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ASSESSMENT REPORT

describing

GEOLOGICAL, LOGISTICAL AND ENVIRONMENTAL ORIENTATION

at the

FLIP PROPERTY

FLIP 1-20 YC90701-90720

NTS 105H/02
Latitude 61°08´N; Longitude 128°40´W

located in the

Watson Lake Mining District
Yukon Territory

prepared by

Archer, Cathro & Associates (1981) Limited

for

STRATEGIC METALS LTD.

by

Heather Smith, P.Geo.
June 2010

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INTRODUCTION

The Flip property was staked in July 2009 to cover known, skarn hosted, zinc-lead-silver±copper±tungsten mineralization. The property is located in southeastern Yukon and is owned 100% by Strategic Metals Ltd.

This report described an orientation survey that was conducted on September 19, 2009 by Archer, Cathro & Associates (1981) Limited on behalf of Strategic Metals. The survey was designed to 1) obtain samples of mineralization and confirm the geological setting; 2) establish the accuracy of old assessment maps showing the locations of historical workings; and, 3) document pre-existing environmental disturbances. The work was done by a helicopter-supported, three person crew operating from a hotel in Watson Lake. The author participated in the program and her Statement of Qualifications appears in Appendix I.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The Flip property is located in southeastern Yukon at latitude 61°08´ north and longitude 128° 40´ west on NTS map sheet 105 H/02 (Figure 1). It consists of 20 contiguous mineral claims that are registered with the Watson Lake Mining Recorder in the name of Archer Cathro, which holds them in trust for Strategic Metals. Claim registration information is listed on Table I while the locations of individual claims are shown on Figure 2.

Table I: Claim Data

Claim Name	Grant Number	Expiry Date*
Flip 1-20	YC90701-90720	April 20, 2012

* Expiry date includes 2009 work which has been filed for assessment credit but not yet accepted

The Flip property is located about 116 km due north of the community of Watson Lake. A bulldozer trail extends 20 km south from the property to the Nahanni Range (Cantung) Road, meeting that all-season gravel haul road at a point approximately 35 km west of its junction with the Robert Campbell Highway. There is a small system of local trails on the property.

HISTORY

The area was first staked in 1964 as the AL claims by Yukon Pacific Prospecting Group (Asarco, Cerro de Pasco Corporation and Duval Corp. of Canada Ltd). That group preformed geological mapping and magnetometer surveys in fall 1965 (Ostensoe, E.A., 1965).

D. Duncan restaked the area in spring 1967 and prospected, before transferring the claims to H. Kepper and Associates later that year. Airborne magnetometer, electromagnetic and radiometric surveys were flown over the property in early 1968 on behalf of Kepper by Waterton Aeronautics & Exploration Ltd. (H.S. Aikins, et al, 1968).


ALASKA
NORTHWEST TERRITORIES
Dawson
Mayo
Carmacks
Faro
FLIP PROPERTY
Haines Junction
Whitehorse
Watson Lake
Skagway
Haines
Atlin
PACIFIC OCEAN
Juneau
Dease Lake
Telegraph Creek
Stewart
Smithers
Terrace
Prince Rupert
Kitimat
Vanderhoof
Parks and protected areas
Community
Road
STRATEGIC METALS LTD.
FIGURE 1
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
PROPERTY LOCATION
FLIP PROPERTY
0 75 150 300 km
FILE: ...2009/Flip/Property_loc.wor
DATE: JUNE 2010

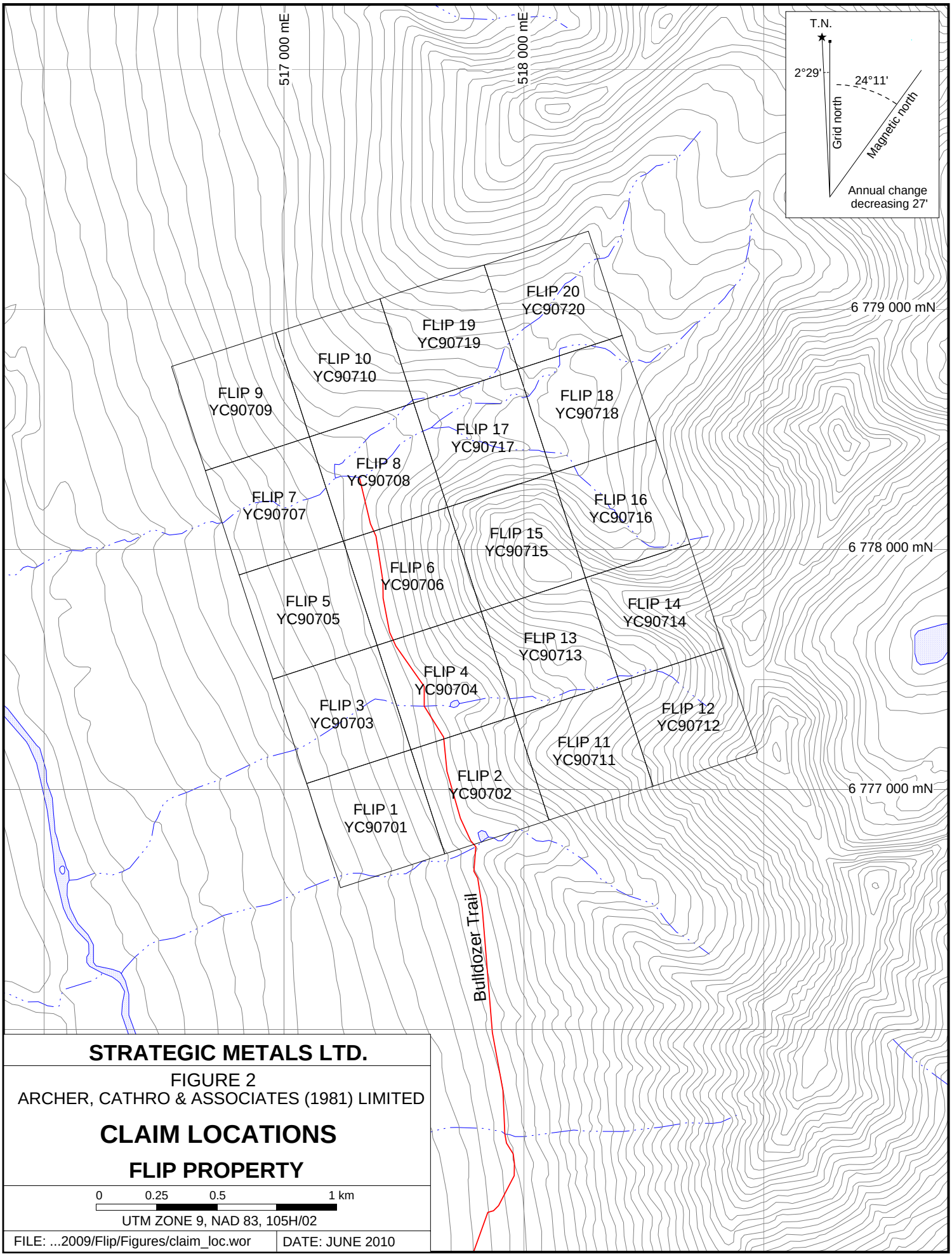

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FIGURE 2
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

CLAIM LOCATIONS

FLIP PROPERTY

0 0.25 0.5 1 km

UTM ZONE 9, NAD 83, 105H/02

FILE: ...2009/Flip/Figures/claim_loc.wor | DATE: JUNE 2010

The property was optioned by Montana Mines Ltd. in spring 1968 and, for some reason, was restaked as the Flip, KF and DF claims a few months later. Montana Mines conducted linecutting, soil geochemical sampling, and ground magnetic and electromagnetic surveys during summer 1969 (Fulcher, 1969). Wellington Consolidated Mining Ltd. staked claims in the area in 1970 but there is no record of work performed or results obtained. The area was restaked in 1973 as the Joker claims by J.C. Turner, but once again there was no work reported.

In 1976 Cominco Ltd. restaked the area as the MTO claims, and in 1977 it carried out induced polarization/apparent resistivity and total field magnetic surveys over part of the claim block (Scott, 1977). This program was followed up with bulldozer trenching in 1979 (Mawer, 1979). Cominco briefly optioned the property to Canamax Resources Inc. in 1986.

In 1989 A. Black and L. Steigenberger staked Lance claims and in 1994 they expanded the property with more Lance and Cox claims, before optioning it to Snowdrift Minerals Inc. In 1994, Snowdrift funded rock and soil geochemical sampling by Amerlin Exploration Services Ltd. (Verley, 1994), petrographic studies by Vancouver Petrogrpahic Ltd. (Northcote, 1994) and horizontal loop electromagnetic and total field magnetic surveys by Amerok Geophysics (Power, 1994). In 1996, Reward completed 246 m of diamond drilling in two NQ holes (Verley, 1996), then abandoned its option.

In 1999, Gee-Ten Ventures Inc. optioned the Lance claims from Black and Steigenberger. It performed 439 m of NQ diamond drilling in 5 holes before dropping its option (Verley, 1999).

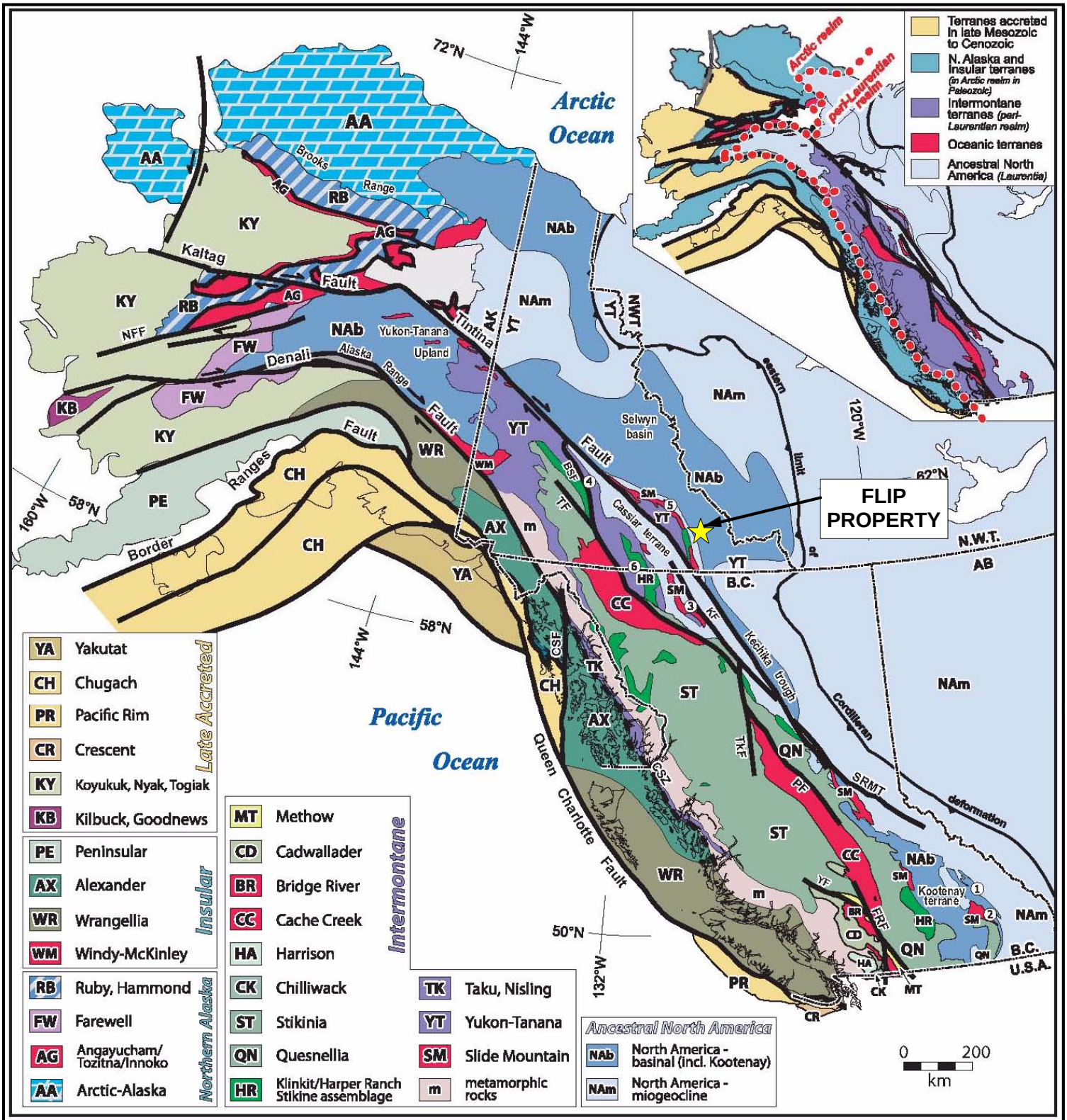
Strategic Metals Ltd. restaked the property as the Flip claims in July 2009.

GEOMORPHOLOGY

The Flip property is situated in Logan Mountains within the Liard River watershed. It covers a series of westerly flowing streams on the west side of the Dolly Varden creek valley. Dolly Varden is a major, south flowing tributary of the Hyland River.

The western part of the property covers well-forested, gently sloping valley floor that gradually steepens to the east as it rises into alpine terrain. Elevations range from about 1200 m on the valley floors to 1700 m on the ridges to the east. The main showing is in a thickly vegetated area at about 1300 m. The Dolly Varden Valley has received both continental-scale and valley glaciation. The valley floor and lower slopes exhibit glacial and glaciofluvial features. Where trenching has been done glacial outwash ranges from a few metres to several metres thick. In subalpine areas overburden is thinner and typically consists of immature soils and talus. Geomorphology has not been mapped in detail. Outcrop is rare at lower elevations but there are numerous exposures on ridges.

Vegetation mainly consists of spruce and balsam forests at lower elevations, which become sparser and more stunted at high elevation before giving way to buck brush and slide alder at higher elevations. Treeline is at about 1500 m.



After Nelson and Colpron, 2007

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FIGURE 3

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

TECTONIC SETTING

FLIP PROPERTY

FILE: ...2009/Flip/Tectonic.wor	DATE: JUNE 2010

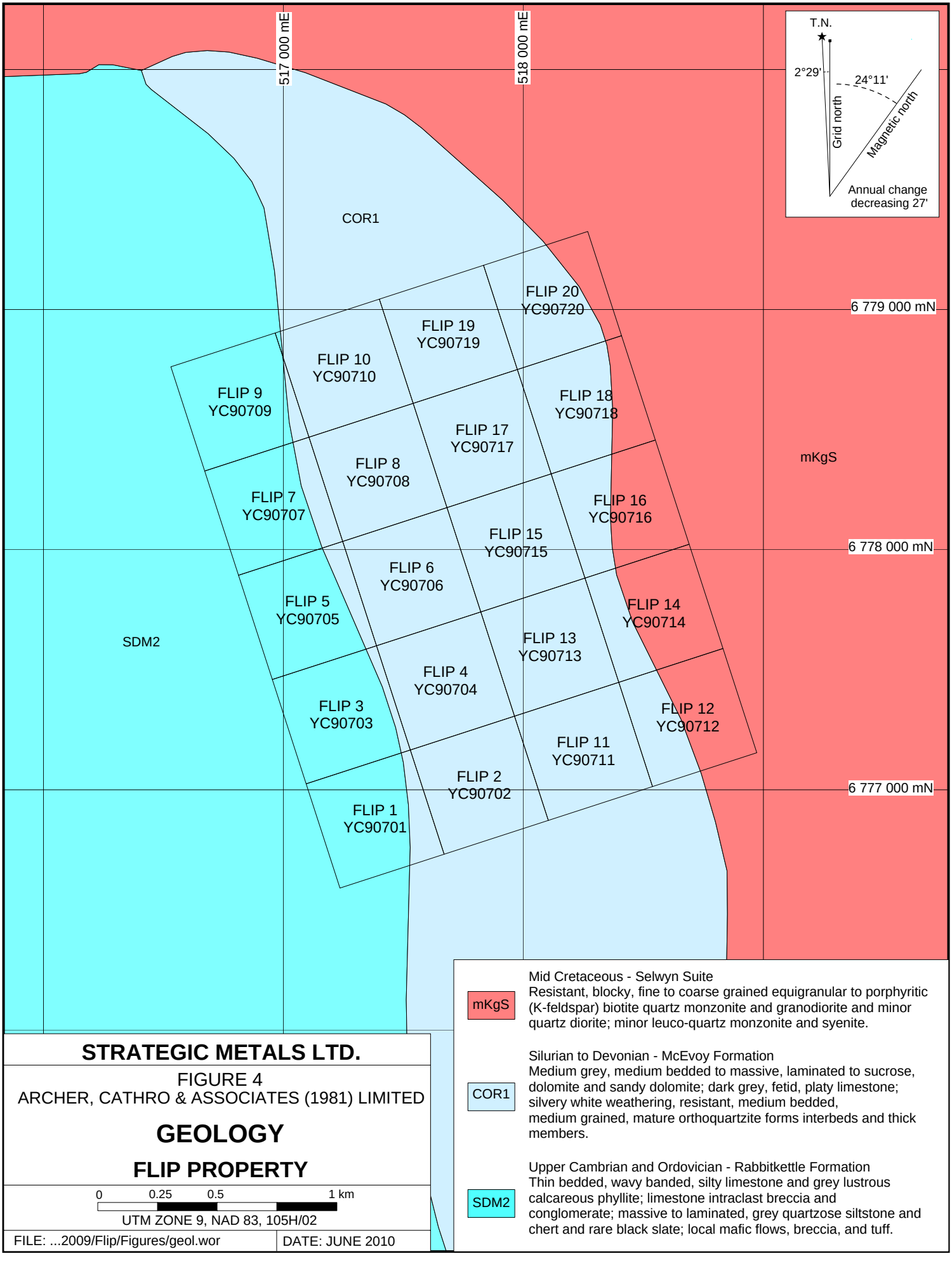

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FIGURE 4
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

GEOLOGY

FLIP PROPERTY

0 0.25 0.5 1 km

UTM ZONE 9, NAD 83, 105H/02

FILE: ...2009/Flip/Figures/geol.wor | DATE: JUNE 2010

mKgS — Mid Cretaceous - Selwyn Suite
Resistant, blocky, fine to coarse grained equigranular to porphyritic (K-feldspar) biotite quartz monzonite and granodiorite and minor quartz diorite; minor leuco-quartz monzonite and syenite.

COR1 — Silurian to Devonian - McEvoy Formation
Medium grey, medium bedded to massive, laminated to sucrose, dolomite and sandy dolomite; dark grey, fetid, platy limestone; silvery white weathering, resistant, medium bedded, medium grained, mature orthoquartzite forms interbeds and thick members.

SDM2 — Upper Cambrian and Ordovician - Rabbitkettle Formation
Thin bedded, wavy banded, silty limestone and grey lustrous calcareous phyllite; limestone intraclast breccia and conglomerate; massive to laminated, grey quartzose siltstone and chert and rare black slate; local mafic flows, breccia, and tuff.

GEOLOGY

The Flip property is located approximately 90 km northeast of the Tintina Fault within a miogeoclinal stratigraphic sequence that ranges from Proterozoic to Paleozoic in age (Figure 3). The stratigraphy was dominantly comprised of fine clastic and carbonate sediments. The miogeoclinal prism was deformed by during Late Paleozoic and Mesozoic accretion of island arc and ocean floor assemblages. During this compressional event peri-allocthonous units of the Yukon-Tanana and Slide Mountain terranes were thrust northeasterly over the miogeoclinal units of Selwyn Basin. Cretaceous and Tertiary (?) age plutons intruded autocthonous and peri-allocthonous assemblages resulting in contact metamorphism that locally overprints low grade, regional burial metamorphism.

Three units are shown to outcrop on the property on the most recent regional-scale geological compilation (Yukon Geological Services, 2010). Two of the units are highly deformed sediments of the miogeocline and the third comprises of granite rocks of the Mt. Billings Batholith. The sediments are part of a large raft or roof pendant within the batholith.

The basal sediments, which surface in the western part of the property, are assigned to the Upper Cambrian and Ordovician Rabbitkettle Formation (Figure 4). Regionally this unit comprises: thin bedded, wavy banded, silty limestone and grey lustrous calcareous phyllite; limestone, intraclast breccias and conglomerate; massive to laminated, grey quartzose siltstone and chert and rare black slate; and local mafic volcanic flows, breccias and tuff.

The central part of the property is shown on regional-scale maps to be underlain by Silurian to Devonian strata of the McEvoy Formation; however, property-scale mapping suggests that rocks in this area more likely belong to the Rabbitkettle Formation. Property maps indicate that McEvoy Formation rocks outcrop south of the property. The McEvoy Formation typically contains: medium grey, medium bedded to massive, laminated to sucrose, dolomite and sandy dolomite; dark grey, fetid, platy limestone; and, silvery white weathering, resistant, medium bedded, medium grained, mature orthoquartzite that forms interbeds and thick members.

The granitic rocks are found in the eastern part of the property. They are assigned to the Mid-Cretaceous Selwyn Suite, which regionally features: resistant, blocky, fine to coarse grained equigranular to porphyritic (K-feldspar) biotite quartz monzonite, granodiorite and minor quartz diorite; and minor leuco-quartz monzonite and syenite.

Some property-scale mapping has been done by previous operators (Mawer, 1979 and Verley, 1994), but relatively little detail data is available outside of the trenching area. The following summary is based on descriptions presented in Verley (1999).

The sediments on the property are highly deformed and regional metamorphosed. They mainly consist of phyllite and very fine grained schist (collectively “Phyllite”). Quartzite layers ranging from 1 to 9 m thick occur within the Phyllite. These layers are collectively described as “Quartzite”.

The Phyllite is medium to dark grey and contains 0.5 to 2 cm thick, white to pale grey quartz-rich interbeds. In some areas quartz-rich interbeds comprise more than 25% of the Phyllite. Finely disseminated pyrite and pyrrhotite are common in the Phyllite, and it is characteristically rusty weathering near the intrusive contact in the eastern part of the property.

The Quartzite is typically white to pale grey and fine grained. Contacts with the surrounding Phyllite are sharp and are often sheared. Some sections of the Quartzite are calcareous and occasionally wollatonite is present. Silver-lead-zinc±copper-tungsten mineralization is found in diopside bearing horizons within Quartzite.

Two phases of folding have been recognized in the sediments. F1 deformation has produced small-scale recumbent, isoclinals folds that have been observed in trenches and drill holes. These features are interpreted as being related to a large south-verging recumbent isocline. F2 deformation has produced a dome in the Quartzite and is further marked by kinking of foliation along north-northeast axes.

The granitic rocks are blocky grey-weathering, biotite-hornblende bearing, medium-grained equigranular to weakly porphyritic quartz monzonite. Near the contact with the Phyllite, the quartz monzonite is often rusty weathering and contain some pyrrhotite-rich areas. The intrusive contact is about 500 m east of the main mineralized zone (Creek Zone). Hydrothermal fluids associated with the intrusion are thought to be responsible for the skarnification and related sulphide mineralization.

MINERALIZATION

Silver-lead-zinc±copper-tungsten mineralization is associated with skarnified Quartzite at the Creek Zone. The mineralization was first discovered in glacially dispersed, float boulders up to 5 tonnes in size. Subsequently it has been located in bedrock in bulldozer trenches and diamond drill holes.

Grab and chip samples from float boulders taken by various operators (Aikens et al 1968) and Fulcher, 1969, Mawer, 1979 and Verley 1994) were mostly analyzed for silver, lead, zinc and copper. These samples yielded encouraging results ranging between 52.8 and 610.3 g/t silver, 5.2 to 13.3% lead, 5.8 to 18.5% zinc and 0.16% to 2.38% copper. Gold grades, where available, are mostly reported as trace, but one value of 140 ppb was obtained. Only about half the samples were analyzed for tungsten and they graded between 0.08% and 0.73% WO_3.

Trenching intermittently exposed the mineralized horizon at the Creek Zone for a length of 100 m. Attempts to trace the horizon further along strike were unsuccessful due to increased thickness of overburden. Where exposed, the mineralized skarns are best developed in the upper part of the approximately 9 m thick quartzite horizon, which dips moderately (25° to 43°) southeasterly toward the intrusive contact. The top of the skarnified horizon is a 76 to 100 cm thick band of quartz-rich material containing only minor diopside, hedenbergite and sulphides. This band grades downward into a thicker, dark green calc-silicate rich band. That band contains more sulphides and ranges from about 30 cm to 300 cm thick. It is mainly composed of diopside and hedenbergite but also features rare garnet that is commonly altered to chlorite. Epidote is

sometimes associated with sulphide rich sections. Below the dark calc-silicate band is another narrow quartz rich band. This lowest band contains wollastonite and minor sulphides.

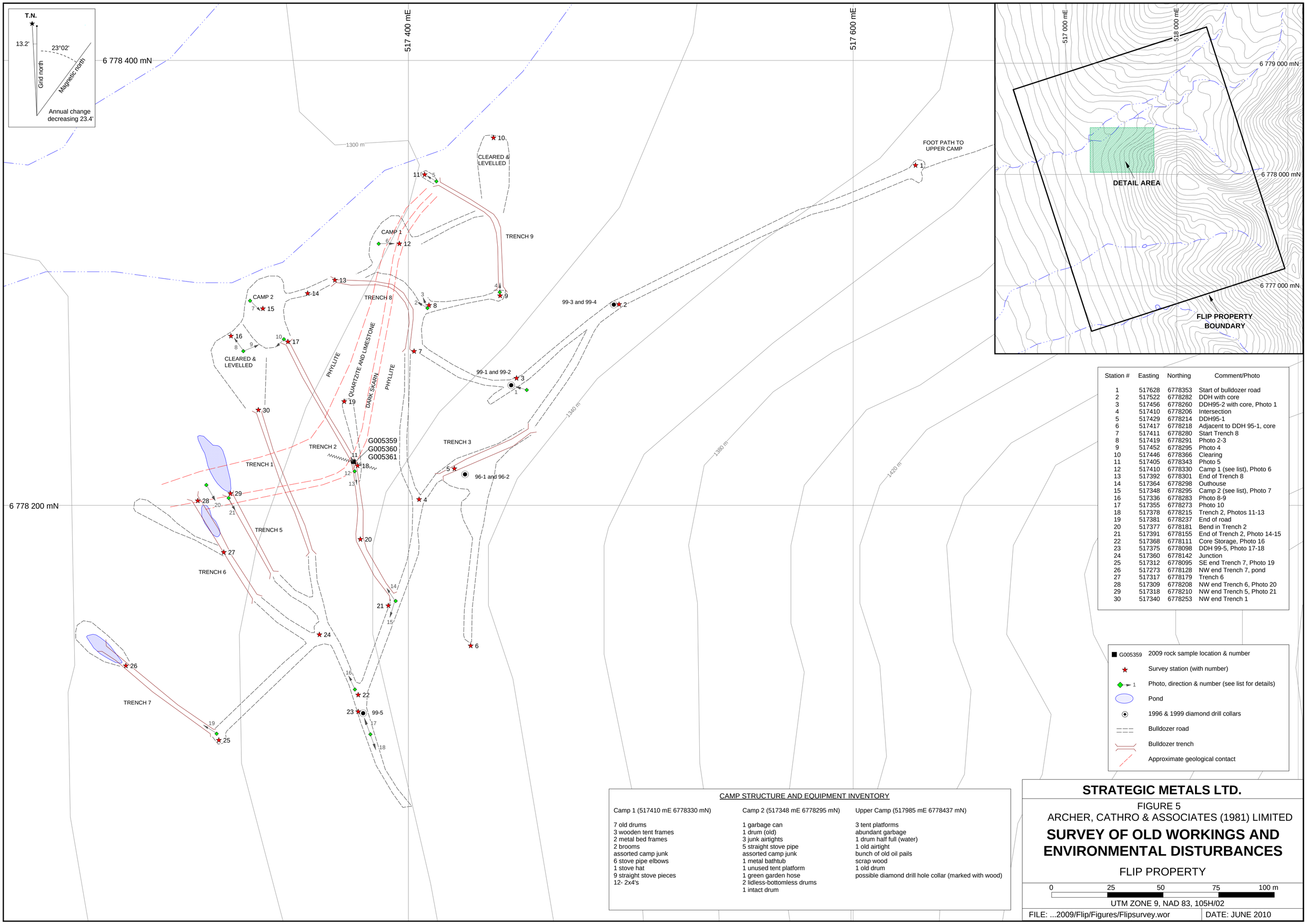
Sphalerite and galena occur as disseminations and fine to medium grained, irregularly shaped, intergrown masses. Chalcopyrite forms discrete blebs and small patchy clots. Pyrrhotite appears as small, euhedral to anhedral grains and clusters that are often wholly or partially altered to pyrite or marcasite. The tungsten mineral is scheelite, which occurs as fine grains. Chip and grab samples were previously collected from the bulldozer trenches by Cominco (Mawer 1979) and Amerlin (Verley, 1994). In 2009, Strategic Metals collected three additional grab samples and submitted them for multi-element analysis in order to better establish the geochemical signature of the mineralization. Descriptions of the samples taken by Strategic Metals appear in Appendix II while their locations are shown on Figures 5. Certificates of Analysis are in Appendix III. Sample handling and analytical procedures are described in Appendix IV.

The 2009 results are compiled on Table II, along with the most significant results obtained by previous workers from samples taken from trenches.

Table II: Significant Trench Sample Results

Sampler	Trench	Width (m)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	WO_3 (%)*	Au (ppb)
Cominco	1	3.0	85.7	4.20	4.75	0.72	0.14	N/A
Cominco	1	1.3	476.6	20.50	19.60	3.04	0.73	N/A
Amerlin	1	grab	95.0	2.36	4.00	0.02	0.11	71
Amerlin	1	grab	3.8	2.74	3.76	0.02	0.09	22
Cominco	2	2.0	65.1	5.56	4.75	0.74	0.72	N/A
Cominco	2	2.0	397.7	3.10	5.40	0.80	0.20	N/A
Amerlin	2	0.88	14.7	1.13	1.58	0.06	0.01	52
Amerlin	2	0.50	80.9	5.03	9.46	0.81	0.22	45
Amerlin	2	1.50	19.5	0.27	1.03	0.07	0.01	21
Strategic	2	grab	0.2	tr	tr	tr	-	14
Strategic	2	grab	63.1	5.10	5.05	0.02	0.08	92
Strategic	2	grab	5.1	0.14	0.17	tr	-	21
Cominco	8	1.50	13.0	1.08	0.20	0.02	0.07	N/A
Amerlin	8	1.00	tr	0.06	0.13	0.01	0.01	3
Amerlin	8	0.50	1.7	0.30	4.64	0.05	0.01	33
Cominco	9	2.7	0.3	0.23	0.17	-	-	N/A

* Amerlin and Strategic's tungsten results were obtained by partial digestion ICP analysis and likely do not accurately reflect total tungsten content.



Station #	Easting	Northing	Comment/Photo
1	517628	6778353	Start of bulldozer road
2	517522	6778282	DDH with core
3	517456	6778260	DDH95-2 with core, Photo 1
4	517410	6778206	Intersection
5	517429	6778214	DDH95-1
6	517417	6778218	Adjacent to DDH 95-1, core
7	517411	6778280	Start Trench 8
8	517419	6778291	Photo 2-3
9	517452	6778295	Photo 4
10	517446	6778366	Clearing
11	517405	6778343	Photo 5
12	517410	6778330	Camp 1 (see list), Photo 6
13	517392	6778301	End of Trench 8
14	517364	6778298	Outhouse
15	517348	6778295	Camp 2 (see list), Photo 7
16	517336	6778283	Photo 8-9
17	517355	6778273	Photo 10
18	517378	6778215	Trench 2, Photos 11-13
19	517381	6778237	End of road
20	517377	6778181	Bend in Trench 2
21	517391	6778155	End of Trench 2, Photo 14-15
22	517368	6778111	Core Storage, Photo 16
23	517375	6778098	DDH 99-5, Photo 17-18
24	517360	6778142	Junction
25	517312	6778095	SE end Trench 7, Photo 19
26	517273	6778128	NW end Trench 7, pond
27	517317	6778179	Trench 6
28	517309	6778208	NW end Trench 6, Photo 20
29	517318	6778210	NW end Trench 5, Photo 21
30	517340	6778253	NW end Trench 1

- G005359 — 2009 rock sample location & number
- Survey station (with number)
- 1 — Photo, direction & number (see list for details)
- Pond
- 1996 & 1999 diamond drill collars
- Bulldozer road
- Bulldozer trench
- Approximate geological contact

CAMP STRUCTURE AND EQUIPMENT INVENTORY

Camp 1 (517410 mE 6778330 mN)	Camp 2 (517348 mE 6778295 mN)	Upper Camp (517985 mE 6778437 mN)
7 old drums	1 garbage can	3 tent platforms
3 wooden tent frames	1 drum (old)	abundant garbage
2 metal bed frames	3 junk airtights	1 drum half full (water)
2 brooms	5 straight stove pipe	1 old airtight
assorted camp junk	assorted camp junk	bunch of old oil pails
6 stove pipe elbows	1 metal bathtub	scrap wood
1 stove hat	1 unused tent platform	1 old drum
9 straight stove pieces	1 green garden hose	possible diamond drill hole collar (marked with wood)
12- 2x4's	2 lidless-bottomless drums	
	1 intact drum	

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FIGURE 5

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

SURVEY OF OLD WORKINGS AND ENVIRONMENTAL DISTURBANCES

FLIP PROPERTY

0 25 50 75 100 m

UTM ZONE 9, NAD 83, 105H/02

FILE: ...2009/Flip/Figures/Flipsurvey.wor | DATE: JUNE 2010

Five of the seven drill holes that have been completed on the Flip property intersected one or more mineralized skarn horizon. All the holes were drilled down-dip of mineralization exposed in trenches at the Creek Zone. Table III summarizes drill results.

Table III: Significant Drill Results

Sampler	Hole	From (m)	To (m)	Length (m)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	WO_3 (%) *	Au (ppb)
Snowdrift	96-1	55.32	56.24	0.91	43.8	11.58	9.6	0.41	tr	140
Snowdrift	96-1	58.22	60.05	1.83	38.0	0.83	11.3	tr	0.03	115
Snowdrift	96-1	67.82	69.50	1.68	25.6	1.68	1.39	tr	tr	60
Snowdrift	96-2	65.23	65.53	0.30	45.8	4.48	5.18	tr	tr	tr
Reward	99-1	48.55	51.05	2.50	24.3	2.33	3.10	0.12	0.03	81
	incl.	50.14	50.38	0.24	248.0	16.90	21.40	1.18	tr	180
Reward	99-1	57.45	58.45	1.00	10.5	0.10	0.92	tr	0.06	645
Reward	99-1	68.89	72.72	3.83	21.9	0.17	0.98	tr	0.03	32
Reward	99-2	48.16	50.55	2.39	31.5	0.29	2.42	0.03	Tr	180
	99-2	69.04	70.47	1.43	52.55	2.19	3.07	0.27	0.02	210
	99-2	72.30	74.13	1.83	3.8	1.18	0.85	tr	0.02	12
Reward	99-3	73.24	74.37	1.13	15.6	0.08	2.84	0.03	0.20	85

* Snowdrift's and Reward's tungsten analyses were done by partial digestion ICP analysis and likely do not accurately reflect total tungsten content.

Multi-element analysis of drill core from the 1999 program suggests a closer relationship between gold and tungsten than with silver, lead, zinc or copper. Bismuth values are anomalous (up to 578 ppm) and are positively correlated with gold. Antimony values are surprisingly low (maximum 8 ppm) and only one arsenic value exceeded 65 ppm (282 ppm).

Lead isotope analyses that were done on samples from the Flip property at the University of British Columbia (two galena samples from 55.62 m and 68.58 m in hole 96-1) returned ^{206} Pb/ ^{204} Pb ratios of 19.44159 and 19.46115 and ^{207} Pb/ ^{204} Pb of 15.73011 and 15.73775. These ratios indicate that the mineralization has a model age of less than 70 million years (Verley, 1999).

SURVEY OF OLD WORKINGS

During the 2010 site visit, Global Position Satellite (GPS) readings were taken at thirty sites scattered throughout the old workings. Most of the GPS readings were taken at old drill collars, at easily recognized points in old trenches, within old campsites or at prominent points along connecting trails. When plotted the GPS readings agree very closely with old workings maps (Figure 5).

ENVIRONMENTAL DISTURBANCES

In addition to the clearings related to the old workings, several types of debris from old programs were discovered and documented at three old camp sites. The material found at each site is listed on a table entitled "Camp Structure and Equipment Inventory", which appears as an inset of Figure 5. Appendix V contains annotated photographs of the various disturbances and debris.

CONCLUSIONS

Although known trench exposures and drill intercepts are sub-economic in size and grade, the abundance of well mineralized float and relatively difficult exploration conditions caused by deep overburden suggest that better mineralization could be found. Earlier explorers paid little attention to gold and tungsten and, given the large distance from the pluton and relatively small area explored to date, these metals could be much more abundant in other parts of system.

The Flip property is located in a belt of rocks that hosts lead-zinc-silver and tungsten skarn deposits and it has a favourable geological setting with reactive units of the Rabbitkettle Formation intruded by a Selwyn Suite pluton. Although it is not directly road accessible, the Flip property is much closer to the existing infrastructure than most comparable occurrences in other parts of Yukon.

Respectfully submitted

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

Heather Smith, P. Geo.

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Yukon Geological Survey
2010 Government of Yukon, 2010; www.geology.gov.yk.ca.

APPENDIX I

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Heather Smith, geologist, with business addresses in Vancouver, British Columbia and Whitehorse, Yukon Territory and residential address at #604-175 West 1 Street, North Vancouver, British Columbia, V7M 3N9 do hereby certify that:

1. I graduated from the University of British Columbia in 2006 with a B. Sc in Geological Sciences.

2. From 2004 to present, I have been actively engaged in mineral exploration in the 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 150000).

4. I have personally participated in the fieldwork reported herein and have interpreted all data resulting from this work.

Heather Smith, P.Geo.

APPENDIX II

ROCK SAMPLE DESCRIPTIONS

Rock Sample Descriptions Project: Flip Property: Flip **NAD83**

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
G005369	UTM: 517 375	E	UTM: 6 778 220	N	Sample Width: 0.75 m	Abundance:
	Elevation:	m				

Comments: Chip on hanging wall of quartz-diopside skarn.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
G005360	UTM: 517 375	E	UTM: 6 778 220	N	Sample Width: 0.65 m	Abundance:
	Elevation:	m				

Comments: Composite chip sample of strongly mineralized quartz-diopside skarn. True width unknown.

Sample Number:	Grid East:	E	Grid North:	N	Type:	Dimension:
G005361	UTM: 517 375	E	UTM: 6 778 220	N	Sample Width: 0.75 m	Abundance:
	Elevation:	m				

Comments: Chip of quartz-diopside skarn hosting local disseminated pyrite.

APPENDIX III

CERTIFICATES OF ANALYSIS

ALS Chemex
EXCELLENCE IN ANALYTICAL CHEMISTRY
ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alschemex.com

To: STRATEGIC METALS LTD.
C/O ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
1016-510 W HASTINGS ST
VANCOUVER BC V6B 1L8

Finalized Date: 12-OCT-2009
Account: MTT

CERTIFICATE VA09107922

Project: FLIP

P.O. No.:

This report is for 3 Rock samples submitted to our lab in Vancouver, BC, Canada on 29-SEP-2009.

The following have access to data associated with this certificate:

AL ARCHER VANCOUVER OFFICE	DOUG EATON BILL WENGZYNOWSKI	JOAN MARIACHER

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
LOG-21	Sample logging - ClientBarCode
CRU-31	Fine crushing - 70% <2mm
SPL-21	Split sample - riffle splitter
PUL-31	Pulverize split to 85% <75 um

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Pb-OG46	Ore Grade Pb - Aqua Regia	VARIABLE
Au-ICP21	Au 30g FA ICP-AES Finish	ICP-AES
ME-ICP41	35 Element Aqua Regia ICP-AES	ICP-AES
ME-OG46	Ore Grade Elements - AquaRegia	ICP-AES
Zn-OG46	Ore Grade Zn - Aqua Regia	VARIABLE

To: STRATEGIC METALS LTD.
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VANCOUVER BC V6B 1L8

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:

Colin Ramshaw, Vancouver Laboratory Manager

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Finalized Date: 12-OCT-2009
Account: MTT

Project: FLIP

CERTIFICATE OF ANALYSIS VA09107922

Sample Description	Method / Analyte / Units / LOR	WEI-21 Recvd Wt. kg 0.02	Au-ICP21 Au ppm 0.001	ME-ICP41 Ag ppm 0.2	ME-ICP41 Al % 0.01	ME-ICP41 As ppm 2	ME-ICP41 B ppm 10	ME-ICP41 Ba ppm 10	ME-ICP41 Be ppm 0.5	ME-ICP41 Bi ppm 2	ME-ICP41 Ca % 0.01	ME-ICP41 Cd ppm 0.5	ME-ICP41 Co ppm 1	ME-ICP41 Cr ppm 1	ME-ICP41 Cu ppm 1	ME-ICP41 Fe % 0.01
G005359		1.00	0.014	0.2	0.36	60	<10	30	1.5	7	6.77	<0.5	1	12	2	0.63
G005360		1.30	0.092	63.1	2.07	32	<10	20	5.7	125	10.10	350	20	6	219	8.85
G005361		1.50	0.021	5.1	0.70	125	<10	30	1.3	20	6.43	10.2	1	10	36	1.16

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Project: FLIP

Finalized Date: 12-OCT-2009
Account: MTT

CERTIFICATE OF ANALYSIS VA09107922

Sample Description	Method	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41
	Analyte	Ga	Hg	K	La	Mg	Mn	Mo	Na	Ni	P	Pb	S	Sb	Sc	Sr
	Units	ppm	ppm	%	ppm	%	ppm	ppm	%	ppm	ppm	ppm	%	ppm	ppm	ppm
	LOR	10	1	0.01	10	0.01	5	1	0.01	1	10	2	0.01	2	1	1
G005359		<10	<1	0.18	10	0.05	1240	1	0.01	3	140	12	0.04	<2	4	159
G005360		10	<1	0.04	20	0.34	15050	1	0.01	3	10	>10000	8.09	13	28	274
G005361		<10	1	0.19	<10	0.36	1920	1	0.02	2	110	1700	0.16	<2	4	84

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Project: FLIP

Finalized Date: 12-OCT-2009
Account: MTT

CERTIFICATE OF ANALYSIS VA09107922

Sample Description	Method	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	Zn-OG46	Pb-OG46
	Analyte	Th	Ti	Tl	U	V	W	Zn	Zn	Pb
	Units	ppm	%	ppm	ppm	ppm	ppm	ppm	%	%
	LOR	20	0.01	10	10	1	10	2	0.001	0.001
G005359		<20	<0.01	<10	<10	6	<10	43		
G005360		<20	<0.01	<10	<10	21	630	>10000	5.10	5.05
G005361		<20	<0.01	<10	<10	11	<10	1360		

APPENDIX IV

SAMPLE HANDLING AND ANALYTICAL PROCEDURES

2009 Rock and Trench Samples

All 2009 rock sample locations were recorded using hand-held GPS units and were marked with orange flagging tape labelled with the sample number. Trenches were surveyed with a nylon chain and an inclinometer. Sample intervals were marked at both ends with orange flagging tied around rocks. The sample number was written on the flagging at the start of the sample interval.

The rock samples were sent to ALS Chemex in North Vancouver, British Columbia where they were dried and fine crushed to better than 70% passing 2 mm. A 250 g split was then pulverized to better than 85% passing 75 micron. A portion of this material was digested in aqua regia and analysed for 35 elements by inductively coupled plasma-atomic emission spectroscopy (ME-ICP41). Another portion was used to produce a 30 g charge that was analyzed for gold by fire assay followed by inductively coupled plasma (Au-ICP21).

APPENDIX V

PHOTOGRAPHS

PHOTOS FROM 2010 SURVEY OF OLD WORKINGS AND ENVIRONMENTAL DISTURBANCES AT FLIP PROPERTY

Photo 1. View of 99-1 and 99-2 drill collars.

Photo 2. View of northwest limb of Trench 8.

Photo 3. View of Camp 1.

Photo 4. View of Trench 9.

Photo 5. Surveying northwest end of Trench 9.

Photo 6. Old structures at Camp 1.

Photo 7. Old structures at Camp 2.

Photo 8. Old structures and drums at Camp 2.

Photo 9. Old stovepipe at Camp 2.

Photo 10. Old drums at southern end of Camp 2.

Photo 11. View of northern end of Trench 2.

Photo 12. Geologist sampling skarn band in Trench 2.

Photo 13. View of southern end of Trench 2.

Photo 14. View of southern end of Trench 2.

Photo 15. View of road at southern end of Trench 2.

Photo 16. View of road to northwest of drill collar 99-5.

Photo 17. View of 99-5 drill collar.

Photo 18. View down property access road.

Photo 19. View of Trench 7.

Photo 20. View of geologist prospecting between Trenches 5 and 6.

Photo 21. Skarn boulder on edge of Trench 5.

Photo 22. View of entire area of old workings.

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

AFFIDAVIT

I, Joan Mariacher, of Vancouver, B.C. make oath and say:

That to the best of my knowledge the attached Statement of Expenditures for exploration work on the Flip 1-20 mineral claims on Claim Sheet 105H/2 is accurate.

Joan Mariacher

Sworn before me at Vancouver, B.C.

this 26th day of March 2010.

Barrister & Solicitor
IAN J. TALBOT
Barrister & Solicitor
281 East 5th Street
North Vancouver
British Columbia
Canada V7L 1L8

Statement of Expenditures
Flip 1-20 Mineral Claims
March 26, 2010

Labour

D. Eaton (geologist) September 2009 – 4 hrs @ $100/hr	$ 420.00
S. Eaton (geologist) September 19, 2009 – 1/2 day @ $560/day	294.00
H. Smith (geologist) September 19, 2009 – 1/2 day @ $560/day	294.00
M. Turner (geologist) September 19, 2009 – 1/2 day @ $560/day	294.00
	1,302.00

Expenses

Capital Helicopters plus fuel	3,040.72
ALS Chemex	82.74
Big Horn Hotel – rooms and meals	347.59
	3,471.05

Total $4,773.05

CAPITAL HELICOPTERS (1995) INC.
Suite 3 - 25 Pilgrim Place, Whitehorse, Y.T. Y1A 6E6
Phone: (867) 668-6200 Fax: (867) 668-6201
capitalheli@polarcom.com

Charter and Contract Service

INVOICE

NO. 11224

DATE 22/09/2009

PAGE 1 of 1

SOLD TO
Archer Cathro
Suite 1016, 510 West Hastings
Vancouver, B. C. V6B 1L8

SHIP TO
Archer Cathro
Suite 1016, 510 West Hastings
Vancouver, B. C. V6B 1L8

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	GST	PST	UNIT PRICE	AMOUNT
Sept. 15	Ferry 2.3	hrs	YXY-Watson Lake	G		1,025.00	2,357.50
Sept. 16	2.8	hrs Boya	WL-Grave Yard L area-WL	G		1,025.00	2,870.00
Sept. 17	3.2	hrs Scurvy - 4c	WL-Shootamook Cr area-Scurvy Cr-Forsee-Black L-WL	G		1,025.00	3,280.00
Sept. 18	2.0	hrs Boya - Zeh	WL-Airplane L area-Grave Yard L area-WL	G		1,025.00	2,050.00
Sept. 19	3.5	hrs Flip - Fin	WL-Frances L-Dolly Varden L-WL	G		1,025.00	3,587.50
Sept. 20	2.7	hrs Berg	WL-Berg Cr L-WL	G		1,025.00	2,767.50
Sept. 21	Mol - 0.6 5.1	hrs 3.1 - Bolt - Fairway	WL-Bolt-Finlayson-Sheldon-Ross R-Morley-Teslin	G		1,025.00	5,227.50
	262.6	ltrs	fuel@YXY	G		1.35	354.51
	1,774.8	ltrs	fuel@Watson Lake	G		1.48	2,626.70
			G - GST 5.00%			25121.21	
			GST				1,256.09

POSTED

Capital Helicopters (1995) Inc. GST: #899587984

Thank You! Your Business Is Appreciated! Fuel Price includes Federal and Yukon Tax

COMMENTS

TOTAL 26,377.30

1256.09
✓ Berg - 3140.55
✓ Bolt - 1802.68
✓ Boya - 5280.10
✓ Zeinox - 2663.31
✓ Fin - 2895.92
✓ ~~Flip - 2895.92~~ 3040.72
✓ 4C - 186.08
✓ Mor - 697.81
✓ Scurvy - 4396.22
✓ Zep - 1163.02
26377.30

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Willow Printers Whitehorse

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VANCOUVER BC V6B 1L8

INVOICE NUMBER 1970748

BILLING INFORMATION

Certificate:	**VA09107922**
Sample Type:	**Rock**
Account:	**MTT**
Date:	**12-OCT-2009**
Project:	FLIP
P.O. No.:	
Quote:	
Terms:	**Net 30 Days** C1
Comments:	

QUANTITY	ANALYSED FOR CODE -	DESCRIPTION	UNIT PRICE	TOTAL
3	PREP-31A	Crush, Split, Pulverize	5.04	15.12
3.80	PREP-31A	Weight Charge (kg) - Crush, Split, Pulverize	0.52	1.98
3	Au-ICP21	Au 30g FA ICP-AES Finish	10.61	31.83
3	ME-ICP41	35 Element Aqua Regia ICP-AES	4.72	14.16
1	ME-OG46	Ore Grade Elements - AquaRegia	1.58	1.58
1	Zn-OG46	Ore Grade Zn - Aqua Regia	1.58	1.58
1	Pb-OG46	Ore Grade Pb - Aqua Regia	1.58	1.58
3	GEO-AR01	Aqua regia digestion	2.35	7.05
1	ASY-AR01	Assay Aqua Regia Digestion	3.92	3.92

Flip NAD

SUBTOTAL (CAD)	$	78.80
R100938885 GST	$	3.94
TOTAL PAYABLE (CAD)	$	**82.74**

To: **STRATEGIC METALS LTD.**
ATTN: ACCOUNTS PAYABLE
C/O ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
1016-510 W HASTINGS ST
VANCOUVER BC V6B 1L8

Payment may be made by: Cheque or Bank Transfer

Beneficiary Name:	ALS Canada Ltd.
Bank:	Royal Bank of Canada
SWIFT:	ROYCCAT2
Address:	Vancouver, BC, CAN
Account:	003-00010-1001098

Please Remit Payments To :
ALS Chemex
2103 Dollarton Hwy
North Vancouver BC V7H 0A7