ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
1016 – 510 West Hastings Street
Vancouver, B.C. V6B 1L8
Telephone: 604-688-2568 Fax: 604-688-2578

ASSESSMENT REPORT

describing

SOIL GEOCHEMICAL SAMPLING

at the

STRING PROPERTY

String 1-6	YD07903-YD07908
7-24	YC98477-YC98494
25-60	YD112145-YD112180

NTS 105G/09
Latitude 61°34´N; Longitude 130°24´W

located in the

Watson Lake Mining District
Yukon Territory

prepared by

Archer, Cathro & Associates (1981) Limited

for

WOLVERINE MINERALS CORP.
and
STRATEGIC METALS LTD.

by

S. Eaton, B.Sc., GIT

May 2011

CONTENTS

APPENDICES

FIGURES

TABLES

INTRODUCTION

The String property covers a significant, coincident gold-arsenic-antimony soil anomaly in southeastern Yukon Territory. Wolverine Minerals Corp. can earn a 100% interest in the property subject to an option agreement with Strategic Metals Ltd.

This report describes soil geochemical sampling that was conducted on June 30, July 4 to 6 and July 11 to 12, 2010 by Archer, Cathro and Associates (1981) Limited on behalf of Strategic Metals. The author directed the program and her Statement of Qualifications is in Appendix I.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The String property lies in southeastern Yukon and is centred at latitude 61°34´ north and longitude 130°24´ west on NTS map sheet 105G/09 (Figure 1).

The property comprises 60 mineral claims that cover an area of approximately 1200 ha (12 sq. km). The claims are registered with the Watson Lake Mining Recorder in the name of Archer Cathro, which holds them in trust for Strategic Metals. Specifics concerning claim registration are listed below, while the locations of individual claims are shown on Figure 2.

Claim Name	Grant Number	Expiry Date
String 1-6	YD07903-YD07908	March 31, 2015*
7-24	YD98477-YC98494	March 31, 2015*
25-60	YD112145-YD112180	October 28, 2011

* Expiry date includes 2010 work that has been filed for assessment credit but not yet accepted.

In 2010, daily access to and from the property was provided by a Hughes 500D helicopter operated by Kluane Airways from the Inconnu Fishing Lodge on McEvoy Lake, which is located 28 km northeast of the property. All personnel stayed at the lodge.

The String property lies about 115 km northwest of the community of Ross River, the nearest supply centre. The closest road access is from the Robert Campbell Highway, which at its nearest point is 5 km north of the property. The Robert Campbell Highway is usable in all seasons by two wheel drive vehicles.

HISTORY AND PREVIOUS WORK

In 1995, Westmin Resources Limited staked a large claim block comprising several properties that were part of its Wolverine Regional Project (Terry *et al.*, 1997). The southern portion of Westmin's Rope property overlapped with the current String claims. That year, Westmin completed an airborne geophysical survey over its entire claim block.

In 1996, Westmin conducted geological mapping, rock sampling, regional soil sampling along claim lines, localized grid soil sampling, contour soil sampling and stream sediment sampling on all of the Wolverine Regional Project claims (Terry *et al.*, 1997).

In 1997, Westmin completed more detailed work to follow up encouraging results from its 1996 program (Terry, 1998). This work comprised line cutting, soil sampling, geological mapping and 325.5 m of diamond drilling in two holes. The results from Westmin's work are discussed in the Soil Geochemistry and Historical Diamond Drilling sections. The Rope claims were subsequently allowed to lapse without any further work being done on the ground now covered by the String property has been reported.

Strategic Metals staked the String 1 to 6 claims in December 2009, and added the String 7 to 24 claims in June 2010 and String 25 to 60 claims in October 2010.

GEOMORPHOLOGY

The String property covers low-lying knolls at the northern edge of the Campbell Range of the Pelly Mountains. Creeks draining the property flow northward into the Finlayson River, which ultimately connects to the Arctic Ocean via the Liard and Mackenzie rivers.

Local elevations on the property range from about 1130 to 1310 m above sea level (asl). Topographic relief is gentle (0 to 10°). Little or no outcrop is present on the property and it is mostly blanketed by Pleistocene colluvium deposits and glacial till.

The entire property lies below treeline, which is at approximately 1400 m asl in the area. Vegetation consists of isolated stands of stunted black spruce, alder and willow, with an understorey of low shrubs and moss.

Much of the overburden in the region is associated with the most recent Cordilleran ice sheet, the McConnell glaciation, which is believed to have covered south and central Yukon between 26,500 and 10,000 years ago (Yukon Geological Survey, 2010). Finlayson Lake map area was affected by three lobes of that ice sheet. The Cassiar lobe, which flowed in a northwesterly direction, covered the area southwest of the Pelly Mountains. The Liard lobe, which flowed east to southeast, covered the area southeast of the Pelly Mountains. The area north of the Pelly Mountains was covered by the east-northeast flowing Selwyn lobe. A complex system of ice-caps and cirque glaciers was active at high elevations in the Pelly Mountains and contributed to the ice bodies surrounding them.

The climate in the String property area is typical of northern continental regions with long, cold winters, truncated fall and spring seasons and short, mild summers. Although summers are relatively mild, artic cold fronts often cover the area and snowfall can occur in any month. The property is mostly snow free from early June to late September.

GEOLOGY

The String property, though not of primary interest for base metals, lies within the Finlayson Lake Volcanogenic Massive Sulphide (VMS) District. This district has been the focus of numerous government and industry sponsored studies due to its VMS potential. The Geological Survey of Canada mapped the Finlayson Lake area (NTS map sheet 105G) twice at 1:250,000 scale (Wheeler *et al.*, 1960 and Tempelman-Kluit, 1977). In the late 1990s and early 2000s, the Yukon Geological Survey performed more detailed (1:50,000 scale) mapping in the area and in

2002, it completed a geological compilation and updated the lithological names (Bond *et al.*, 2002). In 2003, Gordey and Makepeace incorporated this data into a Yukon-wide geological compilation. Very little detailed geological mapping has been completed within the area now covered by the String property due to the lack of outcrop and, as such, the following geological descriptions are largely based on the published government data.

The Finlayson Lake District comprises an isolated outlier of Yukon-Tanana and Slide Mountain Terranes and affiliated overlap assemblages (Figure 3). The district is bounded by the Tintina Fault to the southwest and the Inconnu Thrust Fault to the northeast.

Yukon-Tanana and Slide Mountain Terranes represent continental arc and back-arc basin sequences that developed along the ancient Pacific margin of North America during late Devonian and through Permian (Piercey *et al.*, 2001). Pericratonic rocks of Yukon-Tanana Terrane and oceanic rocks of Slide Mountain Terrane are juxtaposed against rocks of the North American continental margin sequence along the post-Late Triassic Inconnu Thrust Fault (Murphy *et al*., 2006). Rocks of Yukon-Tanana and Slide Mountain Terranes in the Finlayson Lake District are characterized by variably deformed and metamorphosed, lower greenschist to amphibolite facies metasedimentary and metavolcanic rocks and affiliated metaplutonic suites.

Prior to the Late Triassic, the Yukon-Tanana Terrane experienced regional shortening and uplift. This terrane was imbricated with mid-Paleozoic Slide Mountain Terrane after the Late Triassic and the resultant structural stack was subsequently thrust onto the North American continental margin before the Mid-Cretaceous (Murphy *et al.*, 2006).

During the Mesozoic era two types of intrusion were emplaced in the Finlayson Lake area. The first includes several unmetamorphosed Early Jurassic mafic and intermediate composition plutons. The second consists of Late Cretaceous two-mica quartz monzonite and granite (Mortensen and Jilson, 1985).

In the String property area Yukon-Tanana Terrane is represented by Devonian, Mississippian and older(?) Nasina Assemblage (DMN2, DMN4), while Slide Mountain Terrane is characterized by Carboniferous to Permian Anvil Group (CPA1). Both units are shown on Figure 4 and are described in greater in detail in Table I.

Table I – Lithological Units (*after Gordey and Makepeace, 2003*)

Unit Name	Map Name	Age	Terrane	Description
Anvil Group	CPA1	Carboniferous to Permian	Slide Mountain	Variably altered and foliated, locally augite-phyric basalt (local pillows), diorite and gabbro, chlorite greenstone, amphibolic greenstone and amphibolite; minor metachert, siliceous argillite or siltstone, greywacke, tuff and siliceous limestone.

Nasina Assemblage	DMN4	Devonian, Mississippian and Older	Yukon-Tanana	Marble.
	DMN2	Devonian, Mississippian and Older	Yukon-Tanana	Quartzite, micaceous quartzite, quartz muscovite (± chlorite; feldspar augen) schist, minor metaconglomerate and metagrit.

Regional mapping has inferred that a northeasterly trending normal fault bisects the property. Foliation in the area strikes easterly to southeasterly and dips shallowly to the north or northeast.

SOIL GEOCHEMISTRY

In 1996 and 1997, Westmin collected reconnaissance- and detailed-scale grid soil samples in the area now covered by the String property. In 2010, Strategic Metals extended and infilled the southern part of Westmin's grid in order to follow up a very strong gold-in-soil anomaly (up to 2.46 g/t).

Strategic Metals collected 267 grid soil samples at 50 by 50 m spacings. The samples were collected from 10 to 40 cm deep holes dug by hand-held auger. They were placed into individually pre-numbered Kraft paper bags. Sample sites are marked by aluminum tags inscribed with the sample numbers and affixed to 0.5 m wooden lath that were driven into the ground. All soil sample locations were recorded using hand-held GPS units.

The soil samples were sent to ALS Chemex in North Vancouver, B.C., where they were dried, screened to -180 microns, and then analyzed for 35 elements using an aqua regia digestion and inductively coupled plasma-atomic emission spectroscopy analysis (ME-ICP41). An additional 30 g charge was further analysed for gold by fire assay with inductively coupled plasma-atomic emission spectroscopy finish (Au-ICP21).

Locations for the 2010 samples are plotted on Figure 5, while results for gold, arsenic, antimony and zinc are illustrated thematically on Figures 6 to 9. Westmin did not analyze its samples for arsenic or antimony. The 2010 Certificate of Analysis is provided in Appendix II.

Sampling has defined an approximately 1200 by 400 m, southeast trending gold-arsenic-antimony anomaly in the south of the property. This anomaly is defined by values of 50 to 2,460 ppb gold, 50 to 6,700 ppm arsenic, and 5 to 55 ppm antimony. The 2,460 ppb gold value was reportedly taken from a one metre diameter orange soil exposure (kill zone?). The orange colouration of soil may be caused by the breakdown of iron carbonate minerals because several cobbles of quartz-carbonate altered rock were found in soil within the geochemically anomalous area.

The gold-arsenic-antimony anomaly is supported by localized, elevated zinc values (between 200 and 1,000 ppm). Sporadically elevated zinc values (between 200 and 6,450 ppm) were also obtained elsewhere on the grid.

HISTORICAL DIAMOND DRILLING

In 1997, Westmin completed two diamond drill holes totalling 325.5 m to test below the very strong gold-in-soil anomaly. The locations of the drill holes are shown on Figure 5.

The first hole (RP97-01) was collared approximately 180 m north of the small orange soil exposure that yielded 2.46 g/t gold. This hole intersected graphitic argillites and siltstones with interbedded units of pale green mafic tuffs in the lower portion of the hole. Pyrite mineralization was observed throughout the hole as disseminations and coarse-grained aggregates, commonly associated with quartz veining. No base metal minerals were observed. As no apparent cause for the anomalous soil geochemistry was observed in the drill core, a second hole (RP97-02) was collared 100 m north of the anomalous soil exposure. RP97-02 intersected black carbonaceous argillite and siltstone with pyrite mineralization and quartz veining similar to that observed in RP97-01. Both holes were sampled from top to bottom and the highlight results are summarized in Table II.

Table II – Highlight Gold Intercepts from RP97-01 and RP97-02 (*after Terry, 1998*)

Hole	From (m)	To (m)	Length (m)	Au (g/t)	As (ppm)	Sb (ppm)
RP97-01	56.0	78.6	22.6	0.117	NR	NR
including	69.7	78.6	8.9	0.157	NR	NR
RP97-01	166.7	172.1	5.4	0.192	1816	22
RP97-02	33.6	35.1	1.5	0.265	2350	8.8
RP97-02	45.0	47.0	2.0	0.511	1830	28
RP97-02	64.4	65.8	1.4	0.115	70	26

NR – Not reported

DISCUSSION AND CONCLUSIONS

The String property hosts a highly prospective, broad, coincident gold-arsenic-antimony±zinc soil geochemical anomaly in low-lying, previously glaciated terrain. Closely-spaced grid soil samples collected by Strategic Metals in 2010 confirmed the tenor of historical samples and extended and better defined the known gold anomaly.

Two historical diamond drill holes tested below the strongest gold value obtained from grid soil sampling. Although intervals with elevated gold values were obtained from both holes, neither hole adequately explains the very strong soil anomaly.

Glacial transport could have caused a down-ice shift in the location and distribution of the observed soil anomaly. The regional glacial movement in the area was reportedly from northwest to southeast (Yukon Geological Survey, 2010). If glacial movement was directed to the southeast and if it caused a shift in the location and distribution of the soil anomaly, then the anomaly may have sourced from an up-ice position that corresponds to a fault that is inferred to

bisect the property (Figures 6 to 9). A detailed study of the local glacial movements should be undertaken prior to future field work on the property in order to determine possible source areas.

The gold potential at the String property is largely unevaluated and, as such, it definitely warrants additional work. Strategic Metals' closely-spaced (50 by 50 m spacings) soil sample grid should be extended in all directions in order to better constrain the anomaly. A CanDig excavator should be used to dig trenches across the most strongly anomalous areas. Systematic diamond drilling should be carried out to test beneath the soil anomaly. If no mineralization is intersected directly beneath the anomaly, drilling should be shifted in the up-ice direction, as determine by the study of local glacial movements.

Respectfully submitted,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

Sarah Eaton, B.Sc., GIT

REFERENCES

Bond, J.D., Murphy, D.C., Colpron, M., Gordey, S.P., Plouffe, A., Roots, C.F., Lipovsky, P.S., Stronghill, G., and Abbott, J.G.,

2002 Digital compilation of bedrock geology and till geochemistry, northern Finlayson Lake map area, Southeastern Yukon (105G): Exploration and Geological Services Division, Yukon Region, Indian and Northern Affairs Canada, Open File Report, 2002-7(D) and Geological Survey of Canada Open File 4243.

Gordey, S.P. and Makepeace, A.J.

2003 Yukon Digital Geology, version 2.0, S.P. Gordey and A.J. Makepeace (comp); Geological Survey of Canada, Open File 1749 and Yukon Geological Survey, Open File 2003-9 (D).

Mortensen, J.K. and Jilson, G.A.

1985 Evolution of the Yukon-Tanana Terrane: evidence from southeastern Yukon Territory; Geology, V:13, pp. 806-810.

Murphy, D.C., Mortensen, J.K., Piercey, S.J., Orchard, M.J., and Gehrels, G.E.

2006 Tectonostratigraphic evolution of Yukon-Tanana Terrane, Finlayson Lake massive sulphide district, southeastern Yukon *in* Colpron, M. and Nelson, J.L. Eds., Paleozoic Evolution and Metallongeny of Pericratonic Terranes at the Ancient Pacific Margin of North America, Canadian and Alaskan Cordillera: Geological Association of Canada Special Paper 45, p. 75-105.

Piercey, S.J., Paradis, S., Murphy, D.C., and Mortensen, J.K.

2001 Geochemistry and Paleotectonic Setting of Felsic Volcanic Rocks in the Finlayson Lake Volcanic-Hosted Massive Sulphide District, Yukon. Canada, Economic Geology, Vol. 96, 2001, p. 1877–1905.

Tempelman-Kluit, D.J.

1977 Quiet Lake (105F) and Finlayson Lake (105G) map areas, Yukon. Geological Survey of Canada, Open File 486, map scale 1:250,000.

Terry, D.A., Turner, A., Bradshaw, G. and Tucker, T.L.

1997 1996 Assessment report describing geological, geochemical and geophysical surveys on the Wolverine Regional Project claims, Finlayson Lake area; prepared for Westmin Resources Limited; assessment report #093591.

Terry, D.A.

1998 1997 assessment report describing geological, geochemical and diamond drill surveys on the Rope and Knot properties, Finlayson Lake area; prepared for Westmin Resources Limited; assessment report #093800.

Wheeler, J.O., Green, L.H. and Roddick, J.A.

1960 Finlayson Lake map area, Yukon Territory: Geological Survey of Canada, Map 8-1960, 1:253,440.

Yukon Geological Survey
2010 Geoprocess File Summary Report for Finlayson Lake Map Area N.T.S. 105G. Available at: http://ygsftp.gov.yk.ca/publications/openfile/2002/of2002_8d_geoprocess_file/documents/map_specific/105g.pdf

APPENDIX I

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Sarah Eaton, geologist, with business addresses in Whitehorse, Yukon Territory and Vancouver, British Columbia and residential address in North Vancouver, British Columbia, hereby certify that:

1. I graduated from the University of British Columbia in 2007 with a B.Sc. in Honours Geological Sciences.

2. From 2002 to present, I have been actively engaged in mineral exploration in Yukon Territory, British Columbia and Northwest Territories.

3. I am a Geoscientist in Training (GIT) with the Association of Professional Engineers and Geoscientists of British Columbia (Member Number 154922).

4. I personally directed the field work reported herein and have interpreted all data resulting from this work.

Sarah Eaton, B.Sc. (Hon.) Geology, GIT

APPENDIX II

CERTIFICATE OF ANALYSIS