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Number of Volumes: _______________________

Digital Copy Only ✓

Enclosures (indicate number of each):

CD: 1    DVD:        Flash drive:   Paper Maps:        

Other: _______________________

Received: 2012-10-15

Comments:

Signed: _______________________

Date: 2012-10-19
October 15, 2012

VIA E-MAIL & MAIL

Attention: Mr. Justin Lake

Dear Mr. Lake:

Re: 2012 South Golden Promise Assessment Report

Please find enclosed a copy of the 2012 Assessment Report that covers reclamation work carried out on the South Golden Promise Property in July 2012.

The total eligible expenditures for the 2012 program are $6,037.50.

Should you have any questions regarding the Assessment Report please do not hesitate to contact me at 604-681-8030 ext. 236 or via email lsteele@forbeswest.com.

Yours very truly,

Lindsay Steele, G.I.T.
Project Geologist

CROSSHAIR ENERGY CORPORATION
Tenth Year Assessment Report

Reclamation

Licence 20329M (10th Year)

South Golden Promise Project

Central Newfoundland
(NTS 12A/16)

For

Crosshair Energy Corporation
And Paragon Minerals Corporation

Work Conducted in
July 2012

Total Claims: 6

Total Expenditures: $6,037.50

Submitted By:

Lindsay Steele G.I.T.
Project Geologist

Crosshair Energy Corporation
Suite 1240, 1140 West Pender Street
Vancouver, BC, V6E 4G1

October 15, 2012
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1.0 Introduction and Summary

The South Golden Promise project is located southeast of Red Indian Lake in west central Newfoundland and covers several portions of the 12A (1:250,000) NTS map sheet. The project is part of a joint venture agreement (2003) between Rubicon Minerals Corporation (“Rubicon”) and Crosshair Energy Corporation (“Crosshair”).

Reconnaissance soil sampling during the summer of 2004 identified several areas of anomalous gold in soil, including a single station anomaly of 120 ppb Au. Follow-up prospecting of this anomaly resulted in the discovery of the Snow White and subsequently the Linda gold zones. Further soil sampling in 2004 and 2005 concentrated on tracing the southwestern extension of the Snow White zone and resulted in the discovery of several areas of anomalous gold in soil.

Mechanical trenching in the vicinity of the Linda/Snow White zone exposed a composite quartz vein system at least 170 metres in length and up to 5 metres in width. Channel sampling of the vein system returned values up to 29.7 g/t Au over 0.5 metres and grab samples from the quartz veins assayed up to 232 g/t Au.

In May 2006, Crosshair drilled 1,016 metres in 16 holes, intersecting the vein over a 280 metre strike length and to a vertical depth of 115 metres. The highest grade mineralization was returned from drill hole SGP-14, which intersected a zone grading 19.5 g/t Au over 1.15 metres, including 63.3 g/t Au over 0.35 metres.

In the summer of 2010, Crosshair conducted biogeochemical and rock sampling. The program discovered several areas of high arsenic values and trends that warrant follow up. From October 1, 2010 to December 20, 2010 Tanya Tettelaar examined all previous South Golden Promise data, conducted site visits and completed a geological interpretation of the area.

In 2012, personnel conducted a small reclamation program. The work took 2 days to complete and consisted of grading the slopes of the Linda/Snow White trench.
2.0 Location and Access

The South Golden Promise project is located in west central Newfoundland and is entirely within NTS map sheet 12A/16 (figure 1). The work detailed in this report was carried out on licence 20329M.

Licences north of the Exploits River and can be accessed via Route 370, which leads from the Trans Canada Highway at the town of Badger southwest to Buchans Junction. Route 370 crosses the northwestern portion of the Licence 17346M roughly 30km southwest of Badger. The community of Millertown is located approximately 10km west of the licence.

3.0 Claim Status

The South Golden Promise project includes several map-staked licences that are subject to an option agreement signed in 2003 between Rubicon Minerals Corporation (“Rubicon”) and Crosshair Energy Corporation (“Crosshair”). In December 2006, Rubicon closed a Plan of Arrangement whereby the company’s Newfoundland and Labrador assets were spun out into a new company called Paragon Minerals Corporation (“Paragon”).

Crosshair has fully earned its 60% in the South Golden Promise Property. Paragon retains a 40% working interest.

Table 1: Claim Status

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<th>Licence</th>
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4.0 Regional Geology

The South Golden Promise Property is located within the Dunnage tectonostratigraphic zone (Williams, 1979) of central Newfoundland (Figure 3). The Dunnage Zone preserves Cambrian to Middle Ordovician rocks of ophiolitic, island-arc and back-arc affinity representing vestiges of the ancient Iapetus Ocean. The Dunnage Zone can be divided into the Exploits and Notre Dame subzones, which are separated by an extensive regional fault system known as the Red Indian Line (Williams et al, 1988). The Red Indian Line represents a suture zone between the Laurentian and Gondwanan terranes, and is situated immediately northwest of the property.

The region underlying most of the South Golden Promise Property is dominated by rocks of the Victoria Lake Supergroup (Evans and Kean, 2002; Kean 1977) which consists of thick sequences of Cambrian to Middle Ordovician volcanic and epiclastic rocks that outcrop along the western portion of the Exploits Subzone. The Victoria Lake Supergroup hosts numerous volcanogenic massive sulphide deposits (ex: Duck Pond, Boundary, Long Lake, and Boomerang deposits) and gold prospects (ex: Jaclyn Main Zone, Midas Pond prospect).

The rocks of the Victoria Lake Supergroup have been metamorphosed to lower greenschist facies, except along its southern boundary where the rocks have locally undergone middle greenschist to lower amphibolite grade metamorphism. Regionally, the rocks exhibit a penetrative foliation that is subparallel to bedding, and which intensifies to the southwest.

5.0 Property Geology

The South Golden Promise Property is predominantly underlain by sedimentary and volcanic rocks of the Victoria Lake Supergroup (Evans and Kean, 2002), except for the northwest portion of Licence 17346M where a regionally extensive unit of Caradocian shale separates the upper units of the Victoria Lake Supergroup from sedimentary rocks of the overlying Badger Group (Figure 4).

Siliciclastic rocks of the Harpoon Brook Belt account for much of the northeastern portion of the Victoria Lake Supergroup (Evans and Kean, 2002) and predominantly underlie all of the map-staked licences discussed in this report. These rocks typically display a cyclic bedding sequence consisting of basal conglomerate and pebbly sandstone that grades upward into sandstone, which in turn is overlain by thinly laminated siltstone, argillite or shale (Kean and Jayasinghe, 1982; Evans and Kean, 2002). Siliceous siltstone and chert commonly occur near the top of the sedimentary sequence. Volcanic detritus within the sequence suggests that the rocks have been derived from underlying and adjacent volcanic units (Evans and Kean, 2002). Underlying the southern portion of some licences are felsic rocks belonging to the Tally Pond Belt (Evans and Kean, 2002).
Gold mineralization occurs on the property at the Linda/Snow White Zone within grey to milky white quartz veins hosted by greywacke, siltstone and mudstone. A fine to medium grained gabbro unit also occurs in spatial association with the mineralized veins. The quartz veins occur as a series of steeply to moderately dipping composite veins up to several metres wide. Mineralization typically consists of free gold near vein margins or along stylolitic fractures, similar to the gold mineralization on the Golden Promise Property.

6.0 Previous Exploration

Exploration in the Buchans – Badger region of central Newfoundland has traditionally been focused on base metal exploration, and until recently little exploration for gold has been documented. Copper-lead-zinc mineralization was first discovered near Buchans in 1905 by prospector Matty Mitchell. Mining operations began in 1928 and continued on several different ore bodies until the mine closure in 1984.

In 1933, a prospecting party was sent out by the Buchans Mining Company to explore parts of an A.N.D. Company Charter lease which would have included portions of the current South Golden Promise Property. No occurrences were noted within the limits of the claims covered by this report.

In the mid 1970’s, Labrador Exploration and Mining conducted airborne geophysics, geology, geochemistry and diamond drilling in the vicinity of licence 11983M. A total of six holes were drilled southwest of Selby’s Pond for a total of 2,239 feet. None of the holes reported significant mineralization.

In 1987-88, Rio Algom Exploration Inc. conducted line cutting, geophysics and diamond drilling in the Gills Pond-Harpoon Brook area, where a total 539 meters were drilled in six holes near the southern portion of licence 11983M. None of the holes intersected alteration or mineralization indicative of a massive sulphide environment.

Throughout the late 1970’s through to the mid 1990’s, Noranda Exploration carried out both reconnaissance and grid scale work in numerous localities in central Newfoundland including portions of Licence 11983M. In 1977, Noranda’s Exploration activities included line cutting and geophysics within the boundaries of licence 11983M, as well as geophysics and the drilling of 2 diamond drill holes immediately west of the south central portion of the licence. No mineralization was reported in either of the holes.

In 2003, Crosshair entered into an agreement with Rubicon giving Crosshair the option to acquire an interest in the South Golden Promise Property, which is contiguous to the southwest with the Golden Promise Property. Work on the South Golden Promise Property by Crosshair and Rubicon/Paragon includes airborne EM/magnetic geophysical surveys, variably detailed soil sampling, prospecting and rock sampling, mechanical trenching and 1,016 metres of diamond drilling in 16 holes. In late 2004, Crosshair discovered the Linda / Snow White gold zone while investigating several soil
geochemical anomalies identified from a reconnaissance survey. Grab samples from the mineralized zone returned values up to 232 g/t Au, while channel sampling returned values up to 29.7 g/t Au over 0.5 metres. The best intersection (in hole SGP-14) from the diamond drilling program returned a grade of 19.5 g/t Au over 1.15 metres, including 63.3 g/t Au over 0.35 metres.

During January of 2008, Crosshair completed soil sampling in the vicinity of the Linda / Snow White vein at South Golden Promise. The survey consisted of 318 combined soil and humus samples designed to evaluate the gold system along strike and also for adjacent parallel mineralization. Five samples returned gold values in the 34-55 ppb range and occur several kilometers southwest of, and along strike from, the Linda / Snow White vein.

During October and November of 2008, Crosshair completed soil and rock sampling in some parts of the South Golden Promise Property. The program was carried out in order to follow-up on several targets including several soil geochemical anomalies identified from reconnaissance sampling in January 2008. A total of 322 soil samples and 22 rock samples were collected which returned some highly gold values of 7,667 and 1,750 g/t Au. These anomalies along with other moderately elevated gold anomalies in soils indicate a northeast-southwest trend across three adjacent survey lines. Rock samples collected to the southwest of the anomalous soils did not return encouraging gold values.

In 2009, follow-up work was conducted on the property where previous soil anomalies were discovered. The work was successful in outlining a new quartz vein, along the regional southwestern strike extension of the Linda/Snow White vein. Unfortunately, the vein discovered in bedrock and angular float did not yield impressive results for gold. A second, and more encouraging discovery, was that of anomalous quartz-carbonate float yielding assays of 6.78 and 2.44 g/t gold. These samples are coincident with highly anomalous soil samples found in 2008.

In 2010, Crosshair conducted biogeochemical and rock sampling. The program discovered several areas of high arsenic values and trends that warrant follow up.
7.0 2012 Reclamation

For 2 days in July, the Linda/Snow White trench was graded to lower the slope. Partial access to the bedrock was preserved for future programs. The program was carried out by ASK Prospecting & Guiding Inc.

8.0 Conclusions

The 2012 program was successful in lowering the slope of the trench area, creating a more gentle topography.

9.0 Expenditures

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| Administration and Overhead | $787.50                |         |
| (15%)                      |                        |         |

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10.0 References

Evans, D.T.W.

Evans, D.T.W., Kean, B.F. and Dunning, G.R.

Evans, D.T.W. and Kean, B.F.

Froude, T.
2004: Second Year Assessment Report – Compilation, Geophysical Interpretation, Soil Geochemistry and Prospecting on Licences 9050M, 9051M, 9052M, 9109M, 10207M. Blocks 1, 2 and 3 of the South Golden Promise Project, Central Newfoundland. NTS 12A/10 and 16.

Froude, T.

Kean, B.F., and Jayasinghe, N.R.

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1982: Victoria Lake map area (12A/6), Newfoundland. Newfoundland Department of Mines and Energy, Mineral Development Division, Map 82-009.

Kean, B.F. and Evans, D.T.W.

Kean, B.F. and Evans, D.T.W.

Noranda:

Noranda Exploration Company Limited;
1977: Diamond Drill Hole Record and Diamond Drill Hole Location Plan, Bobby’s Pond Area (Anomaly 13). Assessment File # 12A/10 (231).

Swinden, H.S.

Thicke, M.J.

Tuffy, F.

Williams, H.

Williams, H., Colman-Sadd, S.P. and Swinden, H.S.

Dunn, C.E
Appendix 1

Statement of Qualifications
Statement of Qualifications

Stewart Wallis

I, C. Stewart Wallis P.Geo., currently residing at 1419 133A Street, Surrey BC, do hereby certify that:

1) I graduated with a Bachelor's of Science (Geology Major) degree from McMaster University in 1967.

2) I have worked continuously in my profession from 1967 to the present.

3) I am currently employed as Executive VP and Senior Geologist of Forbes West Management Corp., Suite 1240 - 1140 West Pender Street, Vancouver, BC V6E 4G1.

4) I hold no direct interest in any of the mineral claims subject to this report.

5) All statements, interpretations, and conclusions made in this report are based on work supervised by me, or upon review of available data and observations believed to be accurate and correct.

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

Dated on this 12th day of October, 2012.

C. Stewart Wallis PGeo
Executive VP & Senior Geologist
Appendix II

List of Personnel
List of Personnel

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<tr>
<th>Name</th>
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<td>Greg Vardy</td>
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<td>Lindsay Steele</td>
<td>Vancouver, BC</td>
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