Geology and Mineralization of the Alicia Copper Gold Project, Department of Cusco, Peru

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1. Summary

Minera Strait Gold Peru S.A.C. ("MSG"), a wholly owned subsidiary of Strait Gold Corporation ("Strait Gold"), recently acquired the Alicia copper-gold-silver property from Panoro Apurimac S.A. a wholly owned subsidiary of Panoro Minerals Ltd. The Alicia property is situated in the District of Capacmarca, Province of Chumbivilcas, Department of Cusco, approximately 60km south of the city of Cusco.

The property is located in the Andahuaylas-Yauri metallogenic belt, a belt of porphyry and skarn deposits that extends over 300km in a northwest-southeast direction. Mineralization is typically associated with stocks that intrude the Andahuaylas-Yauri batholith that was emplaced into two distinct sedimentary basins.

Work to date on the Alicia property, carried out mostly by Cordillera de la Minas S.A., has identified weak porphyry style mineralization and alteration associated with the earlier of two porphyritic intrusions, and nine skarn zones situated at the contact between the porphyry intrusive and the surrounding limestone of the Arcuquina Formation. In addition, silver-lead-zinc veins were reported approximately 1.5km to the southeast of the porphyry.

Trenching and sampling of the skarn zones returned high copper values and moderate gold and silver values over significant widths. For example, Trench Huanca-5, in Zone VIII on the northern contact of the intrusive, returned values of 4.9% Cu, 0.42g/t Au, 29.2g/t Ag and 0.009% Mo over 20m.

Ground magnetic and TEM surveys were carried out over the mineralized area with mixed results. The magnetic data clearly outlines the weakly mineralized early porphyry, and highlights two positive anomalies that remain unexplained. The TEM data does not show any significant anomalies and appears to be of little use for delineating mineralization.

Three diamond drill holes were drilled in 2003, two in the porphyry and one in the limestone to the north. The holes drilled in the porphyry intersected weakly altered porphyry containing weakly disseminated pyrite and chalcopyrite. The hole in the limestone did not intersect any mineralization.

The focus of exploration on the Alicia property will primarily be to assess the potential of the skarn zones. It is recommended that a Phase 1 program consisting of community engagement, surface mapping/sampling and an induced-polarization (IP) survey be carried out with the aim of indentifying the best drill targets. The surface work should be followed by a short (<1000m) 3-4 hole drill program targeting skarn mineralization approximately 100m below surface to

prove (or disprove) the presence of mineralization at depth. A second, more substantial, round of drilling (2000-5000m) would follow depending on the success of the initial drill program.

A budget of US$191,000 has been estimated for the mapping, sampling and geophysics and a further US$395,000 for the initial drilling, for a total Phase 1 budget of US$586,000.

2. Introduction

This technical report was prepared for Strait Gold by Roger Moss, P.Geo. and Ryan Weston, P.Geo. the qualified persons responsible for the content of the report. The purpose of this report is to provide an initial summary of Strait Gold's recently acquired Alicia project located in Cusco department, Peru, and to outline a phase one exploration program for the property.

The report has been prepared following the format and guidelines of National Instrument 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1 and Companion Policy 43-101CP of the Canadian Securities Administrators.

The primary source of information for this report is based on two one-day field investigations of the property made by Ryan Weston and Strait Gold geologist W.Vasquez on February 20 and May 7, 2009. Past exploration results by Anaconda Peru (Anaconda) and Cordillera de las Minas (CDLM) were made available to the authors by Panoro Minerals (Panoro) and were included in the initial assessment of the property. This data however is considered historic in nature and as such can only be relied upon as an indication of the potential for mineralization on the property.

3. Reliance on Other Experts

Most of the technical material required for the preparation of this report was obtained from Panoro Minerals Ltd. and the authors have relied on this information to be accurate. Further information was obtained from a technical report prepared by SRK Consulting for Panoro Minerals in 2007 (filed on SEDAR on June 20, 2007) that covered all of the properties (including Alicia) acquired by Panoro in Southern Peru (SRK 2007). The description of the geology of the Andahuaylas –Yauri belt was largely taken from an article in the Journal of Economic Geology (Perelló et al., 2003). A description of the work undertaken by CDLM in 2000 is given in a summary report (CDLM, 2000).

Legal information on the title to the property was provided to the authors by Strait Gold. The authors have reviewed a title opinion by Strait Gold's Peruvian Counsel, and the option agreement between the Peruvian subsidiaries of Strait Gold and Panoro, Minera Strait Gold Peru S.A.C. and Panoro Apurimac S.A., respectively. The authors are not lawyers, nor do they have a legal background, as such, they have relied on the legal information presented in these two documents to be accurate and complete.

4. Property Description, Location and Title

The Alicia project is located approximately 60km south of Cusco, in the District of Capacmarca, Province of Chumbivilcas, Department of Cusco (Figure 1), at an elevation of between 4,200m and 4,700m. The property consists of a block of four concessions (Valeria Uno 2003, Valeria Siete 2003, Alicia 3 and Alicia 4) covering 2,593.46 hectares (Figure 2, Table 1). Panoro Apurimac S.A. is the current registered owner of all four concessions.

Table 1. Mineral concessions comprising the Alicia Property.

Claim	Area (Has)	District	Recording File No.	UTM Coordinates Datum PSAD 56	
				North	East
Valeria Uno 2003	603.729	Capacmarca	11080042	8 443 000.00 8 440 000.00 8 440 000.00 8 443 000.00	825 050.67 824 974.19 823 000.00 823 000.00
Valeria Sieta 2003	1,000.00	Capacmarca/ Colquemarca	11080044	8 441 000.00 8 437 000.00 8 437 000.00 8 440 000.00 8 440 000.00 8 441 000.00	180 000.00 180 000.00 177 000.00 177 000.00 179 000.00 179 000.00
Alicia 3	600.00	Capacmarca	11015721	8 443 000.00 8 440 000.00 8 440 000.00 8 443 000.00	179 000.00 179 000.00 177 000.00 177 000.00
Alicia 4	389.731	Capacmarca	11014591	8 440 000.00 8 438 000.00 8 438 000.00 8 440 000.00	824 974.19 824 923.12 823 000.00 823 000.00

Under an agreement with Panoro Apurimac S.A. dated September 25, 2009 the company's wholly owned subsidiary, Minera Strait Gold Peru S.A.C. (MSG) has the option to acquire an initial 55% interest (the First Option) and a subsequent 45% interest (the Second Option) in the property. The consideration for the First and Second options is as follows:

First Option: to earn 55% in the property by the issuance of 600,000 common shares of the corporation and the expenditure of US$650,000 on the mining property as follows:

- 100,000 common shares on signing

- 200,000 common shares and US$150,000 work expenditure before the first anniversary of the community agreement date*.
- 300,000 common shares and US$500,000 work expenditure before the second anniversary of the community agreement date*.

Second Option: to earn the remaining 45% in the property as follows:

- 400,000 common shares and US$ 600,000 work expenditure (for an aggregate expenditure of US$1,250,000) on or before the third anniversary of the community agreement date*.

* The community agreement is defined in the option agreement as:
"the agreement to be executed by and between Minera Strait Gold and the local community with jurisdiction over the surface lands where the Mining Property is located under which Minera Strait Gold is granted full access to the Mining Property to conduct exploration, development and subsequent exploitation of the Mining Property."

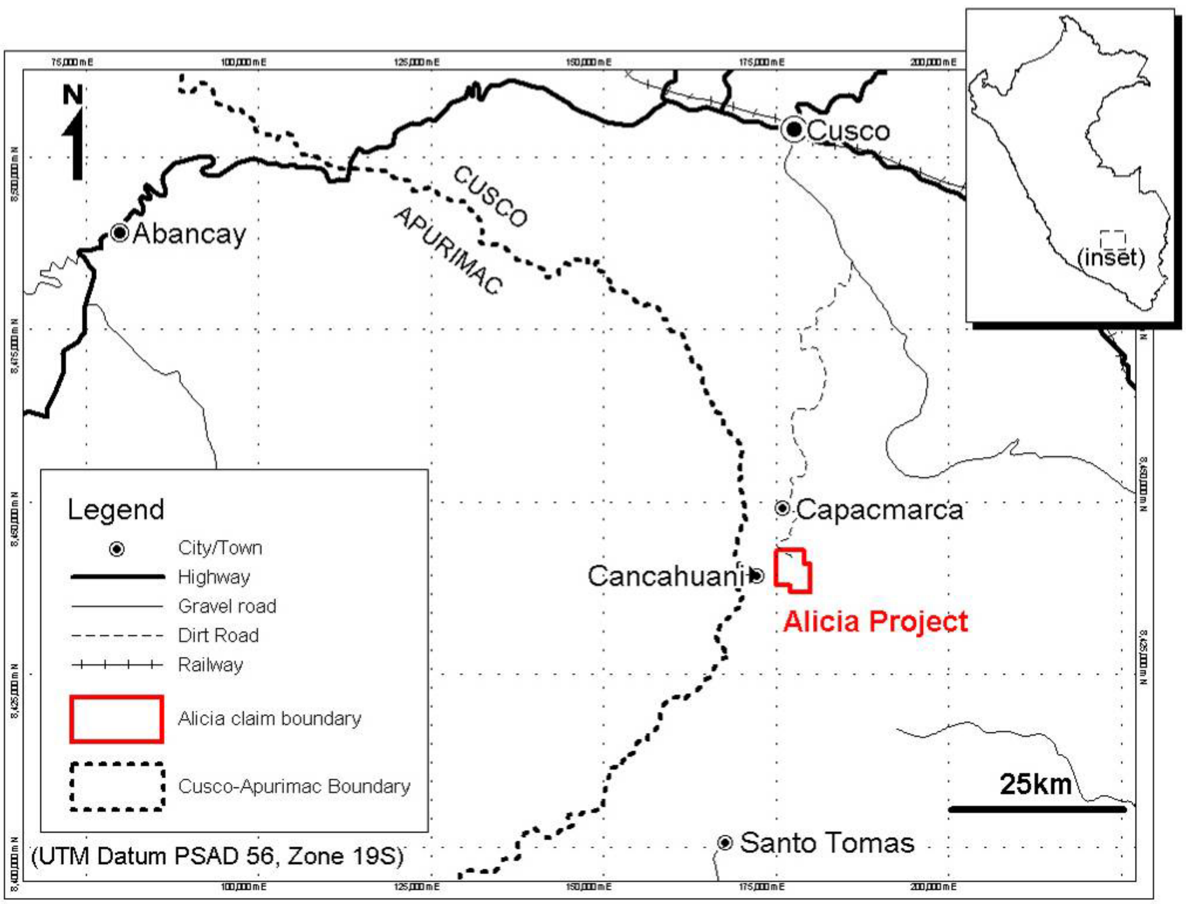

Figure 1. General location map of Alicia Property.

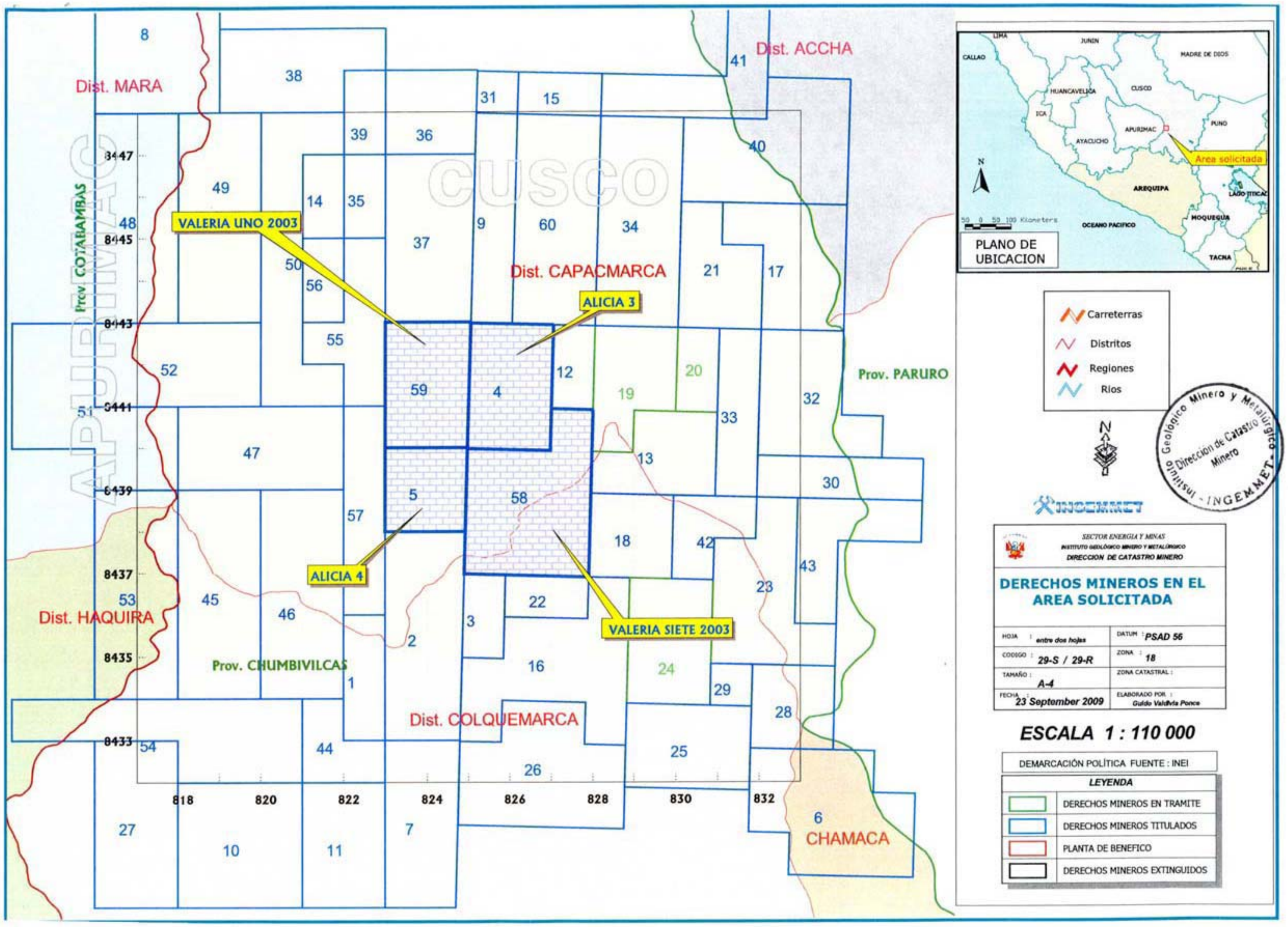

Figure 2. Claim map of the Alicia Property.

5. Accessibility, Climate, Infrastructure and Physiography

Road access to the property runs south from Cusco to Pte. Tinccoc, a distance of 100km, with an estimated travel time of three and a half hours. A further two hours is required to travel the 66km dirt road that connects Pte. Tinccoc to the project.

The area is located on the eastern flank of the Cordillera Occidental and is dominated by a relatively gentle topographic relief, with many hills and valleys. Streams and rivers, many of which are controlled by regional faults, drain eastwards into the Amazon Basin. Elevation ranges from 4,200m to 4,700m (Figure 3).

There are essentially two seasons in this region of southern Peru. April to November is typically dry and cold with temperatures ranging from -10^{o}C to 15^{o}C. The period from December to March is the rainy season when wind and snow are common.

Most materials for exploration can be obtained in Cusco, the nearest major centre and a drive of 5.5 hours from the property. Food and basic supplies may be obtained locally in the town of Capacmarca, approximately 10km north of the property. Casual labour may be available from the nearby community of Cancahuani, 5km west of the property.

6. Historical Work

Historic exploitation of high-grade copper skarn mineralization took place in at least two adits (>30m long) in Zones I and IX observed by R.Weston during his site visits. The authors are unaware of the date of these workings but the limited waste piles and lack of any infrastructure suggest they were informal in nature and likely colonial in age.

Known exploration on the Alicia property dates from the 1960s to 1970s: Cerro de Pasco Copper Corporation constructed access roads and trenched the higher grade areas of skarn mineralization. No results of this work are known to the authors.

Early nineties: Cambior Inc. is reported to have carried out geological and geophysical surveys SRK, 2007), although no record of the work is known to the authors.

2000: Minera Anaconda Peru S.A. (MAP) started work on the property and reported the presence of a skarn with considerable dimensions, without identifying any relationship to a porphyry system. Thereafter, Alberto Zarate, a MAP geologist, recognized the presence of a large porphyry intrusive stock with weak quartz veining. A detailed work program, including mapping and trenching, was initiated.

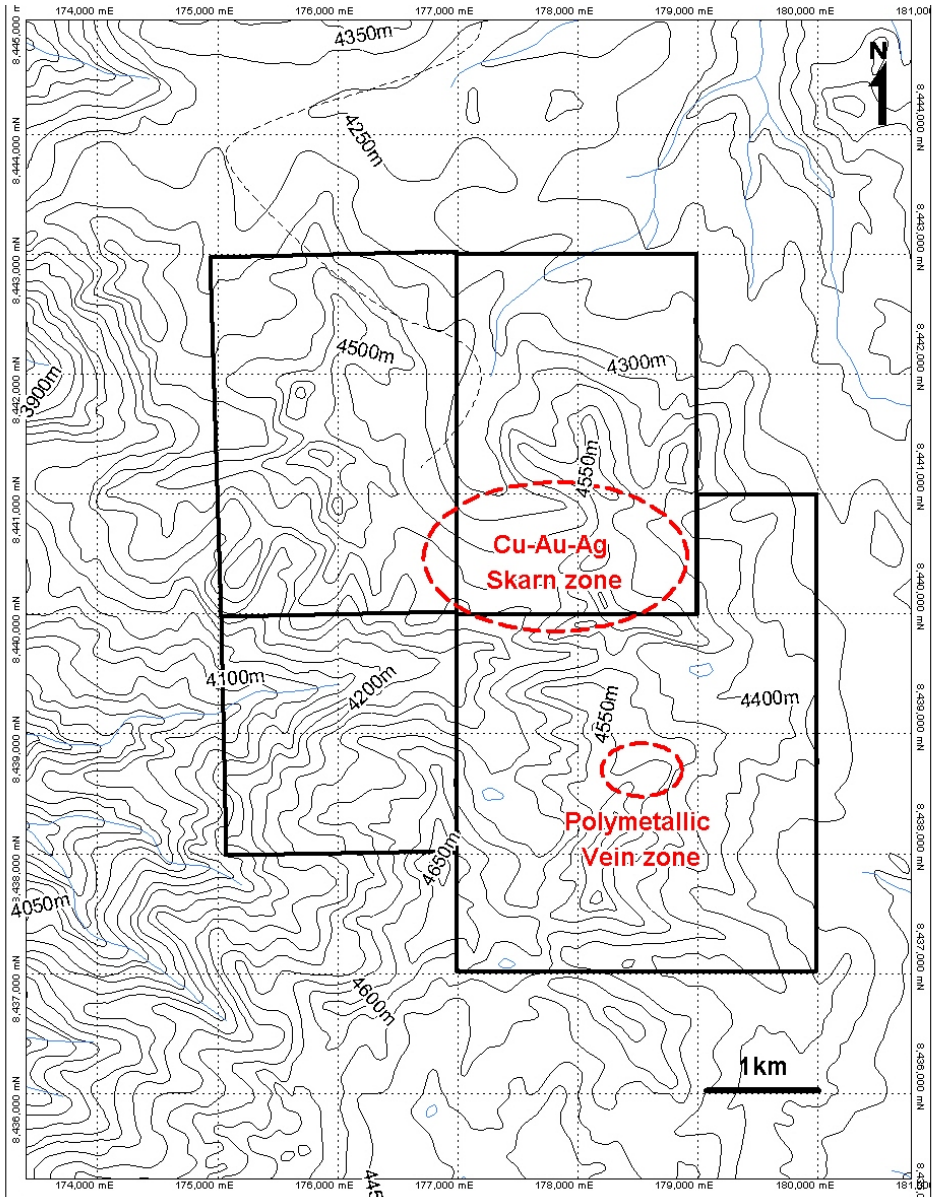

Figure 3. Topographic map of the Alicia property showing mineralized areas.

Nov-Dec 2000: Exploration was undertaken by Cordillera de las Minas S.A. (CDLM) a corporation beneficially owned in equal parts by Campania Vale do Rio Doce of Brazil ("CVRD") and Antofagasta Minerals S.A. of Chile ("Antofagasta"). This exploration included: detailed geological mapping over a 2km^2 area at a scale of 1:2000; excavation and sampling of 12 trenches with a total length of 608m on outcrops of skarn mineralization; rehabilitation and sampling of 16 older trenches with a total length of 758m. A total of 101 samples were taken in the new trenches and 139 in the old trenches for a total of 240 samples. The sample length was 4m in skarn and 10m in porphyry intrusive (CDLM, 2000).

The trench sampling successfully identified skarn-related mineralization over mineable widths in nine zones at the contact of the porphyry intrusive and limestone of the Arcuquina Formation (Figure 4). For example, trench Huanca-5, in Zone VIII on the northern contact of the intrusive returned values of 4.9% Cu, 0.42g/t Au, 29.2g/t Ag and 0.009% Mo over 20m (Table 2).

From October 30 to November 8 2002, a geophysical survey was carried out consisting of 110 TEM-soundings and 74 line kilometres of ground magnetometer. The results of the surveys were mixed. The magnetic data clearly delineates the earlier of the two porphyritic intrusions (named Porphyry P by CDLM geologists) likely due to the presence of magnetite in the matrix, an association recognised in potassic alteration zones elsewhere in the belt (Perelló et al., 2003). In addition, two smaller magnetic highs, that may represent smaller satellite stocks, are visible to the northeast and southwest of the main intrusive phases (Figure 5).

A resistivity map generated from the TEM data is shown in Figure 6. There is no apparent anomalous response over the skarn zones or the early porphyry P. There does appear to be a moderate resistivity low associated with the late porphyry.

Table 2. Highlights of trench sampling over Alicia skarn zones

Zone	Trench	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)
1	Iris 4	27.8	0.7	0.07	5.3	0.006
1	Iris 5	56.0	1.9	0.18	12.7	0.003
1	Iris 6	32.2	2.0	0.10	7.2	0.012
1?	Iris 10	32.2	1.8	0.20	12.0	0.009
1	Iris 11	12.0	3.2	0.40	31.4	0.004
2	Huanca 9	16.4	1.8	0.22	7.0	0.013
3	Suraco 3	16.0	1.2	0.40	12.7	0.002
4	Suraco 1	20.2	1.7	0.94	10.9	0.002
5	Huanca 7	16.3	2.4	0.36	12.8	0.035
6	Huanca 3	14.9	2.0	0.39	16.7	0.001
7	Huanca 1	31.7	0.5	0.07	4.6	0.002
8	Huanca 5	20.0	4.9	0.42	29.2	0.009
8	Huanca 6	23.2	3.9	0.23	21.6	0.038
9	Iris 7	31.6	2.8	0.32	14.7	0.024
9	Iris 8	19.3	1.5	0.18	8.1	0.005

2003: A drilling program consisting of three diamond drill holes was carried out in 2003. AL-01 was collared in the porphyry P and drilled to the south at an inclination of -60^{o} (Table 3). AL-02 was collared in porphyry P near the southern contact with the surrounding limestone, and drilled to the south, presumably to intersect the skarn mineralization in Zone 1 (see Figure 3). AL-03 was collared to the north of the intrusive in limestone.

Results of the drilling were generally disappointing. The following descriptions are summarized from the CDLM logs of the three holes.

Hole AL-01 intersected weakly to moderately altered porphyry across the entire length (300 metres). Potassic (biotite with minor K feldspar) alteration is the dominant alteration type with weak chloritization in places. Disseminated pyrite and chalcopyrite are the main sulphides observed. Magnetite was fairly consistent throughout the hole, and is the likely cause of the positive magnetic anomaly referred to above. The best intersection was 0.24% Cu over four metres between 148 and 152 metres down hole.

Hole AL-02 intersected the porphyritic intrusive over the entire length of the hole, and did not intersect skarn mineralization despite drilling to a depth of 558.60 metres. The porphyry contained similar alteration to that encountered in Hole AL-01 and pyrite and chalcopyrite are present at levels typically less than 1%. Magnetite was also observed throughout much of the hole. A 100 metre interval between 52 and 152 metres graded 0.11% Cu, and 0.05g/t Au that included 0.46% Cu, 0.1g/t Au and 3.2g/t Ag.

Hole AL-03 intersected unaltered limestone over the entire length of the hole. Weak disseminations of pyrite were the only sulphides reported. No samples were chosen for assay in this hole.

Table 3. Location of the three diamond drill holes comprising the 2003 drill program.

DDH	UTM East	UTM North	Collar Elev.	DIP	Azimuth	Depth
AL-01	177500	8440200	4485	- 60	180	300.00
AL-02	177800	8440600	4520	-70	180	558.60
AL-03	177200	8441200	4390	- 60	0	195.10
Total meters drilled						1,053.70

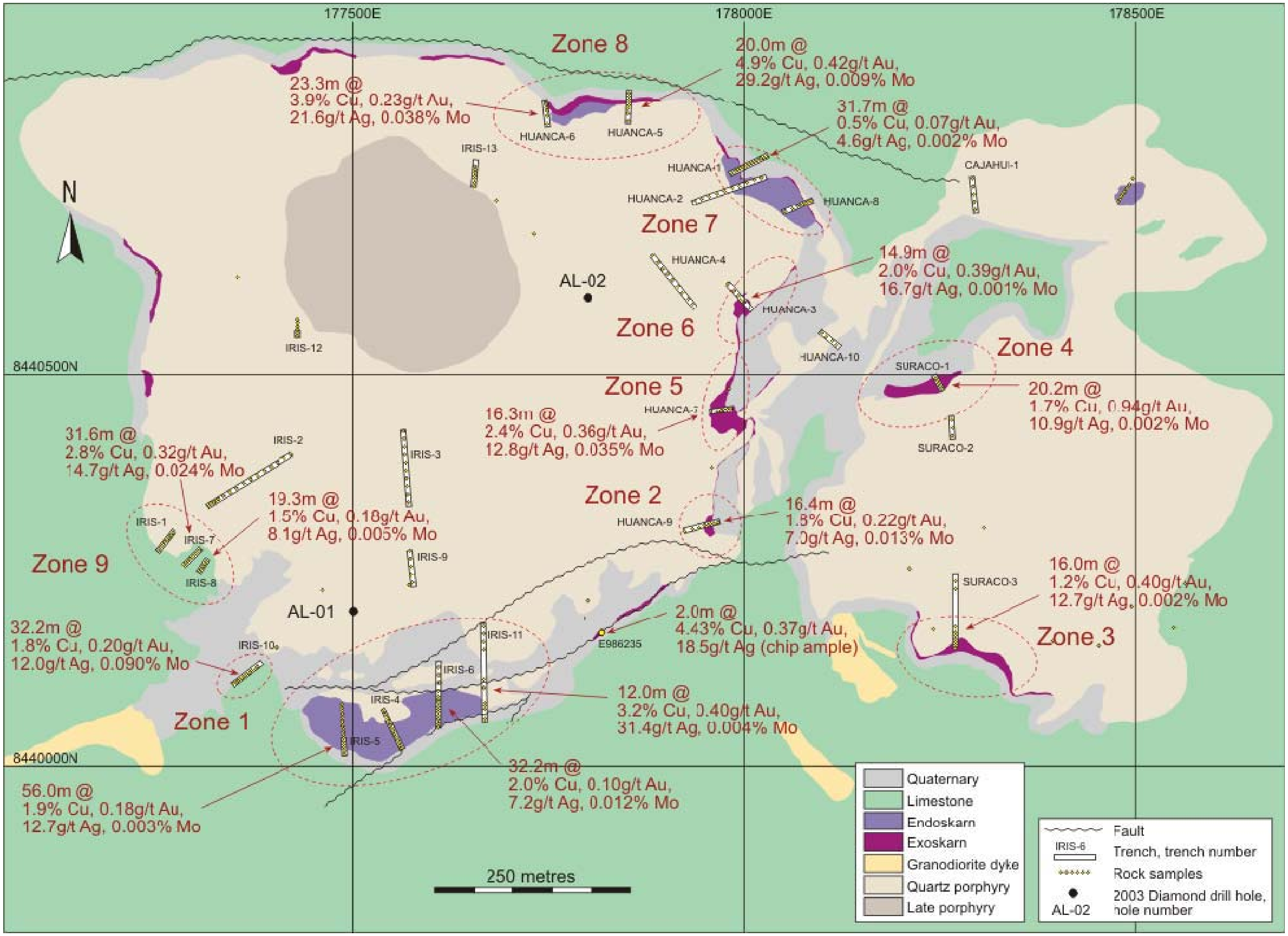

Figure 4. Geology of the main intrusions and associated skarn zones showing highlights of trench sampling.

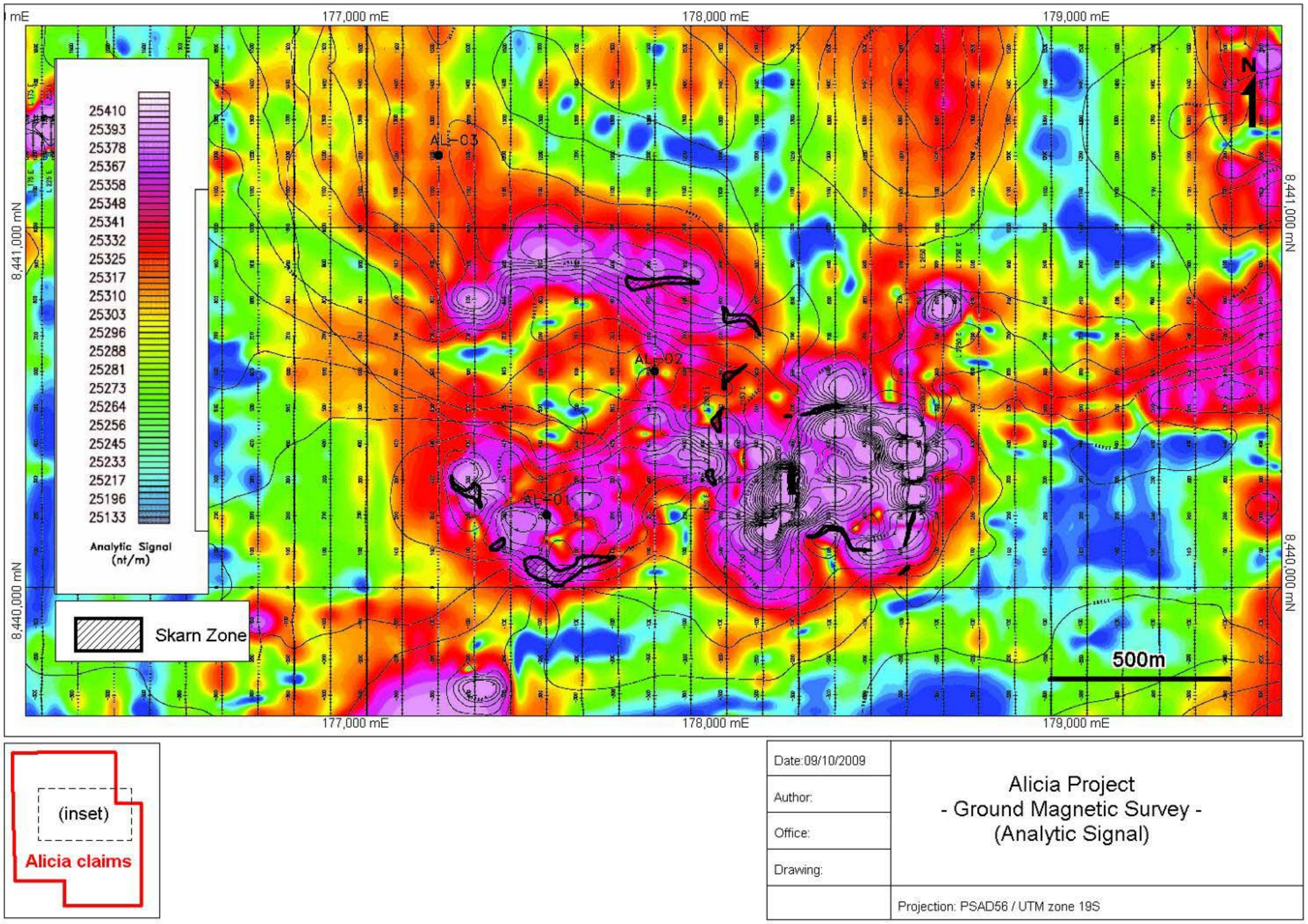

Figure 5. Ground magnetic survey (analytical signal) over the central portion of the Alicia Property.

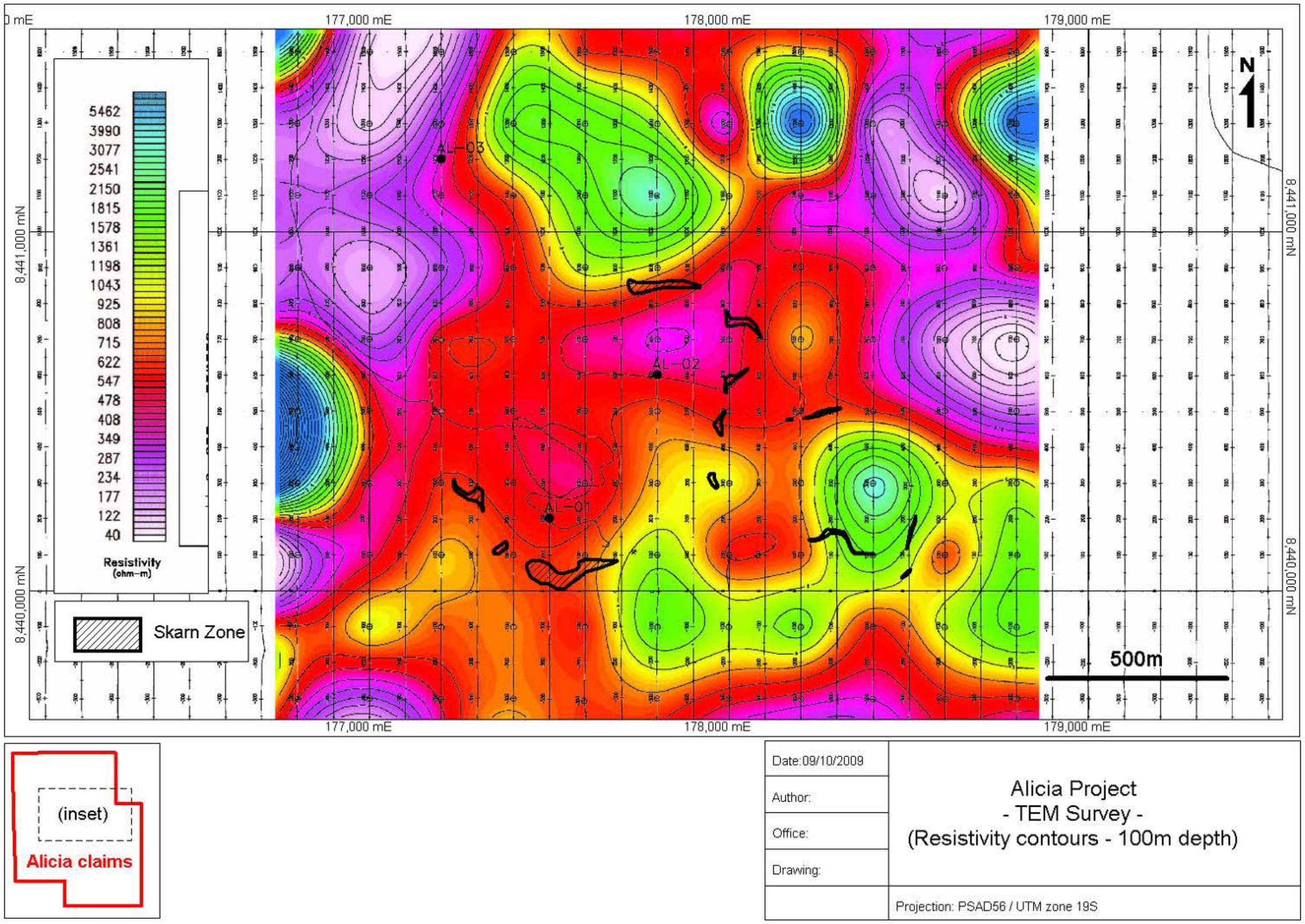

Figure 6. Results of TEM survey (resistivity contours) over the central portion of the Alicia Property.

7. Regional Geology

The Alicia property is situated in the Andahuaylas-Yauri belt of porphyry copper and skarn mineralization associated with intrusive rocks of the Andahuaylas-Yauri Batholith (AYB). The belt extends for approximately 300km in a northwest –southeast direction, and has a maximum known width of 130km (Perelló et al., 2003).

It is believed that several distinct deformation events may have contributed to the emplacement of the AYB and subsequent uplift in at least two main events at 48 to 43 million years ago (Ma) and 40 to 32Ma. K-Ar age dates reported by Perelló et al. (2003) for intrusive phases of the AYB range from 31.6 to 43.2Ma. The main phases of the batholith range in composition from gabbro/diorite near the base to granodiorite near the top.

The AYB was emplaced into a Mesozoic-Cenozoic environment of sedimentation occurring in two principal basins: the Western (Arequipa) Basin and the Eastern (Putina) Basin separated by the Cusco-Puno basement high (Perelló et al, 2003). The Western Basin consists of turbidites, quartz arenite and limestone comprising a sedimentary sequence more than 4,500m thick. The Eastern Basin consists of Late Cretaceous marine clastic and carbonate rocks forming a sedimentary sequence approximately 2,600m thick (Perelló et al., 2003).

Porphyry style mineralization and alteration has been identified at 31 prospects and deposits in the belt, and many more magnetite-rich iron-copper skarn occurrences are known (Figure 7). Many of the porphyry and porphyry-related skarn deposits in the belt are world class deposits (Table 4).

Most of the porphyry stocks related to mineralization in the belt appear to have been emplaced around the edges of the main intrusive phase of the AYB, only in a few cases did the porphyry stocks intrude the main phase of the AYB. The porphyry stocks are typically multi-phase porphyritic intrusions of calc-alkaline composition that range in areal extent from about 0.25 to 0.6km^2 and can have dike-like (e.g. Las Bambas) or cylinder-like (e.g. Alicia) geometries (Perelló et al., 2003).

The porphyry deposits and occurrences known in the AYB have metal contents ranging from gold-only (e.g. Morosayhuas) through gold-rich, molybdenum-poor copper deposits (e.g. Cotabambas) and copper deposits with both gold and molybdenum (e.g. Tintaya) to relatively molybdenum rich, gold–poor end members (e.g. Lahuani). Bornite and chalcopyrite are the dominant copper-bearing minerals, typically occurring in A and B – type quartz veins associated with the potassic alteration zones of the porphyry mineralization (Perelló et al., 2003).

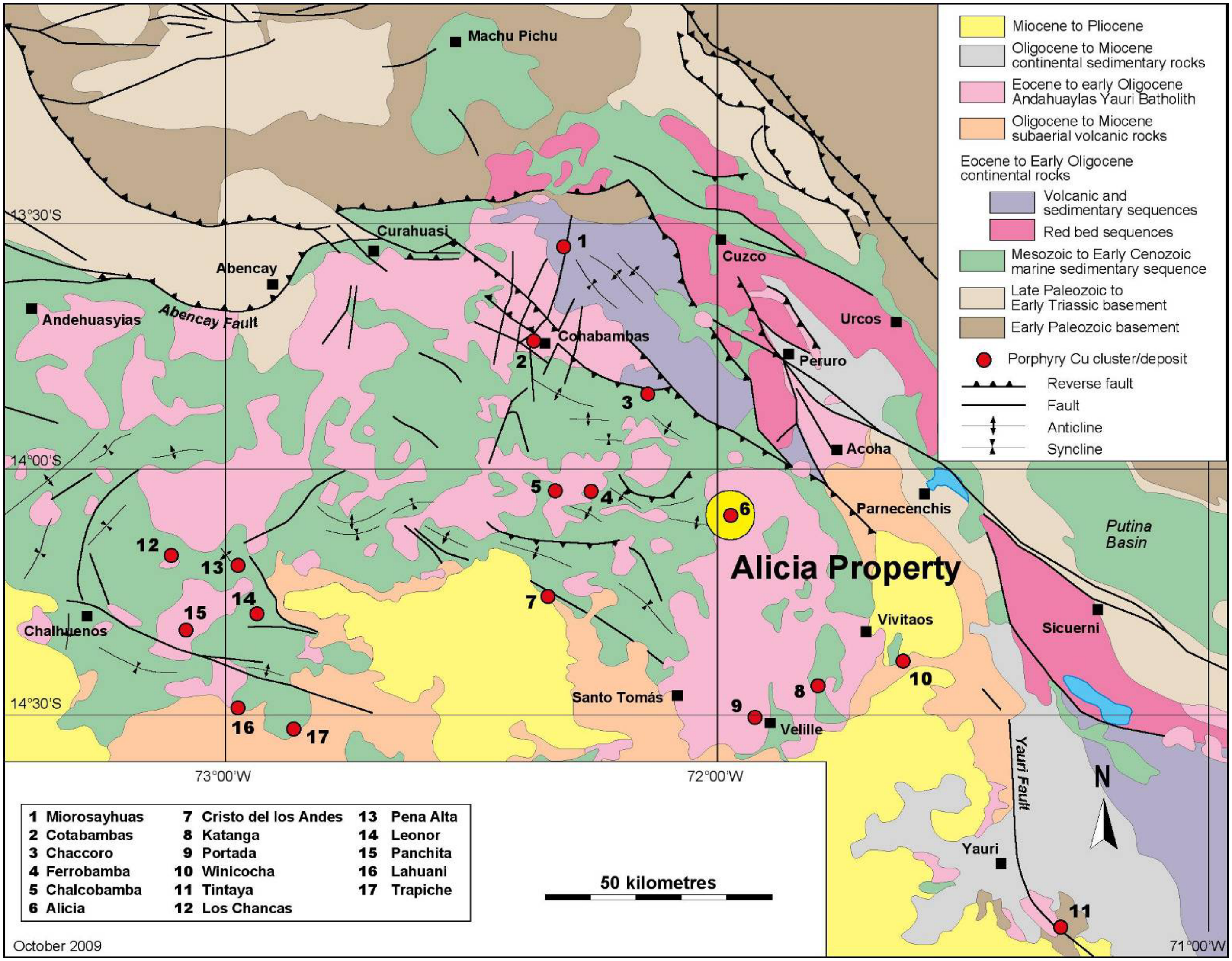

Figure 7. Regional geology of the Andahuaylas-Yauri Belt (From Perelló et al., 2003).

Table 4. Resources* of Selected Porphyry /Skarn Deposits of the AYB.

Deposit	Tonnage (Mt)	Cu (%)	Au (g/t)	Mo (%)	Reference
Tintaya District					
Antapaccay	383	0.89	0.16	na	Jones et al., 2000; Fierro et al., 2002
Corroccohuayco	155	1.57	0.16	na	BHP, 1999
Ccatun Pucara	24	1.44	na	na	BHP,1999
Quechua	300	0.68	na	na	Perelló et al. 2003
Tintaya	139	1.39	0.23	na	Perelló et al., 2003
Cotabambas Area					
Azulccacca	24	0.42	0.39	<0.01	Perelló et al., 2002
Ccalla	112	0.62	0.36	<0.01	Perelló et al., 2002
Las Bambas	860	0.93	na	0.02	Xstrata http://www.xstrata.com
Cotabambas	90	0.77	0.42		SRK, 2007
Constancia Indicated	132.3	0.7	na	0.013	Norsemont Mining Website http://www.norsemont.com
Constancia Inferred	27.3	0.58	na	0.011	Norsemont Mining Website http://www.norsemont.com

* Many of the resources in the table pre-date the CIM definition standards for mineral resources and reserves and, as such, are historical in nature. They are shown for comparative purposes only.

Both proximal and distal skarn-type mineralization has been observed in the belt. Proximal skarns contain endoskarn – and/or exoskarn - related mineralization with both prograde and retrograde skarnification events recognized. The bulk of the copper mineralization is thought to have been introduced during prograde events at Tintaya and Las Bambas (Perelló et al., 2003).

Distal skarns, richer in lead and zinc than the proximal skarns, have been identified associated with all deposits at distances of up to 3km from their proximal counterparts, typically occurring in roof pendants of Ferrobamba Formation limestones and equivalent formations (Perelló et al., 2003).

The alteration associated with the mineralized porphyries of the belt is typical of porphyry systems elsewhere in the world, consisting of potassic, propylitic, sericitic and advanced argillic facies. In addition, calc-silicate alteration assemblages of garnet, diopside, epidote and actinolite are commonly associated with many of the deposits that exhibit skarn-type mineralization. Such mineralized skarns are well developed where porphyry stocks intrude carbonate rocks of the regionally extensive Ferrobamba Formation (Perelló et al., 2003).

8. Property Geology

The dominant rock types on the property are chemical sedimentary rocks of the Arcurquina Formation composed of grey limestone (Figure 8) with horizons of chert nodules intruded by porphyritic stocks. The Arcurquina Formation is the equivalent of the Ferrobamba Formation, which is the most important unit for the formation of porphyry associated skarn deposits elsewhere in the AYB (CDLM, 2000).

Figure 8. Folded limestone of the Arcurquina (Ferrobamba) Formation

Two phases of porphyritic intrusions have been recognized. The first (porphyry “P”) is related to the skarn mineralization, whereas the second (porphyry “Z”) appears to be post-mineral and to have intruded porphyry P (CDLM, 2000). Porphyry P is a granodiorite characterized by a fine grained quartzo- feldspathic matrix comprising approximately 60% of the rock. The matrix contains weak chlorite-epidote alteration and locally exhibits trace disseminated sulphides, predominantly chalcopyrite-bornite. The remaining 40% of the rock is comprised of plagioclase phenocrysts (40-50%), quartz eyes (15-20%) and primary biotite (2-5%). Porphyry P contains quartz veins (types A and B) varying from mm to 2 cm in thickness, that occasionally form stockworks of 20 to 30 veins per metre.

The main alteration of porphyry P consists of silicification, moderate argillization of the plagioclase that becomes more intense around quartz veins and potassic alteration consisting of secondary biotite, replacing primary biotite and amphibole, and weak to moderate potassium feldspar (CDLM, 2000).

Porphyry Z is characterized by a porphyritic texture dominated by phenocrysts (60%) over matrix (40%). Phenocrysts are similar to Porphyry P with the exception of amphibole that comprises 20% of phenocrysts. One of the major differences between the two porphyries is that Porphyry Z does not contain quartz veins, but is typically homogeneous and relatively fresh (CDLM, 2000).

9. Deposit Types

The principal deposit type on the Alicia property is a copper (±gold ±silver) skarn. Copper skarns are one sub-type of a diverse group of deposits formed dominantly through the metasomatism of carbonate rocks. The degree of metasomatism involved in skarn formation can vary from negligible, in the case of metamorphism of carbonate to produce calc-silicate hornfels, to complete, resulting in the formation of a metasomatic, coarse grained skarn (Meinert, 1993a). It is this high degree of metasomatism, where the composition of the metasomatic fluid controls the resulting skarn and ore mineralogy, that often results in the most economic skarn deposits (Meinert, 1993a).

Copper skarns are the most abundant skarn type, and include some of the world's largest skarns (Einaudi et al., 1981; Meinert, 1993b). Einaudi et al. (1981) characterize calcic copper skarns as follows:

- An association with felsic porphyry-textured stocks of hypabyssal character;
- Occur in close proximity to stock contacts;
- Display high garnet to pyroxene ratios;
- Contain relatively oxidised assemblages (e.g. andraditic garnet, diopsidic pyroxene, magnetite and hematite);
- Have a moderate to high sulphide content.

The emplacement, crystallization and cooling history of plutons is related to the metamorphism, metasomatism and alteration in the country rock (Meinert, 1993b).

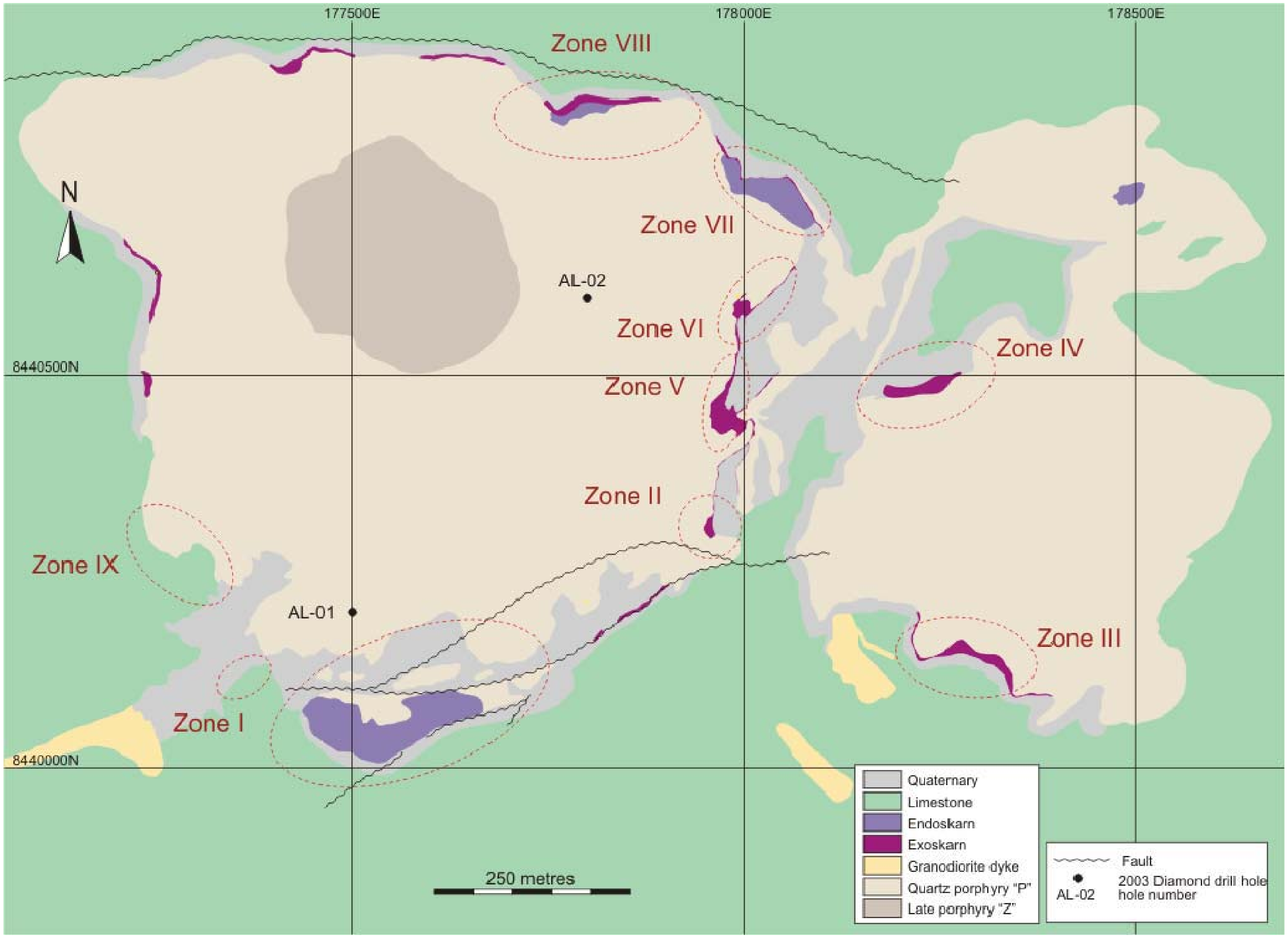

Figure 9. Geology of the central portion of the Alicia Property showing skarn zones.

Zonation of silicate and sulphide mineralogy is apparent in most skarns associated with plutons. Silicates are typically zoned from proximal garnet through distal pyroxene, with visuvianite or wollastonite at the contact between skarn and marble. Pyrite and chalcopyrite are usually the dominant sulphides close to the pluton, with chalcopyrite increasing with distance from the pluton and finally bornite occurring in wollastonite zones near the marble contact (Meinert, 1993b). In some cases, notably copper skarns containing monticellite (a Ca-Mg olivine), bornite-chalcopyrite are the dominant Cu-Fe sulphides rather than pyrite-chalcopyrite (Meinert, 1993b).

Other deposit types that may be associated with copper skarns include gold skarns and porphyry copper deposits (Dawson and Kirkham, 1996) and lead-zinc-silver mantos and veins (Dawson, 1996).

10. Mineralization

The dominant style of mineralization at Alicia is proximal skarn-type mineralization located at the contact between the porphyry intrusive (Porphyry P) and the surrounding limestone. Nine skarn zones occurring intermittently along the contact have been identified to date (see Figure 3).

The mineralization occurs as densely veined bornite-rich quartz poor stockworks and disseminations that cross cut earlier garnet skarn (Figure 10; SRK, 2007). Lesser chalcopyrite mineralization accompanies bornite in most places. Secondary copper minerals include malachite, azurite and lesser chalcocite and native copper (CDLM, 2000; Perelló, 2003). Minor molybdenite occurs as fine grained disseminations, typically associated with chalcopyrite.

While widths of skarn mineralization vary between individual zones from 10’s of cms to up to 56m (Zone I), individual zones often show good strike continuity (>100 metres) with potential for significant strike extension in the case of Zone I. Skarn mineralization exposed in trench Huanca-6 (Zone VIII) is shown in Figure 11.

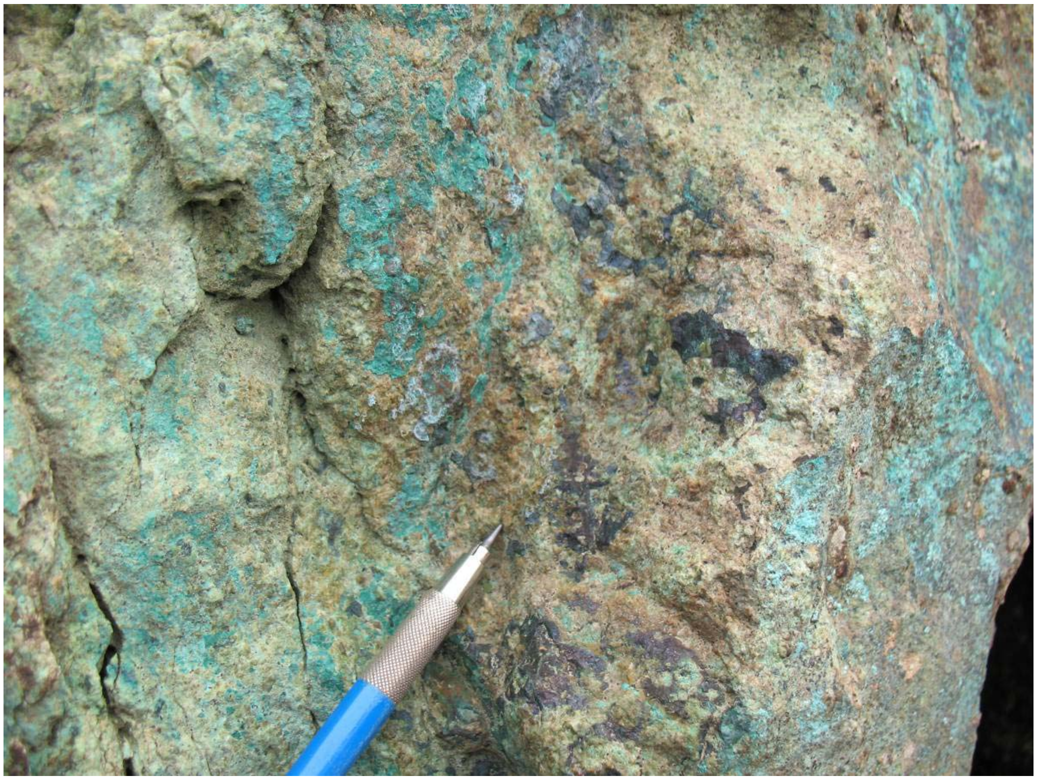

Figure 10. Typical skarn mineralization at Alicia (grey-purple bornite and green malachite in a matrix of garnet-skarn)

Figure 11. Chip sampling by W.Vasquez along Huanca-6 trench (Zone VIII)

Porphyry style mineralization associated with the granodiorite porphyry P is characterized by weakly disseminated pyrite with lesser chalcopyrite. The porphyry also shows typical porphyry copper alteration, including weak to moderate potassic alteration (biotite ± K feldspar) and moderate argillization. Quartz veins form stockworks of 20-30 veins per metre in places. Average values obtained from sampling trenches through the porphyry are much lower than those in skarn mineralization at 347ppm Cu, 3ppb Au and 520ppb Ag (CDLM, 2000).

Located approximately 1.5km to the southeast of the main skarn showings at Alicia are a number of historic workings (see Figure 3) consisting of narrow adits and open cuts within gently dipping limestone of the Ferrobamba Formation (Figures 12 and 13). The authors are unaware of the age of these historic workings, however they appear informal in nature with very limited development. Waste piles from these workings display a polymetallic assemblage of coarsely crystalline galena-sphalerite+/-chalcopyrite-pyrite within a druzy to granular quartz matrix. No assay samples were collected by R.Weston, however, eight samples taken by CDLM in this area (six from individual veins, two from waste piles) confirm the high grade polymetallic (Ag-Pb+/-Zn-Au-Cu) nature of the mineralization in this area. Of the eight samples collected by CDLM, the average values are Pb (11.5%), Ag (91.1g/t), Zn (6.8%), Au (1.3g/t), Cu (0.3%), with up to 27.8% Pb, 227g/t Ag, 5.0g/t Au, 15.9% Zn and 1.0% Cu in a single sample collected from one waste pile. Elevated values of Sb (up to 200ppm) are associated with these high grades. The mineralization appears to be strongly controlled by late brittle faulting within host limestone as mineralized structures appear to terminate abruptly.

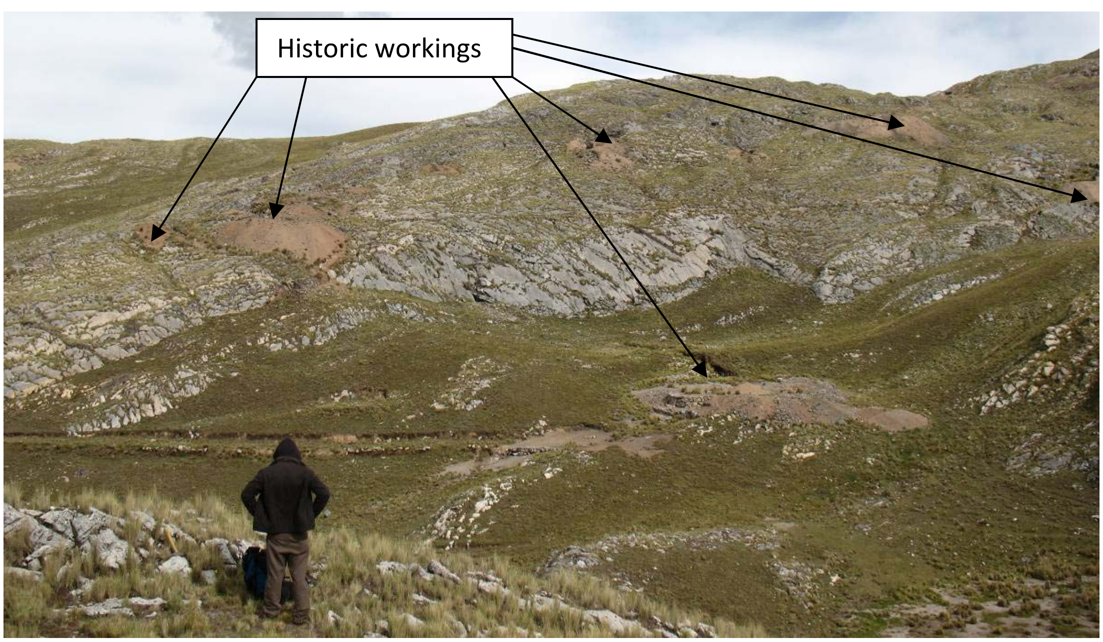

Figure 12. Historic workings in polymetallic Ag-Pb+/-Zn-Au-Cu veins south of main skarn zone

Figure 13. Narrow adit in area of structurally-controlled polymetallic veining south of main skarn zones

The mineralogy, geochemistry, texture, and strong structural-control of these vein showings suggest a low-sulphidation epithermal association upon initial observation, however further work is required to confirm this hypothesis, as well as to define the strike and width potential of individual structures.

11. Exploration

Due to its recent acquisition, no exploration work has yet been performed on the Alicia project by Strait Gold. Two one-day property visits were undertaken as part of the due diligence associated with the acquisition of the property. During the visits eleven bedrock samples were collected, the results of which are described in Section 13 below.

12. Drilling

No drilling has been carried out on the property by Strait Gold. Historical drilling carried out in 2003 by Cordillera de las Minas is described in Section 6 above.

13. Sample Method and Approach

The eleven bedrock samples collected during the two site visits by R.Weston and W.Vasquez were taken to confirm the general mineralization in the main skarn zones of the Alicia property. Due to the extensive historical geochemical database which exists, the sampling approach was not intended to be rigorous in extent (i.e. by testing all mineralized trenches), but rather aimed to confirm the general nature, extent and grade of mineralization within a few trenches, allowing the authors to make an informed decision on the acquisition of the property, based on the results.

All samples collected by R.Weston and W.Vasquez were chip samples, consisting of numerous small pieces of fresh bedrock collected along a specified line of given length perpendicular to the strike of visible skarn mineralization. This type of sampling is useful in identifying the true grade and width of mineralization across a zone of mineralization with a defined axis of elongation (eg. where the length of mineralization is much greater than the width).

All samples were placed in clear plastic sample bags with their respective sample tag, and the bag then secured with a non-reversible single-use plastic tie. Samples were then taken to Lima and delivered to ALS Chemex laboratories by Strait Gold personnel.

14. Sample Preparation, Analysis and Security

Sample preparation and analysis was carried out at ALS Chemex facilities in Lima, Peru, an ISO 9001:2000 accredited laboratory. Rock samples were dried, weighed and crushed until 70% passed <2 mm (#10 mesh) screens and then riffle split into a roughly 250 g sub-sample. The sub-sample was milled in chrome steel equipment until 85% passed <75 µ (#200 mesh) screens. Aliquots of 30 g were analyzed for gold by fire assay followed by atomic absorption spectroscopic (AAS) finish. Silver and thirty-three other elements (including Cu, Mo, Pb, Zn) were determined by ICP-AES methods after aqua-regia (partial) dissolution of each pulp. Over-limit samples containing >10,000ppm Cu were re-analyzed using ICP-AAS.

A visit to the ALS Chemex lab facilities in Lima was conducted by R.Weston in May 2007, and in the author’s opinion, the sample preparation, security and analytical procedures performed were adequate to ensure the quality of the sample results.

15. Data Verification

Eleven samples were collected from the Alicia property during due diligence associated with the acquisition. These samples were submitted in two separate batches (one batch in February 2009 contained a single sample from the property, and another batch in May 2009 contained ten samples from the property). Results of the sampling are presented below (Table 5) and confirm the high grade and wide extent of Cu+/-Au-Ag values reported in Historical Work (Section 6).

Table 5: Results of Strait Gold rock samples of Alicia skarn zones.

Sample	Trench/Area	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Description
E986235	180m northeast of Iris-11	2.0	4.4	0.37	18.5	0.003	oxidized porphyry with abundant malachite and primary chalcopyrite-bornite in veinlets and disseminations. 30cm fault zone (post mineral) @050/-70
E986236	Huanca-6	4.8	1.0	0.13	5.8	0.002	clay weathered skarn with malachite coatings, local disseminated chalcopyrite+/-bornite
E986237	Huanca-5	4.5	2.3	0.18	12.3	0.002	weathered pink-green garnet skarn and marble with malachite coatings
E986238	Huanca-5	4.5	6.0	0.66	30.5	0.001	weathered and heavily malachite stained marble.
E986239	Huanca-5	4.5	4.7	0.55	27.3	0.002	strongly clay weathered and heavily malachite stained marble with local bornite preserved.
E986240	80m west of Suraco-1	2.3	0.6	0.05	2.7	0.006	green to reddish-brown garnet skarn with trace-1% disseminated and fractures of chalcopyrite-bornite
E986241	Suraco-1	4.5	1.2	0.29	6.6	nsv	finely banded magnetite skarn heavily stained with malachite, local disseminated chalcopyrite+/-bornite, local coarse-grained chlorite clots
E986242	Suraco-1	3.9	2.7	0.87	16.1	0.001	magnetite and pink garnet skarn with abundant malachite stain and lesser disseminated chalcopyrite+/-bornite
E986243	Suraco-1	1.3	1.0	0.15	3.4	nsv	oxidized garnet skarn with malachite and disseminated chalcopyrite and weathered marble and lesser porphyry.
E986244	45m east of Suraco-3	2.9	1.3	0.04	1.9	0.004	green-orange garnet skarn with coarse-grained hematite and minor disseminated chalcopyrite.
E986245	45m east of Suraco-3	1.7	0.5	0.06	2.5	0.001	coarse-grained green garnet skarn with 1-2% disseminated chalcopyrite and minor medium to coarse-grained hematite.

Given the small number of samples collected and the proposed aim of these samples to merely confirm or dispute the general extent and grade of mineralization at Alicia, no standards, blanks or duplicates were submitted into the sample stream by Strait Gold geologists. However internal standards, blanks and duplicates inserted by ALS Chemex into both sample batches have been reviewed by the authors and sufficiently confirm the quality of the analyses performed for both sample batches.

All assay results have been reviewed and verified by the authors, and in their opinion, the quality control and quality assurance procedures utilized were sufficient to ensure the quality of the sample results, and verify the general grade and extent of Cu-Au-Ag skarn mineralization at the Alicia property.

16. Adjacent Properties

There are no adjacent properties relevant to the Alicia project.

17. Mineral Processing and Metallurgical Testing

The authors are not aware of any of any metallurgical testing that has been conducted on the Alicia mineralization.

18. Mineral Resource Estimates

Based on the results of trench sampling, Cordillera de las Minas calculated the “geological potential” of the Alicia skarn zones (CDLM, 2000). This estimate predates the CIM definition standards for resources and reserves and is not compliant with national Instrument 43-101. The authors further consider the estimate to be speculative in nature and not to be relied upon. No other resource estimate is known to the authors.

19. Other Relevant Data and Information

The authors are not aware of any other relevant data or information.

20. Interpretation and Conclusions

The Alicia property presents a prospective Cu+/-Au-Ag project in a favourable porphyry-skarn jurisdiction with potential for significant drill intercepts of moderate to high-grade copper along with significant precious-metal credits.

Past exploration has defined existing skarn zones at surface reasonably well with trench sampling at 60-70m intervals within the main zone to the south, and at 100m intervals within the main zone to the north. Highlights of this sampling returned up to 56m at 1.9% Cu, 0.18g/t Au and 12.7g/t Ag from trench Iris 5, and 32m at 2.8% Cu, 0.32g/t Au and 14.7g/t Ag from trench Iris 7. Infill trench sampling between mineralized skarn zones still needs to be performed.

The general geology of the main skarn prospects have been fairly well mapped at 1:5,000 scale by past explorers, however no property wide mapping appears to have been executed, nor any systematic sampling/mapping of the historic workings of high-grade polymetallic Ag-Pb+/-Zn-Au-Cu veins located 1.5km south of the main skarn zones.

A ground magnetic and TEM geophysical survey was performed over the main skarn area by previous owners. The results of the magnetic survey are very useful in mapping the intrusive body and indicate magnetic anomalies where no intrusive outcrop has yet been mapped. The TEM survey produced a few wide, poorly defined anomalies at depth, some of which were drill tested with no significant results (AL-03, not assayed). This survey is believed to have been ineffective at outlining potential mineralized bodies at depth.

The property was subject to a 3-hole (1053m) diamond drill campaign in 2003 by the previous owners CDLM which had as its target porphyry copper mineralization within the intrusive body. One hole (AL-01) appears to have targeted the main skarn body (Zone 1) but was drilled roughly parallel to the dip of limestone bedding (and presumably the porphyry-limestone contact). As such the hole never encountered the skarn contact, but remained in weakly mineralized and weakly altered porphyry its entire length.

21. Recommendations and Budget

The next step for the Alicia property is to test the skarn potential at depth. This will require a Phase 1 program consisting of community engagement, surface mapping/sampling and induced-polarization (IP) geophysics designed to indentify the best drill targets, followed by a short (<1000m) 3-4 hole drill program targeting skarn mineralization approximately 100m below surface to prove (or disprove) the presence of skarn mineralization at depth. A second, more substantial round of drilling (2000-5000m) would follow dependent on the success of the initial drill program.

Upon securing the appropriate surface rights agreement from the local community, the Phase 1 mapping/sampling program should include the following:

- Consolidation of the existing digital database.
- A high-resolution topo-rectified Quickbird satellite image of the property should be acquired to significantly aid in mapping, structural interpretation, access and drill-hole planning.
- Camp construction suitable for a Phase 1 surface exploration program, with a plan to expand the camp upon a drill decision.
- Detailed 1:1,000 scale mapping of the southern, northern and eastern skarn zones.
- Re-sampling of existing trenches, and further trenching between significant skarn zones (at 50m intervals) to further define the grade, width and character of mineralization at surface.
- A 14 line-km IP survey across the intrusive-limestone contact. Survey specifications should target chargeability anomalies to a minimum depth of 100m (eg. 1.4km line length, 200m spaced lines, 100-200m pole-dipole array). To avoid the problem of survey lines running parallel to the strike of mineralization (as in the case along the east and west edges of the main porphyry with north-south oriented lines) a 3-D IP survey should be employed.
- Reconnaissance 1:10,000 scale mapping of the entire property with the aim of identifying further prospects for exploration
- Re-logging/sampling of existing drill holes (AL-01,02,03)
- Surveying, mapping and sampling of historic adits

A budget for the Phase 1 mapping/sampling program is outlined in table 6 below:

Table 6. Phase 1 mapping/sampling budget

Item	Cost (US$)*
Property fees	
2009 Concession fees (due June 30/09)	$7,776
Community	
Community consultation	$6,500
Baseline study	$3,200
Donations	$8,500
Local labour	$13,500
Exploration	
Data acquisition (Quickbird)	$10,000
Camp construction	$3,000
1:1000 scale mapping of skarn zones	$17,000
Sampling of skarn zones (500 samples @ $35/sample)	$17,500
1:10,000 scale property mapping	$8,500
IP geophysics (14 line-km)	$30,000
Surveying of adits	$5,000
Truck rental	$10,000
Misc (food, lodging, logistics, etc..)	$10,000
Data interpretation and drill target definition	$15,000
Travel and Accommodation	
Travel to Peru	$4,500
Hotels in Lima	$3,200
subtotal	$173,176
Contingency (~10%)	$17,824
Total	**$191,000**

*inclusive of sales tax where applicable

Upon the decision to proceed with drilling the following should be implemented:

- Expansion of current access roads to proposed drill platforms along with expansion of the camp to accommodate a drill team.

- Execution of a 1000m (3-4 hole) drill program to test for skarn mineralization 100m below surface. The government drill permit application should be prepared to allow for expanding the drill program to a maximum of 1500-2000m should mineralized intersects prove highly encouraging and Strait Gold wish to amplify the program.
- Remediation of drill platforms, camp and any access roads upon completion of the drill program.

A budget for the Phase 1 drill program is outlined in Table7 below:

Table 7. Phase 1 drilling budget

Item		Cost (US$)*
Property fees		
2010 Concession fees (due June 30/10)		$7,776
2009 Penalties (due June 30/10)		$5,934
Community		
Community engagement		$17,000
Donations		$16,000
Local labour		$27,000
Exploration		
Drill Permitting		$15,000
Camp improvement		$5,000
Access and platform construction		$21,000
Drilling (1000m @ $150/m)		$150,000
Assaying (300 samples @ $35/sample)		$10,500
Truck rental		$16,500
Misc (food, lodging, logistics, etc..)		$30,000
Data interpretation		$15,000
Environment		
reclamation supplies		$15,000
Travel and Accommodation		
Travel to Peru		$4,500
Hotel in Lima		$2,500
	subtotal	$358,710
	Contingency (~10%)	$36,290
	Total	**$395,000**

*inclusive of sales tax where applicable

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23. Certificates of Authors

Ryan Weston, P.Geo.
22 Dilworth Crescent
Toronto ON CANADA
M4K 1Z6

I, Ryan Joseph Weston, do hereby certify that:

1. I am self-employed as a consultant to the mining exploration industry.
2. I have been granted the degrees of Master of Science in Geology from Laurentian University in Sudbury Ontario (2002), and Honours Bachelor of Science in Geology from the University of Toronto (1999).
3. I am a Member in good standing of the Association of Professional Geoscientists of Ontario (APGO member # 1317).
4. I have worked as an exploration geologist in Canada and internationally (Australia, USA, Mexico, Peru) for over seven years.
5. I have read the definition of the term "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 requirements to be a 'qualified person' for the purposed of NI 43-101.
6. I did personally conduct two one-day field visits to the Alicia property on February 20th 2009, and May 7th 2009, and co-authored the Technical Report titled "*Geology and Mineralization of the Alicia Copper Gold Project, Department of Cusco, Peru*" dated October 17, 2009 ("Technical Report").
7. The Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report, the omission to disclose which makes the Technical Report misleading.
9. I have had no prior involvement with the Property that is the subject of the Technical Report.
10. I am not independent of Strait Gold Corporation applying all of the tests in section 1.4 of NI 43-101, since I am an insider of the Company and hold options to purchase securities of the Company, and acted as Vice President Exploration of the company during the field work performed.
11. I have read NI 43-101 and Form 43-101F1, and the technical report has been prepared in compliance with that instrument and form.

Dated this seventeenth day of October, 2009

"Ryan Weston"

Ryan Weston, P.Geo.

CERTIFICATE of AUTHOR

Roger Moss
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I, Roger Moss, Ph.D., P.Geo. do hereby certify that:

1. I am President of Moss Exploration Services, 326 Rusholme Rd., Toronto, ON. M6H 2Z5

2. I graduated with a Ph.D. degree in Geology from the University of Toronto in 2000. In addition, I have obtained a M.Sc. degree in Geology from the University of Toronto in 1995 and a B.Sc. in Geology from the University of the Witwatersrand in 1988.

3. I am a member in good standing of the Association of Professional Geoscientists of Ontario (Registration Number 0192) and of the Society of Economic Geologists, and I have worked as a geologist for a total of thirteen years since my graduation from university.

4. 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 requirements to be a “qualified person” for the purposes of NI 43-101.

5. I am responsible for the preparation of sections 1,3-9, 11,12, 16-19 and 22 of the technical report titled “Geology and Mineralization of the Alicia Copper Gold Project, Department of Cusco, Peru” and dated 17 October, 2009 (the "Technical Report") relating to the Alicia Property of Strait Gold Corporation.

6. I have not had any prior involvement with the property that is the subject of the technical report.

7. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

8. I am not independent of Strait Gold Corporation applying all of the tests in section 1.5 of National Instrument 43-101, since I am an insider of the Company and hold securities of the Company.

9. 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.

10. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication of the Technical Report by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public.

Dated this seventeenth day of October, 2009.

"Roger Moss"

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Roger Moss, Ph.D., P.Geo.