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ASSESSMENT REPORT

describing

GEOPHYSICAL SURVEYS

at the

DORSEY PROPERTY

Finch	YC71967
Sparrow 1	YB89863

NTS 105B/03
Latitude 60º10'N; Longitude 131º28'W

in the

Watson Lake Mining District
Yukon Territory

prepared by

Archer, Cathro & Associates (1981) Limited

for

STRATEGIC METALS LTD.

by

W. Douglas Eaton, B.A., B.Sc. Geology
February 2008

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INTRODUCTION

The Dorsey property hosts tin-tungsten skarn mineralization near the eastern margin of the Seagull Batholith in southern Yukon. It is owned by B. Wilson and is under option to Strategic Metals Ltd.

This report describes helicopter-borne magnetic and variable time domain electromagnetic (VTEM) surveys that were conducted on October 3, 2007 by Geotech Ltd. on behalf of Strategic Metals. The work was supervised by the author. His Statement of Qualifications appears in Appendix I.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The Dorsey property comprises two contiguous mineral claims located in southern Yukon Territory on NTS map sheet 105B/03 at latitude 60°10'N and longitude 131°28'W (Figure 1). The claims are registered with the Watson Lake Mining Recorder in the name of Archer Cathro & Associates (1981) Limited. Claim data are listed below while the locations of individual claims are shown on Figure 2.

Claim Number	Grant Number	Expiry Date*
Finch	YC71967	February 24, 2013
Sparrow 1	YB89863	February 24, 2013

* Expiry dates include 2007 work which has been filed for assessment credit but not yet accepted.

The Dorsey property is located 70 km east of Teslin and is accessible via helicopter. Teslin is situated alongside the Alaska Highway, 183 km by road southeast of Whitehorse. The 2007 geophysical surveys were conducted from a temporary base at the Teslin Airport with intraday refuelling at the Morley River Lodge, about 40 km by road southeast of Teslin.

HISTORY

The area that now encompasses the Dorsey property was originally staked in 1978 by Welcome North Mines Ltd. as part of a much larger claim block, which covered regional geochemical sample sites that had returned anomalous tin values. Those claims were optioned to Klinkit Joint Venture (Du Pont of Canada Exploration Limited and Duval Mining Limited) later that year. Detailed mapping and geochemical sampling were performed between 1978 and 1979. The property was reoptioned in 1980 by D.C. Syndicate (Dome Petroleum and Cominco), which conducted mapping, trenching and sampling in 1981 (Deklerk and Traynor, 2005). No further work was conducted before the claims were allowed to lapse.

The Sparrow 1 claim was staked by B. Wilson in 1997 and the Finch claim was staked in 2007.

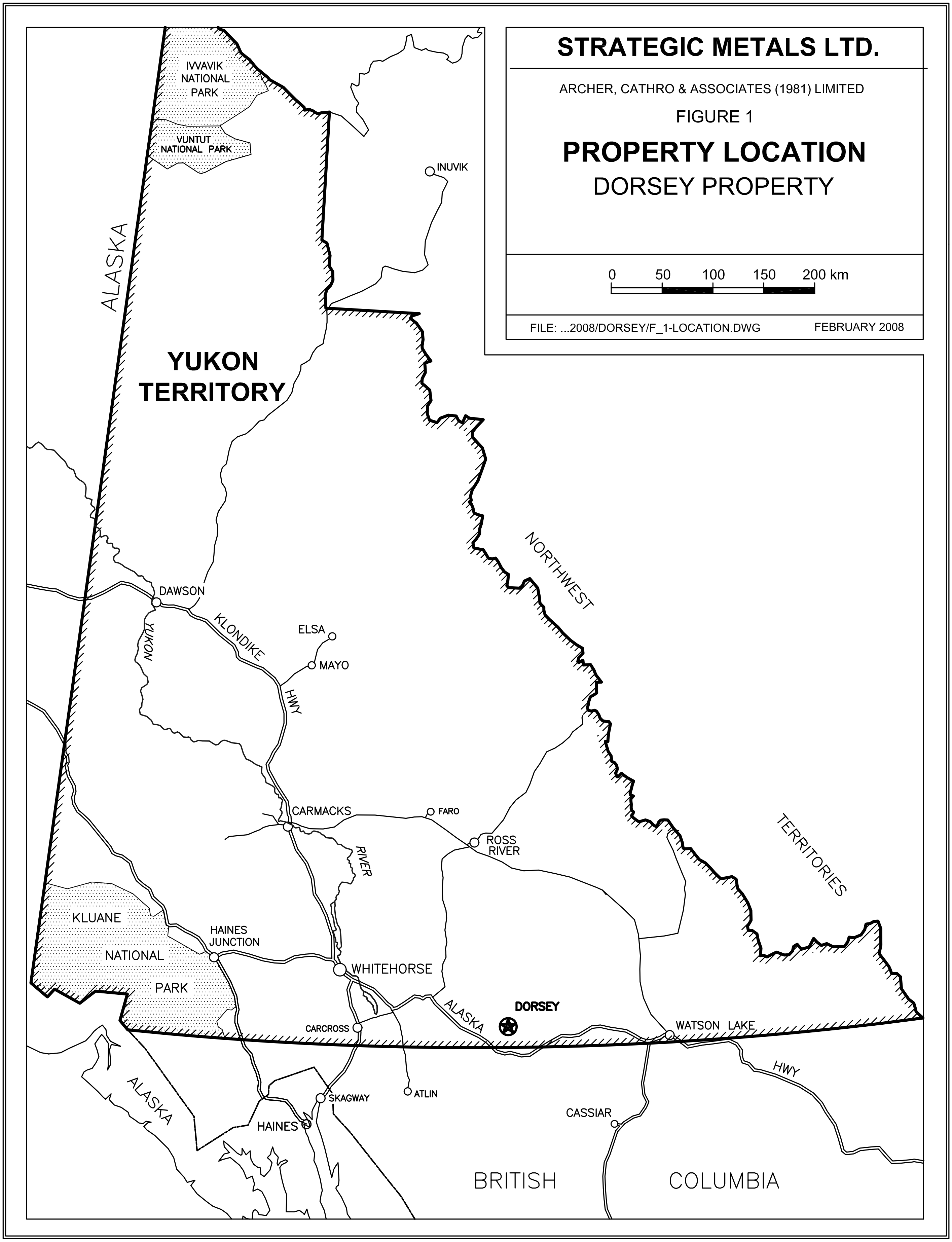

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FIGURE 1

PROPERTY LOCATION

DORSEY PROPERTY

FILE: ...2008/DORSEY/F_1-LOCATION.DWG FEBRUARY 2008

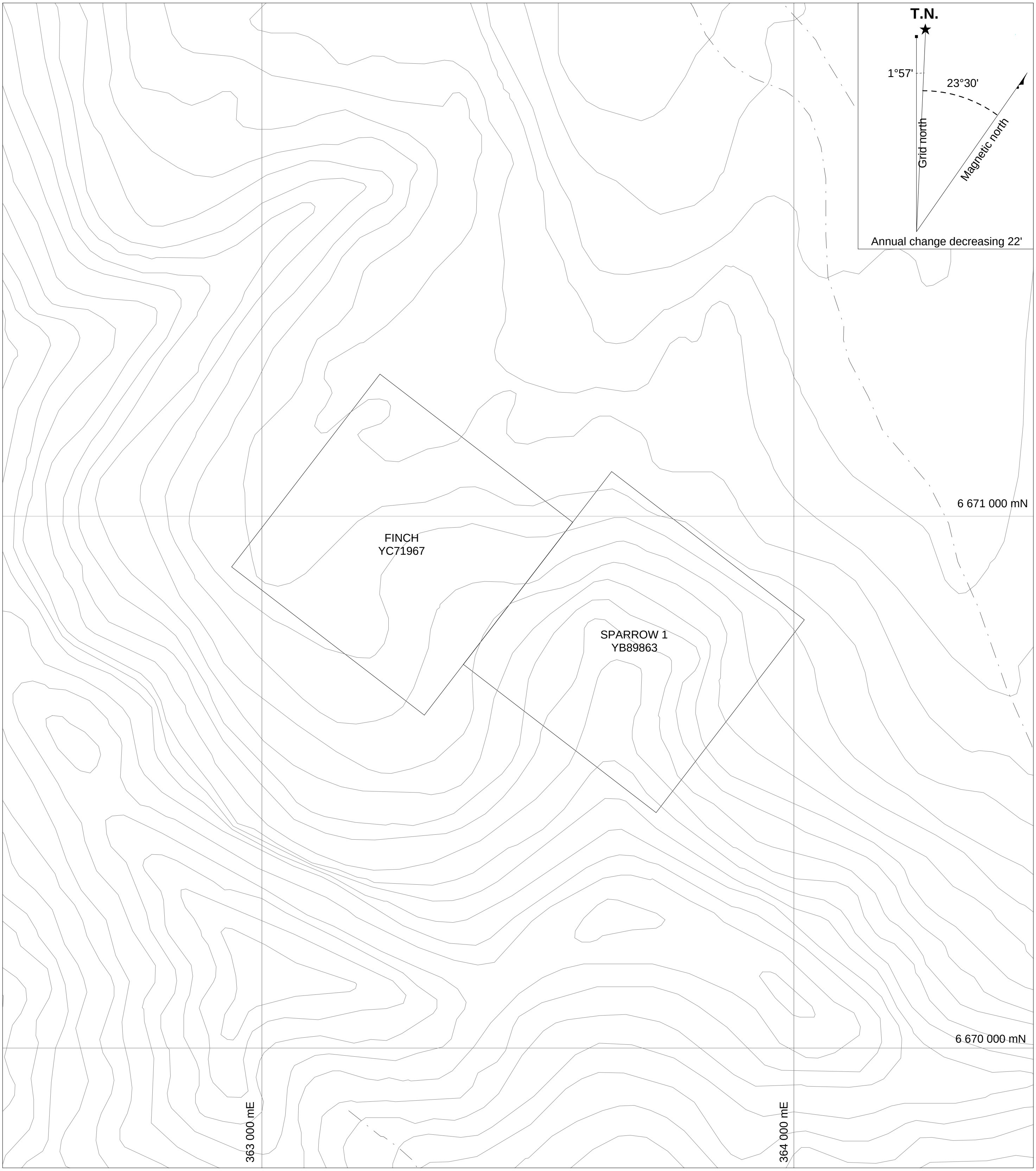

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FIGURE 2

CLAIM LOCATION

DORSEY PROPERTY

0 0.5 1 1.5 km

UTM ZONE 9V, NAD 83, 105B/03

FILE: ...2007/DORSEY/F_2-CLAIMS.WOR	DATE: FEBRUARY 2008

GEOMORPHOLOGY

The Dorsey property is located within a north-facing cirque in the Cassiar Mountains. The property is drained by tributaries of Smart River, which ultimately flows into the Bering Sea via the Teslin and Yukon Rivers.

Local elevations range from 1430 m to 1700 m. Outcrop is found along steep hillsides and deeply incised canyons. Vegetation consists of stunted spruce, buckbrush, moss and grass below 1400 m with open slopes at higher elevations.

REGIONAL GEOLOGY

The Dorsey property is underlain by the eastern part of the Seagull Batholith, which cuts regionally metamorphosed rocks of the Yukon-Tanana Terrane (Figure 3). The batholith is part of a northwest-southeast trending band of Mid-Cretaceous intrusions known as the Cassiar Suite. Metasediments and metavolcanic units of the Permian to Carboniferous Klinket Group form roofs within the batholith and comprise the country rocks along its northeastern margin. Lower Carboniferous Swift River Group metasediments lie to the west of the batholith, while metasediments belonging to the Carboniferous Dorsey Complex are locate approximately 5 km northeast of the property.

The following table summarizes the main lithologies in the Dorsey area from youngest to oldest.

Table I: Regional Lithological Descriptions

QUATERNARY
Fluvial silt, sand and gravel.

-UNCONFORMITY-

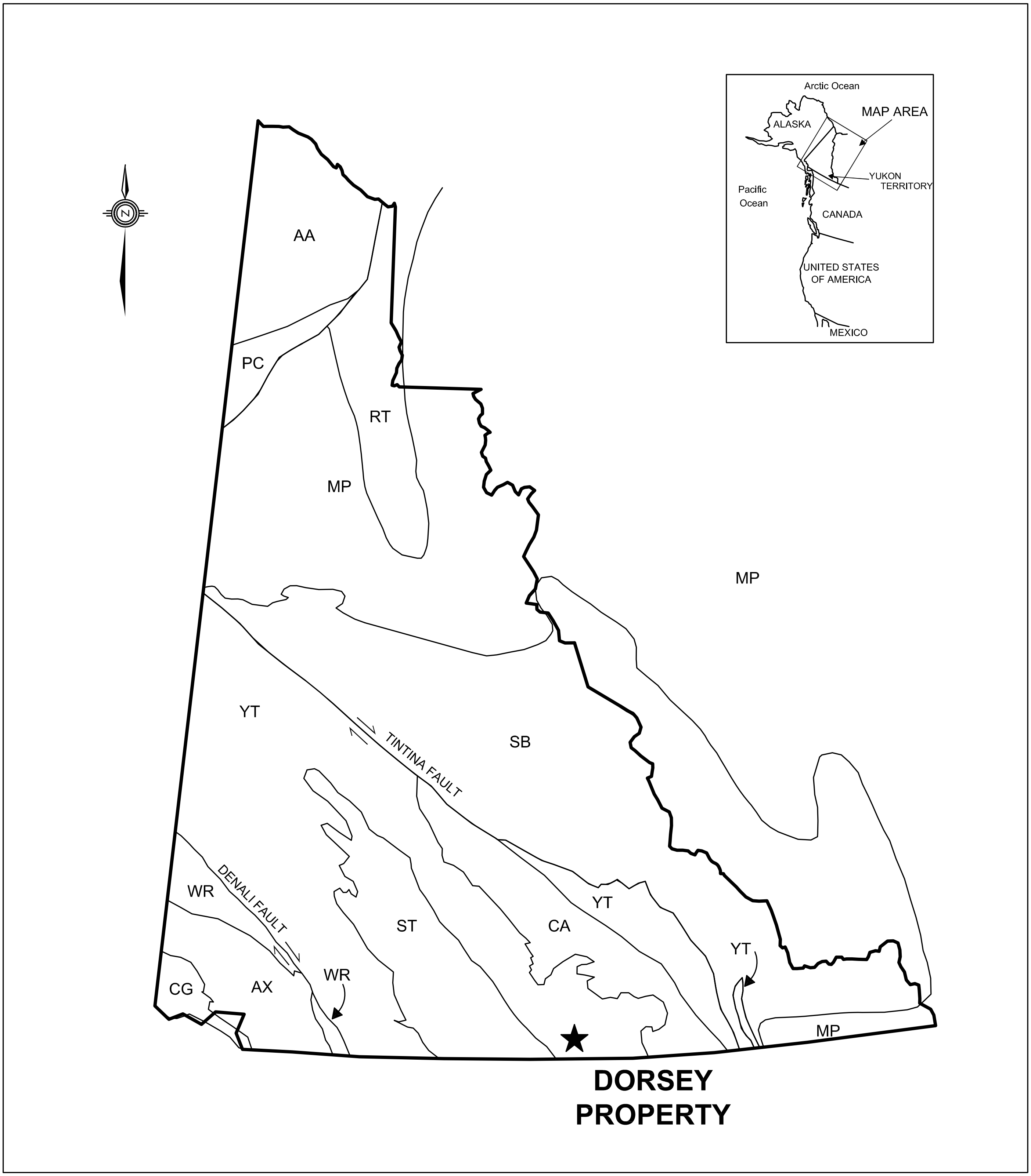
EARLY CRETACEOUS
Cassiar Suite: Seagull Batholith - medium to coarse grained, equigranular to porphyritic rocks of largely felsic composition.

-UNCONFORMITY-

PERMIAN AND CARBONIFEROUS
Klinkit Group: weakly metamorphosed mafic volcanics, epiclastics, phyllite and quartzite.

CARBONIFEROUS AND OLDER
Dorsey Complex: graphitic quartzite and muscovite- and quartz-rich schist with interspersed marble.

LOWER CARBONIFEROUS AND OLDER
Swift River Group: quartz-plagioclase grit, meta-sandstone and minor phylitic argillite



ANCESTRAL NORTH AMERICA

MP	Mackenzie Platform
SB	Selwyn Basin
RT	Richardson Trough

TERRANES
Displaced Continental Margin

AA	Arctic Alaska
CA	Cassiar
PC	Porcupine

Pericratonic Terranes

YT	Yukon-Tanana / Slide Mountain

ACCRETED TERRANES

ST	Stikinia / Cache Creek
AX	Alexander
WR	Wrangellia
CG	Chugach

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FIGURE 3

TECTONIC SETTING

DORSEY PROPERTY

0 100 200 km

FILE: ...2007/DORSEY/F_3-TECTONIC.DWG

DATE: FEBRUARY 2008

PROPERTY GEOLOGY AND MINERALIZATION

The Dorsey property covers part of a roof pennant containing sediments and volcanic rocks belonging to the Klinkit Group that lies within the Seagull Batholith (Figure 4). Skarn mineralization within this roof pennant was reported by Klinkit Joint Venture along the intrusive contact in the area currently underlying the Dorsey claims (Ditson and Smith, 1980). A stream sediment sample collected during a reconnaissance scale geochemical survey from the main creek draining the property returned 15 ppm tungsten and 46 ppm tin (Heon, 2003). These values are high by regional standards but are not particularly anomalous compared to results from samples collected from other creeks draining the batholith (Figure 4).

In 1981, D.C. Syndicate completed four trenches to test the skarn mineralization. The exact location of these trenches is not known; however, it is believed they are located on the Finch claim. Trenches 1 and 2 are located within sediments near the intrusive contact. Trench 1 encountered weakly disseminated chalcopyrite, while Trench 2 contained green calc-silicate rocks. Trench 3 exposed a magnetite skarn horizon. The final trench (Trench 4) was located north of Trench 3 and is situated near the intrusive contact. This trench encountered trace to weakly disseminated chalcopyrite and arsenopyrite within siltstone.

Samples collected from Trench 1 did not yield any significant results. The best interval in Trench 2 graded 0.20% tin and 0.01% WO_3 over 4.57 m, while trench 3 contained 12.2 m of magnetite skarn that averaged 0.06% tin over 2.44 m. Trench 4 returned 0.098% tin over 7.61 m, and including 0.16% tin over 2.44 m. Values up to 2.4 g/t silver, 0.03% copper and 0.02% WO_3 are associated with the tin in trench 4 (Stephen, 1981).

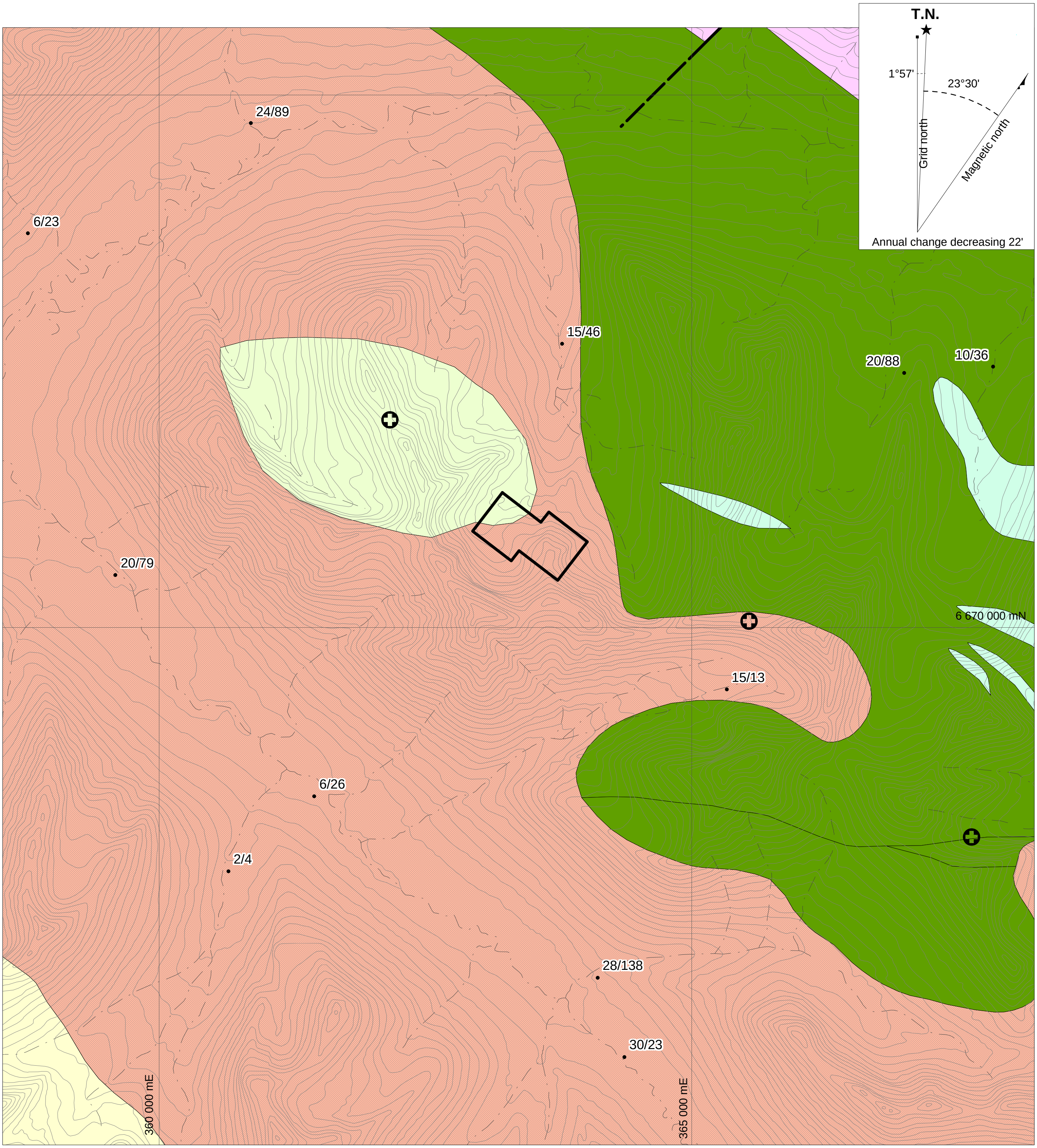
AIRBORNE GEOPHYSICS

Helicopter-borne VTEM and magnetic surveys were conducted over the Dorsey property in summer 2007 by Geotech Ltd. of Aurora, Ontario, using an Astar B3 helicopter temporarily based at the Teslin airport. The report outlining the methods used in this survey and results obtained can be found in Appendix II.

The magnetic survey shows a high centered under the Sparrow claim and a weaker high under the Finch claim as shown on Figure 5. These highs probably indicate magnetite-rich skarn zones. The VTEM did not outline any anomalies on the property (Figures 6 and 7).

DISCUSSION AND CONCLUSIONS

Regionally, the area along the margin of the Seagull Batholith is prospective for tin and tungsten skarns and porphyry style mineralization. Three Minfile occurrences occur along the margin, within 5 km of the Dorsey property. Although previous work identified skarn mineralization on the property. Samples taken from the mineralized skarn yielded only weak to moderate tin and tungsten values. The skarns have not been mapped in detail, but the host units are bounded on all sides by intrusive rocks. Thus the skarns have limited size potential.



EARLY CRETACEOUS

EKsg - Cassiar Suite - Seagull Batholith

PERMIAN AND CARBONIFEROUS
KLINKIT GROUP

CPv - intermediate to mafic volcanic flows

CPc - limestone and dolostone

CPf - phyllite, quartzite and siltstone

CARBONIFEROUS
DORSEY COMPLEX

CK - quartzite, schist and marble

LOWER CARBONIFEROUS AND OLDER
SWIFT RIVER GROUP

DMN - meta-sandstone and quartz-plagioclase grit

● Regional geochemistry (W/Sn ppm) (from Heon, 2003)

Minfile skarn occurence

Normal fault

Modified after: Roots, 2004a & b
Gordey and Makepeace, 1999

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FIGURE 4

GEOLOGY

DORSEY PROPERTY

0 0.5 1 1.5 km

UTM ZONE 9V, NAD 83, 105B/03

FILE: ...2007/DORSEY/F_4-GEO.WOR

DATE: FEBRUARY 2008

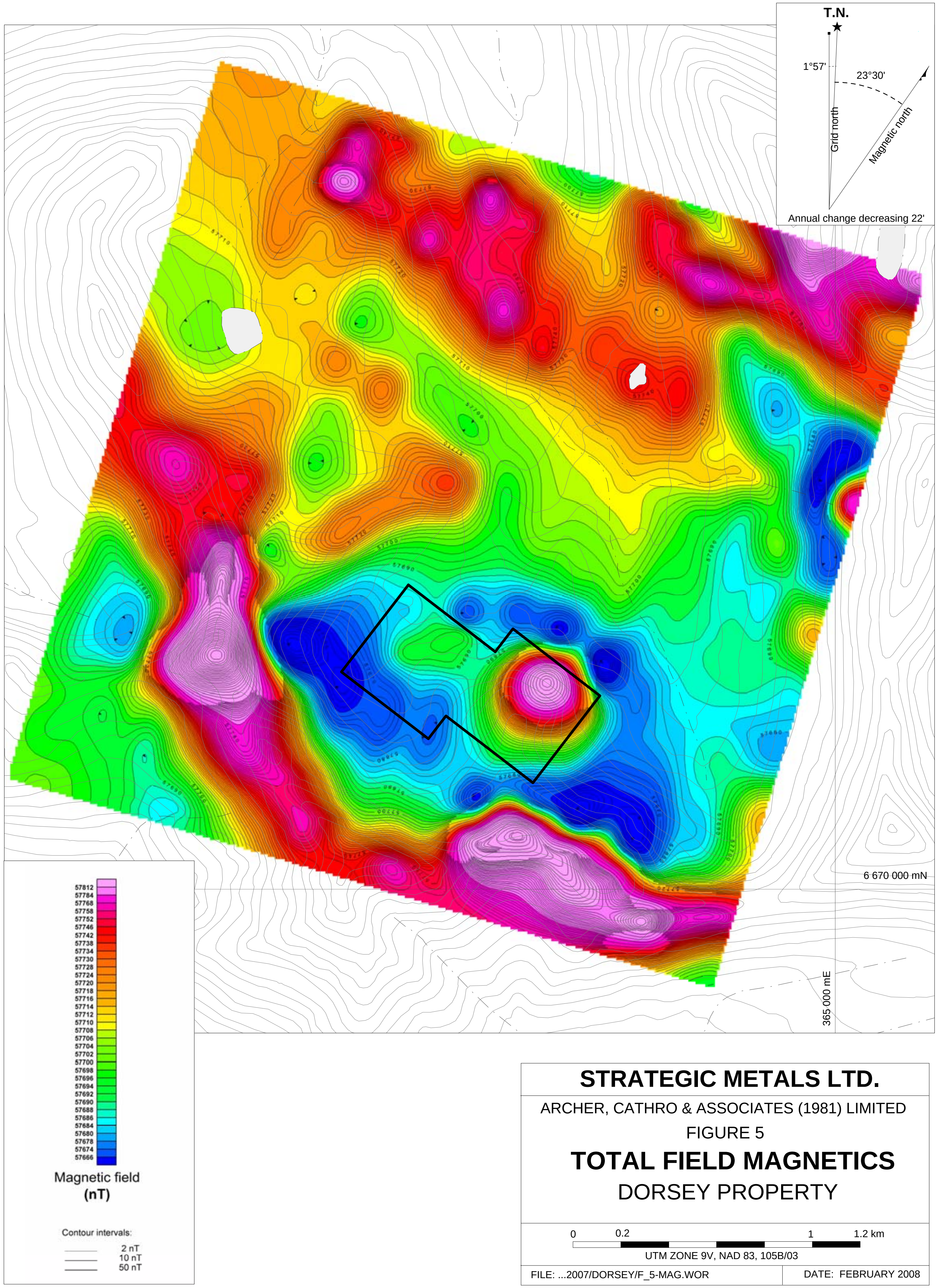

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FIGURE 5

TOTAL FIELD MAGNETICS

DORSEY PROPERTY

0 0.2 1 1.2 km

UTM ZONE 9V, NAD 83, 105B/03

FILE: ...2007/DORSEY/F_5-MAG.WOR | DATE: FEBRUARY 2008

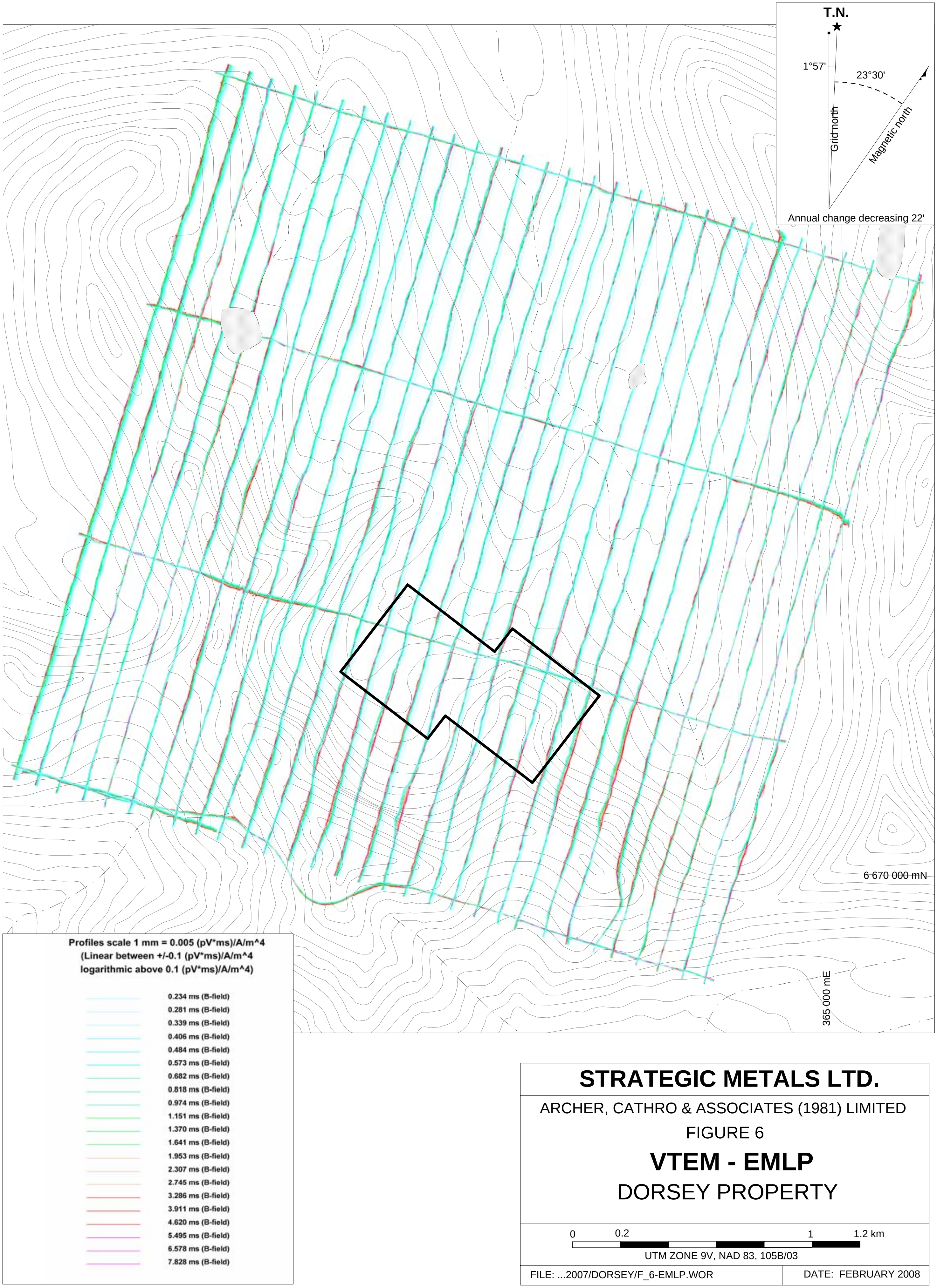

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FIGURE 6

VTEM - EMLP

DORSEY PROPERTY

0 0.2 1 1.2 km

UTM ZONE 9V, NAD 83, 105B/03

FILE: ...2007/DORSEY/F_6-EMLP.WOR

DATE: FEBRUARY 2008

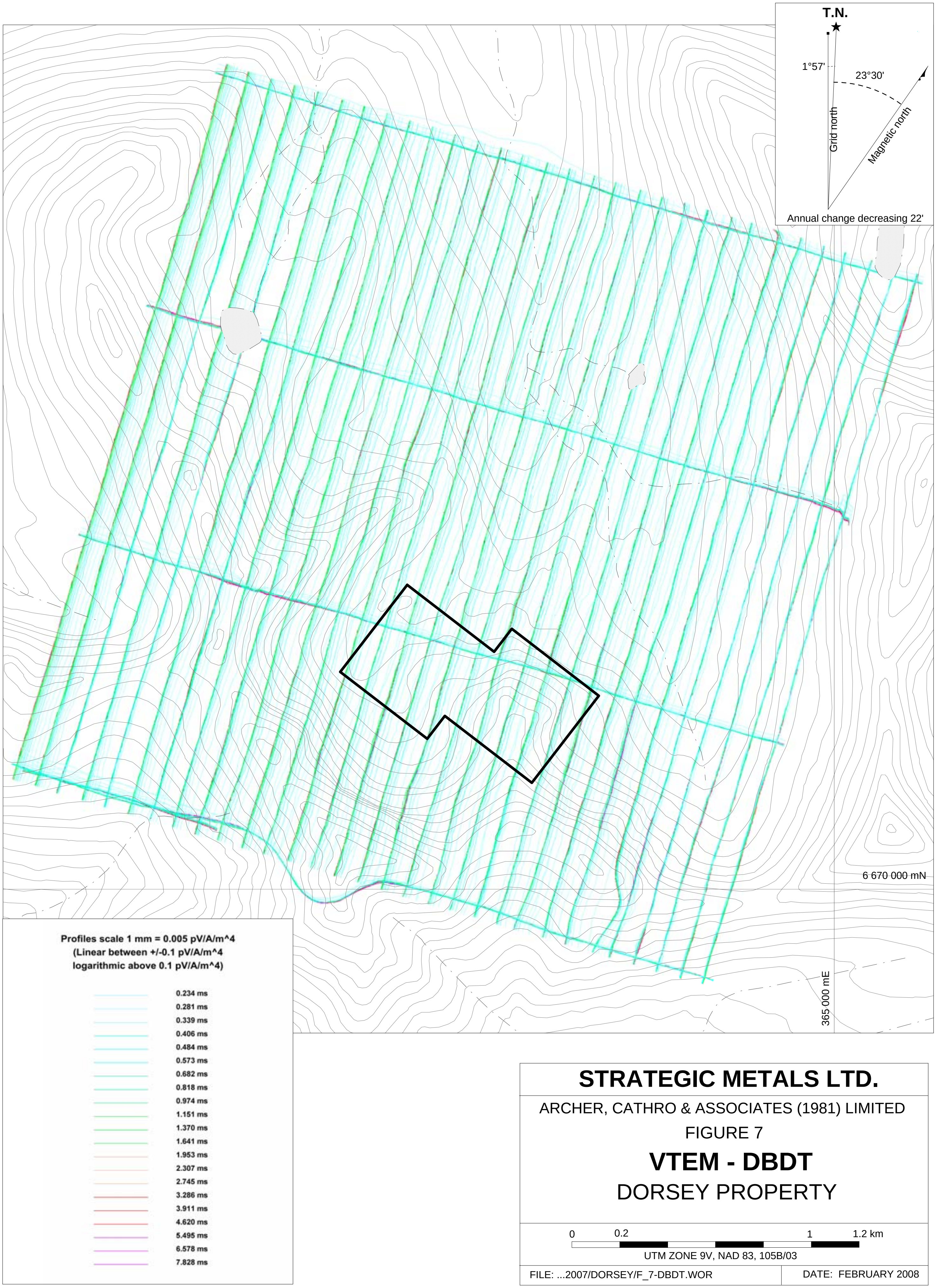

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FIGURE 7

VTEM - DBDT

DORSEY PROPERTY

0 0.2 1 1.2 km

UTM ZONE 9V, NAD 83, 105B/03

FILE: ...2007/DORSEY/F_7-DBDT.WOR

DATE: FEBRUARY 2008

Geophysical surveys completed in 2007 show isolated, circular magnetic highs underlying the property. These highs are likely caused by the magnetite bearing, skarn horizon. The size of these anomalies suggests that the extent of the mineralization is limited. No notable electromagnetic response is present on the property.

Respectfully submitted,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

W. Douglas Eaton, B.A., B.Sc. Geology

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APPENDIX I

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, W. Douglas 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 1980 with a B.Sc. majoring in Geological Sciences.

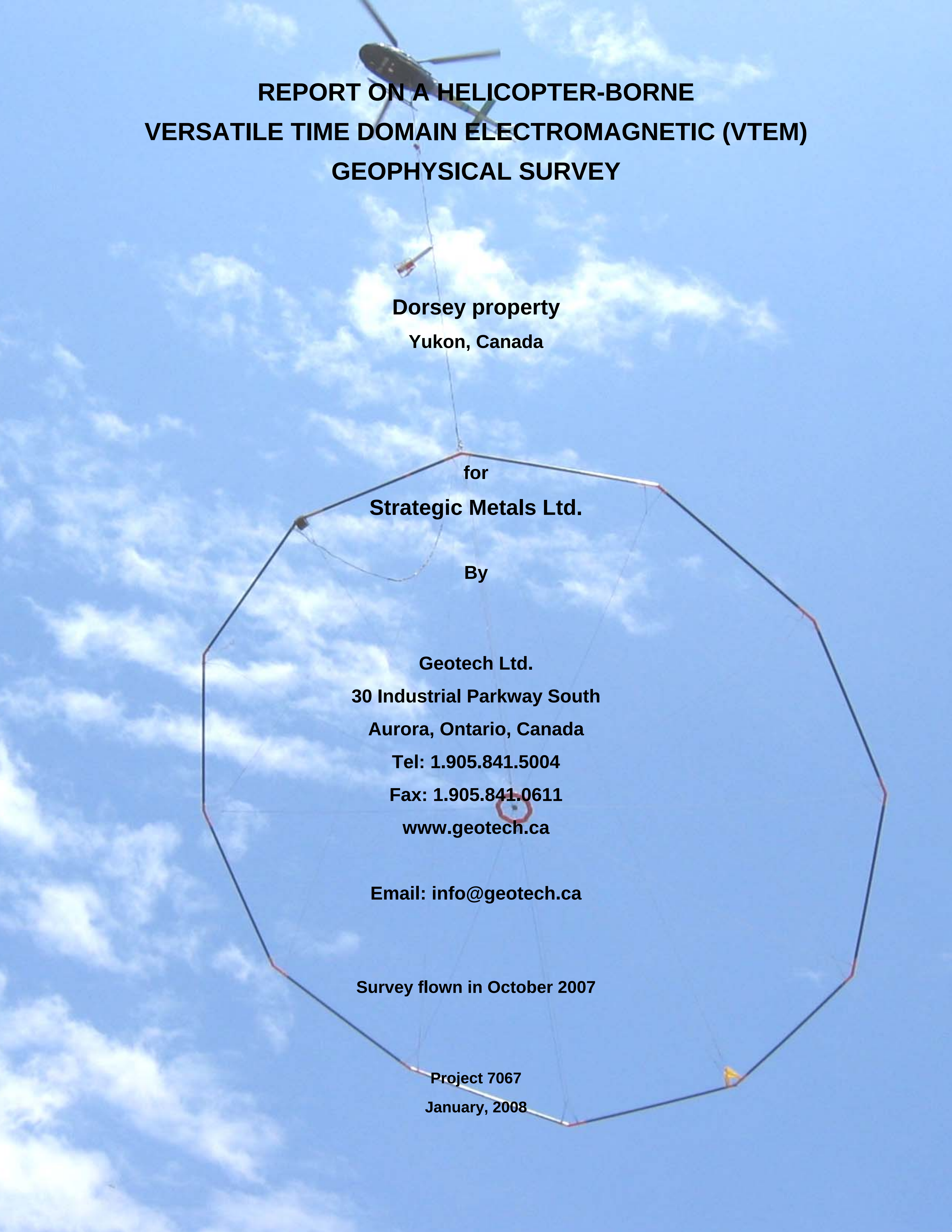
2. From 1971 to present, I have been actively engaged in mineral exploration in British Columbia and Yukon Territory and on June 1, 1981, became a partner in Archer, Cathro & Associates (1981) Limited.

3. I have personally participated in or supervised the field work reported herein and have interpreted all data resulting from this work.

W. Douglas Eaton, B.Sc. Geology

APPENDIX II

GEOPHYSICAL REPORT



REPORT ON A HELICOPTER-BORNE VERSATILE TIME DOMAIN ELECTROMAGNETIC (VTEM) GEOPHYSICAL SURVEY

Dorsey property

Yukon, Canada

for

Strategic Metals Ltd.

By

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Aurora, Ontario, Canada

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Survey flown in October 2007

Project 7067

January, 2008

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APPENDICES

REPORT ON A HELICOPTER-BORNE
VERSATILE TIME DOMAIN ELECTROMAGNETIC SURVEY

Dorsey property, Yukon, Canada

Executive Summary

This report describes the Helicopter-borne geophysical survey carried out on behalf of Strategic Metals Ltd. by Geotech Ltd. over one block in Yukon , Canada.

Principal geophysical sensors included a versatile time domain electromagnetic (VTEM) system and a cesium magnetometer. Ancillary equipment included a GPS navigation system and a radar altimeter. A total of 105.07 line-km were flown.

In-field data processing involved quality control and compilation of data collected during the acquisition stage, using the in-field processing centre established in Teslin, Yukon. Preliminary and final data processing, including generation of final digital data products were done at the office of Geotech Ltd. in Aurora, Ontario.

The processed survey results are presented as electromagnetic stacked profiles and total magnetic intensity grid.

Digital data includes all electromagnetic and magnetic products plus positional, altitude and raw data.

1. INTRODUCTION

1.1 General Considerations

These services are the result of the Agreement made between Geotech Ltd. and Archer Cathro & Associates to perform a helicopter-borne geophysical survey over one block located in Yukon, Canada.

105.07 line-km of geophysical data were acquired during the survey.

Bill Wengzynowski, acted on behalf of Strategic Metals Ltd. during data acquisition and data processing phases of this project.

The survey block is as shown in Appendix A.

The crew was based in Teslin, Yukon for the acquisition phase of the survey, as shown in Section 2 of this report.

The helicopter was based at the Teslin airport for the duration of the survey. Survey flying was completed on October 3rd, 2007. Preliminary data processing was carried out daily during the acquisition phase of the project. Final data presentation and data archiving was completed in the Aurora office of Geotech Ltd. in January, 2008.

1.2. Survey and System Specifications

The survey block was flown at nominal traverse line spacing of 100 metres, at N17°E / N197°E direction. Tie lines were flown perpendicular to traverse lines.

Where possible, the helicopter maintained a mean terrain clearance of 150 metres, which translated into an average height of 115 metres above ground for the bird-mounted VTEM system and 135 metres for the magnetic sensor.

The survey was flown using an Astar B3 helicopter, registration C-GTFX. The helicopter was operated by TRK helicopters. Details of the survey specifications may be found in Section 2 of this report.

1.3. Data Processing and Final Products

Data compilation and processing were carried out by the application of Geosoft OASIS Montaj and programs proprietary to Geotech Ltd.

A database, grids and maps of final products were presented to Strategic Metals Ltd.

The survey report describes the procedures for data acquisition, processing, final image presentation and the specifications for the digital data set.

1.4. Topographic Relief and cultural features

The survey block is located in Yukon, approximately 70 kilometers east of the town of Teslin.

Topographically, the survey area exhibits a challenging mountainous terrain, with elevation range from 1150 metres to 1960 metres above sea level.

2. DATA ACQUISITION

2.1. *Survey Area*

The survey block (see location map, Appendix A) and general flight specifications are as follows:

Survey block	Line spacing (m)	Area (Km2)	Line-km	Flight direction	Line number
DORSEY	100	9.05	93.10	N17E / N197E	L4010 - L4310
	1000		10.97	N107E / N287E	T4910 - T4940

Table 1 - Survey block

Survey block boundaries co-ordinates are provided in Appendix B.

2.2. *Survey Operations*

Survey operations were based in Teslin, Yukon for the acquisition phase of the survey.

The following table shows the timing of the flying.

Date	Flight #	Flown KM	Block	Crew Location	Comments
3-October-07	105, 106	105.07	DORSEY	Teslin, Yukon	Production – block complete

Table 2 - Survey schedule

2.3. Flight Specifications

The nominal EM sensor terrain clearance was 115 m (EM bird height above ground, i.e. helicopter is maintained 150 m above ground) due to rough terrain and helicopter crew safety. Nominal survey speed was 80 km/hour. The data recording rates of the data acquisition was 0.1 second for electromagnetics and magnetometer, 0.2 second for altimeter and GPS. This translates to a geophysical reading about every 2 metres along flight track. Navigation was assisted by a GPS receiver and data acquisition system, which reports GPS co-ordinates as latitude/longitude and directs the pilot over a pre-programmed survey grid.

The operator was responsible for monitoring of the system integrity. He also maintained a detailed flight log during the survey, tracking the times of the flight as well as any unusual geophysical or topographic feature.

On return of the aircrew to the base the survey data was transferred from a compact flash card (PCMCIA) to the data processing computer.

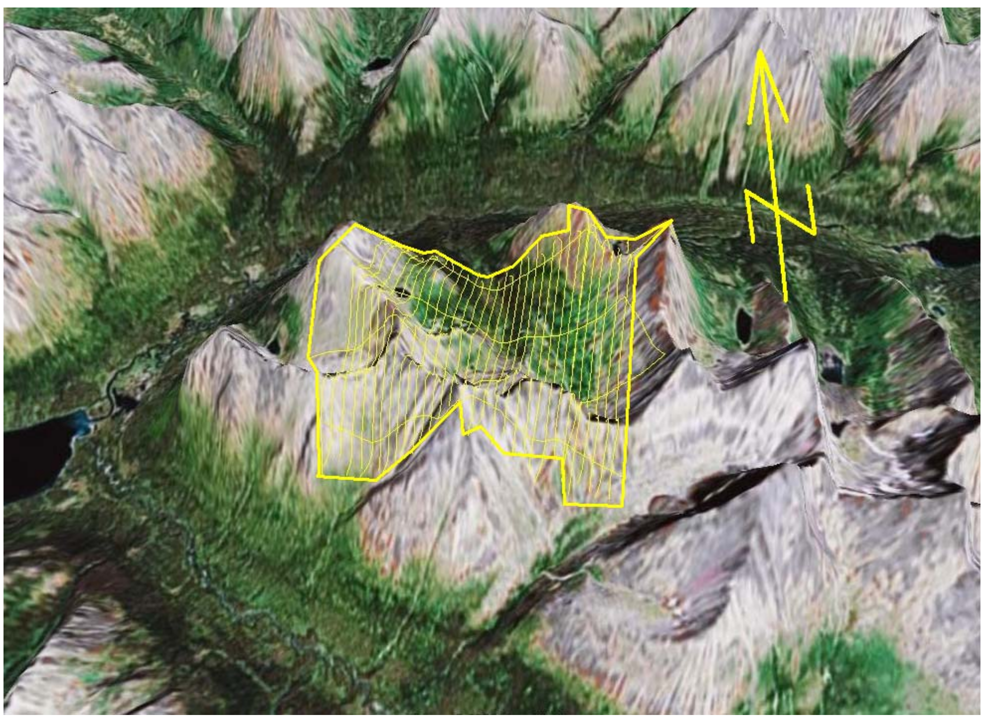


Figure 1 – Projection of flight path on topography.

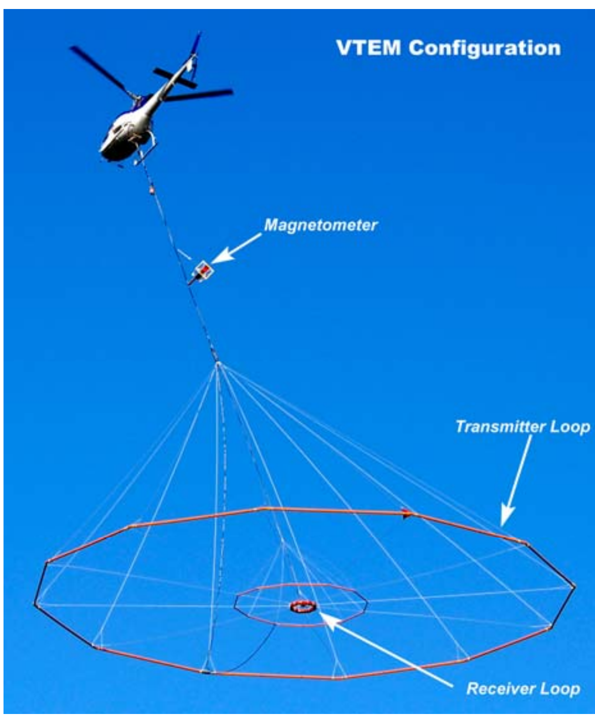
2.4. *Aircraft and Equipment*

2.4.1. Survey Aircraft

An Astar B3 helicopter, registration C-GTFX - owned and operated by TRK Helicopters Ltd. - was used for the survey. Installation of the geophysical and ancillary equipment was carried out by Geotech Ltd.

2.4.2. Electromagnetic System

The electromagnetic system was a Geotech Time Domain EM (VTEM) system. The configuration is as indicated in Figure 2 below.



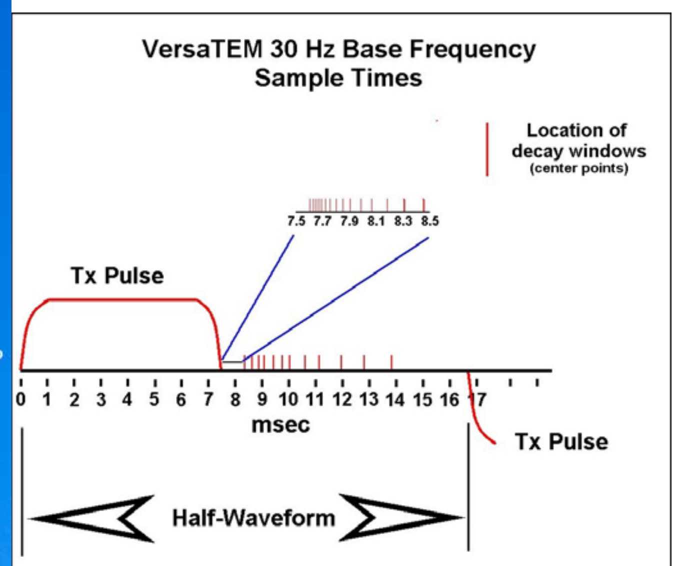


Figure 2 – VTEM configuration

Figure 3 – Sample times

Receiver and transmitter coils are concentric and Z-direction oriented.
The receiver decay recording scheme is shown diagrammatically in Figure 3.

Twenty-four measurement gates were used in the range from 120 μs to 6578 μs, as shown in Table 3.

VTEM Decay Sampling scheme				
Array	(Microseconds)			
Index	Time Gate	Start	End	Width
10	120	110	131	21
11	141	131	154	24
12	167	154	183	29
13	198	183	216	34
14	234	216	258	42
15	281	258	310	53
16	339	310	373	63
17	406	373	445	73
18	484	445	529	84
19	573	529	628	99
20	682	628	750	123
21	818	750	896	146
22	974	896	1063	167
23	1151	1063	1261	198
24	1370	1261	1506	245
25	1641	1506	1797	292
26	1953	1797	2130	333
27	2307	2130	2526	396
28	2745	2526	3016	490
29	3286	3016	3599	583
30	3911	3599	4266	667
31	4620	4266	5058	792
32	5495	5058	6037	979
33	6578	6037	7203	1167

Table 3 - VTEM decay sampling scheme

Transmitter coil diameter was 26 metres, the number of turns was 4.
Transmitter pulse repetition rate was 30 Hz.
Peak current was 207.4 Amp.
Pulse width was 7.2 ms
Duty cycle was 43%.
Peak dipole moment was 440,450 NIA.

Receiver coil diameter was 1.2 metre, the number of turns was 100.
Receiver effective area was 113.1 m^2
Wave form – trapezoid.
Recording sampling rate was 10 samples per second.

The EM bird was towed 115 m below the helicopter.

2.4.3. Airborne magnetometer

The magnetic sensor utilized for the survey was a Geometrics optically pumped cesium vapour magnetic field sensor, mounted in a separated bird, towed 15 metres below the helicopter, as shown on figure 1. The sensitivity of the magnetic sensor is 0.02 nanoTesla (nT) at a sampling interval of 0.1 seconds. The magnetometer sends the measured magnetic field strength as nanoTeslas to the data acquisition system via the RS-232 port.

2.4.4. Ancillary Systems

2.4.4.1. Radar Altimeter

A Terra TRA 3000/TRI 40 radar altimeter was used to record terrain clearance. The antenna was mounted beneath the bubble of the helicopter cockpit.

2.4.4.2. GPS Navigation System

The navigation system used was a Geotech PC based navigation system utilizing a NovAtel's WAAS enable OEM4-G2-3151W GPS receiver, Geotech navigate software, a full screen display with controls in front of the pilot to direct the flight and an NovAtel GPS antenna mounted on the helicopter tail.
The co-ordinates of the block were set-up prior to the survey and the information was fed into the airborne navigation system.

2.4.4.3. Digital Acquisition System

A Geotech data acquisition system recorded the digital survey data on an internal compact flash card. Data is displayed on an LCD screen as traces to allow the operator to monitor the integrity of the system. The data type and sampling interval as provided in table 4.

DATA TYPE	SAMPLING
TDEM	0.1 sec
Magnetometer	0.1 sec
GPS Position	0.2 sec
RadarAltimeter	0.2 sec

Table 4 - Sampling Rates

2.4.5. Base Station

A combine magnetometer/GPS base station was utilized on this project. A Geometrics Cesium vapour magnetometer was used as a magnetic sensor with a sensitivity of 0.001 nT. The base station was recording the magnetic field together with the GPS time at 1 Hz on a base station computer.

The base station magnetometer sensor was installed 100 metres from the airport in Teslin, away from electric transmission lines and moving ferrous objects such as motor vehicles.

The magnetometer base station's data was backed-up to the data processing computer at the end of each survey day.

3. PERSONNEL

The following Geotech Ltd. personnel were involved in the project:

Field

Project Manager:	Harish Kumar
QC Geophysicist:	Nick Venter
Crew Chief:	Keith Lavelley
Operator:	Paul Taylor

The survey pilot and the mechanic engineer were employed directly by the helicopter operator – TRK Helicopters Ltd.

Pilot:	Roy Stevenson

Office

Data Processing / Reporting:	George Lev
Data Technician:	Maria Jagodkin

Data acquisition and processing phases were carried out under the supervision of Andrei Bagrianski, Surveys Manager. Overall management of the project was undertaken by Edward Morrison, President, Geotech Ltd.

4. DATA PROCESSING AND PRESENTATION

4.1. Flight Path

The flight path, recorded by the acquisition program as WGS 84 latitude/longitude, was converted into the UTM coordinate system in Oasis Montaj.

The flight path was drawn using linear interpolation between x, y positions from the navigation system. Positions are updated every second and expressed as UTM eastings (x) and UTM northings (y).

4.2. Electromagnetic Data

A three stage digital filtering process was used to reject major sferic events and to reduce system noise. Local sferic activity can produce sharp, large amplitude events that cannot be removed by conventional filtering procedures. Smoothing or stacking will reduce their amplitude but leave a broader residual response that can be confused with geological phenomena. To avoid this possibility, a computer algorithm searches out and rejects the major sferic events. The filter used was a 16 point non-linear filter.

The signal to noise ratio was further improved by the application of a low pass linear digital filter. This filter has zero phase shift which prevents any lag or peak displacement from occurring, and it suppresses only variations with a wavelength less than about 1 second or 20 metres. This filter is a symmetrical 1 sec linear filter.

The results are presented as stacked profiles of EM voltages for the time gates, in linear - logarithmic scale for both B-field and dB/dt response.

Generalized modeling results of the VTEM system, written by Geophysicist Roger Barlow, are shown in Appendix C.

Graphical representation of the VTEM output voltage of the receiver coil and the transmitter current is shown in Appendix D.

4.3. Magnetic Data

The processing of the magnetic data involved the correction for diurnal variations by using the digitally recorded ground base station magnetic values. The base station magnetometer data was edited and merged into the Geosoft GDB database on a daily basis. The aeromagnetic data was corrected for diurnal variations by subtracting the observed magnetic base station deviations.

A micro-levelling procedure was applied to remove persistent low-amplitude components of flight-line noise remaining in the data. Where Tie lines were available, Tie line levelling was carried out by adjusting intersection points along the traverse lines.

The corrected magnetic data was interpolated between survey lines using a random point gridding method to yield x-y grid values for a standard grid cell size of approximately 0.1 cm at the mapping scale. The Minimum Curvature algorithm was used to interpolate values onto a rectangular regular spaced grid.

The survey area shows an average magnetic activity. Maximum values of 58060 nT are observed in the NE quadrant of the block. Average of 57718 nT is detected in the survey area.

5. DELIVERABLES

5.1. *Survey Report*

The survey report describes the data acquisition, processing, and final presentation of the survey results.

The survey report is provided in two paper copies and digitally in PDF format.

5.2. *Maps*

Final maps were produced at a scale of 1:10,000. The coordinate/projection system used was the WGS84, UTM zone 9N. All maps show the flight path trace and topographic data. Latitude and longitude are also noted on maps.

The following maps are presented on paper,

- dB/dt profiles, Time Gates 0.234 – 6.578 ms in linear - logarithmic scale
- B-field profiles, Time Gates 0.234 – 6.578 ms in linear - logarithmic scale
- Total Magnetic intensity contours and colour image

5.3. *Digital Data*

Two copies of DVDs were prepared.

There are two (2) main directories,

Data contains a database, grids and maps, as described below.

Report contains a copy of the report and appendices in PDF format.

a kml file containing flightpath of the DORSEY property.
A free version of Google Earth software can be downloaded from,
http://earth.google.com/download-earth.html

- Database in Geosoft GDB format, containing the following channels:

X:	X positional data (metres – WGS84, utm zone 9 north)
Y:	Y positional data (metres – WGS84, utm zone 9 north)
Z:	GPS antenna elevation (metres - ASL)
Radar:	Helicopter terrain clearance from radar altimeter (metres - AGL)
Radarb:	EM Loop terrain clearance from radar altimeter (metres - AGL)
DEM:	Digital elevation model (metres)
Gtime1:	GPS time (seconds of the day)
Mag1:	Raw Total Magnetic field data (nT)
Basemag:	Magnetic diurnal variation data (nT)
Mag2:	Total Magnetic field diurnal variation corrected data (nT)
Mag3:	Leveled Total Magnetic field data (nT)
SF[10]:	dB/dt 120 microsecond time channel ($pV/A/m^4$)
SF[11]:	dB/dt 141 microsecond time channel ($pV/A/m^4$)
SF[12]:	dB/dt 167 microsecond time channel ($pV/A/m^4$)
SF[13]:	dB/dt 198 microsecond time channel ($pV/A/m^4$)
SF[14]:	dB/dt 234 microsecond time channel ($pV/A/m^4$)
SF[15]:	dB/dt 281 microsecond time channel ($pV/A/m^4$)
SF[16]:	dB/dt 339 microsecond time channel ($pV/A/m^4$)
SF[17]:	dB/dt 406 microsecond time channel ($pV/A/m^4$)
SF[18]:	dB/dt 484 microsecond time channel ($pV/A/m^4$)
SF[19]:	dB/dt 573 microsecond time channel ($pV/A/m^4$)
SF[20]:	dB/dt 682 microsecond time channel ($pV/A/m^4$)
SF[21]:	dB/dt 818 microsecond time channel ($pV/A/m^4$)
SF[22]:	dB/dt 974 microsecond time channel ($pV/A/m^4$)
SF[23]:	dB/dt 1151 microsecond time channel ($pV/A/m^4$)
SF[24]:	dB/dt 1370 microsecond time channel ($pV/A/m^4$)
SF[25]:	dB/dt 1641 microsecond time channel ($pV/A/m^4$)
SF[26]:	dB/dt 1953 microsecond time channel ($pV/A/m^4$)
SF[27]:	dB/dt 2307 microsecond time channel ($pV/A/m^4$)
SF[28]:	dB/dt 2745 microsecond time channel ($pV/A/m^4$)
SF[29]:	dB/dt 3286 microsecond time channel ($pV/A/m^4$)
SF[30]:	dB/dt 3911 microsecond time channel ($pV/A/m^4$)
SF[31]:	dB/dt 4620 microsecond time channel ($pV/A/m^4$)
SF[32]:	dB/dt 5495 microsecond time channel ($pV/A/m^4$)
SF[33]:	dB/dt 6578 microsecond time channel ($pV/A/m^4$)
BF[10]:	B-field 120 microsecond time channel ($(pV*ms)/(A*m^4)$)
BF[11]:	B-field 141 microsecond time channel ($(pV*ms)/(A*m^4)$)
BF[12]:	B-field 167 microsecond time channel ($(pV*ms)/(A*m^4)$)
BF[13]:	B-field 198 microsecond time channel ($(pV*ms)/(A*m^4)$)
BF[14]:	B-field 234 microsecond time channel ($(pV*ms)/(A*m^4)$)

BF[15]:	B-field 281 microsecond time channel $(pV*ms)/(A*m^4)$
BF[16]:	B-field 339 microsecond time channel $(pV*ms)/(A*m^4)$
BF[17]:	B-field 406 microsecond time channel $(pV*ms)/(A*m^4)$
BF[18]:	B-field 484 microsecond time channel $(pV*ms)/(A*m^4)$
BF[19]:	B-field 573 microsecond time channel $(pV*ms)/(A*m^4)$
BF[20]:	B-field 682 microsecond time channel $(pV*ms)/(A*m^4)$
BF[21]:	B-field 818 microsecond time channel $(pV*ms)/(A*m^4)$
BF[22]:	B-field 974 microsecond time channel $(pV*ms)/(A*m^4)$
BF[23]:	B-field 1151 microsecond time channel $(pV*ms)/(A*m^4)$
BF[24]:	B-field 1370 microsecond time channel $(pV*ms)/(A*m^4)$
BF[25]:	B-field 1641 microsecond time channel $(pV*ms)/(A*m^4)$
BF[26]:	B-field 1953 microsecond time channel $(pV*ms)/(A*m^4)$
BF[27]:	B-field 2307 microsecond time channel $(pV*ms)/(A*m^4)$
BF[28]:	B-field 2745 microsecond time channel $(pV*ms)/(A*m^4)$
BF[29]:	B-field 3286 microsecond time channel $(pV*ms)/(A*m^4)$
BF[30]:	B-field 3911 microsecond time channel $(pV*ms)/(A*m^4)$
BF[31]:	B-field 4620 microsecond time channel $(pV*ms)/(A*m^4)$
BF[32]:	B-field 5495 microsecond time channel $(pV*ms)/(A*m^4)$
BF[33]:	B-field 6578 microsecond time channel $(pV*ms)/(A*m^4)$
PLM:	Power line monitor

Electromagnetic B-field and dB/dt data is found in array channel format between indexes 10 – 33, as described above.

- Database 7067dor_wform.gdb in Geosoft GDB format, containing the following channels:

Time:	Sampling rate interval, 10.416 microseconds
Volt:	output voltage of the receiver coil (volt)

- Grids in Geosoft GRD format, as follow,

Dor_magfin:	Total magnetic intensity (nT)
Dor_DEM:	Digital elevation model (m)

A Geosoft .GRD file has a .GI metadata file associated with it, containing grid projection information.
Grid cell size of 10 metres was used.

- Maps at 1:10,000 scale in Geosoft MAP format, as follow,

Dor_Magfin:	Total magnetic intensity contours and colour image
Dor_dBdt:	VTEM dB/dt profiles, Time Gates 0.234 – 6.578 ms in linear - logarithmic scale
Dor_EMLP:	VTEM B-field profiles, Time Gates 0.234 – 6.578 ms in linear - logarithmic scale

- A *readme.txt* file describing the content of digital data, as described above.

6. CONCLUSIONS

A helicopter-borne versatile time domain electromagnetic (VTEM) geophysical survey has been completed over the Dorsey property, located in Yukon, Canada.

The total area coverage is 9.05 km^2. Total survey line coverage is 105.07 line kilometres. The principal sensors included a Time Domain EM system and a magnetometer. Results have been presented as stacked profiles and contour colour images at a scale of 1:10,000.

Final data processing at the office of Geotech Ltd. in Aurora, Ontario was carried out under the supervision of Andrei Bagrianski, Surveys Manager.

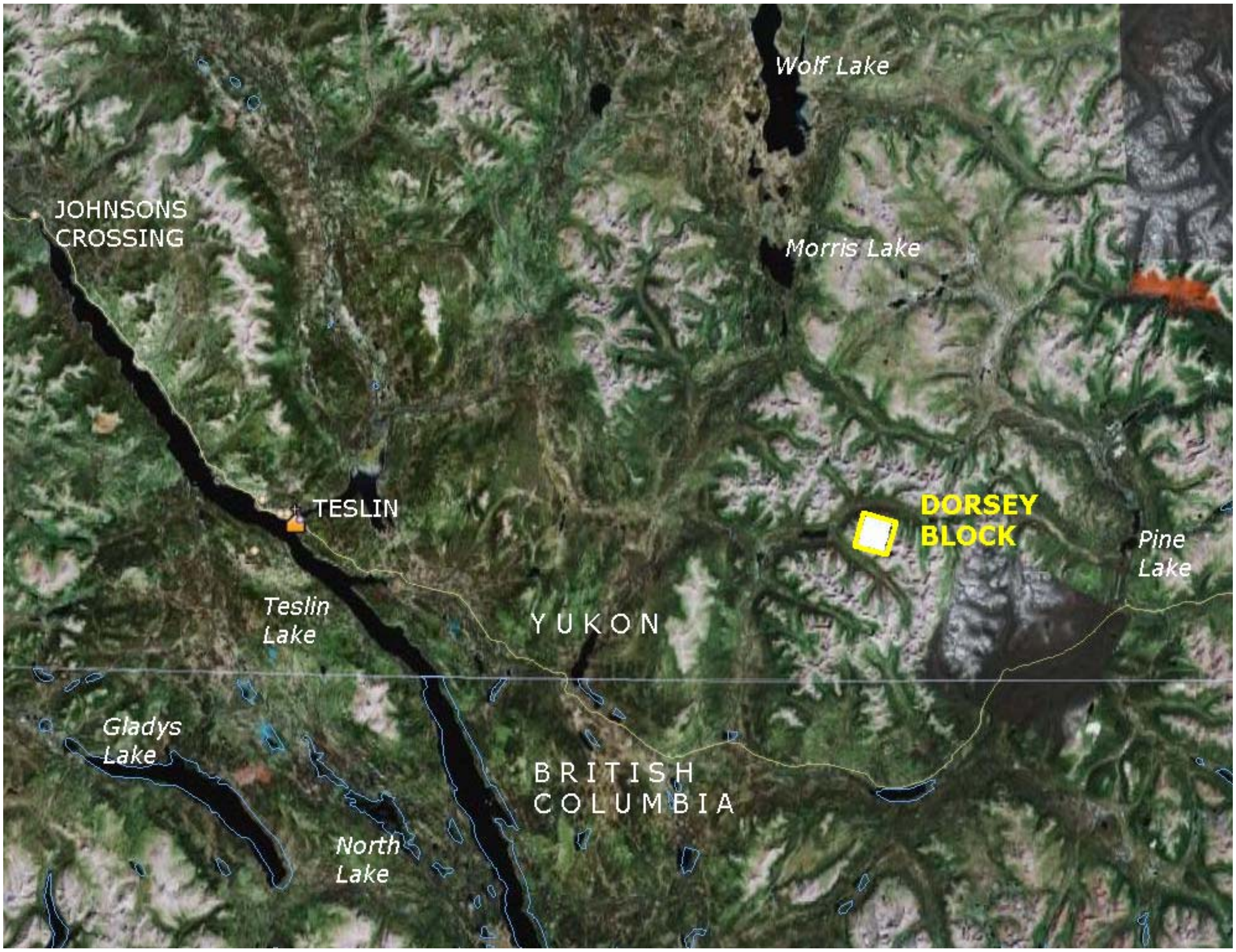
A number of EM anomaly groupings were identified. Ground follow-up of those anomalies should be carried out if favourably supported by other geoscientific data.

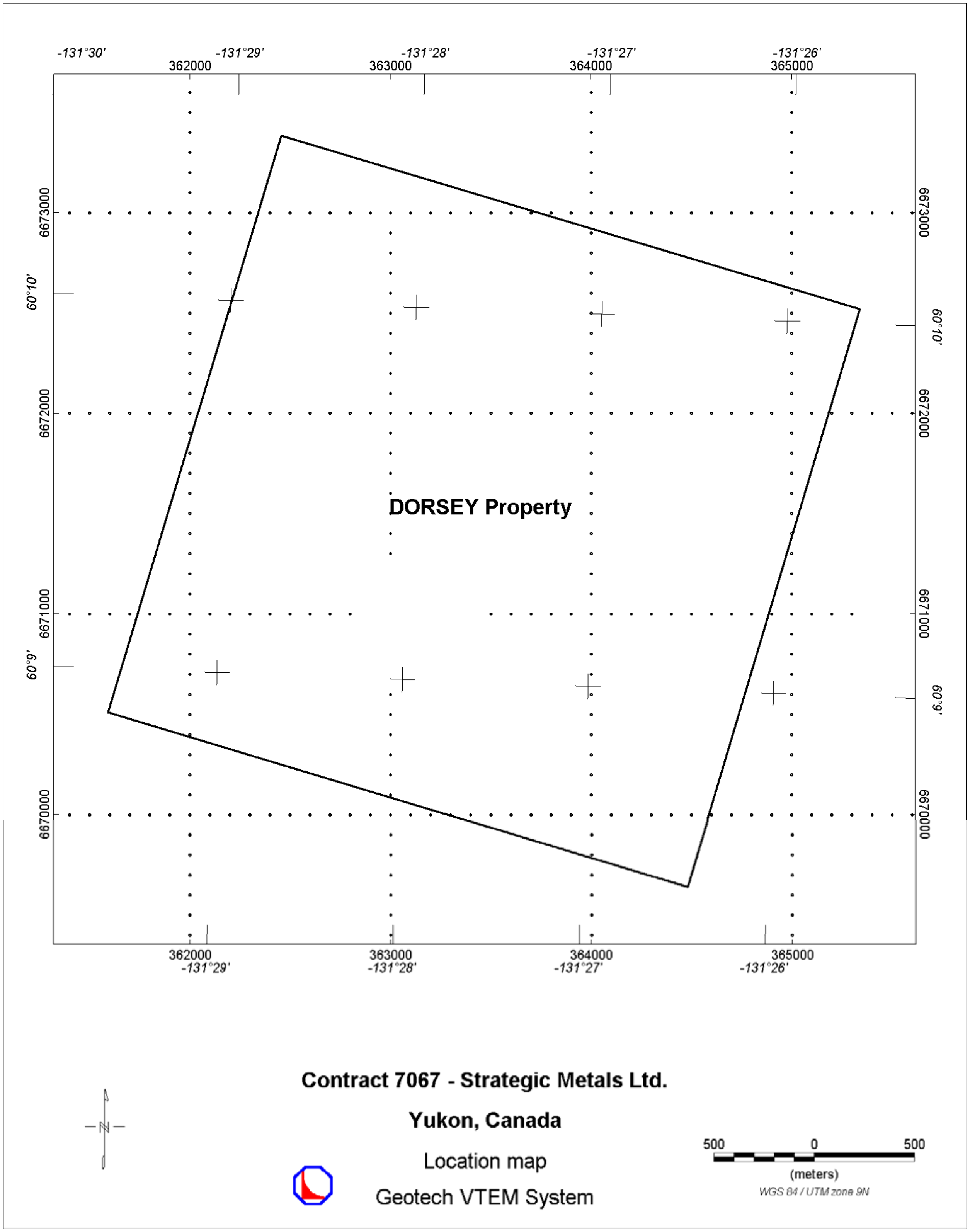
Respectfully submitted,

George Lev
Geotech Ltd.
January, 2008

APPENDIX A

SURVEY BLOCK LOCATION MAP




-131°30'
-131°29'
-131°28'
-131°27'
-131°26'
362000
363000
364000
365000
6673000
6672000
6671000
6670000
60°10'
60°9'
DORSEY Property
Contract 7067 - Strategic Metals Ltd.
Yukon, Canada
Location map
Geotech VTEM System
500
0
500
(meters)
WGS 84 / UTM zone 9N

APPENDIX B

SURVEY BLOCK COORDINATES

(WGS 84, UTM zone 9 north)

Dorsey property

DORSEY	
Easting	**Northing**
365340	6672521
364480	6669640
361593	6670510
362456	6673383

APPENDIX C

MODELING VTEM DATA

MODELING VTEM DATA

Introduction

The VTEM system is based on a concentric or central loop design, whereby, the receiver is positioned at the centre of a 26.1 meters diameter transmitter loop that produces a dipole moment up to 625,000 NIA at peak current. The wave form is a bi-polar, modified square wave with a turn-on and turn-off at each end. With a base frequency of 30 Hz, the duration of each pulse is approximately 7.5 milliseconds followed by an off time where no primary field is present.

During turn-on and turn-off, a time varying field is produced (dB/dt) and an electro-motive force (emf) is created as a finite impulse response. A current ring around the transmitter loop moves outward and downward as time progresses. When conductive rocks and mineralization are encountered, a secondary field is created by mutual induction and measured by the receiver at the centre of the transmitter loop.

Measurements are made during the off-time, when only the secondary field (representing the conductive targets encountered in the ground) is present.

Late in 2006, Geotech Ltd. incorporated a B-Field measurement in the VTEM system. The B-Field measurements have the advantage of containing more spectral energy at low spectral frequencies than the dB/dt measurements; hence, greater amplitudes and accuracies when encountering targets with higher conductances (> 500 Siemens). The converse is true at higher spectral frequencies where dB/dt measurements are best applied. The B-field is most widely used in nickel exploration where a small percentage of targets are extremely conductive (> 2500 Siemens) and less resolvable or invisible (below the noise threshold) using dB/dt measurements.

Efficient modeling of the results can be carried out on regularly shaped geometries, thus yielding close approximations to the parameters of the measured targets. The following is a description of a series of common models made for the purpose of promoting a general understanding of the measured results.

Variation of Plate Depth

Geometries represented by plates of different strike length, depth extent, dip, plunge and depth below surface can be varied with characteristic parameters like conductance of the target, conductance of the host and conductivity/thickness and thickness of the overburden layer.

Diagrammatic models for a vertical plate are shown in figures A and G at two different depths, all other parameters remaining constant. With this transmitter-receiver geometry, the classic **M** shaped response is generated. Figure A shows a plate where the top is near surface. Here, amplitudes of the duel peaks are higher and symmetrical with the zero centre positioned directly above the plate. Most important is the separation distance of the peaks. This distance is small when the plate is near surface and widens with a linear relationship as the plate (depth to top) increases. Figure G shows a much deeper plate where the separation distance of the peaks is much wider and the amplitudes of the channels have decreased.

Variation of Plate Dip

As the plate dips and departs from the vertical position, the peaks become asymmetrical. Figure B shows a near surface plate dipping 80º. Note that the direction of dip is toward the high shoulder of the response and the top of the plate remains under the centre minimum.

As the dip increases, the aspect ratio (Min/Max) decreases and this aspect ratio can be used as an empirical guide to dip angles from near 90º to about 30º. The method is not sensitive enough where dips are less than about 30º. Figure E shows a plate dipping 45º and, at this angle, the minimum shoulder starts to vanish. In Figure D, a flat lying plate is shown, relatively near surface. Note that the twin peak anomaly has been replaced by a symmetrical shape with large, bell shaped, channel amplitudes which decay relative to the conductance of the plate.

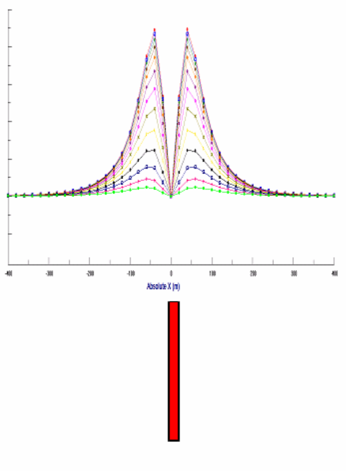
Figure H shows a special case where two plates are positioned to represent a synclinal structure. Note that the main characteristic to remember is the centre amplitudes are higher (approximately double) compared to the high shoulder of a single plate. This model is very representative of tightly folded formations where the conductors where once flat lying.

Variation of Prism Depth

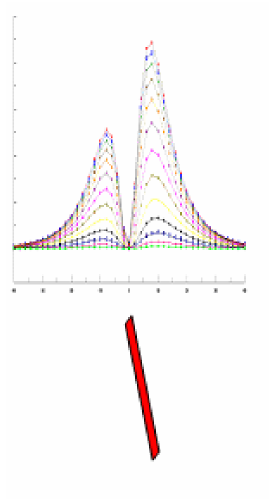
Finally, with prism models, another algorithm is required to represent current on the plate. A plate model is considered to be infinitely thin with respect to thickness and incapable of representing the current in the thickness dimension. A prism model is constructed to deal with this problem, thereby, representing the thickness of the body more accurately.

Figures C, F and I show the same prism at increasing depths. Aside from an expected decrease in amplitude, the side lobes of the anomaly show a widening with deeper prism depths of the bell shaped early time channels.

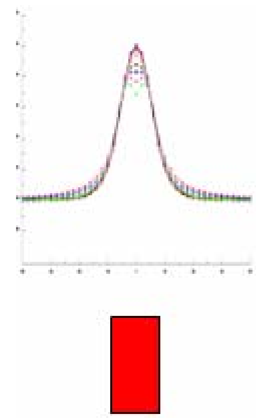
A



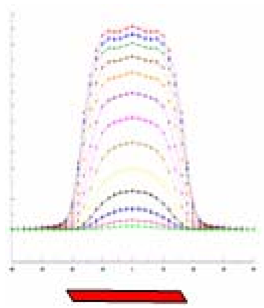
B



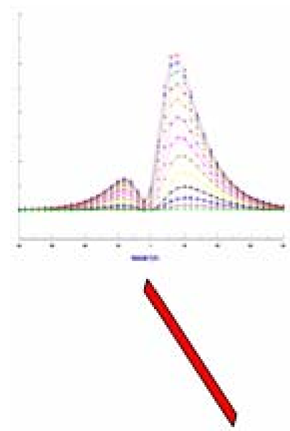
C



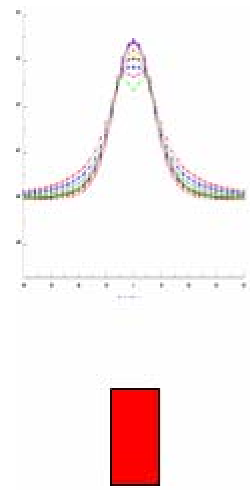
D



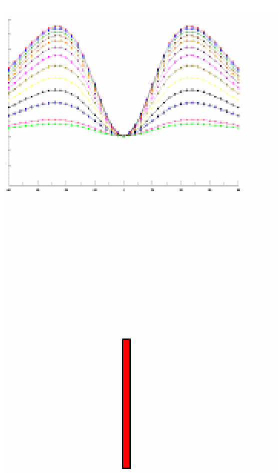
E



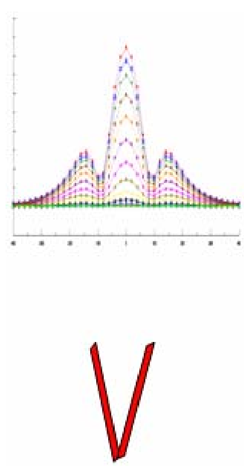
F



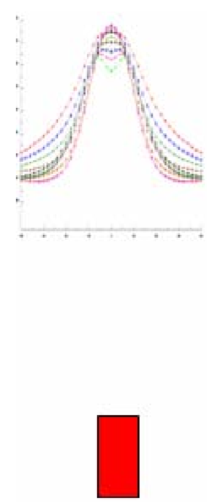
G



H



I



General Modeling Concepts

A set of models has been produced for the Geotech VTEM® system with explanation notes (see models A to I above). The reader is encouraged to review these models, so as to get a general understanding of the responses as they apply to survey results. While these models do not begin to cover all possibilities, they give a general perspective on the simple and most commonly encountered anomalies.

When producing these models, a few key points were observed and are worth noting as follows:

- For near vertical and vertical plate models, the top of the conductor is always located directly under the centre low point between the two shoulders in the classic **M** shaped response.

- As the plate is positioned at an increasing depth to the top, the shoulders of the **M** shaped response, have a greater separation distance.

- When faced with choosing between a flat lying plate and a prism model to represent the target (broad response) some ambiguity is present and caution should be exercised.

- With the concentric loop system and Z-component receiver coil, virtually all types of conductors and most geometries are most always well coupled and a response is generated (see model H). Only concentric loop systems can map this type of target.

The modelling program used to generate the responses was prepared by PetRos Eikon Inc. and is one of a very few that can model a wide range of targets in a conductive half space.

General Interpretation Principals

Magnetics

The total magnetic intensity responses reflect major changes in the magnetite and/or other magnetic minerals content in the underlying rocks and unconsolidated overburden. Precambrian rocks have often been subjected to intense heat and pressure during structural and metamorphic events in their history. Original signatures imprinted on these rocks at the time of formation have, it most cases, been modified, resulting in low magnetic susceptibility values.

The amplitude of magnetic anomalies, relative to the regional background, helps to assist in identifying specific magnetic and non-magnetic rock units (and conductors) related to, for example, mafic flows, mafic to ultramafic intrusives, felsic intrusives, felsic volcanics and/or sediments etc. Obviously, several geological sources can produce the same magnetic response. These ambiguities can be reduced considerably if basic geological information on the area is available to the geophysical interpreter.

In addition to simple amplitude variations, the shape of the response expressed in the wave length and the symmetry or asymmetry, is used to estimate the depth, geometric parameters and magnetization of the anomaly. For example, long narrow magnetic linears usually reflect mafic flows or intrusive dyke features. Large areas with complex magnetic patterns may be produced by intrusive bodies with significant magnetization, flat lying magnetic sills or sedimentary iron formation. Local isolated circular magnetic patterns often represent plug-like igneous intrusives such as kimberlites, pegmatites or volcanic vent areas.

Because the total magnetic intensity (TMI) responses may represent two or more closely spaced bodies within a response, the second derivative of the TMI response may be helpful for distinguishing these complexities. The second derivative is most useful in mapping near surface linears and other subtle magnetic structures that are partially masked by nearby higher amplitude magnetic features. The broad zones of higher magnetic amplitude, however, are severely attenuated in the vertical derivative results. These higher amplitude zones reflect rock units having strong magnetic susceptibility signatures. For this reason, both the TMI and the second derivative maps should be evaluated together.

Theoretically, the second derivative, zero contour or colour delineates the contacts or limits of large sources with near vertical dip and shallow depth to the top. The vertical gradient map also aids in determining contact zones between rocks with a susceptibility contrast, however, different, more complicated rules of thumb apply.

Concentric Loop EM Systems

Concentric systems with horizontal transmitter and receiver antennae produce much larger responses for flat lying conductors as contrasted with vertical plate-like conductors. The amount of current developing on the flat upper surface of targets having a substantial area in this dimension, are the direct result of the effective coupling angle, between the primary magnetic field and the flat surface area. One therefore, must not compare the amplitude/conductance of responses generated from flat lying bodies with those derived from near vertical plates; their ratios will be quite different for similar conductances.

Determining dip angle is very accurate for plates with dip angles greater than 30º. For angles less than 30º to 0º, the sensitivity is low and dips can not be distinguished accurately in the presence of normal survey noise levels.

A plate like body that has near vertical position will display a two shoulder, classic **M** shaped response with a distinctive separation distance between peaks for a given depth to top.

It is sometimes difficult to distinguish between responses associated with the edge effects of flat lying conductors and poorly conductive bedrock conductors. Poorly conductive bedrock conductors having low dip angles will also exhibit responses that may be interpreted as surfacial overburden conductors. In some situations, the conductive response has line to line continuity and some magnetic correlation providing possible evidence that the response is related to an actual bedrock source.

The EM interpretation process used, places considerable emphasis on determining an understanding of the general conductive patterns in the area of interest. Each area has different characteristics and these can effectively guide the detailed process used.

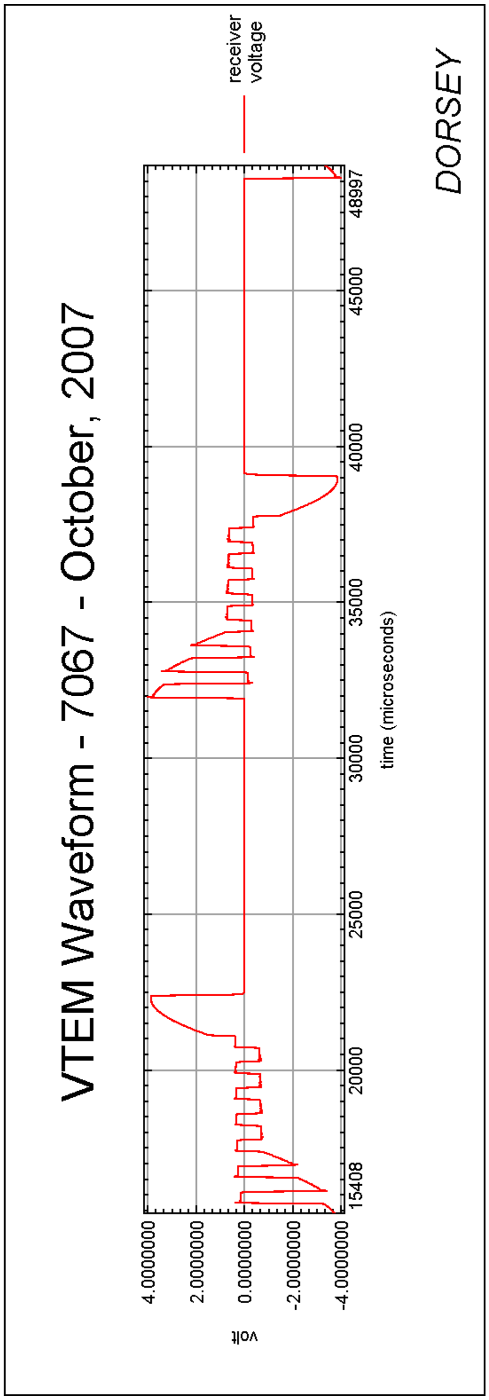
The first stage is to determine which time gates are most descriptive of the overall conductance patterns. Maps of the time gates that represent the range of responses can be very informative.

Next, stacking the relevant channels as profiles on the flight path together with the second vertical derivative of the TMI is very helpful in revealing correlations between the EM and Magnetics.

Next, key lines can be profiled as single lines to emphasize specific characteristics of a conductor or the relationship of one conductor to another on the same line. Resistivity Depth sections can be constructed to show the relationship of conductive overburden or conductive bedrock with the conductive anomaly.

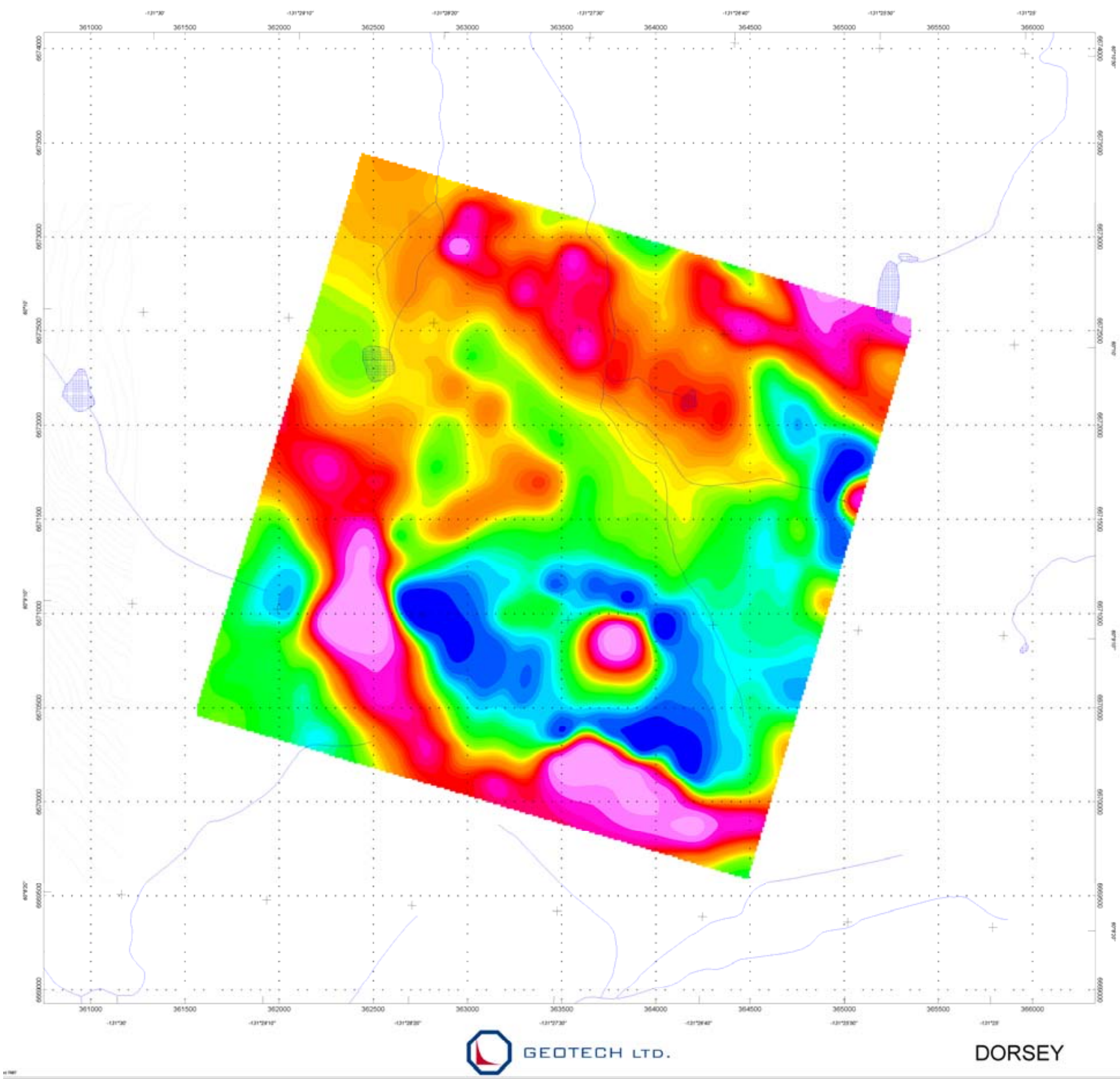
APPENDIX D

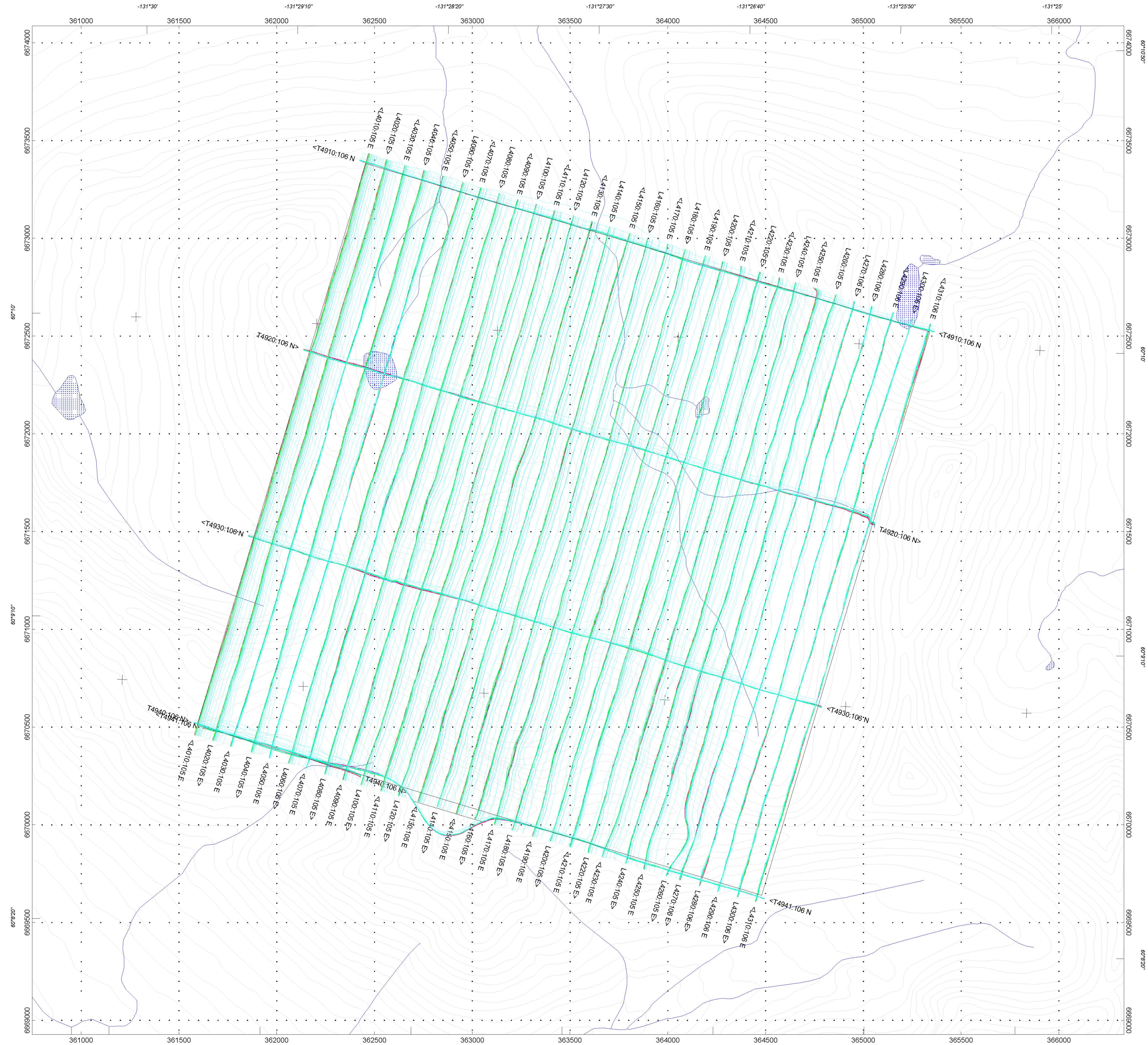
VTEM WAVEFORM



APPENDIX E

GEOPHYSICAL MAP





GEOTECH LTD.

Survey Specifications:
- Dates Flown: October 03, 2007
- Survey Base: Teslin, YT
- Aircraft: Astar B3 helicopter, Registration C-GTFX
- Nominal Flight Line Spacing: 100 metres
- Nominal Flight Line Directions: N17°E/N197°E
- Nominal Tie Line Spacing: 1000 metres
- Nominal Tie Line Directions: N107°E/N287°E
- Nominal helicopter terrain clearance 150 metres
- EM Loop is towed 42 metres under helicopter
- Magnetic sensor is 15 metres under helicopter

Instruments:
- Geotech Time Domain Electromagnetic System (VTEM) with concentric Rx/Tx geometry
- Transmitter Loop Diameter 26 m, Base Frequency 30 Hz
- Dipole Moment 440,450 NIA
- Transmitter Wave Form: Trapezoid, Pulse Width 7.22 ms
- Geometrics Optically-pumped, High Sensitivity Cesium Magnetometer
- Magnetometer Resolution 0.02 nT at 10 samples/sec

DORSEY Property

STRATEGIC METALS LTD.

Profiles scale 1 mm = 0.005 pV/A/m^4
(Linear between +/-0.1 pV/A/m^4
logarithmic above 0.1 pV/A/m^4)

- 0.234 ms
- 0.281 ms
- 0.339 ms
- 0.406 ms
- 0.484 ms
- 0.573 ms
- 0.682 ms
- 0.818 ms
- 0.974 ms
- 1.151 ms
- 1.370 ms
- 1.641 ms
- 1.953 ms
- 2.307 ms
- 2.745 ms
- 3.286 ms
- 3.911 ms
- 4.620 ms
- 5.495 ms
- 6.578 ms
- 7.828 ms

Legend:
- Roads
- Lakes, Rivers
- Swamps
- Topographic contours

Scale 1:10000

100 0 100 200 300 400 500

(meters)

WGS 84 / UTM zone 9N

Strategic Metals Ltd.
Block DORSEY
Yukon, Canada

Geotech VTEM System
dB/dt Profiles
Time Gates 0.234 - 6.578 ms

Flown and processed by Geotech Ltd.
245 Industrial Parkway North,
Aurora, Ontario, Canada L4G 4C4
www.geotech.ca

December 2007

Project 7067

GEOTECH LTD.

Survey Specifications:
Dates Flown: October 03, 2007
Survey Base: Teslin, YT
Aircraft: Astar B3 helicopter, Registration C-GTFX
Nominal Flight Line Spacing: 100 metres
Nominal Flight Line Directions: N17°E/N197°E
Nominal Tie Line Spacing: 1000 metres
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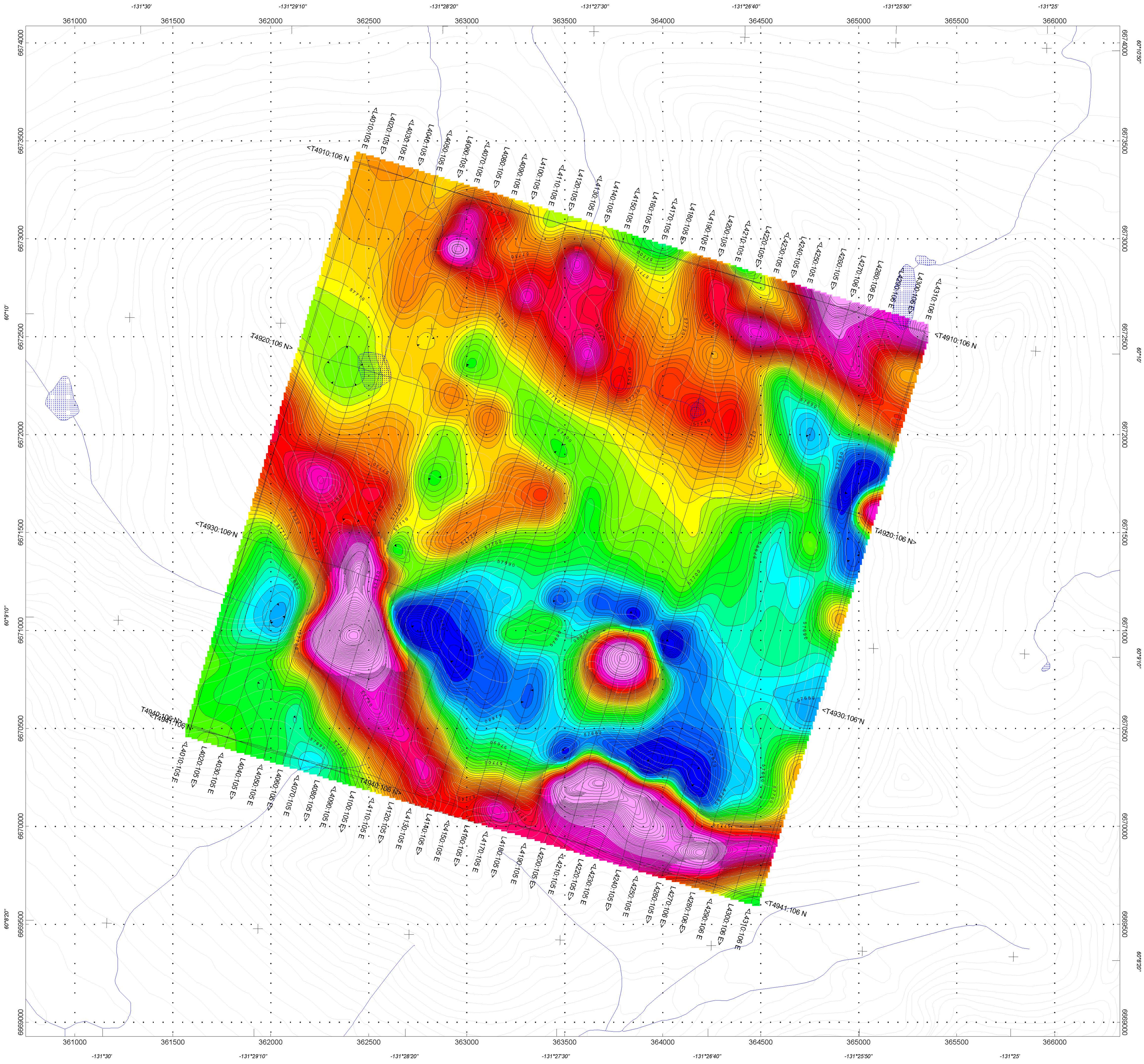
Transmitter Loop Diameter 26 m, Base Frequency 30 Hz
Dipole Moment 440,450 NIA
Transmitter Wave Form: Trapezoid, Pulse Width 7.22 ms
Geometrics Optically-pumped,
High Sensitivity Cesium Magnetometer
Magnetometer Resolution 0.02 nT at 10 samples/sec



Magnetic field (nT)

Contour intervals:
2 nT
10 nT
50 nT

Legend:
Roads
Lakes, Rivers
Swamps
Topographic contours

Scale 1:10000
100 0 100 200 300 400 500
(meters)
WGS 84 / UTM zone 9N

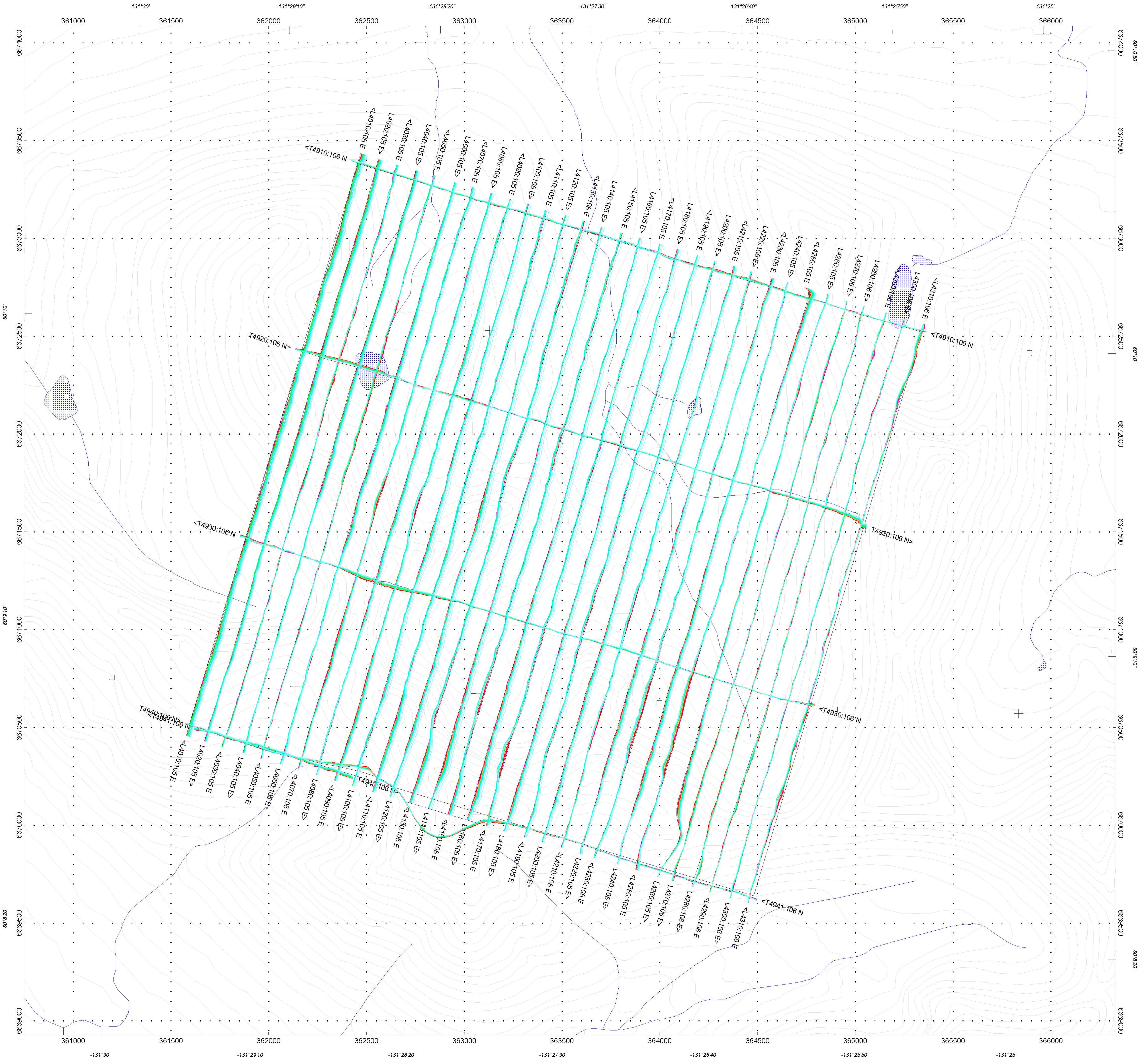
Strategic Metals Ltd.
Block DORSEY
Yukon, Canada

Geotech VTEM System
Total Magnetic Field Map

Flown and processed by Geotech Ltd.
245 Industrial Parkway North,
Aurora, Ontario, Canada L4G 4C4
www.geotech.ca

December 2007

Project 7067



GEOTECH LTD.

Survey Specifications:

Dates Flown: October 03, 2007
Survey Base: Teslin, YT
Aircraft: Astar B3 helicopter, Registration C-GTFX
Nominal Flight Line Spacing: 100 metres
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Nominal Tie Line Directions: N107°E/N287°E
Nominal helicopter terrain clearance 150 metres
EM Loop is towed 42 metres under helicopter
Magnetic sensor is 15 metres under helicopter

Instruments:

Geotech Time Domain Electromagnetic System (VTEM) with concentric Rx/Tx geometry
Transmitter Loop Diameter 26 m, Base Frequency 30 Hz
Dipole Moment 440,450 NIA
Transmitter Wave Form: Trapezoid, Pulse Width 7.22 ms
Geometrics Optically-pumped,
High Sensitivity Cesium Magnetometer
Magnetometer Resolution 0.02 nT at 10 samples/sec

Profiles scale 1 mm = 0.005 (pV*ms)/A/m^4
(Linear between +/-0.1 (pV*ms)/A/m^4
logarithmic above 0.1 (pV*ms)/A/m^4)

0.234 ms (B-field)
0.281 ms (B-field)
0.339 ms (B-field)
0.406 ms (B-field)
0.484 ms (B-field)
0.573 ms (B-field)
0.682 ms (B-field)
0.818 ms (B-field)
0.974 ms (B-field)
1.151 ms (B-field)
1.370 ms (B-field)
1.641 ms (B-field)
1.953 ms (B-field)
2.307 ms (B-field)
2.745 ms (B-field)
3.286 ms (B-field)
3.911 ms (B-field)
4.620 ms (B-field)
5.495 ms (B-field)
6.578 ms (B-field)
7.828 ms (B-field)

Legend:

Roads
Lakes, Rivers
Swamps
Topographic contours

Scale 1:10000
100 0 100 200 300 400 500
(meters)
WGS 84 / UTM zone 9N

Strategic Metals Ltd.
Block DORSEY
Yukon, Canada

Geotech VTEM System
B-Field Profiles
Time Gates 0.234 - 6.578 ms

Flown and processed by Geotech Ltd.
245 Industrial Parkway North.,
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December 2007

Project 7067