Composites

Drill holes were "passed through" the various domain solids with the point that each hole entered and left each solid recorded. Uniform down-hole 5 m composites were then formed to honour these limits. Small intervals at the domain boundaries were combined with the adjoining sample if less than 2.5 m. In this manner a uniform support of 5±2.5 m was obtained. The statistics for 5 m composites are tabulated below. Composites from holes outside the Camp Zone were dropped.

Table 14.6: Statistics of 5m Composite for Cu and Mo sorted by Domain

Domain	Variable	Number	Mean	S.D.	Min.	Max.	Coef. Of Variation
Volcanics	Cu %	3,009	0.082	0.089	0.001	0.772	1.09
	Mo %	3,009	0.047	0.059	0.0001	0.707	1.26
Quartz Monzonite	Cu %	719	0.050	0.052	0.001	0.391	1.04
	Mo %	719	0.042	0.023	0.0001	0.164	0.56
Dykes	Cu %	27	0.031	0.018	0.005	0.072	0.59
	Mo %	27	0.022	0.020	0.003	0.078	0.92

14.3 Variography

The two domains; Volcanics and Quartz Monzonite were modelled for Cu and Mo using pairwise relative semivariograms to determine the grade continuity. All variables in both domains showed geometric anisotropy, which means similar nugget effects and sill values but different ranges in different directions. In all cases the down-hole direction was modelled first to determine the nugget effect and sill value. In both domains and for both variables the horizontal plane was analyzed next by producing semivariograms along the azimuth directions of 90°, 0°, 45° and 135°. Azimuths between the two directions with longest ranges were then modelled to determine the direction of maximum continuity in the horizontal plane. The two perpendicular directions to this maximum were then evaluated using -45° dip semivariograms. The dip direction with the longest range was then evaluated to determine the maximum range down dip. Once this dip direction was established the orthogonal direction was modelled.

Within the Volcanic Domain the direction for maximum horizontal continuity for copper was along azimuth 153°. The longest range perpendicular to this was along azimuth 63° dipping -53°. Molybdenum in volcanics had a similar orientation. This variography points to Cu and Mo perhaps introduced at a similar time within the volcanics along similar conduits.

Within the Quartz Monzonite Domain there were fewer composites and as a result the interpretation was more difficult. Copper showed a geometric anisotropy with longest horizontal range along azimuth 0°. Molybdenum within the Quartz Monzonite domain showed maximum continuity similar to Mo in the volcanics along azimuths 153° dip 0° and 63° dip -53° suggesting perhaps they were introduced at a similar time.

Nugget effect to sill ratios varied from a low of 9% in quartz monzonite Cu to a high of 17% in Mo within both the volcanics and quartz monzonite, all showing reasonable sampling variability.

In the volcanics nested spherical models were used for both variables while in the quartz monzonite with fewer composites, simple spherical models were fit to the data. The semivariogram parameters for all models are tabulated in table 14-7 with the models shown in Appendix 2.

Table 14.7: Semivariogram Parameters for MAC

Domain	Variable	Azimuth/Dip	C_o	C_1	C_2	Short Range(m)	Long Range(m)
Volcanics	Cu	153° / 0°	0.05	0.12	0.30	15.0	180.0
		63° / -53°	0.05	0.12	0.30	10.0	130.0
		243° / -37°	0.05	0.12	0.30	40.0	80.0
	Mo	153° / 0°	0.12	0.20	0.40	15.0	300.0
		63° / -53°	0.12	0.20	0.40	40.0	180.0
		243° / -37°	0.12	0.20	0.40	20.0	100.0
Quartz Monzonite	Cu	0° / 0°	0.05	0.50			120.0
		90° / 0°	0.05	0.50			27.0
		00° / -90°	0.05	0.50			120.0
	Mo	153° / 0°	0.05	0.25			170.0
		63° / -53°	0.05	0.25			120.0
		243° / -37°	0.05	0.25			50.0

Note: C_o =Nugget Effect, C_1=short range structure and C_2= long range structure

14.4 Block Model

A block model with blocks 10 x 10 x 5 m in dimension was superimposed over all the mineralized solids. For each block in the model, the percentage of the block below surface topography, within overburden and within the various solids was recorded. The block model origin is as follows:

Lower Left Corner		
333970 E	Column size = 10 m	110 columns
6081800 N	Row size = 10 m	100 rows
Top of Model		
1335 elevation	Level size = 5 m	107 levels
No Rotation		

14.5 Bulk Density

A total of 161 specific gravity determinations were made in 2011 from pieces of drill core at MAC by the weight in air/weight in water method. The determinations are tabulated in table 14-8 sorted by Domain. The results are also sorted by Cu grade to see if there is any increase in SG with sulphides.

Table 14.8: Specific Gravity Measurements

Domain	Number of Samples	Minimum SG	Maximum SG	Average SG
Volcanics	127	2.47	3.59	2.84
Quartz Monzonite	27	2.52	2.91	2.62
Dyke	7	2.53	3.56	2.88
Sorting by Cu grade				
Cu > 0.0 < 0.1 %	95	2.47	3.55	2.80
Cu ≥ 0.1 < 0.2 %	40	2.59	3.59	2.81
Cu ≥ 0.2 < 0.3 %	13	2.70	2.93	2.81
Cu ≥ 0.3 < 0.4 %	5	2.74	2.88	2.82
Cu ≥ 0.4 %	8	2.55	2.89	2.75

There is no indication of increased SG with grade so the average for each Domain was used to produce a weighted average density for each block.

$$\text{Block SG} = \frac{(\%Volc * 2.84) + (\%QM * 2.62) + (\%\ Dyke * 2.88) + (\%\ OB * 1.86)}{\%\ \text{Below Topography}}$$

14.6 Grade Interpolation

Grades for Cu and Mo were interpolated into each block, containing some percentage of mineralized solids, by Ordinary Kriging. Each domain was estimated separately using only composites from within that domain. For each variable, within each domain, kriging was completed in a series of four passes with the search ellipse for each pass a function of the semivariogram range for that variable within that domain. For the first pass the dimensions of the search ellipse were set to ¼ of the semivariogram range in each of the three principal directions. The ellipse was orientated along the azimuth and dip established by the semivariogram. A minimum of four composites with a maximum of three from any given drill hole were required to be found within the search ellipse to estimate a block. For blocks not estimated in the first pass, the search ellipse was expanded to ½ the semivariogram range. A third pass using the full range and a fourth pass using twice the range completed the kriging. In all passes the maximum number of composite allowed was set to 16 and if more than 16 were within the search ellipse at any given time the closest 16 were used.

Blocks containing some percentage of overburden had a grade of 0.001% Cu and 0.0001% Mo inserted. For blocks containing some percentage of dyke material, the average grade of the 27 dyke samples: 0.031% Cu and 0.022% Mo was inserted. The weighted average grade for Cu in a block was then:

$$\text{Block Cu} = \frac{(\%\text{Volc} * Cu_{Volc}) + (\%\ QM * Cu_{QM}) + (\%\ \text{Dyke} * 0.031) + (\%\ \text{Ovb} * 0.001)}{\%\ \text{below Topography}}$$

Table 14.9 shows the kriging search parameters for copper in each domain and shows the number of blocks estimated in each pass.

Table 14.9: Kriging Parameters for Cu in all Domains

Domain	Pass	Number Estimated	Az/Dip	Dist. (m)	Az/Dip	Dist. (m)	Az/Dip	Dist. (m)
Volcanic	1	29,995	153° / 0°	45.0	63° / -53°	32.5	243° / -37°	20.0
	2	55,364	153° / 0°	90.0	63° / -53°	65.0	243° / -37°	40.0
	3	64,265	153° / 0°	180.0	63° / -53°	130.0	243° / -37°	80.0
	4	101,119	153° / 0°	360.0	63° / -53°	260.0	243° / -37°	160.0
Quartz Monzonite	1	1,385	0° / 0°	30.0	90° / 0°	6.75	0° / -90	30.0
	2	12,747	0° / 0°	60.0	90° / 0°	13.5	0° / -90	60.0
	3	42,996	0° / 0°	120.0	90° / 0°	27.0	0° / -90	120.0
	4	73,833	0° / 0°	240.0	90° / 0°	54.0	0° / -90	240.0

14.7 Classification

Based on the study herein reported, delineated mineralization in the Camp Zone is classified as a Mineral Resource according to the following definitions from National Instrument 43-101 and from CIM (2005):

> *"In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended."*

The terms Measured, Indicated and Inferred are defined by CIM (2005) as follows:

> *"A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge."*
>
> *"The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports."*

Inferred Mineral Resource

> *"An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, workings and drill holes."*
>
> *"Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies."*

Indicated Mineral Resource

> *"An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed."*
>
> *"Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpre-*

> *tation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions."*

Camp Zone geologic continuity is established from surface mapping and drill hole logging and a geologic solid model based on the contacts between the quartz monzonite intrusive and the host volcanic package constrains the estimate. The grade continuity is established from semivariogram analysis. Using the semivariogram distances and directions to control the estimation, is a method of using the grade continuity to classify the resource. Blocks estimated in Pass 1 or 2 using up to ½ the semivariogram range were classified as Indicated while those estimated in Pass 3 and 4 were classified as Inferred. The results are tabulated below. *A cut-off of 0.035% Mo is highlighted as a possible open pit cut-off although at this time no economic evaluation has been completed.*

Table 14.10: MAC CAMP ZONE - INDICATED RESOURCE

Mo Cut-off	Tonnes	Grade > Cut-off				Contained Metal in Million lbs.			
(%)	(tonnes)	Mo (%)	Cu(%)	MoEq(%)*	CuEq(%)*	Mo	Cu	MoEq.*	CuEq.*
0.010	117,000,000	0.045	0.070	0.063	0.250	116.09	180.59	161.24	644.96
0.020	89,819,000	0.055	0.090	0.078	0.310	108.93	178.25	153.49	613.96
0.030	79,502,000	0.059	0.090	0.082	0.326	103.43	157.77	142.87	571.48
0.035	**70,360,000**	**0.063**	**0.100**	**0.088**	**0.352**	**97.74**	**155.14**	**136.53**	**546.11**
0.040	61,616,000	0.067	0.100	0.092	0.368	91.03	135.86	124.99	499.98
0.045	52,836,000	0.072	0.110	0.100	0.398	83.88	128.15	115.92	463.68
0.050	45,168,000	0.077	0.120	0.107	0.428	76.69	119.51	106.57	426.27
0.055	38,773,000	0.082	0.120	0.112	0.448	70.11	102.59	95.75	383.02
0.060	28,247,000	0.093	0.140	0.128	0.512	57.92	87.20	79.72	318.90
0.070	20,429,000	0.103	0.150	0.141	0.562	46.40	67.57	63.29	253.16
0.080	14,853,000	0.114	0.170	0.157	0.626	37.34	55.68	51.26	205.02
0.090	10,984,000	0.125	0.180	0.170	0.680	30.27	43.60	41.17	164.69
0.100	8,250,000	0.135	0.190	0.183	0.730	24.56	34.56	33.20	132.80
0.110	6,177,000	0.145	0.200	0.195	0.780	19.75	27.24	26.56	106.24
0.120	4,483,000	0.156	0.200	0.206	0.824	15.42	19.77	20.36	81.45
0.130	3,190,000	0.168	0.210	0.221	0.882	11.82	14.77	15.51	62.04
0.140	2,370,000	0.180	0.220	0.235	0.940	9.41	11.50	12.28	49.12
0.150	1,827,000	0.191	0.230	0.249	0.994	7.69	9.27	10.01	40.04
0.160	1,384,000	0.202	0.240	0.262	1.048	6.16	7.32	8.00	31.98
0.170	1,072,000	0.213	0.240	0.273	1.092	5.03	5.67	6.45	25.81

Table 14.11: MAC CAMP ZONE - INFERRED RESOURCE

Mo Cut-off (%)	Tonnes (tonnes)	Grade > Cut-off				Contained Metal in Million lbs.			
		Mo (%)	Cu(%)	MoEq(%)*	CuEq(%)*	Mo	Cu	MoEq.*	CuEq.*
0.010	336,422,000	0.032	0.040	0.042	0.168	237.38	296.72	311.56	1246.24
0.020	275,438,000	0.036	0.050	0.049	0.194	218.64	303.67	294.56	1178.24
0.030	226,647,000	0.039	0.050	0.052	0.206	194.91	249.88	257.37	1029.50
0.035	**177,934,000**	**0.042**	**0.050**	**0.055**	**0.218**	**164.78**	**196.17**	**213.83**	**855.31**
0.040	120,621,000	0.046	0.050	0.059	0.234	122.35	132.98	155.59	622.37
0.045	76,504,000	0.052	0.050	0.065	0.258	87.72	84.35	108.81	435.22
0.050	47,998,000	0.057	0.060	0.072	0.288	60.33	63.50	76.20	304.81
0.055	31,591,000	0.063	0.060	0.078	0.312	43.88	41.79	54.33	217.33
0.060	15,167,000	0.072	0.060	0.087	0.348	24.08	20.07	29.10	116.38
0.070	6,819,000	0.081	0.070	0.099	0.394	12.18	10.53	14.81	59.24
0.080	2,305,000	0.094	0.090	0.117	0.466	4.78	4.57	5.92	23.68
0.090	966,000	0.109	0.110	0.137	0.546	2.32	2.34	2.91	11.63
0.100	537,000	0.121	0.130	0.154	0.614	1.43	1.54	1.82	7.27
0.110	334,000	0.130	0.140	0.165	0.660	0.96	1.03	1.22	4.86
0.120	191,000	0.143	0.160	0.183	0.732	0.60	0.67	0.77	3.08
0.130	125,000	0.152	0.170	0.195	0.778	0.42	0.47	0.54	2.14
0.140	68,000	0.167	0.180	0.212	0.848	0.25	0.27	0.32	1.27
0.150	41,000	0.182	0.190	0.230	0.918	0.16	0.17	0.21	0.83
0.160	30,000	0.193	0.200	0.243	0.972	0.13	0.13	0.16	0.64
0.170	24,000	0.200	0.210	0.253	1.010	0.11	0.11	0.13	0.53

* **MoEq and CuEq** = Copper Equivalent: Calculated at a molybdenum price of $14.00/lb and a copper price of $3.50/lb with no adjustment made for relative payable or recoverable metal.

14.8 Block Model Verification

Level plans were produced for a number of levels through the Camp Zone showing estimated molybdenum grade for blocks (colour coded by grades), the classification code and the Mo composites from 10 m above to 10 m below level. The estimated grades matched the composites well and there was no indication of any bias. Levels 1050, 1000 and 950 are shown as examples in Figures 14.7 to 14.9.

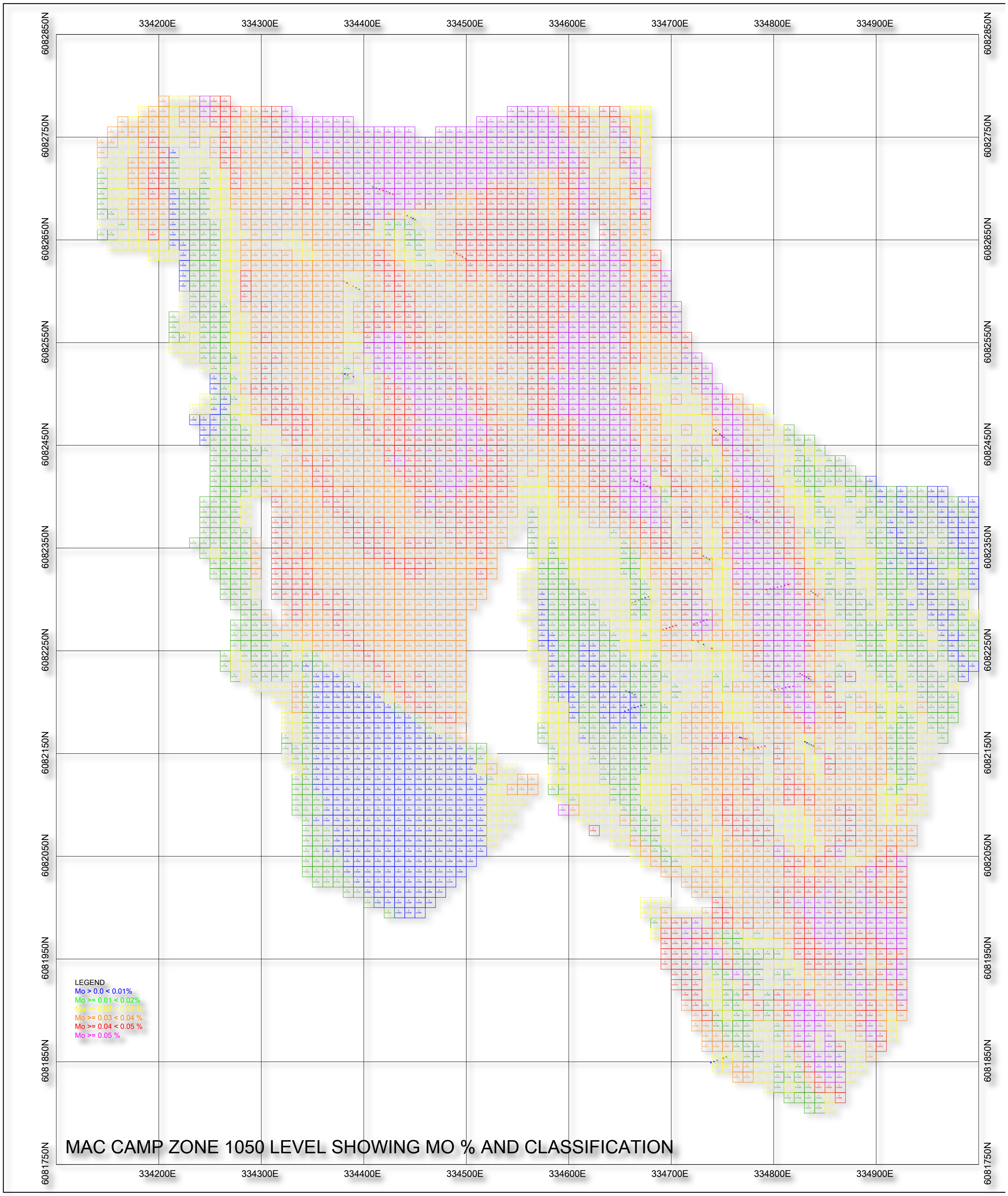


Figure 14.7: 1050 Level showing estimated Mo Blocks

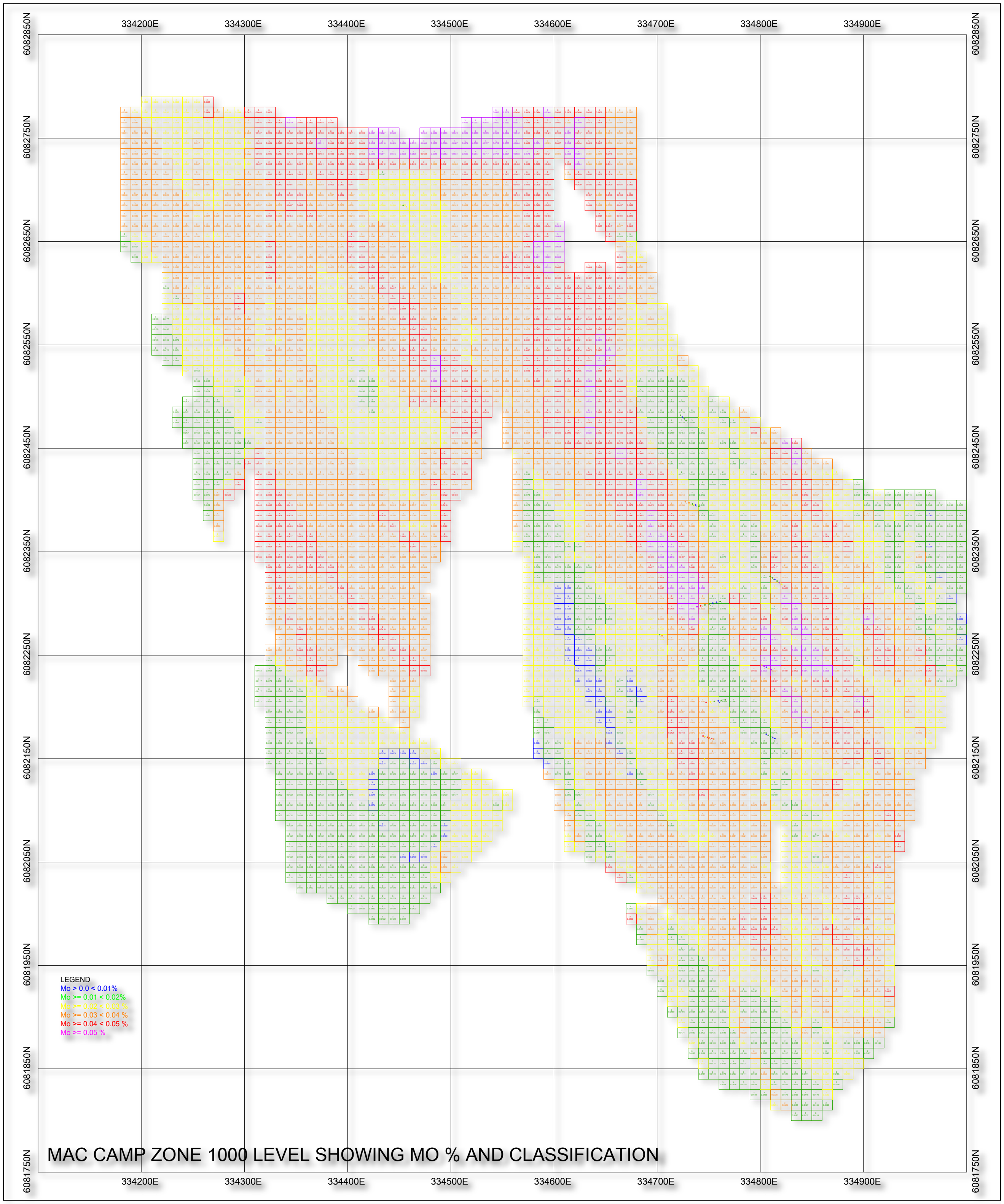


Figure 14.8: 1000 Level showing estimated Mo Blocks

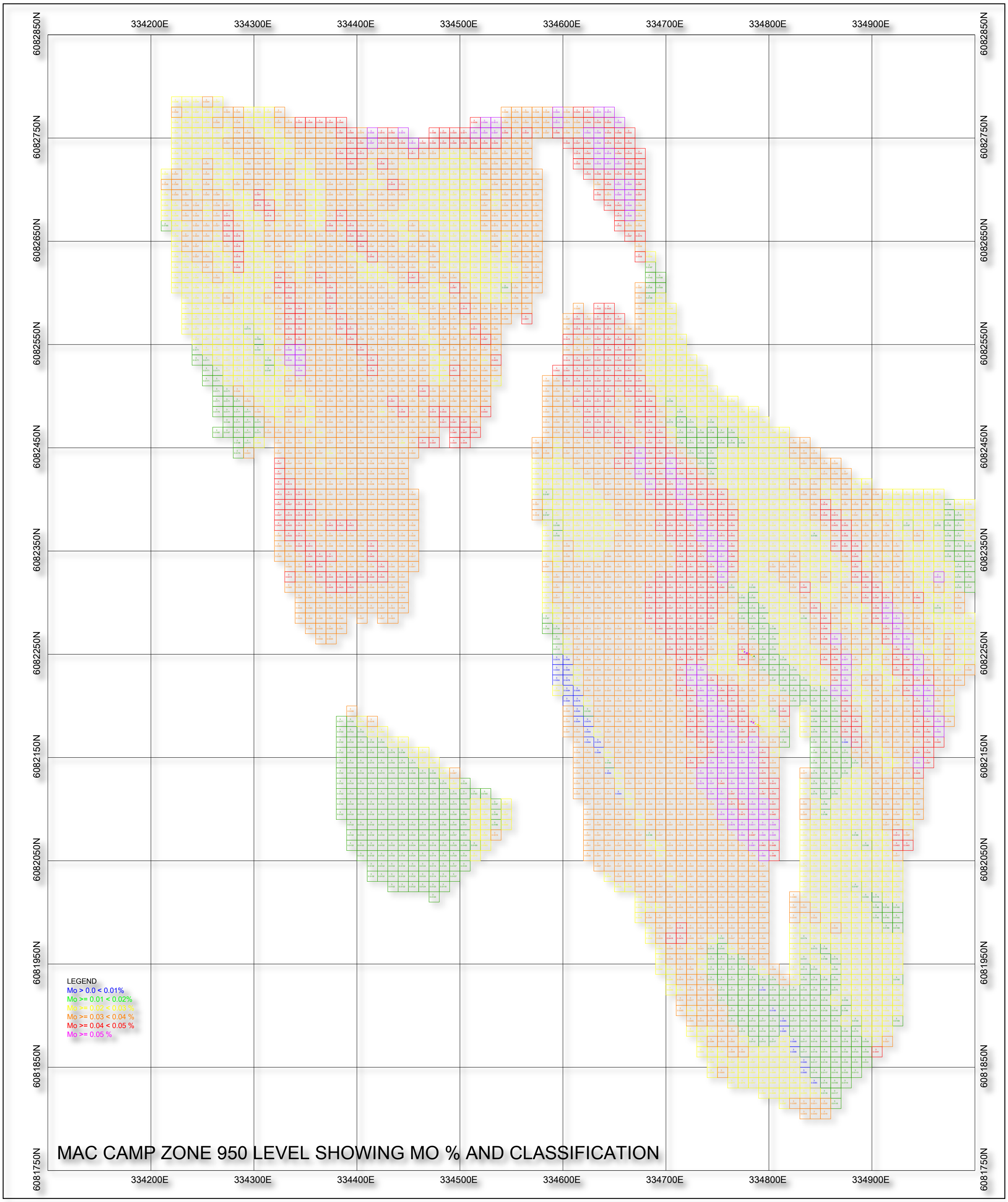


Figure 14.9: 950 Level showing estimated Mo Blocks

Gary Giroux, P. Eng.
M Moore P. Geo

14.9 Modelling of Higher Grade Deposit Core

A high grade domain shell was created using Aranz Geo Limited's Leapfrog™ Geological modeling program. Drill hole collar, down hole survey and assay data were loaded into the program as well as the 3-D geological model developed by the Geominex Consultants. Leapfrog's 3-D interpolation engine was used to create grade boundary models based off of the Molybdenum assay values using a selection of 0.08%, 0.09%, 0.10% and 0.15% Mo average threshold. A structural trend was built into this model. It was shaped after the morphology of the Quartz Monzonite intrusive contact and mineralized trend in plan as well as those portions of the block model with values greater than 0.08% Mo. This structural trend was interpreted by factoring in continuity of strongest drill hole intercept mineralization as well as using calculated variography of the block model (Figure 14.10a).

The Leapfrog shell interpolation used a spheroidal variogram model with inputs of the structural trend. Further parameters such as Range and Nugget were changed from default values to better follow the block model variography (Figure 14.10b).

Once the shells were created they were further constrained and cropped using surface topography and the extent of the indicated category values of the block model in 3-D space. Giroux Consultants superimposed these final shells over the block model and calculated grade and tonnage within them. The final 0.08% Mo shell as well as the greater global indicated resource is presented in Figure 14.10c. Table 14-12 lists the subset of the indicated resource that falls within the respective Leapfrog shells.

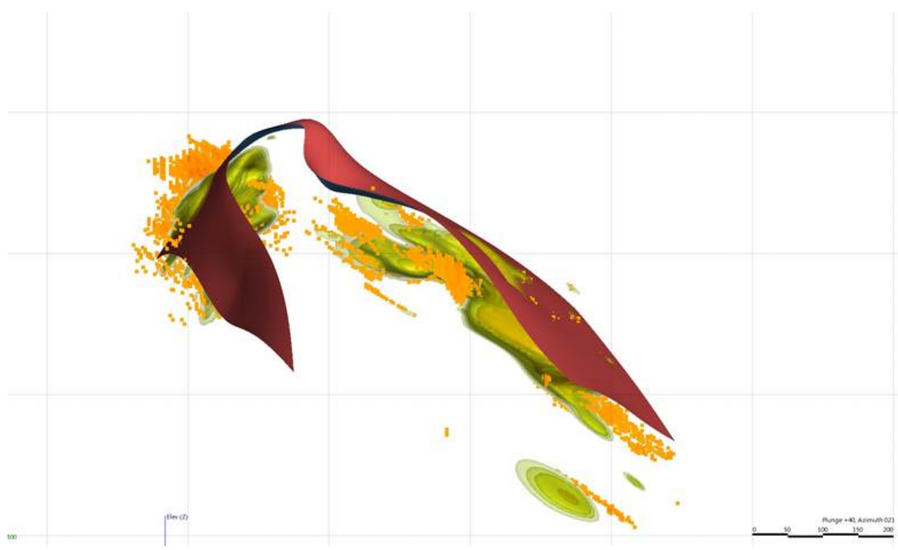


Figure 14.10a: Structural Trend (red) with Generated 0.08% Mo Shell and Block Model Values Greater than 0.08 % Mo (orange)

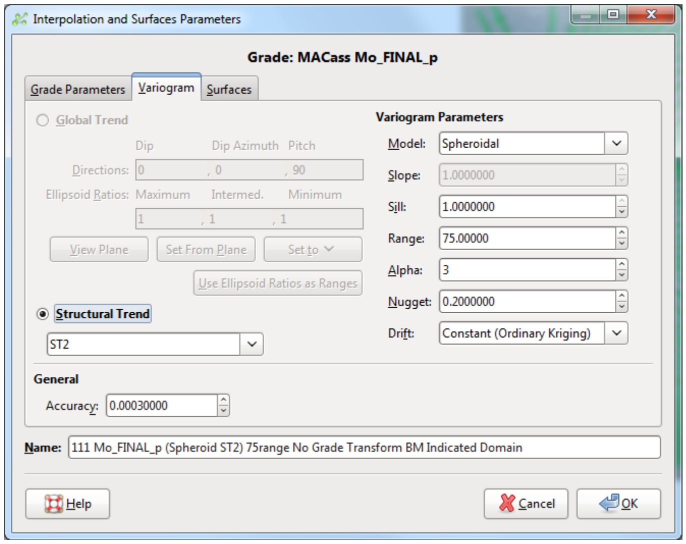


Figure 14.10b: Leapfrog Variogram Parameter Menu with Settings Used

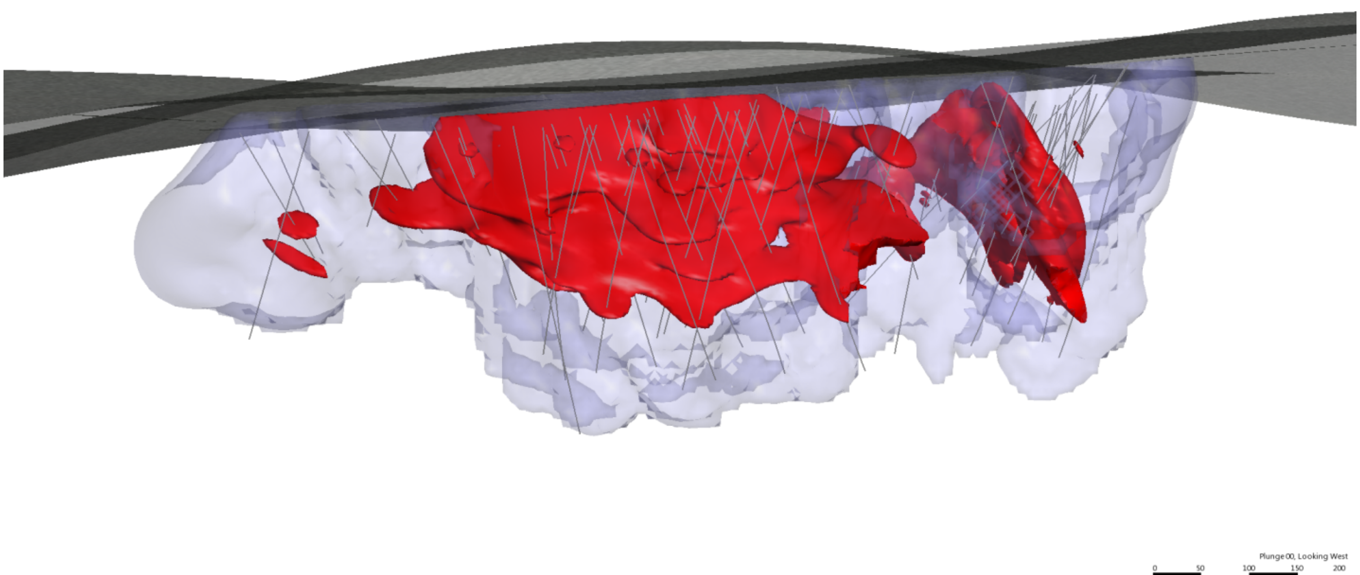


Figure 14.10c: Cross Section Facing West with 0.08% Mo Shell (red) within Global Indicated Resource (light blue)

Table 14.12: Portion of MAC Camp Zone Indicated Resource falling within Leap-frog shells encompassing higher grade zone

Grade shell (Mo%)	Tonnes* (tonnes)	Grade > Cut-off				Contained Metal in Million lbs.			
		Mo (%)	Cu(%)	MoEq(%)*	CuEq(%)*	Mo	Cu	MoEq.*	CuEq.*
0.080	15,279,000	0.104	0.160	0.144	0.576	35.038	53.904	48.514	194.056
0.090	11,759,000	0.111	0.170	0.154	0.614	28.781	44.079	39.800	159.202
0.100	9,058,000	0.118	0.180	0.163	0.652	23.568	35.951	32.556	130.223
0.150	2,323,000	0.161	0.220	0.216	0.864	8.247	11.269	11.064	44.256

*Resource calculated at a 0.035% Mo cut-off.

15.0 Mineral Reserve Estimates

There have been no Mineral Reserves estimated at MAC.

16.0 Mining Methods

There has been no work on mining methods at MAC.

17.0 Recovery Methods

There has been no work on recovery methods at MAC.

18.0 Project Infrastructure

There has been no work on project infrastructure at MAC.

19.0 Market Studies and Contracts

There has been no work on market studies and there are no outstanding contracts at MAC.

20.0 Environmental Studies, Permitting, and Social or Community Impact

There have been no environmental studies, permitting (other than a permit for exploration activities and drilling) or any work involving social or community impact at MAC.

21.0 Capital and Operating Costs

There has been no work on capital and operating costs at MAC.

22.0 Economic Analysis

There has been no economic analysis at MAC.

23.0 Adjacent Properties

There are a number of mineral tenures, held by other individuals and companies, surrounding and adjoining MAC, as well as two small competitor claims internal to the property. These mineral tenures include a large block of claims immediately to the east of MAC that were held under option by Amarc Resources Ltd (2007). Amarc conducted a program of reconnaissance stream sediment sampling on these claims between July and October, 2007.

A number of small showings are indicated on the B.C. Government Minfile maps in the vicinity of MAC, including four located within 3 km of the property (Figure 7.1) and a cluster of nine occurrences within 10 km east of the property. There are no other significant molybdenum occurrences in the vicinity.

24.0 Other Relevant Data and Information

The authors know of no other relevant data or information that could be included in this report that if not included would make this report misleading.

25.0 Interpretation and Conclusions

The findings of the MAC evaluation are as follows:

MAC is an advanced-stage, bulk tonnage, low-grade with a higher-grade central core, molybdenum and copper porphyry (low-fluorine) type mineral exploration property. It is located in the politically stable and mineral-exploration affable province of British Columbia, Canada. The property claims are situated in the central region of the province, where perennial access and logistics are straightforward and relatively inexpensive. The region has a long and enduring history of exploration and open pit mining; examples include Endako, Granisle, Bell and Mt. Milligan. Property terrain is moderate and hence is favourable for all aspects of large-scale mining.

Stratton's 2011 exploration program achieved three key objectives:

(i) The property-wide airborne geophysical survey has advanced the interpretation of local geology and importantly has identified a number of new and encouraging anomalies for future Mo-Cu exploration.

(ii) Diamond drill testing at the Camp Zone has verified and expanded upon historical molybdenum and copper mineralization. As a result, the 2012 Mo-Cu Resource Estimate has yielded a significant increase in contained metal (for both indicated and inferred categories), when compared to the 1997 non-compliant resource estimation. Additionally, Leapfrog 3D block modelling indicates the global resource contains a high grade, near surface, zone.

(iii) Early, dynamic and continued consultation with local First Nations groups has cultivated a positive and supportive relationship between Stratton and local stakeholders.

To date, three principal Mo-Cu enriched areas have been identified and variably drill tested: Pond, Camp and Peak Zones. The Camp Zone is the property's most advanced target having been the focus of the majority of drill testing. Exploration has shown that priority porphyry related mineralization is hosted in hornfelsed volcanic rocks and to a lesser extent the quartz monzonite intrusive. Patchy drill testing of the Camp Zone intrusive rocks has yielded relatively low-grade molybdenum dominant results. No intrusive unit has been identified at the Pond and Peak Zones.

The East and Northwest sub-zones of the Camp Zone are connected by a lower grade core of molybdenum mineralization within the quartz monzonite intrusive. These two zones form the bulk of the of the 2012 Giroux resource estimate. East Zone drilling appears to have defined the lateral mineralization limits; being open only at depth. Drill testing of the NW Zone indicates that mineralization is open to the south and at depth.

More drilling at the Camp Zone is required to (a) refine and upgrade the current mineral resource estimate and (b) define the full constraints of the mineralization in the intrusive and hornfelsed host rocks. Limited historical exploration at the Pond and Peak Zones has indicated a generally low grade mineralization tenor. Nonetheless, additional exploration, including drilling at these two zones is warranted.

Property and regional exploration work has demonstrated that the most efficient methods to evaluate the property's additional early-staged geological & airborne geophysical targets are prospecting, soil/silt/rock surface sampling, geological mapping and trenching (where accessibility allows).The effectiveness of an induced polarization geophysical survey remains uncertain, as the 2011 survey results were unclear. Certainly, the generally ubiquitous disseminations of sulphide found in most MAC property lithologies will hinder geophysical detection of prospective Mo-Cu sulphide mineralization. A direct testing approach of reconnaissance drill testing is likely more effective.

The authors are not aware of any significant risks or uncertainties or any reasonably foreseeable impacts thereof that could reasonably be expected to affect the reliability or confidence of this report's exploration information and/or the MAC project future potential. Based upon the property examination, review of past and current exploration results, it is the opinion of the authors that MAC is a property of merit and worthy of further exploration.

26.0 Recommendations

It is recommended that Stratton carry out additional exploration on the MAC property. At a total estimated cost of $10.0 million, the suggested program would be completed in two phases. The recommended program is: (i) property-wide reconnaissance-style exploration to be carried out in the summer months (est. $2.5M) and (ii) follow up fall-winter drill testing of newly generated targets plus additional Camp Zone deposit definition and expansion (est. $7.5M) (see Table 26.0). The main reconnaissance objective is to target areas that are geochemically, geologically and geophysically analogous to the Camp Zone. Further exploration may consist of advanced drill testing of targets generated, further Camp Zone resource delineation and infill drilling to increase confidence, metallurgical testing and environmental assessments.

A initial program of target development and assessment via soil/rock/till sampling, prospecting, geological mapping, trenching (where accessibility allows) and perhaps ground geophysical surveying (magnetics-VLF or IP), would then be followed by a systematic drill program at the Camp Zone deposit and reconnaissance target drill testing. Stratton should also allocate a small portion of the budget to a Camp Zone water quality monitoring program and other select baseline environmental studies.

Reconnaissance explorations should consider the MAC property as having South and North sectors, as the South property area is lower in elevation and has decent road accessibility and the North area is higher in elevation (later season snow melt) and a paucity of roads which will necessitate helicopter support.

The fall-winter drilling campaign components are listed in relative priority are as follows:

Camp Zone deposit delineation and expansion drilling

- Complete delineation drilling across the quartz monzonite stock between the East and Northwest contact zones.
- Off-set better grade historical holes in the quartz monzonite
- Conduct step-out and off-set drilling of unconstrained good grade intercepts returned in the 2011 and earlier drilling, in particular to the south and to depth on both contact zones.

Established Targets and Reconnaissance Drilling

Peak zone

- Off-set drilling of the anomalous drill hole 95-15.
- Test airborne features proximal to the Peak zone, including (a) the large intrusion to the west and south and (b) the Camp Zone related structure to the east.

Pond zone

- Combined soil-rock geochemistry and airborne features for follow-up reconnaissance drilling that may reflect Camp Zone geologic analogies.

Geophysical and Surface Geochemical targets

- Numerous combined ZTEM and magnetic features with various surface geochemically anomalous signatures that may reflect similar geologic aspects of the Camp Zone, particularly along the gross north-south trend of the Pond-Camp-Peak Zones.

Table 26.0 MAC - Exploration Budget

Reconnaissance	
Camp, kitchen, communication, fuel and maintenance	225,000
Permitting, First Nations community relations	110,000
Environmental monitoring - baseline water sampling, quarterly	30,000
Assays, geochemical analyses	470,000
Data compilation, GIS and report preparation	60,000
Field supplies including XRF sample analyzer	105,000
Geological fees and wages	320,000
Geophysical surveys and consulting	300,000
Geophysical gridline cutting	175,000
Project supervision	50,000
Project support wages (prospectors and field technicians)	200,000
Helicopter support	180,000
Road maintenance, access trails, trenching, reclamation	175,000
Travel, accommodation, meals and vehicle rentals	100,000
	2,500,000
Drill Campaign	
Camp, kitchen, communication, fuel and maintenance	400,000
Permitting, Reclamation, First Nations community relations	250,000
Environmental monitoring - water quality sampling	30,000
Assays, geochemical analyses	280,000
Data compilation, GIS and report preparation	150,000
Field supplies	360,000
Drilling: 100 NQ core holes x 200 m x $160/m	3,200,000
Equipment rental and repairs	150,000
Geological fees and wages	1,100,000
Geophysical consulting	25,000
Project supervision	100,000
Project support wages including sampling technicians	220,000
Helicopter support	600,000
Road maintenance, drill trail access and reclamation	485,000
Travel, accommodation, meals and vehicle rentals	150,000
	7,500,000

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28.0 Authors' Certificate and Signature

CERTIFICATE G.H. Giroux

I, G.H. Giroux, of 982 Broadview Drive, North Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer with an office at #1215 - 675 West Hastings Street, Vancouver, British Columbia.

2) I am a graduate of the University of British Columbia in 1970 with a B.A. Sc. and in 1984 with a M.A. Sc., both in Geological Engineering.

3) I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

4) I have practiced my profession continuously since 1970. I have had over 30 years' experience calculating mineral resources. I have previously completed resource estimations on a wide variety of porphyry deposits both in B.C. and around the world, including Casino, Mt. Milligan, Cu Mountain, Zaldivar and Huckleberry.

5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Instrument 43-101.

6) I am responsible for the preparation of Section 14 (Mineral Resource Estimates) of the technical report titled "43-101 Technical Report Molybdenum-Copper Resource Estimate Mac Property" with effective date March 26, 2012 (the "Technical Report"). I have not visited the property.

7) I have completed previous resource estimates on the Mac Property mineralization in 1996 and 1997.

8) As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the portion of the Technical Report for which I am responsible contains all scientific and technical information that is required to be disclosed to make the portion of the Technical Report for which I am responsible not misleading.

9) I am independent of Stratton Resources and Geominex Consultants applying all of the tests in section 1.5 of National Instrument 43-101.

10) I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 11th day of May, 2012

(signed) *G. H. Giroux*

G. H. Giroux, P.Eng., MASc.

MICHAEL MOORE, P. GEO
CERTIFICATE OF QUALIFIED PERSON

I, Michael P. Moore, P. Geo., HEREBY CERTIFY THAT:

1. I am an independent consulting geologist with a business address at 789 West Pender Street, Suite 860, Vancouver, British Columbia, Canada V6C 1H2, phone (604) 558 0334.

2. I am a graduate of Carleton University, Ottawa Ontario, with a Bachelor of Science (Honours) in Geology (1989).

3. I am a registered Professional Geologist in good standing with the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC), member number 21586.

4. I have worked as a geologist for a total of 23 years since graduation from university. I have work experience in most parts of Canada, as well as the United States, Ghana, Peru and Cuba. I have porphyry molybdenum-gold-copper deposit exploration experience in British Columbia, Yukon, Newfoundland and Peru.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirement to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the preparation of all items and sections, excluding Section 14 (Mineral Resource Estimates), of the technical report titled "43-101 Technical Report Molybdenum-Copper Resource Estimate Mac Property" prepared for Stratton Resources Inc. with effective date March 26, 2012 (the "Technical Report") relating to the Mac Property.

7. I personally inspected the Mac Property between the 25th and 27th of November 2011.

8. I have no prior involvement with the Mac property, the subject of the Technical Report.

9. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

10. I am independent of Stratton Resources and Geominex Consultants applying all of the tests in section 1.5 of NI 43-101.

11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

__"signed & sealed"__
Michael Moore, B.Sc. P. Geo.
Dated at Vancouver, B.C.
May 11th, 2012

Appendix A Diamond Hole Drilling Summary Data

Property Drill Hole Table: Drill holes **NOT** used in 2012 Resources Estimate are shaded grey

Hole_ID	Easting NAD 83	Northing NAD 83	Elevation (m)	Azimuth	Dip	Length (m)
MC11-01	334813.282	6082061.303	1237.076	295	-50	217.50
MC11-02	334800.007	6082151.571	1240.971	295	-50	249.00
MC11-03	334787.135	6082195.944	1251.083	295	-50	207.00
MC11-04	334771.095	6082245.849	1256.734	295	-50	243.00
MC11-05	334760.604	6082295.665	1260.877	295	-50	192.00
MC11-06	334315.856	6082637.518	1256.436	115	-50	156.90
MC11-07	334742.562	6082346.569	1265.721	295	-50	173.00
MC11-08	334356.554	6082656.035	1262.347	115	-52	132.00
MC11-09	334720.382	6082438.278	1272.379	260	-50	167.60
MC11-10	334356.934	6082699.978	1276.011	115	-50	242.40
MC11-11	334694.461	6082531.930	1286.124	250	-50	141.00
MC11-12	334787.105	6082238.468	1255.951	250	-50	182.00
MC11-13	334404.463	6082682.883	1271.762	115	-50	165.00
MC11-14	334822.590	6082305.909	1259.542	250	-50	264.00
MC11-15	334304.504	6082537.415	1250.053	70	-50	114.00
MC11-16	334287.925	6082484.000	1241.270	70	-50	198.00
MC11-17	334868.137	6082327.782	1261.895	250	-50	305.00
MC11-18	334273.099	6082659.283	1262.028	115	-50	246.00
MC11-19	334805.549	6082351.518	1266.812	250	-50	251.00
MC11-20	334318.255	6082721.352	1282.803	115	-50	315.00
MC11-21	334794.576	6082401.239	1276.233	250	-50	233.00
MC11-22	334319.007	6082678.956	1271.663	115	-50	186.50
MC11-23	334841.516	6082416.617	1280.959	250	-50	222.40
MC11-24	334455.674	6082698.893	1288.170	115	-50	131.00
MC11-25	334765.004	6082457.522	1285.924	250	-50	254.00
MC11-26	334543.192	6082719.580	1296.925	225	-50	215.00
MC11-27	334655.300	6082634.669	1300.355	250	-50	152.00
MC11-28	334614.472	6082754.509	1308.728	225	-50	198.00
MC11-29	334852.554	6082371.354	1271.176	250	-50	309.00
MC11-30	334578.124	6082751.124	1311.269	225	-50	266.00
MC11-31	334910.170	6082340.133	1264.789	250	-50	308.00

Property Drill Hole Table: Drill holes **NOT** used in 2012 Resources Estimate are shaded grey

Hole_ID	Easting NAD 83	Northing NAD 83	Elevation (m)	Azimuth	Dip	Length (m)
MC11-32	334225.218	6082684.199	1262.606	115	-50	320.50
MC11-33	334225.814	6082689.968	1262.910	270	-45	240.00
MC11-34	334836.762	6082257.647	1256.226	250	-50	293.00
MC11-35	334287.316	6082435.420	1235.822	070	-50	177.00
MC11-36	334846.022	6082203.523	1251.323	250	-50	233.00
MC11-37	334286.520	6082436.990	1235.830	115	-50	120.00
MC11-38	334227.675	6082762.514	1280.845	115	-50	366.00
MC11-39	334846.729	6081995.343	1241.774	250	-50	127.50
MC11-40	334898.050	6081905.658	1243.812	250	-50	281.00
MC11-41	333767.456	6083305.434	1271.288	090	-45	176.00
MC11-42	335009.176	6082369.042	1277.125	250	-50	422.00
MC11-43	334988.451	6082256.713	1253.552	250	-50	360.00
MC11-44	334949.816	6082194.470	1248.642	250	-50	315.00
89-1	334532.8	6082417.6	1289.90	295	-53	121.9
89-10	334677.5	6082252.5	1267.00	294	-50	115.8
89-11	334814.7	6082061	1248.20	295	-52	106.7
89-12	334378.2	6082694.2	1282.70	115	-53.5	225.6
89-2	334345	6082494	1264.70	295	-51	61.00
89-3	334349.9	6082495	1264.70	115	-51	121.9
89-4	334730.4	6082324.9	1274.80	295	-51	139.6
89-5	334616.3	6082601.5	1296.20	298	-51	164.6
89-6	334244	6082268	1240.00	115	-50	169.2
89-7	334469	6082269.4	1241.40	295	-50	27.40
89-8	334372	6082050	1240.00	114	-53.5	121.9
89-9	334499.6	6082310.9	1254.00	295	-52	112.8
95-13	335016.7	6080933.3	1365.00	271	-45	289.6
95-14	334891.7	6082033.3	1253.70	295	-45	199.3
95-15	334797.8	6082217.9	1262.30	295	-50	203.6
95-16	334316.97	6082641.24	1263.85	115	-50	148.1
95-17	334443.29	6082658.21	1275.62	115	-50	94.80
95-18	334678.2	6083604.2	1330.00	90	-50	201.2

Hole_ID	Easting NAD 83	Northing NAD 83	Elevation (m)	Azimuth	Dip	Length (m)
95-19	334828.2	6083604.2	1340.00	90	-45	174.00
95-20	334778.2	6083799.2	13320.00	90	-45	72.80
95-21	334628.2	6083799.2	1305.00	90	-45	191.40
95-22	334528.2	6083604.2	1322.00	90	-45	183.80
95-23	334378.2	6083604.2	1315.00	90	-60	234.70
96-24	334769.82	6082262.36	1269.29	295	-50	232.20
96-25	334758.53	6082361.91	1274.18	295	-50	208.90
96-26	334723.28	6082465.18	1291.81	295	-50	175.60
96-27	334801.67	6082157.03	1252.13	295	-50	170.70
96-28	334465.26	6082720.16	1302.68	115	-50	177.40
96-29	334318.41	6082577.34	1260.59	115	-50	123.70
96-30	334297.69	6082530.22	1259.01	115	-50	178.90
96-31	334267.1	6082474.6	1244.20	115	-50	172.80
96-32	334119.5	6082808.5	1283.30	45	-45	169.80
96-33	334463.26	6082718.16	1302.68	180	-45	195.10
96-34	334248.96	6082655.49	1272.00	115	-46	259.10
96-35	334342.05	6082715.31	1289.87	115	-65	292.60
96-36	334315.2	6082641.71	1263.64	160	-45	279.80
96-37	334338.96	6082453.03	1260.07	108	-50	153.30
96-38	334242.97	6082558.39	1249.14	106	-50	289.60
96-39	335220.41	6081005.66	1270.77	271	-50	426.10
96-40	335253.85	6080842.69	1274.77	290	-50	414.50
96-41	335190.11	6081156.47	1267.51	270	-50	414.50
96-42	334903.84	6081974.58	1257.32	301	-45	107.30
96-43	334634.46	6082143.74	1245.93	295	-45	85.60
96-44	334676.88	6082123.73	1241.91	295	-45	67.10
96-45	334849.38	6082148.23	1248.25	280	-70	283.50
96-46	334880.79	6082186.07	1259.23	295	-50	320.00
96-47	334561.26	6082447.67	1292.01	306	-45	139.60
96-48	334675.02	6082402.05	1282.43	294	-50	150.90
96-49	334844.31	6082327.73	1269.01	296	-50	313.90

Hole_ID	Easting NAD 83	Northing NAD 83	Elevation (m)	Azimuth	Dip	Length (m)
96-50	334809.07	6082293.98	1273.15	299	-50	249.90
96-51	334736.33	6082255.17	1268.51	295	-45	195.10
97-52	334825.33	6081941.73	1244.23	309	-45	168.20
97-53	334764.46	6081868.58	1235.67	297	-45	164.30
97-54	334840.89	6081834.27	1242.80	308	-45	181.40
97-55	334921.82	6082117.12	1249.50	295	-65	357.20
97-56	334930.5	6082169.32	1254.41	295	-60	359.70
97-57	334896.07	6082252.45	1262.66	295	-50	322.50
97-58	334938.24	6082287.39	1266.47	295	-50	364.50
97-59	334864.69	6082389.92	1290.51	295	-60	340.20
97-60	334950.28	6082234.94	1260.83	295	-60	323.10

Appendix B Acme Labs Analytical Specifications

Gary Giroux, P. Eng.
M Moore P. Geo

AcmeLabs

CARECOMMITMENTPERFORMANCE

METHOD SPECIFICATIONS

GROUP 1E & 1T – GEOCHEMICAL FOUR-ACID DIGESTION

Package Codes: **1E, 1EX, 1T**

Sample Digestion: **HF-HNO_3-$HClO_4$ acid digestion**

Instrumentation Method: **ICP-ES (1E), ICP-MS (1EX, 1T)**

Applicability: **Sediment, Soil, Non-mineralized Rock and Drill Core**

Method Description:

Prepared sample is digested to complete dryness with an acid solution of (2:2:1:1) H_2O-HF-$HClO_4$-HNO_3. 50% HCl is added to the residue and heated using a mixing hot block. After cooling the solutions are transferred to test-tubes and brought to volume using dilute HCl. Sample splits of 0.25g are analyzed.

Element	Group 1E Detection	Group 1EX Detection	Group 1T Detection	Upper Limit
Ag	0.5 ppm	0.1 ppm	20 ppb	200 ppm
Al*	0.01%	0.01%	0.02%	20%
As†	5 ppm	1 ppm	0.2 ppm	10000 ppm
Au†	4 ppm	0.1 ppm	0.1 ppm	200 ppm
Ba*	1ppm	1 ppm	1 ppm	10000 ppm
Be*	1 ppm	1 ppm	1 ppm	1000 ppm
Bi	5 ppm	0.1 ppm	0.04 ppm	4000 ppm
Ca	0.01%	0.01%	0.02%	40%
Cd	0.4 ppm	0.1 ppm	0.02 ppm	4000 ppm
Ce	-	1 ppm	0.02 ppm	2000 ppm
Co	2 ppm	0.2 ppm	0.2 ppm	4000 ppm
Cr	2 ppm	1 ppm	1 ppm	10000 ppm
Cs	-	-	0.1 ppm	2000 ppm
Cu	2 ppm	0.1 ppm	0.02 ppm	10000 ppm
Dy	-	-	0.1 ppm	2000 ppm
Er	-	-	0.1 ppm	2000 ppm
Eu	-	-	0.1 ppm	2000 ppm
Fe*	0.01%	0.01%	0.02%	60%
Ga			0.02 ppm	100 ppm
Gd	-	-	0.1 ppm	2000 ppm
Hf*	-	0.1 ppm	0.02 ppm	1000 ppm
Ho	-	-	0.1 ppm	2000 ppm
K	0.01%	0.01%	0.02%	10%
La	2 ppm	0.1 ppm	0.1 ppm	2000 ppm
Li	-	0.1 ppm	0.1 ppm	2000 ppm
Lu	-	-	0.1 ppm	2000 ppm

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CARECOMMITMENTPERFORMANCE

Element	Group 1E Detection	Group 1EX Detection	Group 1T Detection	Upper Limit
Mg*	0.01%	0.01%	0.02%	30%
Mn*	5 ppm	1 ppm	2 ppm	10000 ppm
Mo	2 ppm	0.1 ppm	0.05 ppm	4000 ppm
Na	0.01%	0.001%	0.002%	10%
Nb	2 ppm	0.1 ppm	0.04 ppm	2000 ppm
Nd	-	-	0.1 ppm	2000 ppm
Ni	2ppm	0.1 ppm	0.1 ppm	10000 ppm
P	0.002%	0.001%	0.001%	5%
Pb	5 ppm	0.1 ppm	0.02 ppm	10000 ppm
Pr	-	-	0.1 ppm	2000 ppm
Rb	-	0.1 ppm	0.1 ppm	2000 ppm
S*	0.1%	0.1%	0.04%	10%
Sb†	5 ppm	0.1 ppm	0.02 ppm	4000 ppm
Sc	1 ppm	1 ppm	0.1 ppm	200 ppm
Sm	-	-	0.1 ppm	2000 ppm
Sn*	2 ppm	0.1 ppm	0.1 ppm	2000 ppm
Sr	2 ppm	1 ppm	1 ppm	10000 ppm
Ta*	-	0.1 ppm	0.1 ppm	2000 ppm
Tb	-	-	0.1 ppm	2000 ppm
Th	2 ppm	0.1 ppm	0.1 ppm	4000 ppm
Ti	0.01%	0.001%	0.001%	10%
Tm	-	-	0.1 ppm	2000 ppm
U	20 ppm	0.1 ppm	0.1 ppm	4000 ppm
V	2 ppm	4 ppm	1 ppm	10000 ppm
W*	4 ppm	0.1 ppm	0.1 ppm	200 ppm
Y	2 ppm	0.1 ppm	0.1 ppm	2000 ppm
Yb	-	-	0.1 ppm	2000 ppm
Zn	2 ppm	1 ppm	0.2 ppm	10000 ppm
Zr*	2 ppm	0.1 ppm	0.2 ppm	2000

Limitations:

*This digestion is only partial for some Cr and Ba minerals and some oxides of Al, Hf, Mn, Sn, Ta and Zr.

†Volatilization may occur during fuming resulting in some loss of As, Sb and Au

METHOD SPECIFICATIONS

GROUP 7TD AND 7TX – ASSAY FOUR-ACID DIGESTION

Package Codes: 7TD1, 7TD2, 7TD3, 7TX1
Sample Digestion: $HF-HNO_3-HClO_4$ acid digestion
Instrumentation Method: ICP-ES (7TD, 7TX), ICP-MS (7TX)
Applicability: Rock and Drill Core

Method Description:

Prepared sample is digested to complete dryness with an acid solution of (2:2:1:1) H2O-HF-HClO4-HNO3. 50% HCl is added to the residue and heated using a mixing hot block. After cooling the solutions are made up to volume with dilute HCl in class A volumetric flasks. Sample splits of 0.5g or 0.1g can be analyzed. Very high-grade samples are reweighed at lower weight to accommodate analysis up to 100% upper limit.

Element	Group 7TD Detection	Group 7TX Detection
Ag	2 g/t	0.5 ppm
Al*	0.01%	0.01%
As	0.02%	5 ppm
Ba*	-	5 ppm
Be	-	5 ppm
Bi	0.01%	0.5 ppm
Ca*	0.01%	0.01%
Cd	0.001%	0.5 ppm
Ce	-	5 ppm
Co	0.001%	1 ppm
Cr*	0.001%	1 ppm
Cu	0.001%	0.5 ppm
Fe*	0.01%	0.01%
Hf*	-	0.5 ppm
K	0.01%	0.01%
La	-	0.5 ppm
Li	-	0.5 ppm
Mg	0.01%	0.01%
Mn*	0.01%	5 ppm
Mo	0.001%	0.5 ppm
Na	0.01%	0.01%
Nb*	-	0.5 ppm
Ni	0.001%	0.5 ppm
P	0.01%	0.01%
Pb	0.02%	0.5 ppm

Element	Group 7TD Detection	Group 7TX Detection
Rb	-	0.5 ppm
S*	0.05%	0.05%
Sb	0.01%	0.5 ppm
Sc	-	1 ppm
Sn*	-	0.5 ppm
Sr	0.01%	5 ppm
Ta*	-	0.5 ppm
Th	-	0.5 ppm
Ti*	-	0.001%
U	-	0.5 ppm
V	-	10 ppm
W*	0.01%	0.5 ppm
Y	-	0.5 ppm
Zn	0.01%	5 ppm
Zr*	-	0.5 ppm

Limitations:

*This digestion is only partial for some Cr and Ba minerals and some oxides of Al, Fe, Hf, Mn, Nb, S, Sn, Ta, Ti, W and Zr if refractory minerals are present.

†Volatilization may occur during fuming resulting in some loss of As and Sb.

Appendix C CDN Resources Labs Reference Standard Specifications

CDN Resource Laboratories Ltd.

Unit 2 - 20148, 102nd Avenue, Langley, B.C., Canada, V1M 4B4, Ph: 604-882-8422 Fax: 604-882-8466
(www.cdnlabs.com)

REFERENCE STANDARD: CDN-MoS-1

Recommended value and the "Between Lab" Two Standard Deviations
Molybdenum concentration: 0.065 % ± 0.008 %

PREPARED BY: CDN Resource Laboratories Ltd.
CERTIFIED BY: Duncan Sanderson, B.Sc., Licensed Assayer of British Columbia
INDEPENDENT GEOCHEMIST: Dr. Barry Smee., Ph. D., P. Geo.
DATE OF CERTIFICATION: July 15, 2006

ORIGIN OF REFERENCE MATERIAL:

Standard CDN-MoS-1 was prepared using mill feed material supplied by Thompson Creek Mining Company from their Endako Mine in British Columbia, Canada. The ore has been named Endako Quartz Monzonite consisting typically of 30% quartz, 35% pink tinged K-feldspar, 30% white to green tinged plagioclase with 5% partially chloritized black biotite. Primary ore minerals are molybdenite, pyrite and magnetite with minor amounts of chalcopyrite and traces of bornite, bismuthinite, scheelite and specuralite.

METHOD OF PREPARATION:

Reject ore material was dried, pulverized and then passed through a 200 mesh screen.
The +200 material was discarded. The -200 material was mixed for 7 days in a double cone blender.
Splits were taken and sent to 12 commercial laboratories for round robin assaying. Round robin results are displayed below:

	Lab 1	Lab 2	Lab 3	Lab 4	Lab 5	Lab 6	Lab 7	Lab 8	Lab 9	Lab 10	Lab 11	Lab 12
	Mo %	Mo %	Mo %	Mo %	Mo %	Mo %	Mo %	Mo %	Mo %	Mo %	Mo %	Mo %
	0.059	0.061	0.066	0.061	0.067	0.068	0.068	0.063	0.068	0.069	0.068	0.061
	0.056	0.059	0.065	0.060	0.067	0.068	0.069	0.064	0.067	0.069	0.066	0.060
	0.059	0.060	0.065	0.059	0.067	0.069	0.070	0.064	0.066	0.070	0.067	0.060
	0.055	0.061	0.067	0.058	0.068	0.066	0.072	0.065	0.067	0.071	0.067	0.065
	0.060	0.059	0.064	0.062	0.068	0.066	0.073	0.065	0.067	0.070	0.066	0.062
	0.060	0.062	0.064	0.062	0.067	0.066	0.073	0.066	0.068	0.068	0.067	0.056
	0.057	0.061	0.066	0.062	0.068	0.068	0.073	0.065	0.067	0.071	0.068	0.062
	0.055	0.062	0.066	0.061	0.069	0.066	0.072	0.060	0.067	0.070	0.068	0.061
	0.057	0.060	0.065	0.064	0.067	0.065	0.073	0.064	0.068	0.071	0.067	0.063
	0.059	0.060	0.065	0.062	0.067	0.064	0.072	0.063	0.067	0.069	0.067	0.061
Mean	0.058	0.060	0.065	0.061	0.067	0.067	0.072	0.064	0.067	0.070	0.067	0.061
Std. Dev.	0.002	0.001	0.001	0.002	0.001	0.002	0.002	0.002	0.001	0.001	0.001	0.002
%RSD	3.37	1.53	1.45	2.83	0.96	2.37	2.57	2.60	0.94	1.48	1.10	3.73

Assay Procedure: four acid digestion, AA or ICP finish..

REFERENCE STANDARD: CDN-MoS-1

APPROXIMATE CHEMICAL COMPOSITION:

	Percent			Percent
SiO2	61.4		Na2O	3.1
Al2O3	16.3		MgO	1.2
Fe2O3	4.7		K2O	5.0
CaO	2.7		TiO2	0.5
MnO	0.1		LOI	3.0

Statistical Procedures:

The mean and standard deviation for all data was calculated. Outliers were defined as samples beyond the mean ± 2 Standard Deviations from all data. These outliers were removed from the data and a new mean and standard deviation was determined. This method is different from that used by Government agencies in that the actual "between-laboratory" standard deviation is used in the calculations. This produces upper and lower limits that reflect actual individual analyses rather than a grouped set of analyses. The limits can therefore be used to monitor accuracy from individual analyses, unlike the Certified Limits published on other standards.

Participating Laboratories: (not in same order as table of assays)

- Acme Analytical Laboratories Ltd., Vancouver
- Assayers Canada Ltd., Vancouver
- ALS Chemex Laboratories, North Vancouver
- Alex Stewart (Assayers) Argentina Ltd.
- Genalysis Laboratory Services Pty. Ltd., Australia
- GTK Laboratory, (Geological Survey of Finland)
- International Plasma Laboratories Ltd., Vancouver
- OMAC Laboratories Ltd., Ireland
- SGS-XRAL, Toronto
- Skyline Laboratory, Tucson, Arizona, USA
- TeckCominco (Global Discovery Lab), Vancouver
- TSL Laboratories, Saskatoon

Legal Notice:

Certified by

Duncan Sanderson

Duncan Sanderson, Certified Assayer of B.C.

Geochemist

BW Smee

Dr. Barry Smee, Ph.D., P. Geo.

Appendix D Author Site Examination Photos

Mac Moly Property Core Logging Facility

Mac Moly Property Core Cutting Facility

Mac Moly Property Core Sample Shipment Security Tag

Diamond Drill rig

Mac Moly Select Core Pictures DDH MC11-03