ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TITLE OF REPORT: Physical and Geophysical Report on the Island Zinc Property

TOTAL COST: $57,071.43 ($32,846.12 being applied to assessment, balance to PAC)

AUTHOR(S): Len P. Gal
SIGNATURE(S):

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): n/a
STATEMENT OF WORK EVENT NUMBER(S)/DATE(S): 5703353 / 8 JULY 2018
YEAR OF WORK: 2018

PROPERTY NAME: Island Zinc (also known as HPH)

CLAIM NAME(S) (on which work was done):

HPH	1047372
HPH EXT	1047977
HPH FAR EAST	1048488
HPH SOUTH	1048558
HPH NORTH	1051030

COMMODITIES SOUGHT: Zn, Ag, Pb, Cu, Au
MINERAL INVENTORY MINFILE NUMBER(S),IF KNOWN: 092L069, 092L241, 092L242

MINING DIVISION: Nanaimo
NTS / BCGS: UTM 92L/12, BCGS 92L/061, 062

LATITUDE: _50° ___41' __40"
LONGITUDE: 127_° 47' __45" (at centre of work)
UTM Zone: EASTING: NORTHING:
OWNER(S): Leonard Gal

MAILING ADDRESS: 35 Agassiz Drive, Winnipeg, MB R3T 2K8

OPERATOR(S) [who paid for the work]: Precipitate Gold Ltd.

MAILING ADDRESS: 625 Howe Street, Suite 1020; Vancouver, BC; V6C 2T6

REPORT KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude. **Do not use abbreviations or codes**).
limestone, Quatsino Formation, Triassic, skarn, carbonate replacement, silica alteration, south-dipping mantos.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:
870, 3609, 3954, 4180, 4472, 7566, 9507, 16347, 17393, 17445, 20328

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (in metric units)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping			
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Gravity (86 unique readings)		1047372 1047977 1048488 1048558 1049362 1051030 1051031	$4790.73 $1596.83 $1596.83 $5415.12 $7195.63 $3828.22 $1196.66
Airborne			
GEOCHEMICAL			
Soil		Collected as part of the line clearing program, not analysed	
Silt			
Rock			
Other			
DRILLING (total metres, number of holes, size, storage location)			
Core			
Non-core			
RELATED TECHNICAL			
Petrographic			
Mineralographic			
Metallurgic			

PROSPECTING (scale/area)		
PREPATORY / PHYSICAL Line/grid (7.7 km)	1047372 1047977 1048488 1048558 1049362 1051030 1051031	$1351.23 $450.39 $450.39 $1527.34 $2029.54 $1079.75 $337.52
Topo/Photogrammetric (scale, area)		
Legal Surveys (scale, area)		
Road, local access (km)/trail		
Trench (number/metres)		
Underground development (metres)		
Other		
	TOTAL COST	**$32,846.12**

ASSESSMENT REPORT
Physical and Geophysical Report on the Island Zinc Project

NTS: 92L12 Nanaimo Mining District Nahwitti Lake area

50°41.67' N 127° 47.75' W

Work Applied to Claims:
1047372, 1047977, 1048488, 1048558, 1049362, 1051030, 1051031

Work Performed:
February-April 2018

Effective Date: 31 July, 2018

Operator:
Precipitate Gold Corp.
625 Howe Street, Suite 1020
Vancouver, BC
Canada, V6C 2T6

Prepared by:
Len Gal P.Geo.

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SUMMARY AND CONCLUSIONS

The Island Zinc Project comprises 33 grid cell claims in seven claim blocks for a total of for a total area of 675.53 ha (1669 acres). The claims are located on northern Vancouver Island, about 25 km west of Port Hardy. The project encompasses three BC MINFILE showings of Zn, Pb and Ag mineralization, hosted in Upper Triassic Quatsino Formation limestone. The showings are thought to represent carbonate replacement deposit (CRD) type mineralization, and the potential to expand the mineralization remains. There is additional Fe-Cu skarn potential in limestone and/or Triassic Karmutsen Formation volcanic rocks.

Precipitate Gold Corp. (PGC) held an option agreement with the claims owner to acquire a 100% interest in the property over a four year term. This report summarizes exploration efforts carried out in 2018 by the operator PGC. These efforts included a line and trail clearing, soil sampling, and a reconnaissance gravity survey. Approximately 7.7 km of trail and line were cleared of brush in order to facilitate a ground gravity survey. A number of soil samples were collected, but these were not analyzed. A gravity survey comprising 86 unique stations, set about 60 m apart and covering about 5.9 line km was conducted.

The gravity maps show a gradient from relative highs in the north part of the study are, at the Karmutsen - Quatsino contact, and decreasing southward. Some gravity anomalies were observed, particularly in the vicinity of the Pit Showing. Gravity anomalies may represent carbonate replacement style Zn-Pb or magnetite skarn mineralization that was observed in outcrop in paces along the lower contact of Quatsino Formation. The gravity gradient is the reverse of that expected, being higher in the limestone and lower in the volcanics and/or granitoids.

PGC was of the opinion that the anomalies were of insufficient size or strength to warrant follow-up surveys or any further work. PGC dropped their option and the Island Zinc property was returned to the owner in April 2018. The author suggests the gravity survey, and resultant interpretations, can be yet improved by increased resolution, an accompanying magnetic susceptibility survey, and a light ranging and detection (LiDAR) survey to resolve topography.

INTRODUCTION

This report summarizes exploration work carried out on the Island Zinc project in from February to April 2018. This work included: clearing of approximately 7.7 km of line and trail to facilitate a ground gravity survey, collection of about 80 soil samples, and a ground gravity survey by SJ Geophysics Ltd. consisting of readings from 86 unique stations. Total cost of the program was $57,071.43. Expenditures in the amount of $32,846.12 will be applied to assessment costs to keep the claims in good standing, as detailed in the section “CLAIM INFORMATION”. A Statement of Costs is included in Appendix 2.

LOCATION AND ACCESS

The property is located on Vancouver Island, about 25 km west of Port Hardy. The property lies at latitude 50º41.7’N and Longitude 127º47.75’W, on NTS map sheet 92L/12 (Figure 1). From Port Hardy, the claim is accessed via the well maintained gravel Port Hardy – Holberg road, which traverses the centre of the property.

Figure 1. Location of Island Zinc Project on northern Vancouver Island (figure from precipitategold.com).

PHYSIOGRAPHY, VEGETATION AND CLIMATE

The property is situated in northwestern Vancouver Island along the Nahwitti River valley, which flows WNW into Nahwitti Lake and thence northward to the ocean. Low rolling hills, plateaus, and steeply incised creek valleys are characteristic of this area of Vancouver Island. The Nahwitti valley is at least 500 m across in this area, and flat bottomed. The elevations on the claim range from about 220 metres above sea level in the Nahwitti valley, to 540 metres in the extreme southeast corner of the property. Outcrop exposures are generally sparse, being limited to stream gullies, ridges and bluffs, and roadcuts or stripped areas.

Vegetation is typical of the west coast temperate rain forest, with commercial timber consisting of cedar, hemlock and douglas-fir. Logging has occurred over most of the property, and is ongoing in the area. The Nahwitti River valley hosts ponds and wetlands with their characteristic alders, red osier dogwoods, willows, grasses, sedges and rushes.

The climate is moderate with mild summers and cool, wet winters. The average temperatures (degrees Celsius) in July are high 14, low 11; with January highs and lows of 6 and 3, respectively. The wettest months are October to December, typically with about 100 mm of rainfall. May is usually the driest month with an average of 28 mm precipitation. Winter snowfalls are not uncommon, but typically the snow does not last long on the ground.

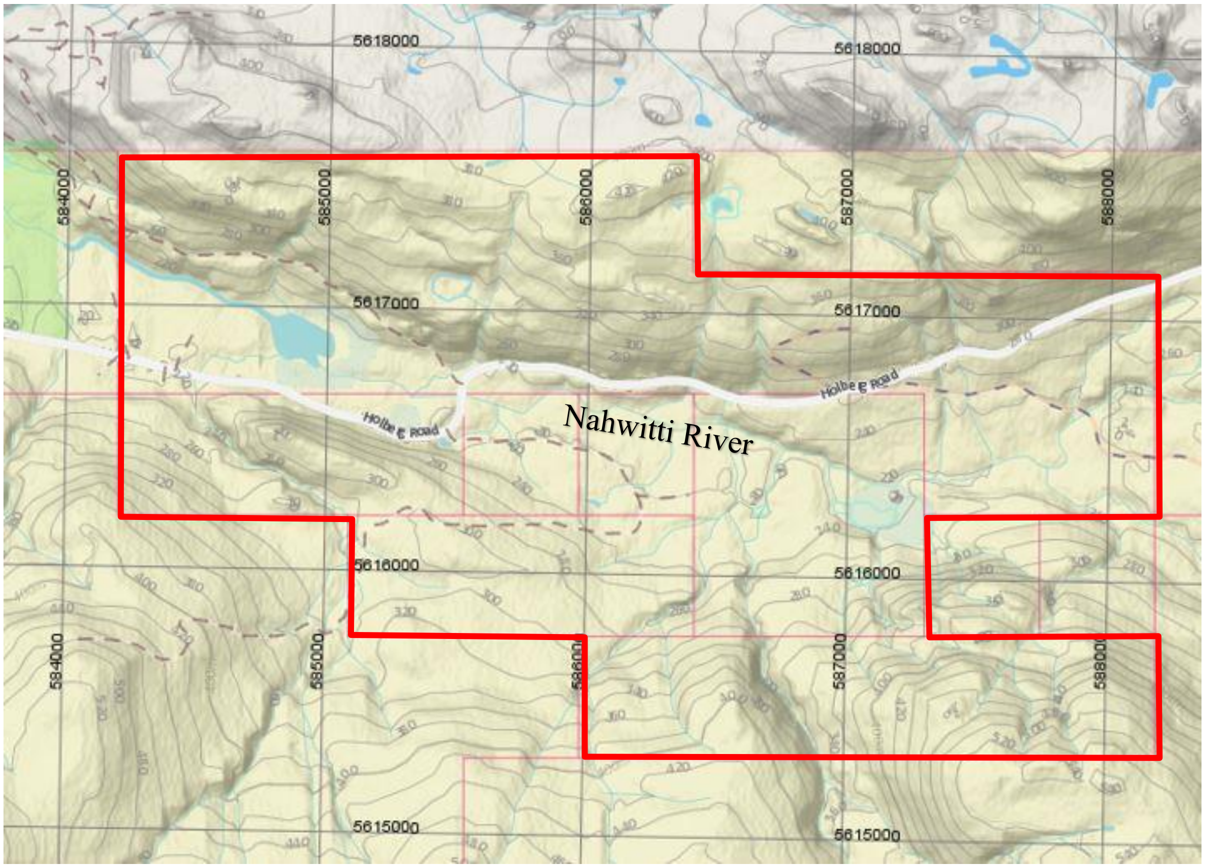

Figure 2. Island Zinc Project (bold red outline) with topography (contour lines labeled with m asl) and UTM grid (NAD 83 Zone 9 coordinates).

CLAIM INFORMATION

The claims are in the Nanaimo Mining Division and consists of 33 grid cells in seven separate titles (Figure 2), owned 100% by L. Gal. The value of the work described in this report, totaling $57,071.43, is being partly applied as assessment expenditures on the claims. Further information is summarized below:

Table 1. Claim information.

TENURE NUMBER	CLAIM NAME	NUMBER OF CELLS	AREA	EXPIRY DATE Y/M/D*
1047372	HPH	3	61.41 ha	2028/12/31
1047977	HPH EXT	1	20.47 ha	2028/12/31
1048488	HPH Far East	1	20.47 ha	2028/12/31
1048558	HPH South	3	61.42 ha	2028/07/31
1049362	Moredorlon	4	81.89 ha	2028/07/31
1051030	HPH North	16	327.5 ha	2023/07/31
1051031	HPH SE	5	102.37 ha	2023/07/31
	Total	**33**	**675.53 ha**	
	* New expiry date pending approval of this report			

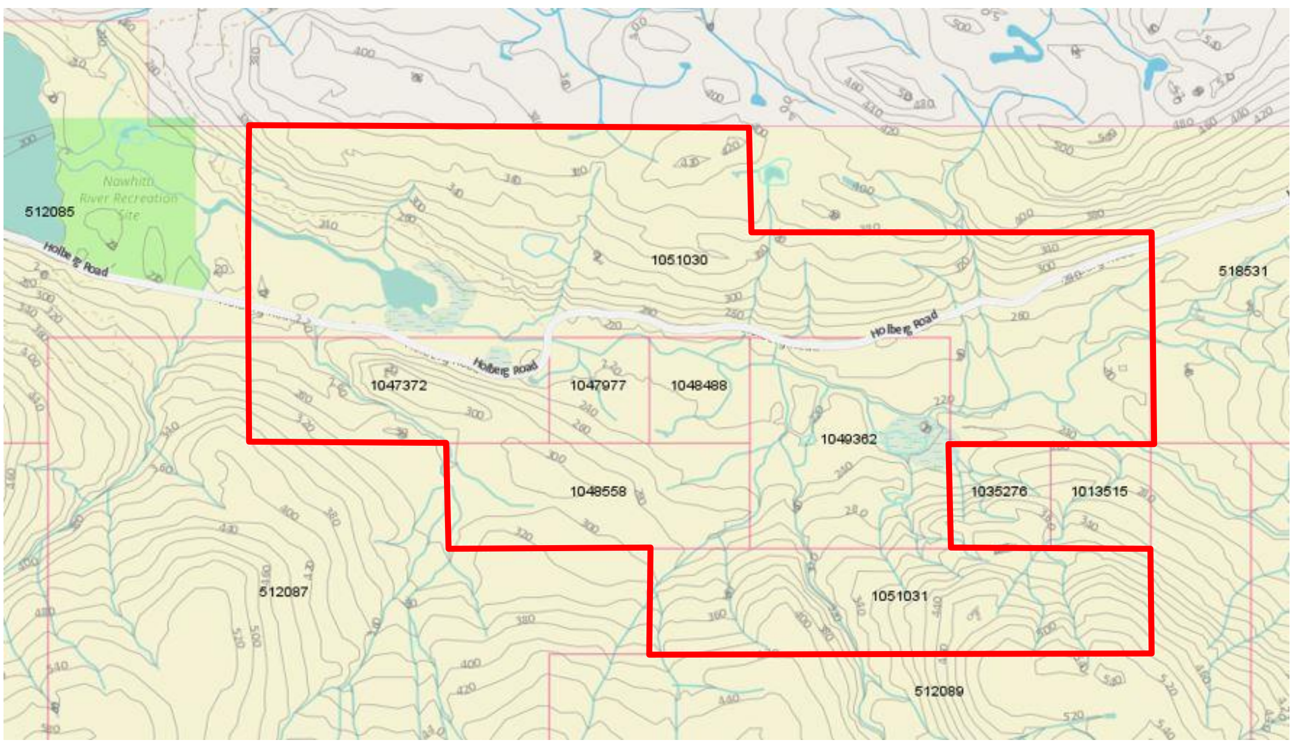

Figure 3. Claims comprising Island Zinc Project (bold red outline). Other claims light yellow shade.

HISTORY AND PREVIOUS WORK

The HPH showings were discovered in June 1930 by Mssrs. Helper, Hicklenton and Pugh of the Port Hardy area. Up until at least 1987, the three original claims staked in 1930 (HPH 1-3) remained in good standing. Crown Grants were never applied for to the author's knowledge. Christopher (1988) provides a thorough exploration history of the claims, through to the late 1980s.

In the 1930s, optionees performed surface trenching and stripping, sank two shallow shafts and a 33.8 m long adit (the "Lee adit") at the Main Zone. In the 1940s and 1950s, some rudimentary geophysical surveys were done, as well as some small diameter (X-ray) core drilling. At least one 1945 drillhole encountered mineralization in 3 and 5 foot intersections, although no assays or other records could be found (Sutherland, 1966). In the 1960s-1970s, optionees performed trenching, geochemical and geophysical surveys, as well as some drilling.

Christopher (1988) reported drilling by Giant Explorations Ltd. in 1966, in an uncertain location on the old HPH #3 claim, but probably at the Pit showing, yielding results of 8.84 m of 5.6% Zn, 2.8% Pb, 162.7 g/t Ag (weighted average intersection in drill hole NL-19) and 5.49 m of 7.4% Zn, 6.9% Pb and 337.5 g/t Ag (drill hole NL-20). Through the 1980s, a series of optionees explored the property and surrounding ground with geochemical, geophysical and geological surveys. A map in Christopher (1988; his Figure 4) and a tabulation of exploration costs suggests that Hisway Resources Corp. drilled two holes in 1988 (also at the Pit Showing). The probable drill logs for these two holes are found in Magrum and von Eisedel (1988) – no mineralization was encountered and no assays were done.

No further work is was recorded until a 2017 geochemical and geophysical program carried out by the claim owner and Preciptiate Gold Corp. (Gal, 2017). Table 2 below summarizes recorded exploration work on the property to date.

GEOLOGY (from BC MINFILE)

The area is underlain by northwest trending belts of Upper Triassic volcanic and sedimentary rocks of the Vancouver Group (Karmutsen, Quatsino, Parsons Bay and Harbledown formations; Figure 4). Some workers include bedrock of overlying, Lower to Middle Jurassic Bonanza Group volcanics and sediments. Both groups are intruded by Middle to Late Jurassic Island Plutonic Suite, and later (Tertiary?) dykes.

Quatsino Formation limestone is the primary unit of interest on the property. It is estimated to be 150 metres thick (Gunning, 1932), and is locally is silicified and altered to skarn. The formation outcrops in a band of grey to black fine-crystalline limestone, trending a little north of west, and dipping 35-65 degrees south. Quatsino Formation conformably overlies Karmutsen Formation intermediate volcanic flows and fragmental rocks, and is overlain by Parsons Bay Formation, or locally Harbledown Formation interbedded sediments and volcanics, including siliceous grey tuffs, felsite, hornblende andesite, and hornblende andesite porphyry.

In the southern part of the property are outcrops of granodiorite of the Island Plutonic Suite.

Crosscutting the aforementioned units are a variety of dykes and sills, including: aplite, felsite, and altered rhyolite or trachyte in the limestone, and augite andesite and augite andesite porphyry. These are thought to be largely Tertiary in age.

Table 2. Exploration History.

Year(s)	Operator	Activity	Notes
1930	Helper, Pugh & Hicklenton	Main zone discovery	H.P.H. 1-3 claims staked and remain in good standing until at least 1987.
1930-31	American Smelting & Refining	Surface and underground development	2 shafts (8 and 12 m) 1 adit (34 m) trenches, stripping, etc.
1931	GSC	Property examination by HC Gunning	GSC Summary Report 1931 Part A (Gunning, 1932).
1932	Helper, Pugh & Hicklenton	Pit zone discovery	--
1936	WG Dickinson & Assoc.	Some exploratory work	Some sources attribute the development work to Dickinson & Assoc.
1945	Sheep Creek Mines Ltd.	8-12 short X-ray diamond drill holes	Drilling at Main zone and Pond zone. Results variously described as poor or interesting by later authors. Drill hole 2 (near Pond Zone) intersected 3 ft and 5 ft of "ore" (Sutherland, 1966; Christopher and Magrum, 1988).
1947	Western Mining & Development Syndicate	Geological mapping, radiometric and magnetic surveys	Around this time BO Erickson apparently drilled about 914 m of core finding good mineralization, no records survive.
1965-74	Giant Explorations Ltd.	Geological mapping, geochemical surveys (1200+ soil samples with detailed grid over Pit Zone), magnetometer and VLF-EM survey (7.5 line km, 1972), and airborne mag and electromagnetic surveys (1969), trenching (500 feet in 1965), and 873 m diamond drilling in 21 holes (1966) 265 m of diamond drilling in 17 holes (1967).	No drill records survive except for intersections in 2 holes at Pit zone (Christopher, 1988). Geochemical sampling and trenching at TR Road and Bluff showings in 1973-74. About 50,000 t of ore (non NI 43-101 compliant) was outlined (Sutherland, 1966).
1979-80	Loredi Resources Ltd.	Geological mapping, geochemical surveys (71 samples) , and 1,143 m X-ray diamond drilling	No drill records survive. (Christopher, 1988).
1980-81	Silver Bar Resources	Check sampling	Salaga (1981)
1984	Darwin Engineering	Prospecting and sampling	(Christopher, 1988).
1987-88	Hisway Mining Corp.	Check sampling, magnetometer, VLF-EM and radiometric surveys over 400 m test line. Apparently 2 drill holes completed at Pit zone (old HPH 3 claim)	Reserve of about 10,000 t of ore proven (non NI 43-101 compliant; Wilson et al., 1987; Christopher and Magrum, 1988).
1988	QPX Minerals Inc.	? uncertain	--
2017	Precipitate Gold Corp.	Limited gravity survey; soil and rock sample geochemistry	Highly anomalous soil samples (up to 1%+ Zn and Pb); anomalies occurred over 1 km strike length; rock samples confirm mineralization at known showings; Gravity survey was incomplete and inconclusive, hampered by access and tree cover issues

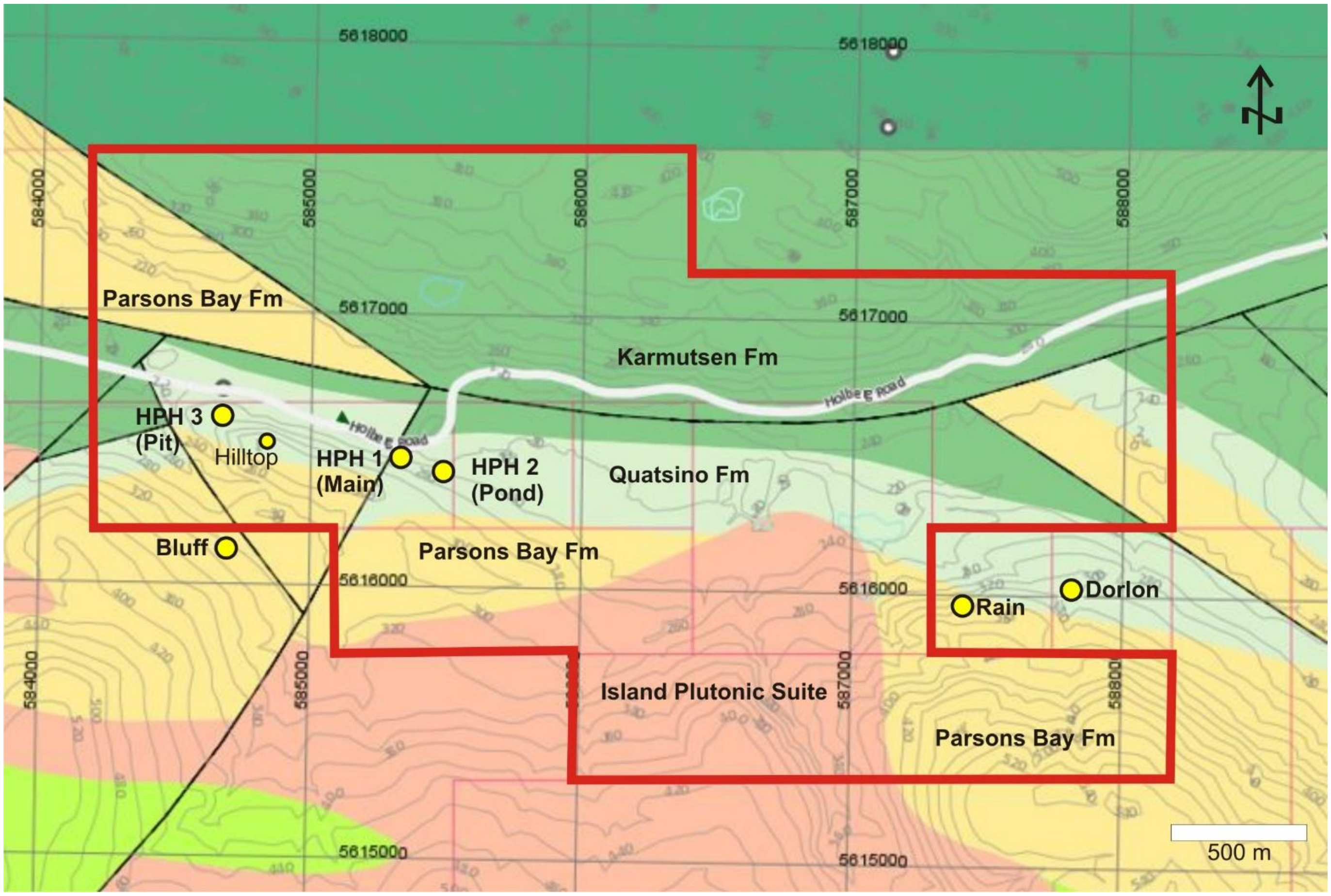

Figure 4. Bedrock geology (from BC government Map Place): greens- Karmutsen Formation, light blues- Quatsino Formation, yellow-oranges- Parsons Bay, Harbledown formations +/- Bonanza Group, pinks- Island intrusions (Island plutonic suite). Yellow circles indicate showings on or near the property (including true location of Pit, Main and Pond showings). Major faults are black lines, claims outlined in bold red line.

MINERAL OCCURRENCES (BC MINFILE)

The main form of mineralization is irregular masses of disseminated to massive galena-sphalerite replacing fine crystalline dark limestone, suggestive of a carbonate replacement deposit (CRD) style of mineralization. Definite structural controls have not been noted but are likely to be present. Stratigraphic controls might also be present, as the mineralization is typically located within but near the upper or lower contacts of Quatsino Formation limestone. Mineralization at Island Zinc is part of an WNW trending belt associated with Quatsino limestone that stretches almost 7.5 km, south of Nahwitti Lake, from the Dorlon occurrences bordering the east side of the property, to the South Shore showings in the west.

Silver values vary considerably but average about 51 g/t Ag (1.6 oz per ton) per 1% of Pb. Zinc was reported to not correlate particularly well with lead. In fact historic references to the East shaft at the Main Zone note massive galena on the east wall of the shaft, and dominantly sphalerite on the west wall. Gold values and copper values are low, but generally higher in the zinc rich mineralization. Silicification of the limestone is commonly associated with mineralization, and in places a crustose quartz gangue is developed. Tetrahedrite, pyrite, pyrrhotite, and chalcopyrite occur in subordinate amounts in the Pb-Zn mineralization. Where garnet-diopside skarn is developed, iron and copper sulphides are variably but commonly associated with magnetite.

Three MINFILE showings are located on the property: HPH 1 (MINFILE # 092L069), HPH 2 (MINFILE # 092L241) and HPH 3 (MINFILE # 092L242). These are referred to here as Main zone, Pond zone and Pit zone.

HPH 1 (Main Zone)

The Main Zone is where 1930s development was concentrated, including two shallow shafts and the 34 m long Lee adit. The shafts and a good portion of the Lee adit have been removed by excavations at the roadcut, probably to supply roadbuilding material. Reportedly; massive to semi-massive galena-sphalerite mineralization was present in irregular bodies in silicified limestone, over an east-trending area of at least 80 m by 12 m. The main body was exposed over about 38 m length and varied in width from about 10 cm to 3.65 m. Felsite dykes crosscut the limestone in the immediate area, up to 2.5 m wide. A 1.2 m wide felsite dyke, striking N and dipping 65 degrees east, lay at the western limit of the mineralized area at surface. The dip of the sulphide bodies was apparently not parallel to the host limestone bedding, and thus they may have represented small discordant pipes.

The Lee adit was driven south to intersect the Pb-Zn mineralization seen around the East shaft. Garnet-epidote-diopside-actinolite skarn with magnetite-sulphide mineralization (pyrite-pyrrhotite with minor chalcopyrite and sphalerite) was exposed near the adit portal. However, most of the adit was in limestone, with a 35 cm wide pod of massive galena-sphalerite reported near the face of the adit. This sulphide lens was followed for a short distance northwestward with a crosscut, where it plunged into the adit floor.

Shafts were sunk east and west of the adit portal. The East shaft was 10 m deep, and exposed galena rich mineralization on its east wall, and sphalerite rich mineralization on its west wall. Sulphides were reported to be present to the bottom of the shaft, where they were truncated by opposing dipping hairline fractures, to a width of 15 cm.

The west shaft was 12 m deep, vertical at the top, then inclined after about 5 m. At the bottom it intersected a 9 m long natural cave at its base. This natural cavity exposed some mineralization.

Reported surface sampling from the Main zone included 2.0 m chip samples assaying 3743.4 g/t Ag, 38.1% Pb and 10.6% Zn from East shaft (Wilson et al., 1987), 1.8 m chip of 1206.7 g/t Ag, 41% Pb and 25.7% Zn (East shaft; BC Minister of Mines Annual Report 1936) and 1.0 m chip of 1065.4 g/t Ag, 39.4% Pb and 12.12% Zn (Christopher, 1988).

HPH 2 (Pond Zone)

At least four showings of galena-sphalerite mineralization are present at the Pond Zone. Character of the mineralization is similar to the Main zone. Reported samples include 1.5 m chip sample of 267.4 g/t Ag, 3.99% Pb and 9.24% Zn (Christopher, 1988).

HPH 3 (Pit Zone)

Galena-sphalerite mineralization occurs as fracture- fillings and disseminations in sheared and/or silicified Quatsino Formation limestone near a contact with Karmutsen Formation andesite. Some of the limestone is altered to skarn, and some magnetite is present. Mineralization is exposed in outcrops and trenches over a distance of 135 metres. The main mineralized zone can be traced for 76 m, while geochemical anomalies suggest an extent over 300 m (Sutherland, 1966). Reported samples include 2.1 m chip assaying 743.9 g/t Ag, 2.55% Pb and 3.92 % Zn (Christopher, 1988).

Christopher and Magrum (1988) tabulated summary results of two 1966 drill holes by Giant Explorations Ltd. at the Pit Zone (HPH 3).

Table 3. Pit Zone historic (1966) drill hole intersections.

Drill hole number; from-to (feet); interval (m)	**Ag g/t**	**Au g/t**	**Pb %**	**Zn %**	**Cu %**
NL-19; 38-67 feet; 8.84 m	162.7	--	2.8	5.6	--
including 38-44 feet; 1.83 m	187.5	--	1.91	8.66	--
and 44-67 feet; 7.01 m	156.3	--	3.05	4.83	0.14
NL-20; 57-75 feet; 5.49 m	337.5	0.31	6.91	7.38	--

Apparently Hisway Resources Ltd. drilled two holes at the Pit Zone in 1988 (Magrum and von Eisendel, 1988). There are drill logs for two holes testing the Pit Zone in this reference, although the collar locations are not given. However, drill hole locations (presumably for these two holes) are shown in Christopher (1988; his Figure 4). No assays were taken and no mineralization was reported.

Hilltop zone

The Hilltop zone (or “HPH Hilltop”) is not listed on BC MINFILE, and may be related to the Pit zone (Sutherland, 1966). The showing was described as being just below the crest of the ridge on the north-facing side. Massive galena and sphalerite were sampled across a true width of 1.5 m and yielded 237.5 g/t Ag, 0.2% Pb and 14.45% Zn (Sutherland, 1966). The zone dipped west.

Nearby showings

The HPH-Bluff showing (MINFILE # 092L243) is located a short distance south of the property. At the Bluff zone; galena, sphalerite, pyrite and sparse chalcopyrite occur in two small lenticular areas up to 1.4 m by 15 m, exposed in trenches and pits. The zone trends S78W and dips 70 degrees S. The mineralization is present in silicified limestone of the Quatsino Formation, close to its upper contact with interbedded argillaceous limestone and rhyodacite of the Harbledown Formation. The St. Clair Fe-Cu skarn showing (MINFILE # 092L075) lies 630 m to the west-southwest of the property in Meade Creek. The Dorlon Zn-Au-Ag showing (MINFILE # 092L075) lies 470 m to the east. The Rain showing (Zn-Cu-Ag; MINFILE # 092L253) is located just east of the property boundary.

The developed Hushamu porphyry Cu-Mo-Au deposit of Northisle Copper and Gold Inc. lies four km southwest of the property.

2018 EXPLORATION PROGRAM

Line and trail clearing and soil sampling

Fourteen days between February 5 and 28, 2018 were spent on the property by a crew of two contractors, brushing out existing old roads and tracks, and clearing out some new lines. The work involved clearing brush and shrubby vegetation, and deadfall, rather than falling trees. The work was done principally to improve access for the ground gravity survey to follow, as well as allow for required line-of-sight measurements. The cleared lines are illustrated in Figure 5. Approximately 7.7 line km were cleared.

Concurrently with the line clearing, soil samples were collected at intervals along the cleared routes. A bout 80 soil samples were collected. The locations of soil samples were recorded, but no further information was recorded (e.g., horizon, depth, colour, composition, etc.). Ultimately the soil samples were not sent for assay. Samples remain in storage for possible future work.

The cost of this work was $12,316.

Gravity Survey

The following is taken largely from Pezzot (2018) and Pinkerton (2018). Both reports are included in Appendix 1.

SJ Geophysics Ltd. of Delta, BC, was contracted to perform a ground gravity survey utilizing the cleared access paths. The survey was completed between March 30 and April 9, 2018. It included a total of 86 unique gravity readings (excluding duplicates, repeats and tie line loops). Stations were nominally set at 60 m with some variations due to local conditions. Approximately 5.86 line kilometers were covered in the survey. Line and station locations are illustrated in Figure 5.

The planned survey grid primarily followed existing access roads and trails. It consisted of three easterly trending segments (1000N, 2000N and 6000N) and six northerly trending lines (3000E, 4690E, 4890E, 5090E, 5190E, 5290E and 5000E). Lines 2000N and 6000N align to form an east-trending line running some 150 to 300 metres south of the merged Holberg Road and Line 2 profile surveyed in 2017. The six north-south lines bridge the gap between the two main east-west lines and extend coverage to the south as the Quatsino limestone dips beneath the overlying rocks.

Survey stations were occupied along the Holberg road, taking gravity readings at intermediate locations between 2017 station locations (Figure 5). Additional hammer circle measurements were acquired along the Holberg road at 2017 survey locations and along Line 2 in order to calculate and apply terrain corrections. Hammer circle data was not acquired over the rest of the 2017 data.

The cost of this work was $42,105.43

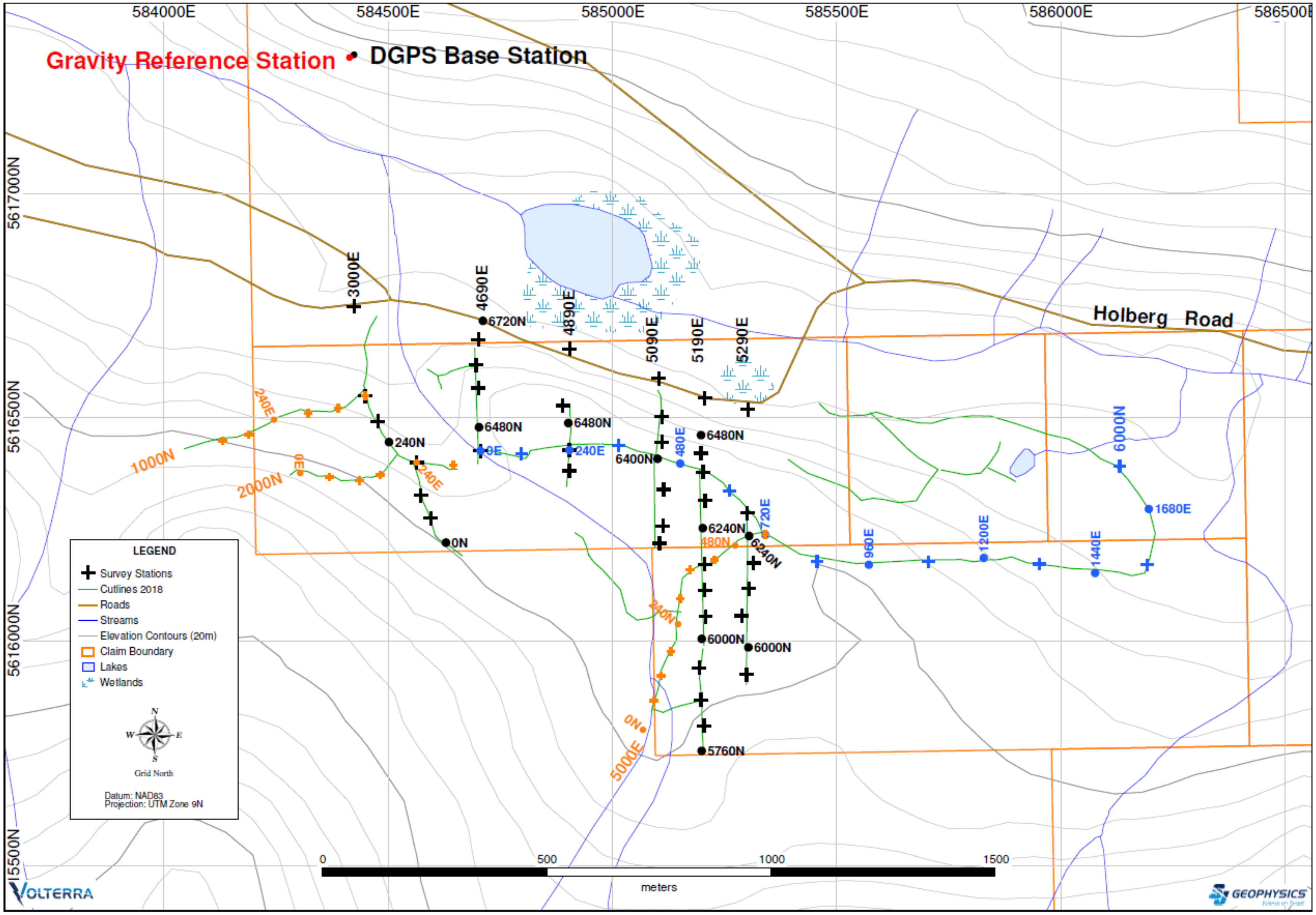

Figure 5. Cleared lines and tracks (green) and gravity survey stations (black crosses). Claim boundaries (red), roads (brown), streams (blue) and 20m topographical contours (dark blue) also shown. UTM coordinates are NAD 83 Zone 9. The location of GPS and gravity base stations are also indicted. From Pezzot (2018).

2018 PROGRAM RESULTS AND INTERPRETATIONS

Gravity Survey

The following from Pezzot (2018) with minor edits:

A review of the 2018 data supports the conclusion from 2017 that a Bouguer density of 2.55 g/cm^3 best represents the average rock density in the area and the interpretation and conclusions derived are based on data reductions using this density. However, data reduction calculations were completed using a suite of densities from 1.8 to 2.9 g/cm^3. The terrain corrected gravity data (including the Holberg Road and Line 2 from 2017) is displayed in three formats:

• Figure 6 is a thematic map, showing colour coded symbols reflecting the corrected gravity readings at each station.
• Figure 7 displays the corrected gravity readings as a gridded, false colour contour map.
• Nine separate plots (in Appendix 2, within the Pezzot memo) are provided showing the corrected gravity the data and digital GPS defined elevation data as profiles (oriented west to east and south to north).

The gravity data delineates a clear gradient, mapping high densities to the north and lower densities to the south. The northernmost readings (taken along the Holberg road) are located near the southern side of the contact separating Karmutsen volcanics to the north from Quatsino limestones to the south. Further to the south, the Quatsino limestone unit dips beneath Bonanza volcanics and quartz diorite intrusive rocks.

The weak gravity anomalies mapped in the 2017 test survey, that loosely tie to the known mineralized occurrences along the Holberg Road, are only weakly indicated on Line 6000N to the south. A weak gravity high (~0.8 mgals), centered on Line 6000N/360E (585014E/5616438N) may indicate an extension of the Main showing and/or Hilltop showing. A stronger anomaly (~1.3 mgals), is mapped some 210 metres south of the Pit showing on Line 2000N, station 300 (584645E/5616393N). Either of these anomalies could be indicative of an extension to the known mineralization, however the responses are localized and do not suggest the presence of any large bodies.

Two stronger gravity anomalies are observed at the western end of the survey grid. The strongest of these is located at the intersection of line 3000E and 1000N (584475E/5616550N) and is mapped as a circular anomaly, some 250 metres across. The other is slightly smaller and located some 275m to the southwest on line 1000N. It may be comprised of multiple, closely spaced bodies that have not been resolved by the current survey. The author adds that this last anomaly corresponds with the outcropping TS Road showing (Philp, 1979; Christopher, 1988).

Both of these new anomalies are located very close to the Karmusten volcanic – Quatsino limestone contact. Gravity readings to the south of these anomalies on line 2000N are slightly higher than most of those seen elsewhere below the Bonanza volcanic cover, but there is insufficient surveying to form the conclusion that this might represent a southerly extension of the anomalies.

While the gravity survey provides some encouragement in that high density anomalies are mapped along the possible down-dip projection of the known deposits, the anomalies are relatively small and so far show limited areal extent.

CONCLUSIONS

A ground gravity survey comprising 86 stations over approximately 5.86 line km was undertaken for property operator Precipitate Gold Corp. (PGC) in March-April 2018. The survey was preceded by a brushing / line-clearing program (approximately 7.7 line km) with the aim of improving accessibility and movement, and aiding in terrain corrections.

PGC, upon receipt and analysis of the results, was of the opinion that the survey anomalies were too weak and/or too small to suggest that a target of the size they were searching for was present. PGC returned the property to the owner in April 2018. The work expenditure is being claimed to keep the claims in good standing.

The author notes that the measured gravity anomalies indicate anomalously high density almost throughout the Quatsino limestone (Figure 6). Limestone densities are generally as high as 2.56 g/cm^3 while intermediate volcanics are 2.5-2.8 g/cm^3 and granitoids are 2.75 g/cm^3 or thereabouts. Therefore the gravity gradient indicated in Figure 7 would seem to be the reverse of that expected. However, all or part of this apparent reversal may be due to the shallowly underlying Karmutsen volcanics in the northern part of the grid. Detailed geological mapping might resolve the true position and attitude of the Quatsino Formation, its contacts and any fault offsets.

It is suggested that higher resolution gravity surveys remains worthwhile, coupled with a magnetic survey to differentiate the magnetite skarn mineralization. A light detection and ranging (LiDAR) survey would be very helpful in addressing topographic correction problems and might help refine the existing gravity data further.

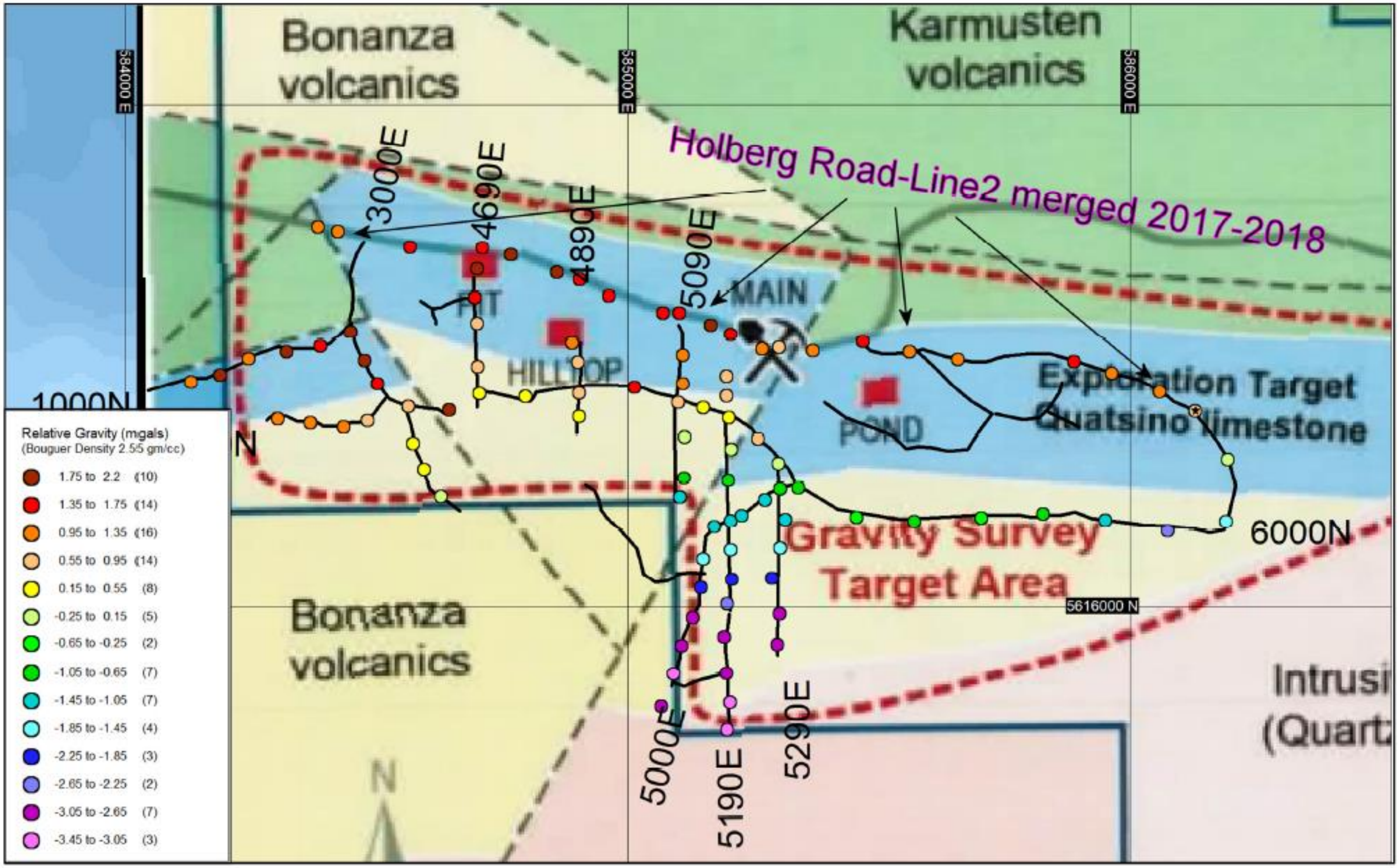

Figure 6. Thematic map of merged 2017 and 2018 Gravity Survey Data (terrain corrected; Bouguer Density = 2.55 g/cm^3). UTM coordinates (NAD 83 Zone 9) overlain. From Pezzot (2018).

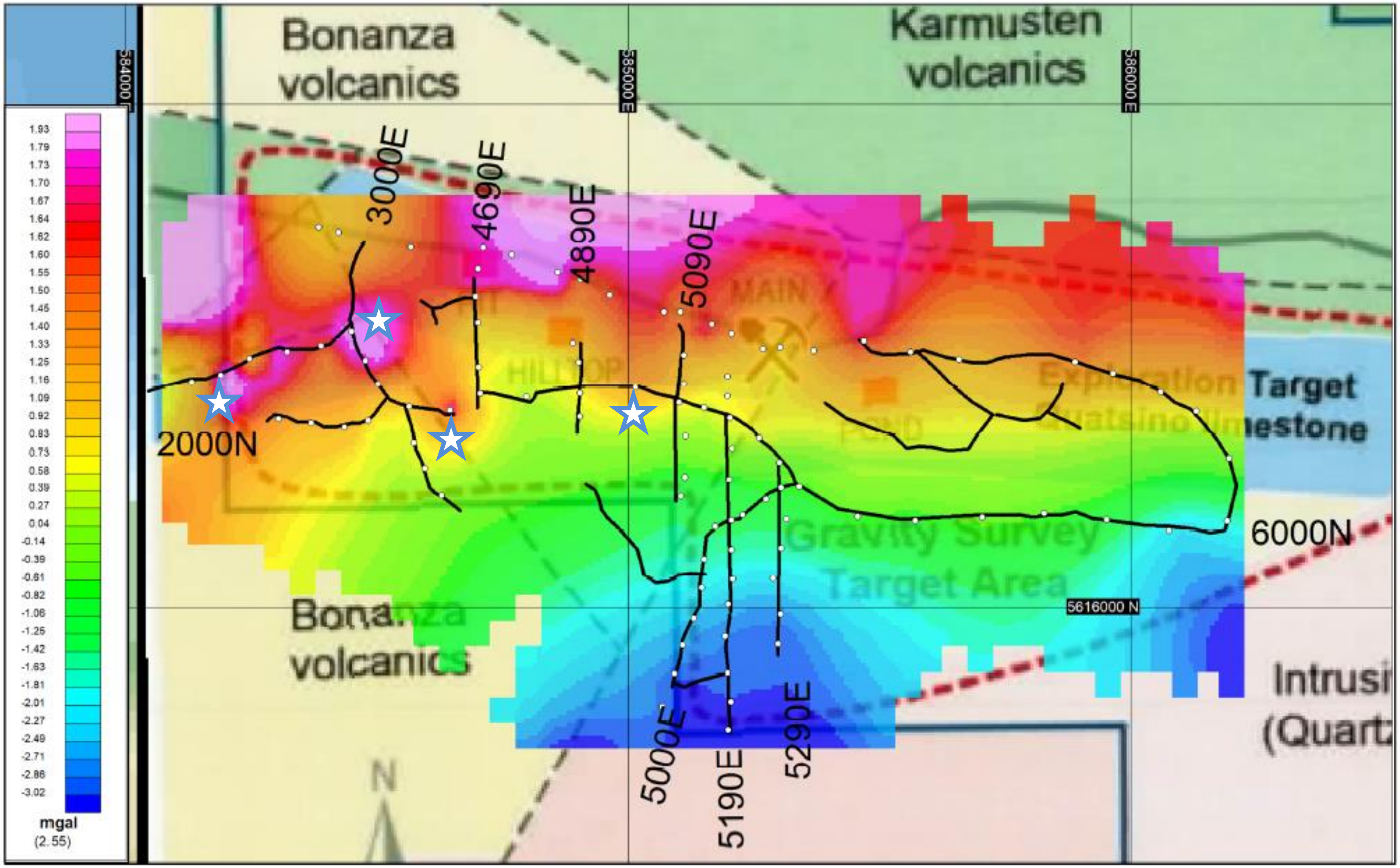

Figure 7. Colour contour map of gridded gravity survey data. (terrain corrected; Bouguer Density = 2.55 g/cm^3). UTM coordinates (NAD 83 Zone 9) overlain. From Pezzot (2018). Anomalies discussed in the text are indicated by stars.

WRITER'S CERTIFICATE

I, Leonard (Len) Gal hereby certify that:

I am a Professional Geoscientist residing at Winnipeg, MB.
I am a graduate of the University of British Columbia, B.Sc. (1986), and the University of Calgary, M.Sc. (1990);
At time of writing I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia;
I am the author of this report, which is based on a review of private reports provided by the operator;
I am the owner (100%) of the claims that are the subject of this report;

Dated, July 11, 2018 at Winnipeg, Manitoba

"signed"
Leonard Gal, P.Geo.

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APPENDIX 1

GRAVITY SURVEY INTERPRTATION MEMO, LOGISTICS REPORT, AND DATA

SJ GEOPHYSICS
Science on Target

11966 – 95A Avenue,
Delta, BC V4C 3W2 Canada
Tel +1 (604) 582-1100
www.sjgeophysics.com

MEMORANDUM

Date: April 20, 2018

From: E. Trent Pezzot

To: Precipitate Gold Corp.

SUBJECT: Gravity survey extension, Island Zinc Project, Vancouver Island, B.C.

From March 31 to April 9, 2018 inclusive, SJ Geophysics conducted a gravity survey across a portion of Precipitate Gold Corp.'s Island Zinc Property on Vancouver Island. This survey was a follow-up to a test survey completed in July, 2017 which showed the gravity technique was applicable as an exploration tool for this property. Extreme overgrowth on trails and decommissioned forestry roads severely hampered the gravity survey last year. This year efforts were made to cut lines and clear extreme over growth on planned survey lines prior to the survey crews' arrival. While a few survey points were dropped due to access issues and dangerous, unstable terrain, the final survey closely replicated the planned survey grid. Line cutting and brush clearing efforts also allowed measurement of elevation changes in the immediate area surrounding the survey stations. These data, when coupled with TRIM elevation data purchased from the BC Government, allowed calculation of terrain effects, crucial to the data reduction process.

A separate logistics report documents the survey procedures, personnel and equipment specifications. In total, some eighty-six (86) gravity readings, excluding duplicates, repeats and tie-line loops) were recorded. Station intervals were nominally set at 60 metre intervals although some variations were made to accommodate local conditions.

The planned survey grid primarily followed existing access roads and trails (Figure 1). It consisted of three easterly trending segments (1000N, 2000N and 6000N) and six north-south trending lines (3000E, 4690E, 4890E, 5090E, 5190E, 5290E and 5000E). Lines 2000N and 6000N align to form an east-west trending line running some 150 to 300 metres south of the merged Holberg Road and Line 2 profile surveyed last year. The six north-south lines bridge the gap between the two main east-west lines and extend coverage to the south as the Quatsino limestone plunges beneath the Bonanza volcanics.

Survey stations were occupied along the Holberg road, taking gravity readings at intermediate locations between last years data (Figure 2). Additional hammer circle measurements were acquired along the Holberg road at last years survey locations and along Line 2 in order to calculate and apply terrain corrections. Hammer circle data was not acquired over the rest of the 2017 data.

A review of the 2018 data supports the conclusion from 2017 that a bouguer density of 2.55 gm/cc best represents the average rock density in the area and the interpretation and conclusions derived are based on data reductions using this density. However, data reduction calculations were completed using a suite of densities from 1.8 gm/cc to 2.9 gm/cc. These results are included in the final spreadsheet provided and are available for review.

The terrain corrected gravity data (including the Holberg Road and Line 2 from 2017) is displayed in three formats:

- Figure 3 is a thematic map, showing colour coded symbols reflecting the corrected gravity readings at each station.
- Figure 4 displays the corrected gravity readings as a gridded, false colour contour map.
- Nine separate plots are provided showing the corrected gravity the data and DGPS defined elevation data as profiles (oriented west to east and south-to north.

The gravity data delineates a clear gradient, mapping high densities to the north and lower densities to the south. The northernmost readings (taken along the Holberg road) are located on the southern side of the contact separating Karmutsen volcanics to the north from Quatsino limestones to the south. Further to the south, the Quatsino limestone unit plunges beneath Bonanza volcanics and quartz diorite intrusive rocks.

The weak gravity anomalies mapped in the 2017 test survey, that loosely tie to the known mineralized deposits along the Holberg road are only weakly indicated on Line 6000N to the south. A weak gravity high (~0.8 mgals), centred on Line 6000N/360E (585014E/5616438N) may be mapping an extension of the Main deposit and/or Hilltop deposits. A stronger anomaly (~1.3 mgals), is mapped some 210 metres south of the Pit deposit on Line 2000N, station 300 (584645E/5616393N). Either of these anomalies could be indicative of an extension to the known mineralization, however the responses are localized and do suggest the presence of any large bodies.

Two stronger gravity anomalies are observed at the western end of the survey grid. The strongest of these is located at the intersection of line 3000E and 1000N (584475E/5616550N) and maps as a circular anomaly, some 250 metres across. The other is slightly smaller and located some 275m to the southwest on line 1000N. It may be comprised of multiple, closely spaced bodies that have not been resolved by the current survey.

Both of these new anomalies are located very close to the Karmusten volcanic – Quatsino limestone contact. Gravity readings to the south of these anomalies on line 2000N are slightly higher than most of those seen elsewhere below the Bonanza volcanic cover, but there is insufficient surveying to form the conclusion that this might represent a southerly extension of the anomalies.

While the gravity survey provides some encouragement in that high density anomalies are mapped along the possible down-dip projection of the known deposits, the anomalies are relatively small and so far show limited areal extent.

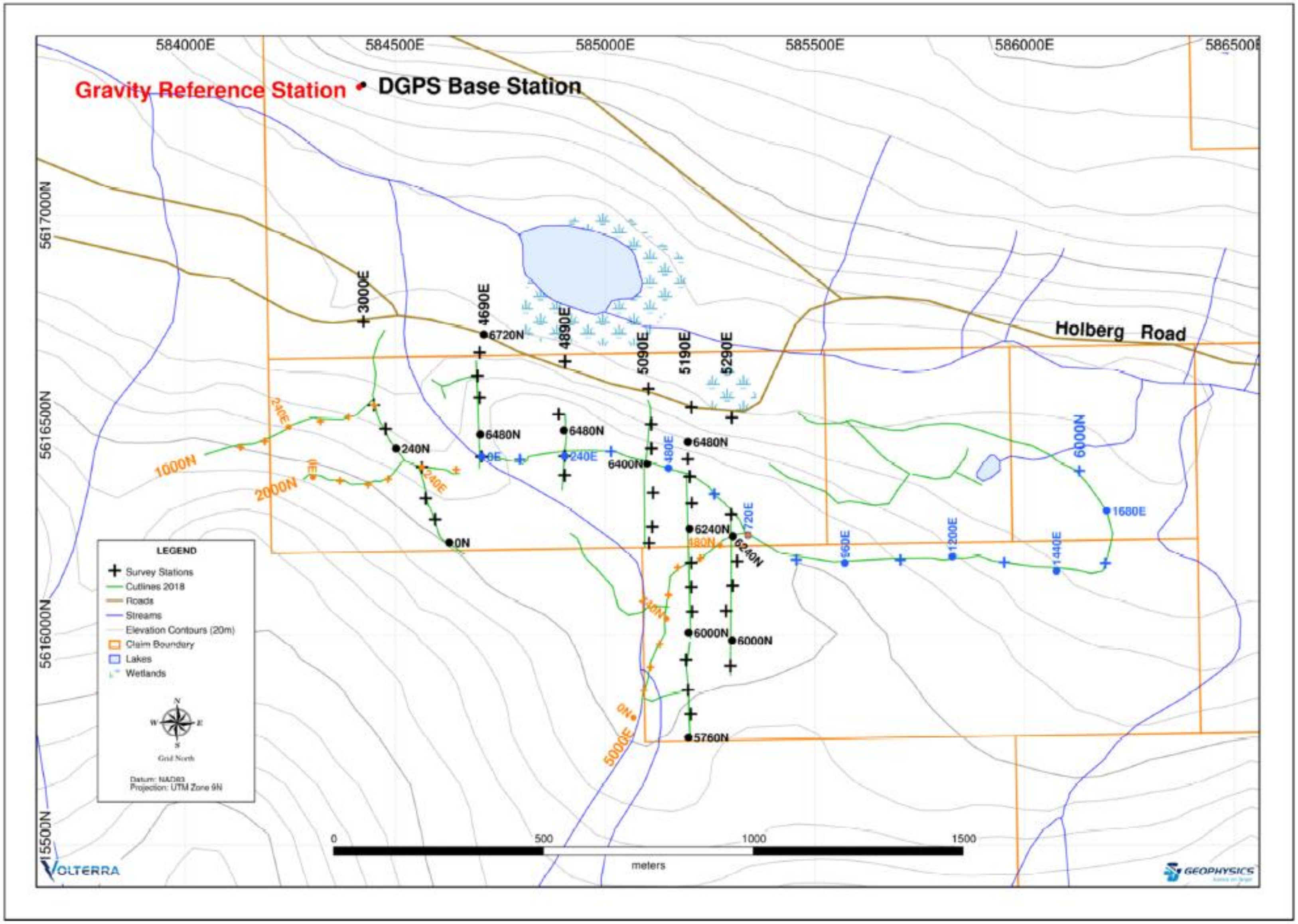


Figure 1: Gravity Survey (2018)

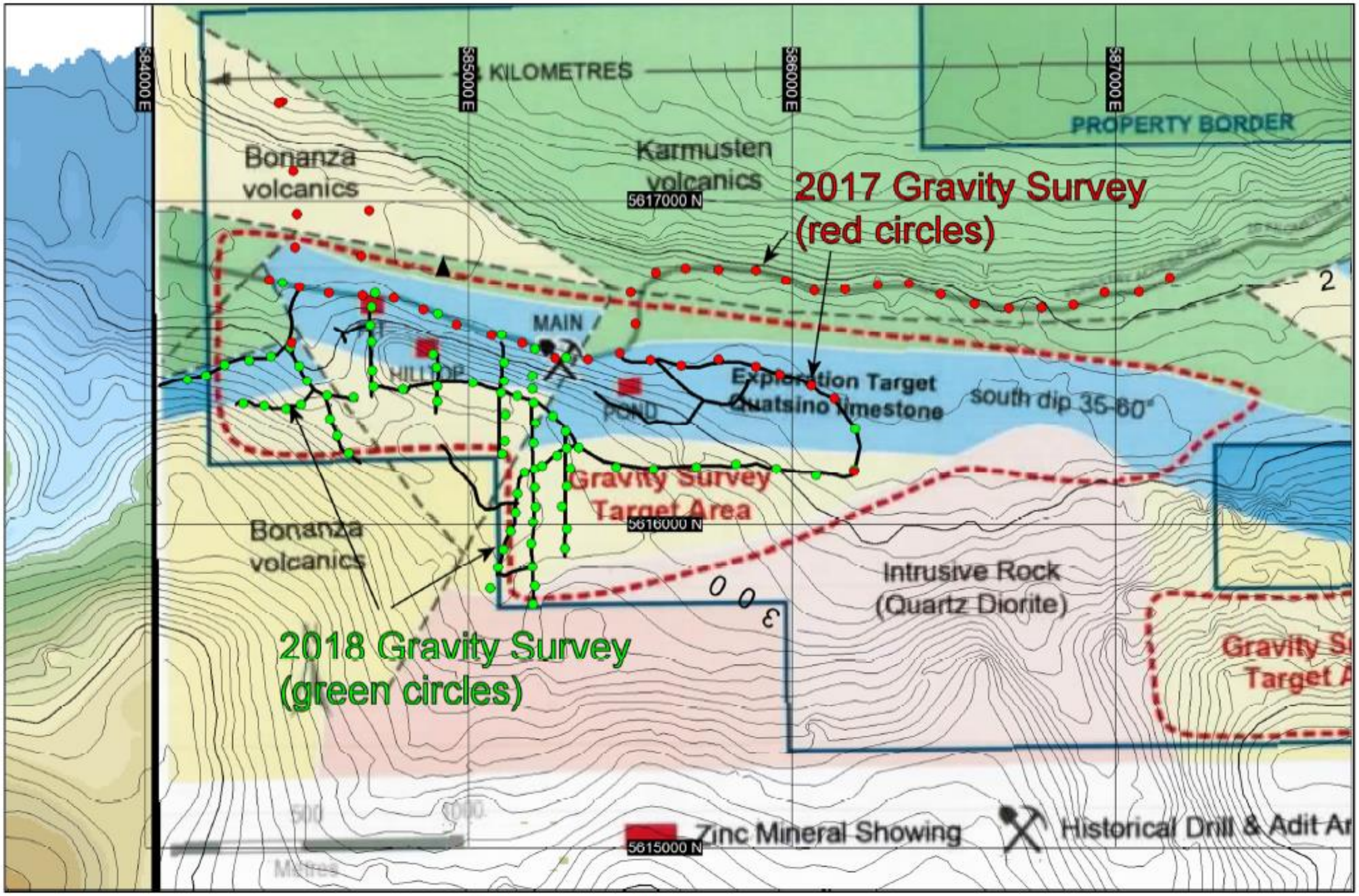


Figure 2: Gravity Survey Locations: Green circles (2018), Red circles (2017)

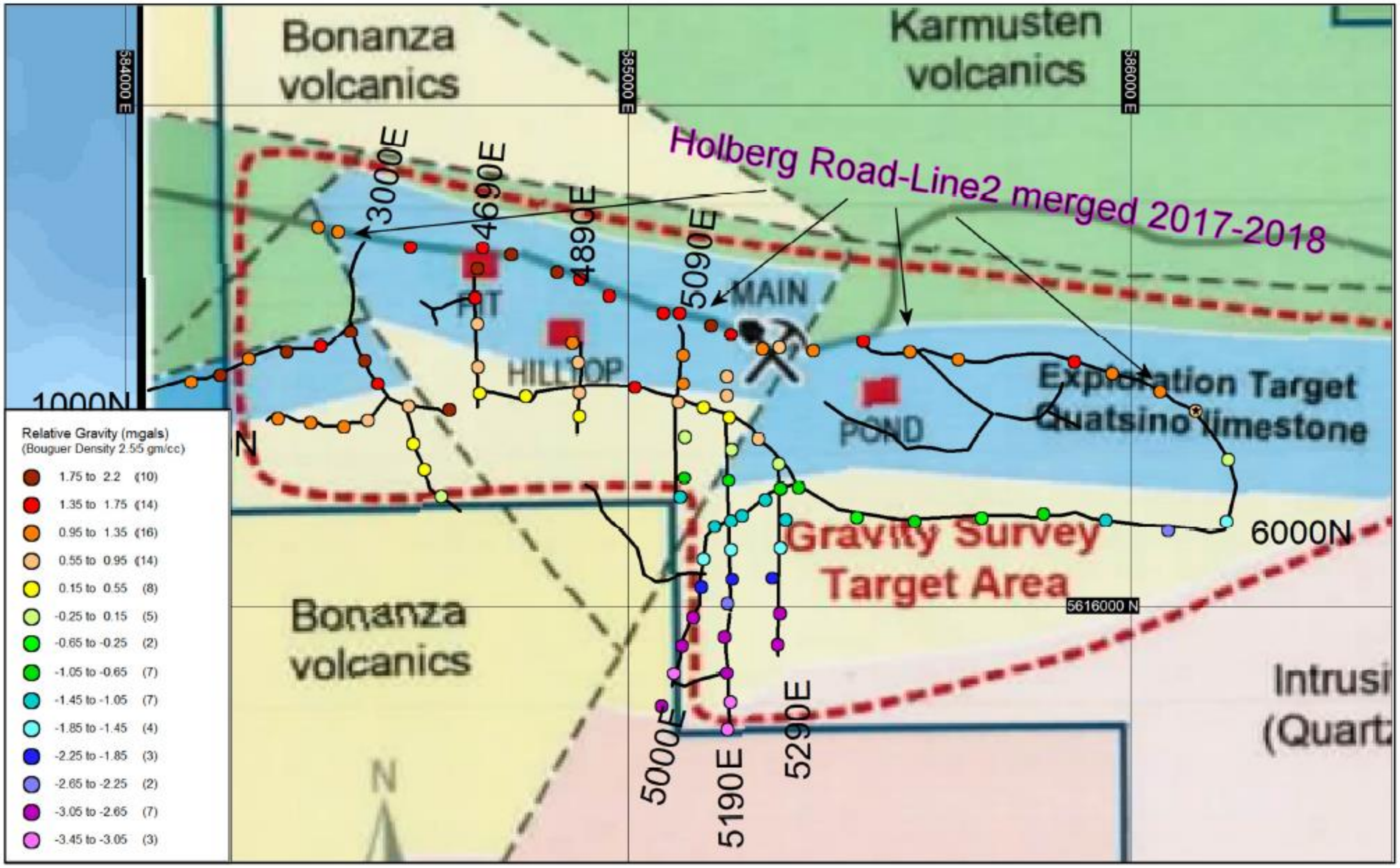


Figure 3: Thematic map of merged 2017 and 2018 Gravity Survey Data (terrain corrected) (Bouguer Density = 2.55 gm/cc).

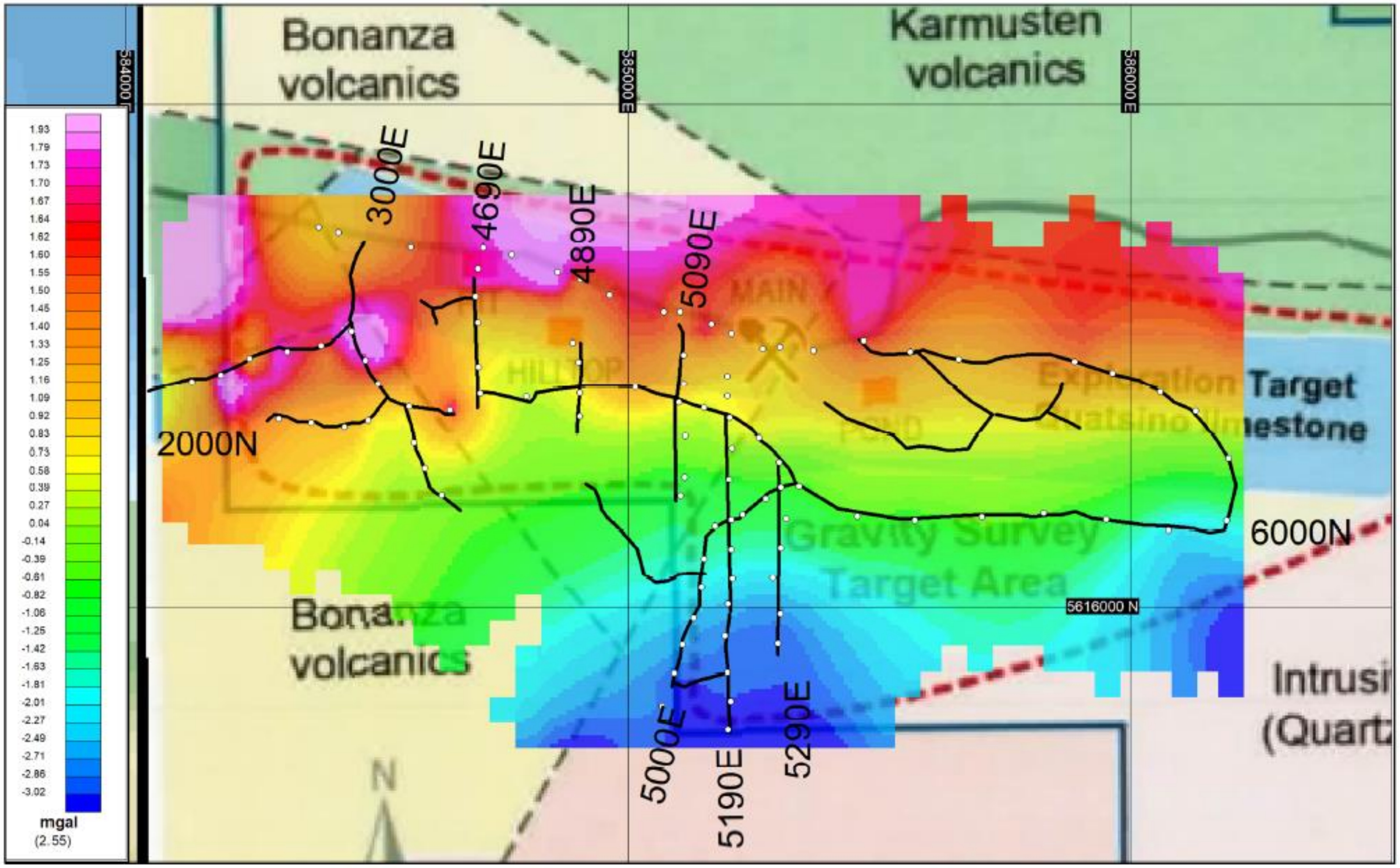
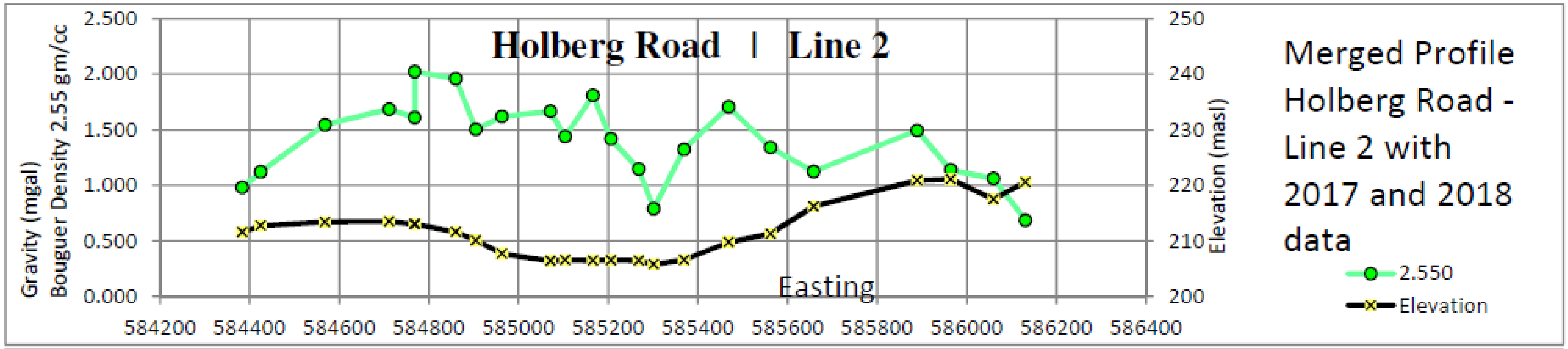
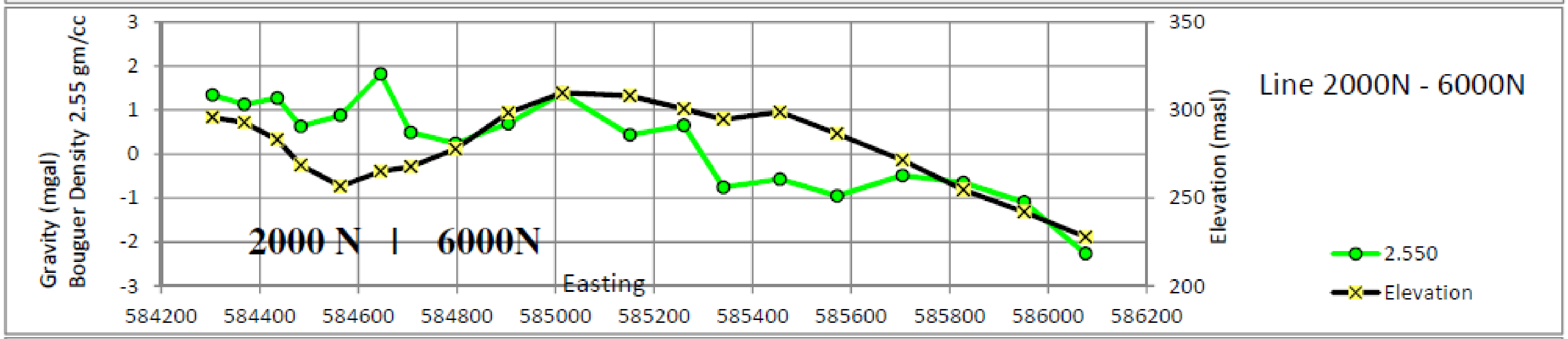
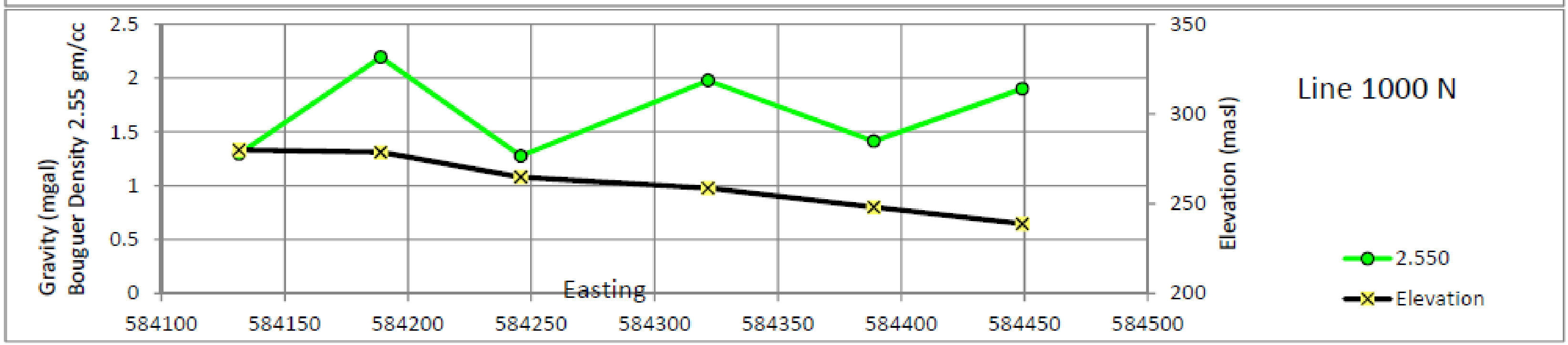


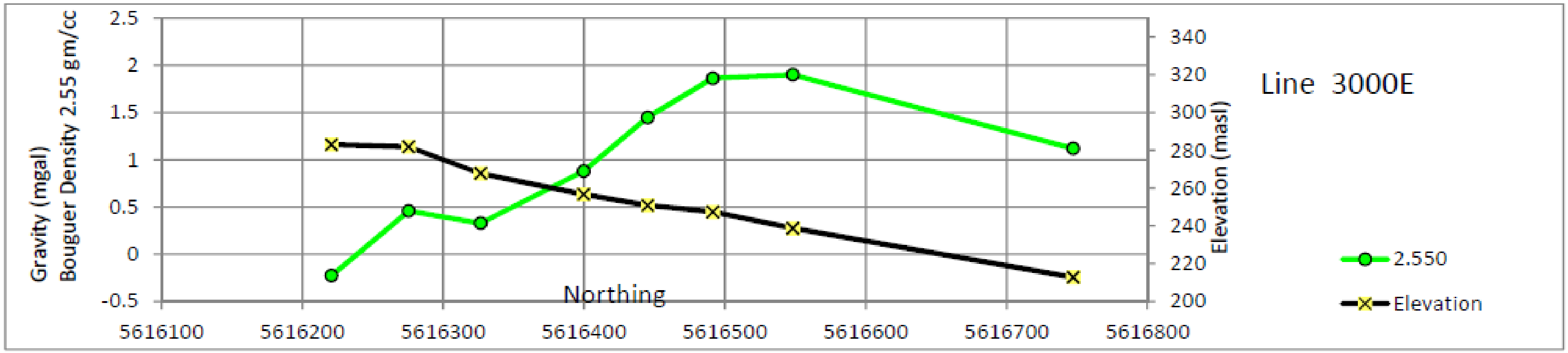
Figure 4: Colour contour map of gridded Gravity Survey Data (terrain corrected) (Bouguer Density = 2.55 gm/cc).

The plots below show topography and gravity profiles calculated using a Bouguer Density of 2.55 gm/cc.





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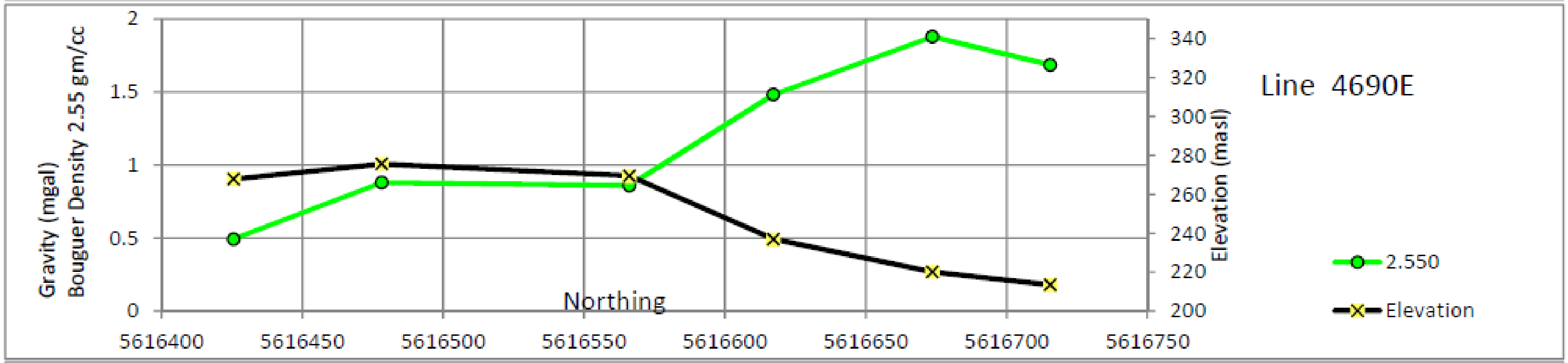
Gravity (mgal)
Bouguer Density 2.55 gm/cc
Elevation (masl)
Northing
2.550
Elevation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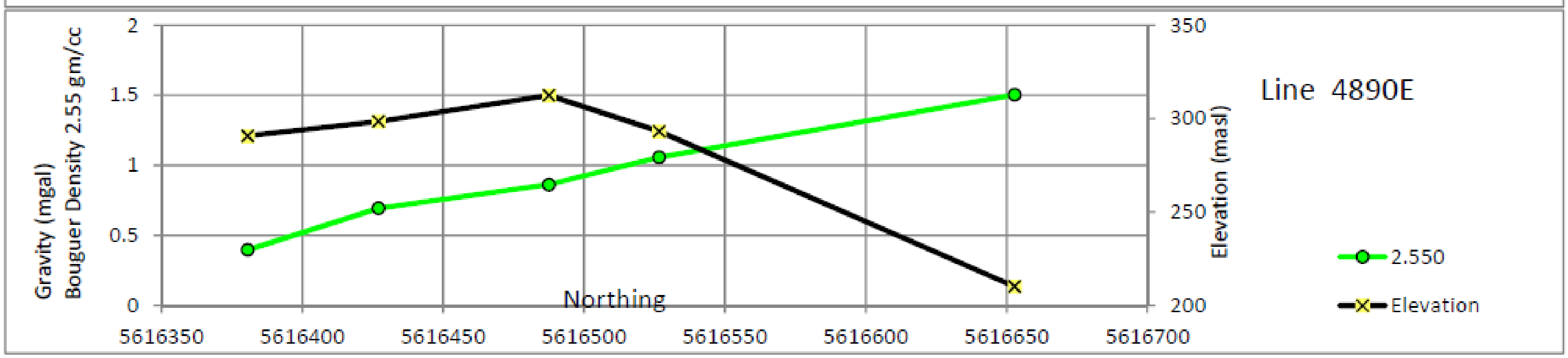
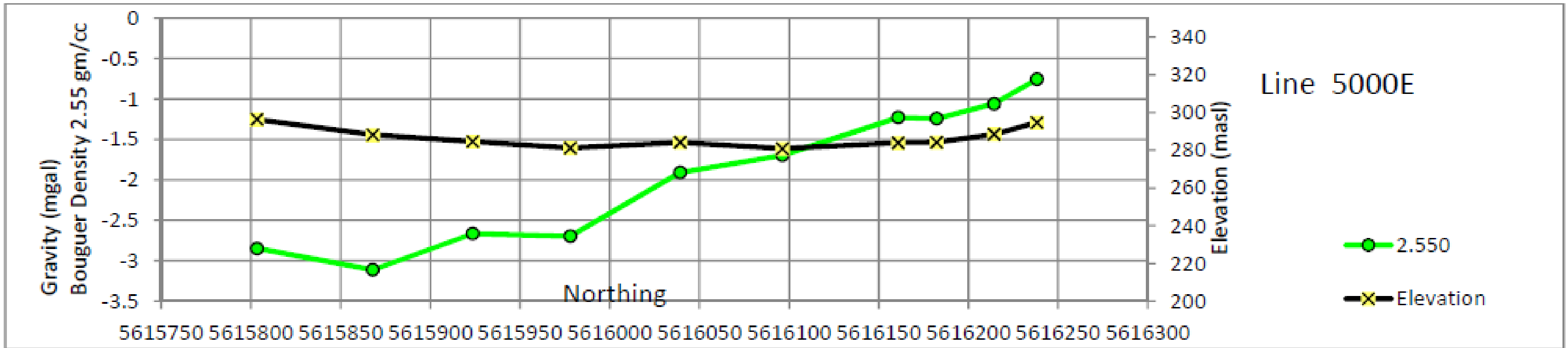
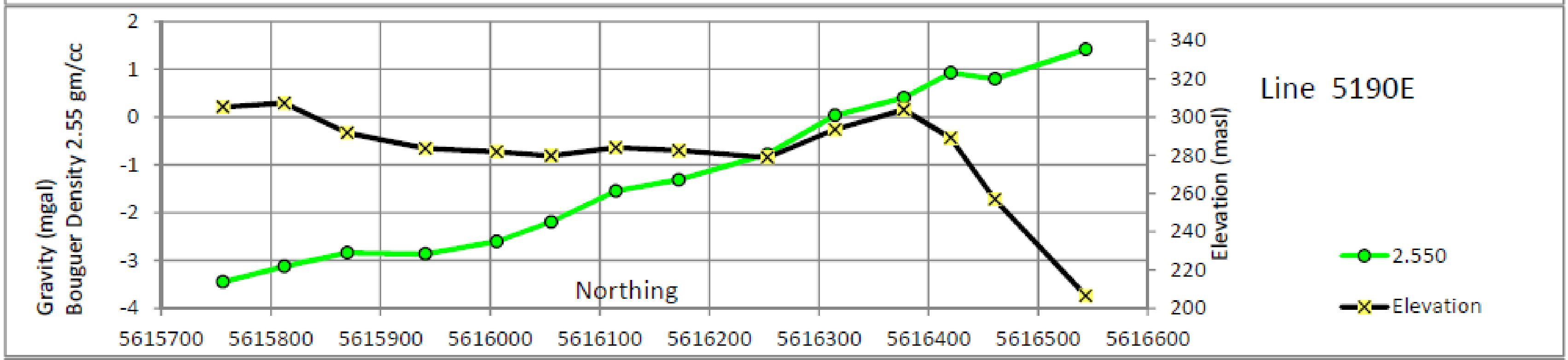
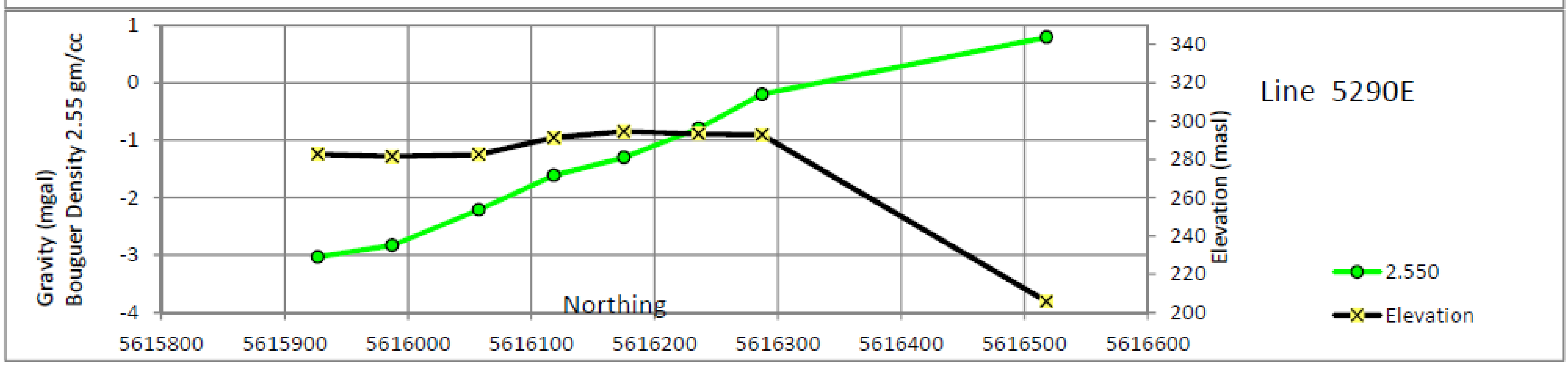
Gravity (mgal)
Bouguer Density 2.55 gm/cc
Elevation (masl)
Northing
2.550
Elevation


Line 4890E
Gravity (mgal)
Bouguer Density 2.55 gm/cc
Elevation (masl)
Northing
2.550
Elevation


Line 5000E
Gravity (mgal)
Bouguer Density 2.55 gm/cc
Elevation (masl)
Northing
2.550
Elevation
0
-0.5
-1
-1.5
-2
-2.5
-3
-3.5
340
320
300
280
260
240
220
200
5615750 5615800 5615850 5615900 5615950 5616000 5616050 5616100 5616150 5616200 5616250 5616300


Line 5190E
Gravity (mgal)
Bouguer Density 2.55 gm/cc
Elevation (masl)
Northing
2.550
Elevation
2
1
0
-1
-2
-3
-4
340
320
300
280
260
240
220
200
5615700 5615800 5615900 5616000 5616100 5616200 5616300 5616400 5616500 5616600


Line 5290E
Gravity (mgal)
Bouguer Density 2.55 gm/cc
Elevation (masl)
Northing
2.550
Elevation
1
0
-1
-2
-3
-4
340
320
300
280
260
240
220
200
5615800 5615900 5616000 5616100 5616200 5616300 5616400 5616500 5616600

Logistics Report Prepared

for

Precipitate Gold Corp.

GRAVITY SURVEY

on the

Island Zinc Project

Port Hardy, British Columbia, Canada
Latitude: 50° 41' 41” N, Longitude: 127° 47' 44” W

BCGS SHEET: 092L061/062
NTS SHEET: 092L12
MINING DIVISION: Nanaimo

Survey conducted by SJ Geophysics Ltd.
March 2018

SJ GEOPHYSICS
ACQUISITION • Science on Target

Report prepared by
Darren Pinkerton
April 2018

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1. Survey Summary

SJ Geophysics Ltd. was contracted by Precipitate Gold Corp. to acquire gravity data on their Island Zinc property. This survey was a continuation of the 2017 gravity survey completed on the property. Table 1 provides a brief summary of the project.

Client	Precipitate Gold Corp.
Project Name	Island Zinc
Project Number	SJ0799
Location (approx. location of project)	Latitude: 50° 41' 41" N Longitude: 127° 47' 44 W 585100E 561550N; WGS84 UTM Zone 9N
Survey Type	Gravity
Survey Stations Surveyed	86 unique stations
Total Line Kilometres	5.86 km
Production Dates	March 31 – April 9, 2018

Table 1: Island Zinc project summary

The objective of the gravity survey was to investigate a high grade zinc-lead-silver carbonate replacement target within limestone of the Quatsino Formation. Historical work on the property suggests the existence of sphalerite-galena mineralized bands dipping to the south. This program was designed to expand on the 2017 survey results and to further investigate the effectiveness of the gravity method to detect and delineate these mineralized bands.

This logistics report summarizes the operational aspects and methodologies of the geophysical survey. This report does not discuss or interpret the survey results.

2. *Location and Access*

The Island Zinc property is situated approximately 22 kilometers west of Port Hardy, on the northeastern portion of Vancouver Island, British Columbia (Figure 1). The project lies east of rugged mountainous terrain on the west side of the island. The property is covered by heavy vegetation, typical of coastal temperate rainforest. Elevations range from 200 m to over 500 m on the property. The climate is moderate with temperatures in the summer reaching highs of 18°C and lows of 10°C and in the winter highs of 6°C and lows of 2°C. Significant precipitation is received throughout the year.

Figure 1: Overview map of the Island Zinc project

From Port Hardy, the survey grid was accessed by driving south along Highway 19 then west along Holberg Road for approximately 22 km (Figure 2).

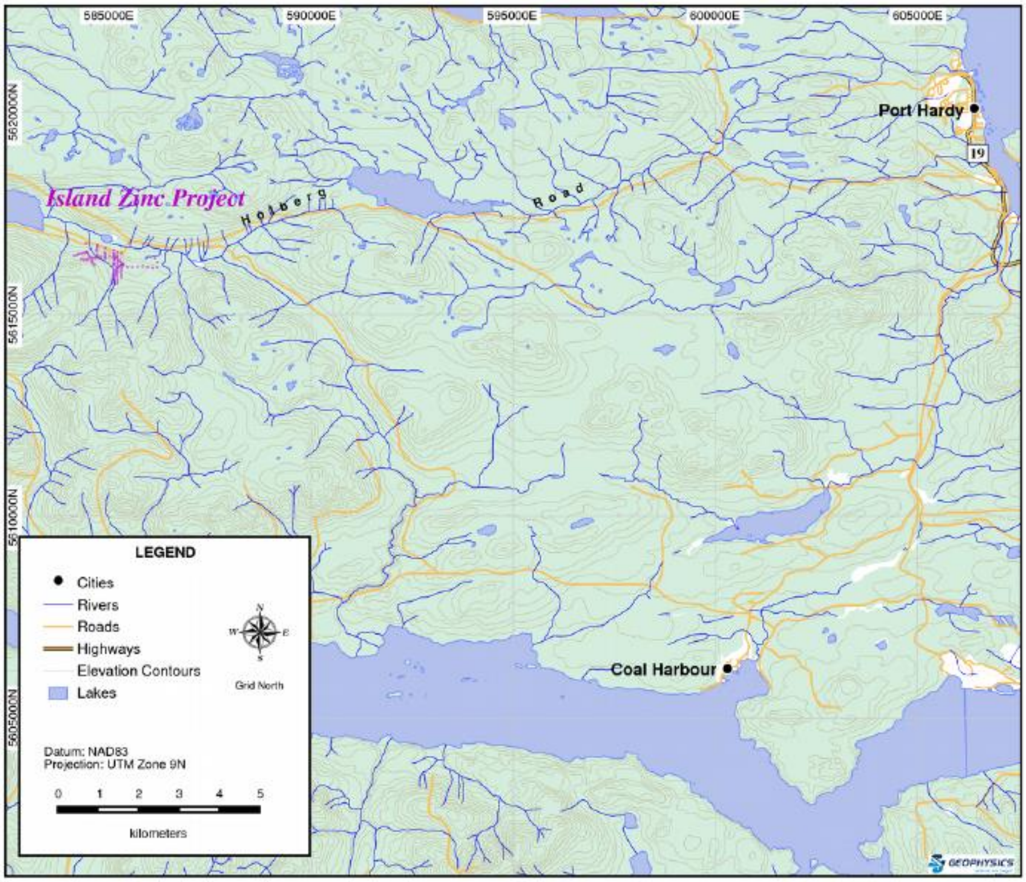

Figure 2: Island Zinc location map

3. Survey Grid

The 2018 Island Zinc gravity grid consisted of 11 survey lines, with a station spacing of 60 m or 120 m (Figure 3). The grid was planned based on Google Earth imagery and the survey lines were located within forestry clear-cut regions and along old roads. The survey lines were cut prior to the survey crew arriving on site. In 2017 extreme overgrowth on the trails resulted in some area's being inaccessible for surveying. The survey plan was to acquire stations that were previously uncollected and to try and acquire additional stations located along other decommissioned roads.

The actual survey grid replicated the planned survey grid closely. Some points were dropped from the original survey plan due to access issues or dangerous unstable terrain.

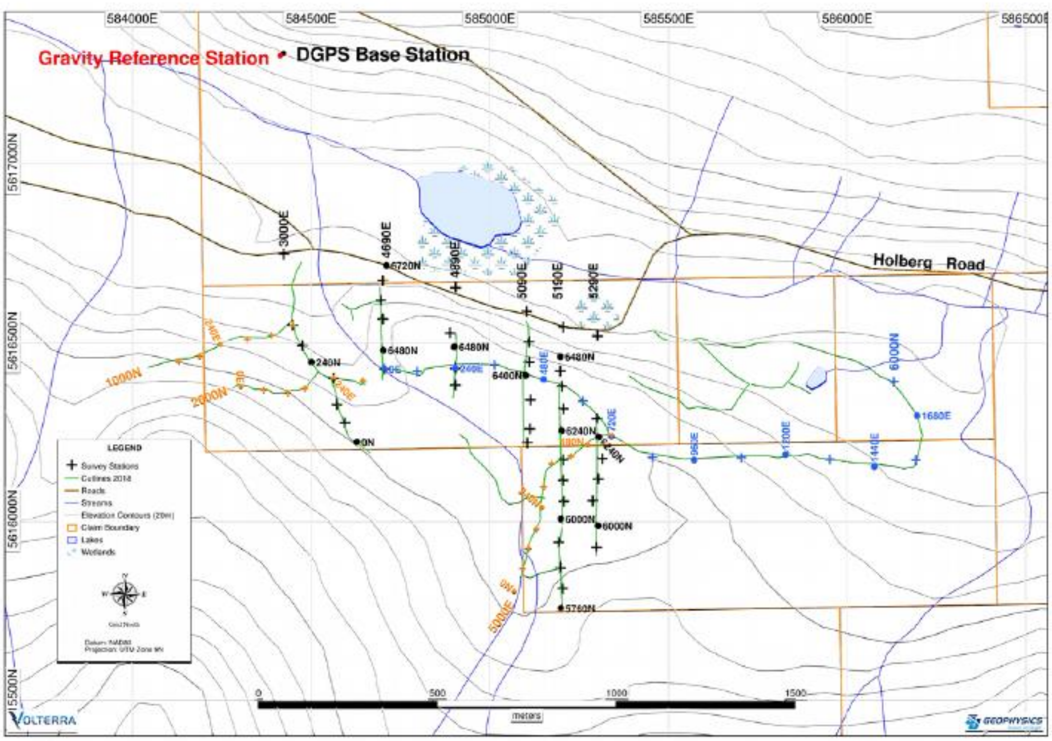

Figure 3: Island Zinc grid map

4. Survey Parameters and Instrumentation

The gravity data was acquired with a Scintrex CG-3 Autograv gravimeter. For each gravity station, the location data was acquired using a Trimble R10 GNSS DGPS unit. Slopes were measured using a Suunto clinometer in order to calculate the near-zone sectors for the Hammer terrain correction. The parameters used for the survey are described in Table 2 and the full instrument specifications are listed in Appendix B.

Gravimeter	Scintrex CG-3 Autograv
Reading time	120 seconds
Reading delay time	2 seconds
Automated Corrections and Filters	Tide (T.E.C), Tilt, Auto Rejection
Base station number of readings	2 – 3
DGPS	Trimble R10 GNSS System & 35W repeater
Survey Type	RTK
Projection / Datum	NAD83-CSRS UTM Zone 9N
Geoid Model	HTv2.0 (CGVD28)
Rover reading time	> 30 minutes
Base station reading time	> 6 hours

Table 2 :Survey parameters and instrumentation

To account for instrument drift, a gravity reference station was visited and measured at the beginning and end of each survey day at a minimum. The gravity and DGPS base stations were located in the same location as in 2017. The gravity base station was established by the geophysics crew at a suitable spot for the DGPS base station. The site was located on a south facing slope that overlooked the survey grid in order to provide good radio reception for the RTK GPS corrections for the entire grid. Raw DGPS base station data was acquired by the crew and submitted to NRCAN's Precise Point Positioning (PPP) online utility to compute a high accuracy position for the DGPS base station coordinate. The exact position of the gravity reference station and DGPS base station is listed in Table 3 below.

Name	Northing	Easting	Elevation (m)
Gravity Reference Station	5617303.11	584414.05	278.77
DGPS Base Station	5617308.99	584424.07	281.13

Table 3: Position of gravity reference station and DGPS base station

5. *Field Logistics*

The SJ Geophysics field crew consisted of one geophysicist and one geophysical operator. This team oversaw all operational aspects, including field logistics, data acquisition, and initial field data quality control. Table 4 lists the crew members on this project.

Crew Member	Role	Dates on Site
Alex Tryon	Field Geophysicist	March 31 – April 6, 2018
Darren Pinkerton	Field Geophysicist	April 7 – April 9, 2018
Alex Visser	Geophysical Operator	March 31 – April 9, 2018

Table 4: Details of the SJ Geophysics crew on site

The SJ Geophysics crew mobilized from Delta, BC to Porty Hardy, BC on March 29 and 30 with a single 4x4 truck. The crew stayed at the Quarter Deck hotel for the duration of the project. A crew change was carried out with one crew member swapped on April 7. Gravity and DGPS production occurred from March 31 to April 9. The crew mobilized back to the SJ Geophysics office in Delta on April 10. During the course of the geophysical survey, the crew conducted daily tailgate meetings each morning. The tailgate meetings covered daily operational tasks and relevant safety issues related to the project.

The first day on the project site the DGPS base station was established. A long duration reading was made to determine a highly accurate position for the base station. This point was collected by the crew on March 31. During the survey, terrain correction measurements (slopes) for the hammer circle calculations remained an challenging even with the line cutting. The terrain correction measurements were taken using clino from each surveyed site and an estimate of best fit was determined using the slope measurement. This was repeated for the secondary correction measurements as well. Acquiring high quality location data was challenging due to the thick canopy. To balance data quality with production, the GPS readings were limited to 30 minutes at each station. Production for the majority of the project was consistent with an average of 10 stations being collected per day on the grid. Daily productions (station per day) was primarily influenced by the time required to access each survey station and the time required to achieve a good quality DGPS reading.

Surveying of the grid began on the center lines. These lines were surveyed first as they required the longest time to collect due to the long walk in. Once the center lines were collected, stations on the east side of the grid were collected as they were connected to the center lines and were along the same access route. The last section to be surveyed were the lines located to the west. Access to these lines was independent of the other lines.

Two unexpected issues occurred during the project. The first issue was with the DGPS base station, which was setup incorrectly on the first survey day and GPS data wasn't able to be post-processed. The GPS data was reacquired the following day and the data was post-processed successfully. The second issue was with the gravity meter. It experienced a software issue one day and refused to take readings. To limit delays GPS data was acquired in advance while the instrument stabilized after successful repairs. The issue was resolved after one day and had minimal impact on production.

6. Geophysical Techniques

6.1. Gravity Method

All materials in the earth influence gravity but because of the inverse-square law behaviour, rocks that lie close to the point of observation will have a much greater effect than those farther away. The bulk of the gravitational pull of the earth (g) has little to do with the rocks of the earth's crust but rather is caused by the enormous mass of the mantle and core. Only about 0.3% of g is due to materials contained within the crust and of this small amount roughly 15% (0.05g) is accounted for by the uppermost 5 kilometres of rock. Changes in the densities of rocks within this region will produce variations in g which generally do not exceed 0.01% of its value anywhere. Fluctuations in the value of g which may be associated with bodies that have a commercial mineral value are unlikely to exceed even a small fraction of this minute amount, perhaps 10-5 g altogether. Thus, geological structures contribute very little to the earth's gravity, but the importance of that small contribution lies in the fact that it has a point-to-point variation that can be mapped.

The gravitational field of the earth has a world-wide average of ~980 gals with a total range of variation from equator to pole of about 5 gals, or 0.5%. Mineral ore bodies and geological structures of interest seldom produce fluctuations in g exceeding a few milligals and for practical purposes of exploration, a reading sensitivity of 0.01 milligals is required. This represents about 1 part in 100,000 of the gravitational field of the earth. No instrumentation is available that can measure g absolutely to this accuracy. Modern day gravimeters respond to variations in g by measuring minute changes in the weight of a small object as it is moved from place to place and can achieve reading sensitivities of 0.001 mgals.

Surface gravity measurements are affected by several factors, including such things as the tidal forces generated by the moon, local topography, and the ellipticity of the earth. These factors can generate changes in the measured gravity that are several orders of magnitude greater than those generated by the density variations in the underlying rocks. Compensation for these factors requires precise geographical survey precision. For a typical survey, the distance from the equator must be measured to within ~3 metres and the absolute elevation to within 2-3 cm. For small, localized surveys, topographic features within several hundred metres of the measurement location are considered. For more regional surveys, major topographic features (mountains, lakes, oceans) within a radius of 150 kilometres must be included in the data reduction procedures. In the past, topographic surveys of this accuracy often accounted for the bulk of survey costs. Recent advances in global positioning (GPS) technology have reduced these costs considerably.

6.2. Gravity Surveys

Gravity exploration typically involves taking measurements of the earth's gravimetric field across a surface grid. These data are processed to compensate for the various effects described above to produce a map showing the relative strength of the earth's gravity across the area of interest. The presence of an anomalous mass beneath the surface will be superimposed on the background field. By estimating this regional field and subtracting it from the observed data, one obtains the field due to this anomalous mass. Characteristics of this field can be used to estimate the properties of the anomalous body.

7. *Quality Assurance*

7.1. Locations

The RTK GPS data was of poor quality for the project. The horizontal precision ranged from 0.004 to 0.730 m, with an average horizontal precision of 0.163 m ± 0.016 m. The vertical precision ranged from 0.01 to 0.48 m, with an average vertical precision of 0.14 m ± 0.02 m was achieved. The GPS accuracy achieved was lower than desired as a result of the less than ideal survey conditions (dense canopy overhead). As stated above, a maximum DGPS reading length of 30 minutes was used to try to balance production rates with quality GPS data.

7.2. Gravity Data

Two gravity readings were acquired at the gravity base station at the start and end of each survey day. In the situation where the crew stopped surveying midway along a line and resumed the next day, a repeat reading was completed at the last site surveyed. Sub-base station points were also utilized during the survey and were used to better account for daily instrument drift that occurs during survey days.

The gravity data was downloaded and reviewed in the field each night. The raw data, field notes describing any special conditions or considerations, and processed GPS data were emailed to the SJ Geophysics head office for a second review. When necessary, bad or questionable data was re-surveyed. Overall the gravity data collected was of good quality and was within the specifications of the survey design. There were no major errors or impediment to the gravimeter on this project.

8. *Gravity Data Processing*

All gravity data was reviewed at the SJ Geophysics head office before continuing processing, using a standard suite of data reductions. The data processing steps carried out on the data are described below:

- **Pin Height adjustment** – Free air effect to account for variations in the elevation of the gravimeter above the ground. This measurement was recorded by the field crew and entered into the CG-3 data file.
- **Instrument Drift** – Like most modern gravimeters, the CG-3 does an internal calculation

of the tidal corrections, however, there is still a slight remnant tidal instrument drift. This correction is calculated by a linear interpolation between base station data readings taken at the beginning and ending of each day. If required, sub base stations can be occupied and recorded during the day to monitor and correct for any shorter period drift effects.

- **Latitude Correction** – The latitude correction is applied by calculating the latitude effect in mgals/metre in the survey area and by adding or removing the linearly interpolated latitude effect for stations north or south of the reference location. In this area, the effect was calculated at -0.0007967 mgals/m.
- **Free Air Correction** – The standard free air correction (0.3086 mgal/m) was applied to adjust for the station elevation above mean sea-level.
- **Bouguer Correction** – This correction accounts for the increased gravity due to the mass of the earth between the reference elevation (sea-level) and the station location. A suite of Bouguer densities ranging from 1.8 to 2.9 gm/cc were used for the data review. Based on the observed topography/gravity relationships, a bouguer density of 2.55 gm/cc is estimated as being the most representative of the survey area and should be used for the final plot calculations.
- **Terrain Corrections** – The net gravitational effect is influenced by topographic variations in the area. The absence of rocks in a valley below the station and addition of mass in a mountain above the station produce a net effect of reducing the gravitational force that would be measured across a flat earth. Detailed topographic information surrounding the station is required to compensate for these effects.
    - Near station terrain – The hammer circle correction method is applied to compensate for terrain effects within 200 metres of the station. Measurement of the relative change in topography between the survey location and three zones 2-20m (B), 20-50m (C) and 50-200m (D) are recorded. In each zone, measurements are taken in each of 6x60 degree sectors. The gravity effect is then calculated using a vertical prism model for each zone/sector. Due to problems acquiring hammer circle reference elevation data caused by the extensive vegetation and forest cover, only hammer circle B elevation differences were recorded by the field crew. Hammer circle C (20-50m) and circle D (50-200m) data were calculated from a TRIM DEM database purchased for the area. Near surface terrain effects were calculated and applied using

these data.

- ◦ Far Terrain Corrections (INNER). Terrain effects for the topography extending from 200m to 3 km are typically calculated using the TRIM derived DEM and a flat-topped prism model. TRIM dem was purchased for this area to allow for this correction.
- ◦ Far Terrain Corrections (OUTER). Terrain effects for topography extending from 3 km to 160 km were not applied for this area. These effects can be expected to produce only a level shift across the short survey lines.

- **Final Gravity** – This value is calculated by applying all of the above corrections to the base reading from the CG-3 data file.
- **Relative Gravity** – This value is calculated by subtracting an arbitrary value from the Final Gravity. This procedure is applied solely for aesthetic purposes and allows one to more easily determine the relative amplitude of anomalous responses.

Respectfully submitted,
per SJ Geophysics Ltd.

Darren Pinkerton
per SJ Geophysics Ltd.

Appendix A: Survey Details

Line ID	Average Azimuth	Series	Start Station	End Station	Station Spacing	Survey Length (m)
1000	71	N	120	420	60	300
2000	87	N	0	300	60	300
3000	64	E	0	360	60	360
3000	64	E	360	600	240	240
4690	90	E	6420	6720	60	300
4890	90	E	6360	6520	60	160
4890	90	E	6520	6660	140	140
5000	90	E	0	540	60	540
5090	90	E	6220	6580	60	360
5190	90	E	5760	6540	60	780
5290	90	E	5940	6520	60	580
6000	90	N	0	1800	120	1800

Total Linear Meters = 5860 m.

Appendix B: Instrument Specifications

Scintrex CG3 Autograv Gravimeter

Reading Resolution:	0.005 mGal
Min Operating Range:	8000 mGals without resetting
Residual Long Term Drift:	<0.02 mGals/day
Typical Repeatability:	< 0.01 mGal standard deviation
Range of Automatic Tilt Correction:	+/-200 arc sec.
Operating Temp:	-40 to +45 deg. C.
Noise Rejection:	Samples of more than 6 std. Dev are rejected

Trimble R 10 GNSS System

TRIMBLE R10 GNSS SYSTEM

DATASHEET

PERFORMANCE SPECIFICATIONS

Measurements

- Measuring points sooner and faster with Trimble HD-GNSS technology
- Increased measurement productivity and traceability with Trimble SurePoint electronic tilt compensation
- Worldwide centimeter level positioning using Trimble CenterPoint RTX satellite delivered corrections
- Reduced downtime due to loss of radio signal with Trimble xFill technology
- Advanced Trimble Maxwell 6 Custom Survey GNSS chips with 440 channels
- Future-proof your investment with Trimble 360 GNSS tracking
- Satellite signals tracked simultaneously:
  - GPS: L1C/A, L1C, L2C, L2E, L5
  - GLONASS: L1C/A, L1P, L2C/A, L2P, L3
  - SBAS: L1C/A, L5 (For SBAS satellites that support L5)
  - Galileo: E1, E5a, E5B
  - BeiDou (COMPASS): B1, B2
- CenterPoint RTX, OmniSTAR HP, XP, G2, VBS positioning
- QZSS, WAAS, EGNOS, GAGAN
- Positioning Rates: 1 Hz, 2 Hz, 5 Hz, 10 Hz, and 20 Hz

POSITIONING PERFORMANCE[1]

Code differential GNSS positioning

Horizontal .... 0.25 m + 1 ppm RMS
Vertical .... 0.50 m + 1 ppm RMS
SBAS differential positioning accuracy[2] .... typically <5 m 3DRMS

Static GNSS surveying

High-Precision Static
- Horizontal .... 3 mm + 0.1 ppm RMS
- Vertical .... 3.5 mm + 0.4 ppm RMS

Static and Fast Static
- Horizontal .... 3 mm + 0.5 ppm RMS
- Vertical .... 5 mm + 0.5 ppm RMS

Real Time Kinematic surveying

Single Baseline <30 km
- Horizontal .... 8 mm + 1 ppm RMS
- Vertical .... 15 mm + 1 ppm RMS

Network RTK[3]
- Horizontal .... 8 mm + 0.5 ppm RMS
- Vertical .... 15 mm + 0.5 ppm RMS

RTK start-up time for specified precisions[4] .... 2 to 8 seconds

Trimble CenterPoint RTX
- Horizontal .... 4 cm
- Vertical .... 9 cm
- RTX convergence time for specified precisions[12] .... 30 minutes or less
- RTX QuickStart convergence time for specified precisions[12] .... 5 minutes or less

Trimble xFill[5]
- Horizontal .... RTK[6] + 10 mm/minute RMS
- Vertical .... RTK[6] + 20 mm/minute RMS

1 Precision and reliability may be subject to anomalies due to multipath, obstructions, satellite geometry, and atmospheric conditions. The specifications stated recommend the use of stable mounts in an open sky view, EMI and multipath clean environment, optimal GNSS constellation configurations, along with the use of survey practices that are generally accepted for performing the highest-order surveys for the applicable application including occupation times appropriate for baseline length. Baselines longer than 30 km require precise ephemeris and occupations up to 24 hours may be required to achieve the high precision static specification.
2 Depends on WAAS/EGNOS system performance.
3 Network RTK PPM values are referenced to the closest physical base station.
4 May be affected by atmospheric conditions, signal multipath, obstructions and satellite geometry. Initialization reliability is continuously monitored to ensure highest quality.
5 Precisions are dependent on GNSS satellite availability. xFill positioning without a RTX subscription ends after 5 minutes of radio downtime. xFill positioning with a RTX subscription will continue beyond 5 minutes providing RTX has converged with typical precisions not exceeding 6 cm horizontal, 14 cm vertical. xFill is not available in all regions, check with your local sales representative for more information.
6 RTK refers to the last reported precision before the correction source was lost and xFill started.
7 Receiver will operate normally to -40° C, internal batteries are rated to -20° C.
8 Tracking GPS, GLONASS and SBAS satellites.
9 Varies with temperature and wireless data rate. When using a receiver and internal radio in the transmit mode, it is recommended that an external 6 Ah or higher battery is used.
10 Varies with terrain and operating conditions.
11 Bluetooth type approvals are country specific.
12 Receiver convergence time varies based on GNSS constellation health, level of multipath, and proximity to obstructions such as large trees and buildings. Convergence times decrease significantly when using a "RTX Quickstart" on a previously surveyed point or a known survey control point.

HARDWARE

Physical

Dimensions (WxH) .... 11.9 cm x 13.6 cm (4.6 in x 5.4 in)
- Weight .... 1.12 kg (2.49 lb) with internal battery, internal radio with UHF antenna, 3.57 kg (7.86 lb) items above plus range pole, controller & bracket

Temperature[7]
- Operating .... –40° C to +65° C (–40° F to +149° F)
- Storage .... –40° C to +75° C (–40° F to +167° F)

Humidity .... 100%, condensing
Ingress Protection .... IP67 dustproof, protected from temporary immersion to depth of 1 m (3.28 ft)
Shock and vibration .... Tested and meets the following environmental standards:
- Shock .... Non-operating: Designed to survive a 2 m (6.6 ft) pole drop onto concrete. Operating: to 40 G, 10 msec, sawtooth
- Vibration MIL-STD-810F, FIG.514.5C-1

Electrical

- Power 11 to 24 V DC external power input with over-voltage protection on Port 1 and Port 2 (7-pin Lemo)
- Rechargeable, removable 7.4 V, 3.7 Ah Lithium-ion smart battery with LED status indicators
- Power consumption is 5.1 W in RTK rover mode with internal radio[8]
- Operating times on internal battery[9]:
  - 450 MHz and 900 MHz receive only option .... 5.5 hours
  - 450 MHz and 900 MHz receive/transmit option (0.5 W) .... 4.5 hours
  - 450 MHz receive/transmit option (2.0 W) .... 3.7 hours
  - Cellular receive option .... 5.0 hours

COMMUNICATIONS AND DATA STORAGE

- Serial: 3-wire serial (7-pin Lemo)
- USB v2.0: supports data download and high speed communications
- Radio Modem: fully integrated, sealed 450 MHz wide band receiver/transmitter with frequency range of 403 MHz to 473 MHz, support of Trimble, Pacific Crest, and SATEL radio protocols:
  - Transmit power: 2 W
  - Range: 3–5 km typical / 10 km optimal[10]
- Cellular: integrated, 3.5 G modem, HSDPA 7.2 Mbps (download), GPRS multi-slot class 12, EDGE multi-slot class 12, UMTS/HSDPA (WCDMA/FDD) 850/1900/2100MHz, Quad-band EGSM 850/900/1800/1900 MHz, GSM CSD, 3GPP LTE
- Bluetooth: fully integrated, fully sealed 2.4 GHz communications port (Bluetooth®)[11]
- WiFi: 802.11 b,g, access point and client mode, WPA/WPA2/WEP64/WEP128 encryption
- External communication devices for connections supported on – Serial, USB, Ethernet, and Bluetooth ports
- Data storage: 4 GB internal memory, over three years of raw observables (approx. 1.4 MB /day), based on recording every 15 seconds from an average of 14 satellites
- CMR+, CMRx, RTCM 2.1, RTCM 2.3, RTCM 3.0, RTCM 3.1 input and output
- 24 NMEA outputs, GSOF, RT17 and RT27 outputs

WebUI

- Offers simple configuration, operation, status, and data transfer
- Accessible via WiFi, Serial, USB, and Bluetooth

Supported Trimble Controllers

- Trimble TSC3, Trimble Slate, Trimble CU, Trimble Tablet Rugged PC

CERTIFICATIONS

FCC Part 15 (Class B device), 22, 24; R&TTE CE Mark; C-Tick, A-Tick; PTCRB; WFA

Specifications subject to change without notice.

Bluetooth

TRIMBLE AUTHORIZED DISTRIBUTION PARTNER

NORTH AMERICA
Trimble Navigation Limited
10368 Westmoor Dr
Westminster CO 80021
USA

EUROPE
Trimble Germany GmbH
Am Prime Parc 11
65479 Raunheim
GERMANY

ASIA-PACIFIC
Trimble Navigation
Singapore Pty Limited
80 Marine Parade Road
#22-06, Parkway Parade
Singapore 449269
SINGAPORE

Trimble.

Appendix C: References

Pezzot, E.T., 2017. Memorandum: Gravity Survey Island Zinc Property.

Rastad, S., 2017. Logistics Report Prepared for Precipitate Gold Corp Gravity Survey on the Island Zinc Project.

Thompson, R.I., Hetherington, R., Dunn, C.E. 2015. Technical Report: Rock and Soil Geochemistry add to Grade and Tonnage Potential of the TL Property, Tsuius Creek, Southeastern British Columbia. BC Assessment Report Number 35415.

APPENDIX 2
STATEMENT OF COSTS
With Personnel Involved

Item	Provider	Particulars	Dates	Cost ($)
Gravity Survey	**SJ Geophysics Ltd.,** Delta BC Invoices SJ181231, 39	A. Tryon D. Pinkerton A. Visser	30 Mar-9 Apr 2018	42,105.43
Line clearing and brushing	**J. Thom** Courtenay, BC Invoice PRG201802	J. Thom (@ $350/day) R. Viani (@ $250/day) 14 days each	5 Feb- 28 Feb 2018	12,316.00
	various	accommodation, food, vehicle rental, supplies shipping, etc.		
Project management, administration	**M. Moore P.Geo**. Precipitate Gold Corp. Vancouver BC	M.Moore 3 days @ 550.00/day	Feb-April 2018	1,650.00
Report	**L. Gal P.Geo.**	fixed cost	July 2018	1,000.00
TOTAL				57,071.43

Exploration Work type	Comment	Days			Totals
Personnel (Name)* / Position	**Field Days (list actual days)**	**Days**	**Rate**	**Subtotal***	
J. Thom/ geologist	Feb 5- Feb 28	14	$350.00	$4,900.00	
Thom GST				$245.00	
R. Viani / assistant	Feb 5- Feb 28	14	$250.00	$3,500.00	
				$8,645.00	**$8,645.00**
Office Studies	**List Personnel (note - Office only, do not include field days**				
Report preparation	L. Gal fixed report cost		$0.00	$1,000.00	
Project dvlpmnt/mgmt/ admin	M.Moore P.Geo./ VP Exploration	3.0	$550.00	$1,650.00	
				$2,650.00	**$2,650.00**
Airborne Exploration Surveys	**Line Kilometres / Enter total invoiced amount**				
					$0.00
Remote Sensing	**Area in Hectares / Enter total invoiced amount or list personnel**				
Aerial photography			$0.00	$0.00	
LANDSAT			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Ground Exploration Surveys	**Area in Hectares/List Personnel**				
Geological mapping					
Trenches	Define by length and width			$0.00	**$0.00**
Ground geophysics	**Line Kilometres / Enter total amount invoiced list personnel**				
Radiometrics					
Magnetics					
Gravity: SJ Geophysics Ltd. invoices SJ181231,39 (invoices all inclusive of personnel, mob costs, vehicle, room, board, reporting, etc.)	Mar 31- Apr 9, 86 unique readings over 5.68 km		$0.00	42105.43	
personnel: A. Tryon, D. Pinkerton, A. Visser (field); D. Pinkerton, T. Pezzot (reporting)					
				$42,105.43	**$42,105.43**
Geochemical Surveying	**Number of Samples**	**No.**	**Rate**	**Subtotal**	
Drill (cuttings, core, etc.)			$0.00	$0.00	
Stream sediment			$0.00	$0.00	
Soil			$0.00	$0.00	
Rock			$0.00	$0.00	
Water			$0.00	$0.00	
Biogeochemistry			$0.00	$0.00	
Whole rock			$0.00	$0.00	
Petrology			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Drilling	**No. of Holes, Size of Core and Metres**	**No.**	**Rate**	**Subtotal**	
Diamond			$0.00	$0.00	
Reverse circulation (RC)			$0.00	$0.00	
Rotary air blast (RAB)			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**

Other Operations	**Clarify**	**No.**	**Rate**	**Subtotal**	
Trenching			$0.00	$0.00	
Bulk sampling			$0.00	$0.00	
Underground development			$0.00	$0.00	
				$0.00	**$0.00**
Reclamation	**Clarify**	**No.**	**Rate**	**Subtotal**	
After drilling			$0.00	$0.00	
Monitoring			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
Transportation		**No.**	**Rate**	**Subtotal**	
Airfare			$0.00	$0.00	
Taxi			$0.00	$0.00	
truck rental		14.00	$100.00	$1,400.00	
GST truck rental				$70.00	
kilometers			$0.00	$0.00	
ATV			$0.00	$0.00	
fuel				$442.50	
Helicopter (hours)			$0.00	$0.00	
Fuel (litres/hour)			$0.00	$0.00	
Other					
				$1,912.50	**$1,912.50**
Accommodation & Food	**Rates per day**				
Hotel	actual costs as per invoice PRG-2018-02		$0.00	$1,038.00	
Camp			$0.00	$0.00	
Meals	actual costs as per invoice PRG-2018-02		$0.00	$518.59	
				$1,556.59	**$1,556.59**
Miscellaneous					
Field Supplies			$201.91	$201.91	
Other (Specify)					
				$201.91	**$201.91**
Equipment Rentals					
Field Gear (Specify)			$0.00	$0.00	
Other (Specify)					
				$0.00	**$0.00**
Freight, rock samples					
			$0.00	$0.00	
			$0.00	$0.00	
				$0.00	**$0.00**
TOTAL Expenditures					**$57,071.43**