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ASSESSMENT REPORT

describing

AERIAL PHOTOGRAPHY

Work performed on July 15, September 10 and September 13, 2013

at the

MICHELLE PROPERTY

Michelle, M, US, ZN, Hot, H, OT and NS Claims

NTS 116A/13, 116B/16 & 116H/04
Latitude 64°58' N; Longitude 137°44' W

Mayo and Dawson Mining Districts
Yukon Territory

prepared by

Archer, Cathro & Associates (1981) Limited

for

STRATEGIC METALS LTD.

by

H. Burrell, B.Sc., P.Geol.

March 2014

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INTRODUCTION

The Michelle property covers several carbonate-hosted, lead-, silver- and gallium-bearing, non-sulphide and sulphide zinc prospects. It is located in central Yukon and is owned by Strategic Metals Ltd.

This report describes an aerial photography survey that was flown over the Michelle property between July 15 and September 13, 2013. Archer, Cathro & Associates (1981) Limited contracted Underhill Geomatics Ltd., of Whitehorse, Yukon to perform the work through a sub-contractor, Geographic Air Survey Ltd. of Edmonton, Alberta., on behalf of Strategic Metals. The author supervised the program, and her Statement of Qualifications is in Appendix I. A Statement of Expenditures is located in Appendix II.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The Michelle property is located in central Yukon, approximately 130 km north-northeast of Dawson City, at latitude 64°58' north and longitude 137°44' west on NTS map sheets 116A/13, 116B/16 and 116H/04 (Figure 1).

The property comprises a total of 782 contiguous mineral claims covering approximately 15,900 ha (159 sq km). Four hundred and six of the claims lie within the Mayo Mining District, while the other 376 claims are located in the Dawson Mining District. All claims are registered in the name of Archer Cathro, which holds them in trust for Strategic Metals. Claim data are listed below, while the locations of individual claims are shown on Figure 2.

<u>Mining District</u>	<u>Claim Name</u>	<u>Claim Number</u>	<u>Grant Number</u>	<u>Expiry Date*</u>
Mayo	Michelle	1-2	YC50208-YC50209	March 26, 2024
		3-20	YC56625-YC56664	March 26, 2023
		21-60	YC56625-YC56664	March 26, 2023
		61-90	YC57212-YC57241	March 26, 2020
		91-96	YC68288-YC68293	March 26, 2021
	M	1-12	YC69793-YC69804	March 26, 2021
		19-126	YC69811-YC69918	March 26, 2021
	US	1-42	YC69663-YC69704	March 26, 2021
	ZN	1-148	YC70337-YC70484	February 26, 2020
	Dawson	Hot	1-11	YC62420-YC62430
12			YC62957	March 26, 2024
13-22			YC63033-YC63042	March 26, 2023
H		1-68	YC75530-YC75597	March 26, 2021
		69-88	YC75598-YC75617	March 26, 2025
		89-159	YC75618-YC75688	March 26, 2025
OT		1-30	YC76067-YC76096	March 26, 2021
NS		1-165	YC76298-YC76462	March 5, 2019

* Expiry dates include 2013 work that has been filed for assessment credit, but not yet accepted.

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FIGURE 1
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED




PROPERTY LOCATION

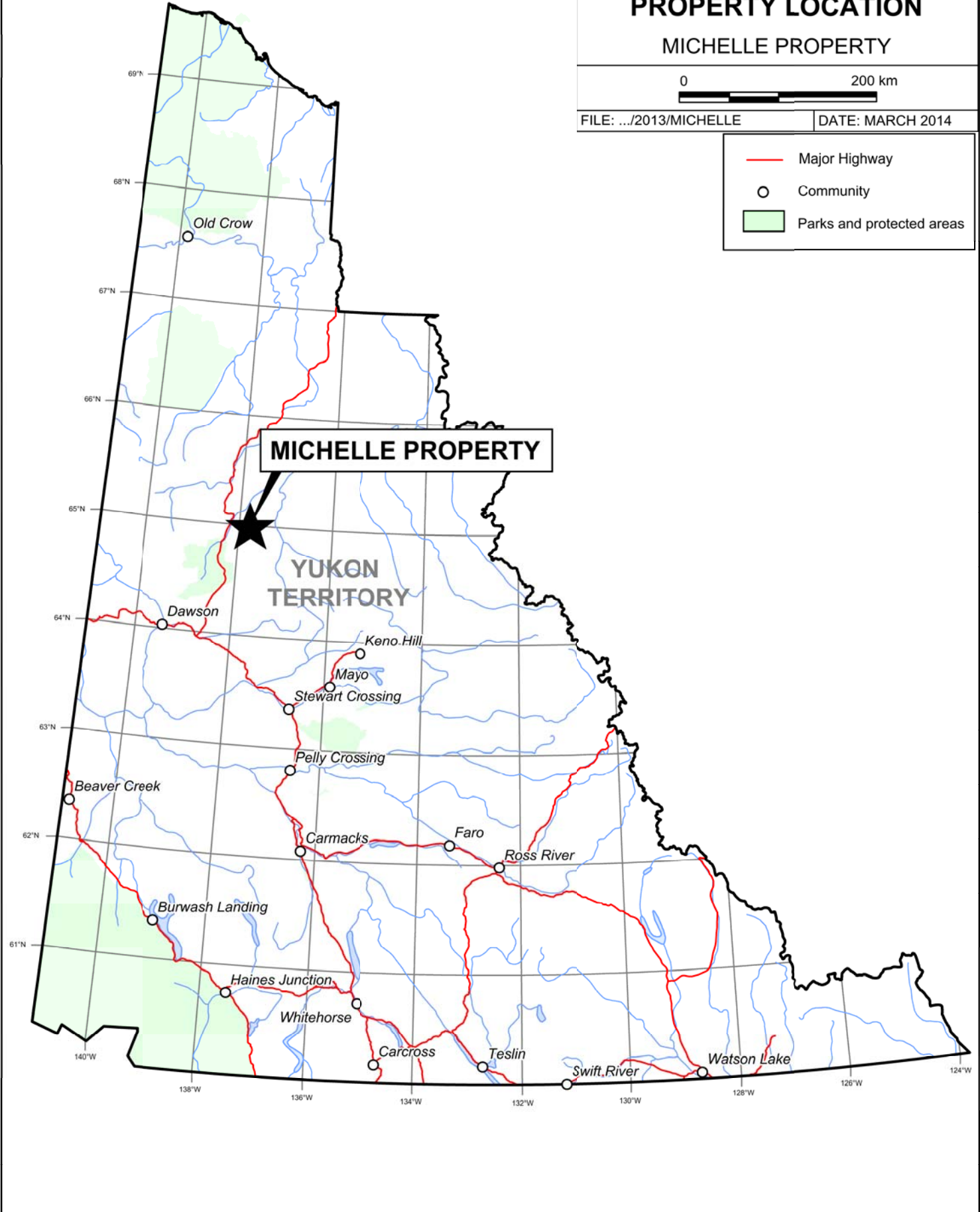
MICHELLE PROPERTY



FILE: .../2013/MICHELLE

DATE: MARCH 2014

-  Major Highway
-  Community
-  Parks and protected areas



The Michelle property lies within the traditional territory of the Tr'ondëk Hwëch'in and Nacho Nyak Dun first nations, which have concluded land claim agreements with Canada and Yukon.

Previous workers accessed the property using a variety of helicopters operated by Fireweed Helicopters from its permanent base in Dawson City. Exploration programs on the property were conducted from small fly camps on the property or a larger tent frame camp located at the Tr'ondëk Hwëch'in campsite at Km 130 on the Dempster Highway. Some crew and equipment access to the property was from the Chapman Lake airstrip (Km 116 on the Dempster Highway) located 25 km to the west.

The 2013 aerial photography surveys were flown from the Whitehorse airport.

HISTORY AND PREVIOUS WORK

An area in the easternmost part of the current Michelle property was initially staked in 1974 by Dynasty Exploration Limited to cover the headwaters of a small stream that was highly anomalous in zinc and lead (Dean, 1975). That year, Dynasty carried out prospecting, geological mapping and geochemical sampling, which led to the discovery of two gossanous zones.

Another part of the current property, about five kilometres to the west, was also staked by Dynasty in 1974 (the two claim groups were not contiguous). Those claims were explored by mapping and hand trenching (Dean and Carne, 1974). In 1975, the claims were transferred to Cyprus Anvil Mining Corp. and were further explored by geochemical sampling, mapping and hand trenching.

In 2001, two Archer Cathro geologists spent one day prospecting in the vicinity of the old Dynasty claim blocks. A number of rock samples were collected but no claims were staked.

In 2006, three Archer Cathro geologists spent another day prospecting in the area of the former eastern claim block, on behalf of Strategic Metals. Numerous limonite specimens, some with residual galena, were picked up in a creek bed and returned highly anomalous values for zinc, lead and silver. Prospecting at the time was limited by extensive snow cover. The area was briefly re-examined later that summer and was staked as the Michelle 1-20 claims. The limonite was traced to one of the two gossanous zones discovered by Dynasty.

The Michelle property was sold to Zinccorp by Strategic Metals in March 2007. The claim block was then expanded from 20 to 112 claims. That summer, Archer Cathro completed geochemical sampling, prospecting, geological mapping and a total of 853.13 m of diamond drilling in seven holes, on behalf of Zinccorp. Prospecting and geochemical sampling identified several showings, of which the Gully and Peak zones are the most prominent. Drilling, which was confined to the Gully Zone, revealed fracture- and breccia-hosted, carbonate replacement style, wholly or partially oxidized zinc-lead-silver-gallium mineralization. Full details pertaining to this program can be found in Eaton (2008).

During the 2008 and 2009 exploration seasons, Zinccorp performed geological mapping, prospecting, geochemical sampling and diamond drilling. Full reports of the work performed by Zinccorp in 2008 and 2009 can be found in Eaton (2009) and Mann (2010).

GEOMORPHOLOGY

The Michelle property is located in the Ogilvie Mountains of central Yukon Territory. It is drained by creeks that flow into the Hart and Blackstone rivers and ultimately into the Arctic Ocean via the Peel and Mackenzie rivers.

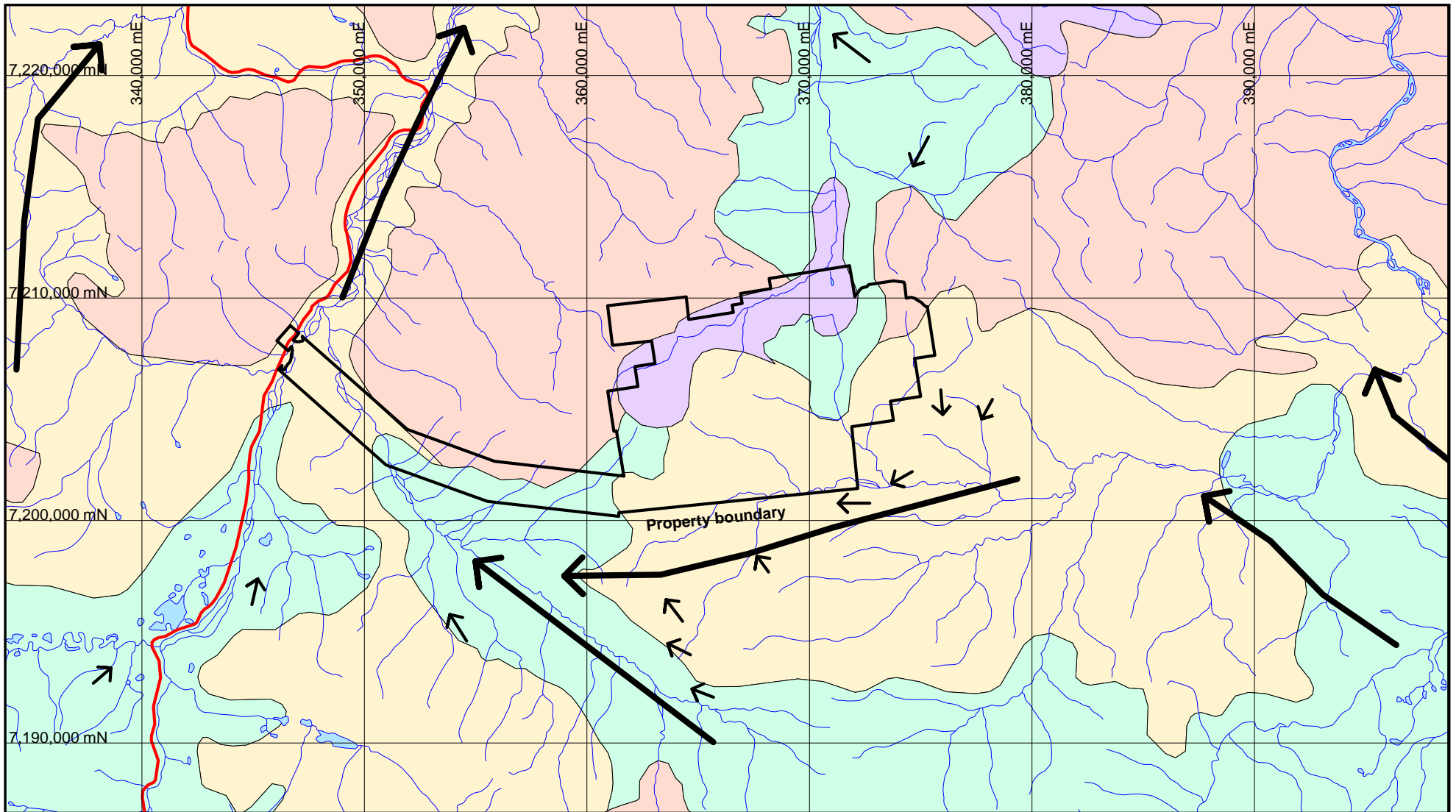
The geomorphological setting is gentle to rugged, sub-alpine to alpine terrain with local elevations ranging from about 900 to 1850 m. The property features blocky talus slopes and castellated ridge crests at higher elevations and broad valleys at lower elevations. Mountaintops are bare and most slopes are sparsely vegetated, which can contribute to flash flooding during heavy rains. The larger creek valleys contain aspen, white and black spruce, tamarack and tundra (Pyle et al., 2007). Water supply is variable in the area, with good flow rates throughout summer where creek beds are near bedrock but little or no surface flow in areas of deep unconsolidated material. A few creeks contain bright orange iron-oxyhydroxide precipitates.

The property straddles the boundary between historically glaciated and unglaciated terrain (Figure 3). Two continental ice sheets (Laurentide and Cordilleran) covered much of North America in the Quaternary Period. The maximum advance of the Laurentide Ice Sheet terminated a considerable distance to the east and did not directly affect the geomorphology of the property. The Cordilleran Ice Sheet covered most of central and southern Yukon. It advanced at least four times between 2.5 Ma (million years ago) and 11 Ka (thousand years ago); however, deposits of only the last two glaciations (Reid – 300 to 200 Ka – and McConnell – 25 to 12 Ka) can be distinguished today. Deposits from older glaciations are collectively referred to as “pre-Reid.” The Ogilvie Mountains were generally unglaciated during these advances; however, because the Michelle property is located adjacent to a broad valley, it was likely subjected to advancements and retreats of the Cordilleran Ice Sheet (Pyle et al., 2007). There is definitely evidence of alpine glaciation in north-facing cirques on the property. The general flow directions in the Ogilvie Mountains were westerly and northerly (away from the main body of the glacier), but local flow out from tributary valleys was variable in direction (Figure 3).

REGIONAL GEOLOGY

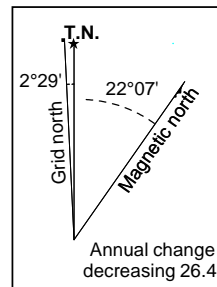
The Michelle property is located within Mackenzie Platform (Figure 4), a tectonic element comprising episodic miogeoclinal sediments deposited on the west side of North America from Early Paleozoic through to Paleozoic times.

The property lies 25 km north of the Dawson Thrust Fault, which separates Selwyn Basin to the south from Mackenzie Platform to the north. This fault was a crustal break of probable Cambrian age that formed the edge of Selwyn Basin, and later reactivated as a north directed thrust (Pyle et al., 2007).



HISTORICAL GLACIATIONS

- McConnell (ca. 22 Ka)
 - Reid (ca. 200 Ka)
 - Pre-Reid (ca. 3 Ma)
 - Unglaciated
-
- Dempster Highway
 - Local flow direction
 - Regional flow direction



STRATEGIC METALS LTD.	
FIGURE 3 ARCHER, CATHRO & ASSOCIATES (1981) LIMITED	
REGIONAL GLACIAL EXTENTS	
MICHELLE PROPERTY	
UTM ZONE 8, NAD 83, 116A/13, 116B/16, 116H/04	
FILE: .../2013/MICHELLE	DATE: MARCH 2014

STRATEGIC METALS LTD.

FIGURE 4

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

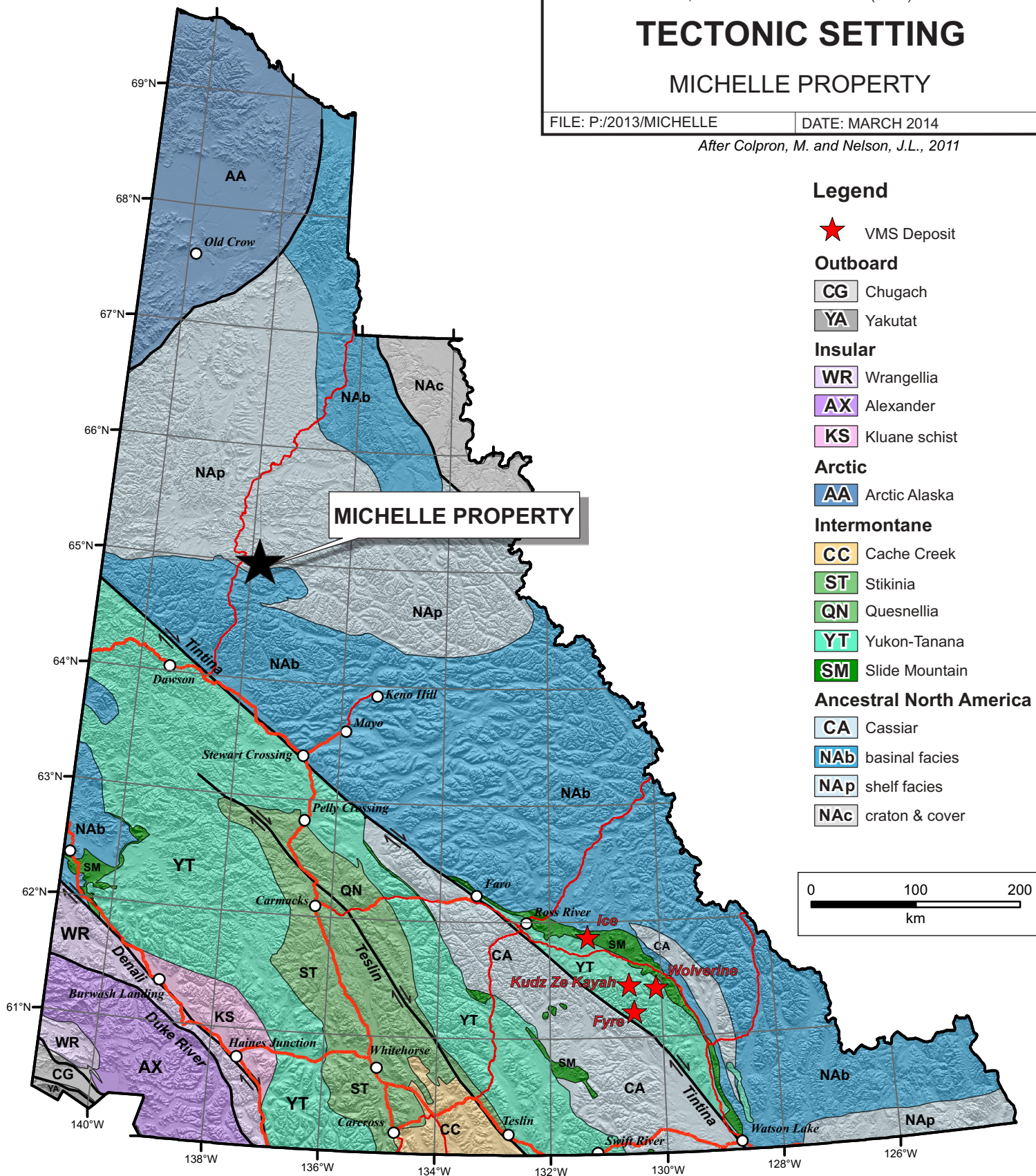
TECTONIC SETTING

MICHELLE PROPERTY

FILE: P:2013/MICHELLE

DATE: MARCH 2014

After Colpron, M. and Nelson, J.L., 2011



Legend

★ VMS Deposit

Outboard

CG Chugach

YA Yakutat

Insular

WR Wrangellia

AX Alexander

KS Kluane schist

Arctic

AA Arctic Alaska

Intermontane

CC Cache Creek

ST Stikinia

QN Quesnellia

YT Yukon-Tanana

SM Slide Mountain

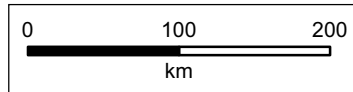
Ancestral North America

CA Cassiar

NAb basinal facies

NAp shelf facies

NAc craton & cover



The geology in the region consists of five sedimentary units classified by Gordey and Makepeace (1999) as Quartet Group, Gillespie Lake Group, Road River Group, Bouvette Formation and Earn Group (Figure 5). Lower Proterozoic Quartet and Gillespie Lake groups, which belong to the Wernecke Supergroup, are exposed in a series of windows scattered across the region. Road River and Earn groups typically epitomize Selwyn Basin, while Bouvette Formation is characteristic of Mackenzie Platform. Quartet Group consists primarily of grey-brown, relatively unmetamorphosed shale and siltstone that are often strongly folded. Those deep water sediments are overlain by orange-brown Gillespie Lake Group dolostone and shallow water clastic sediments. Gently folded, massive dolostone and limestone of Upper Cambrian to Lower Devonian Bouvette Formation unconformably overlie the Lower Proterozoic sediments. Bouvette Formation carbonates are locally overlain by a thin tongue of Ordovician to Lower Devonian Road River Group black shale and chert, which was deposited when Selwyn Basin briefly flooded on Mackenzie Platform. Black siltstone and chert pebble conglomerate of the Devonian to Mississippian Earn Group overlie Road River Group sediments (Pyle et al., 2007). The five units are described in greater detail in the following table.

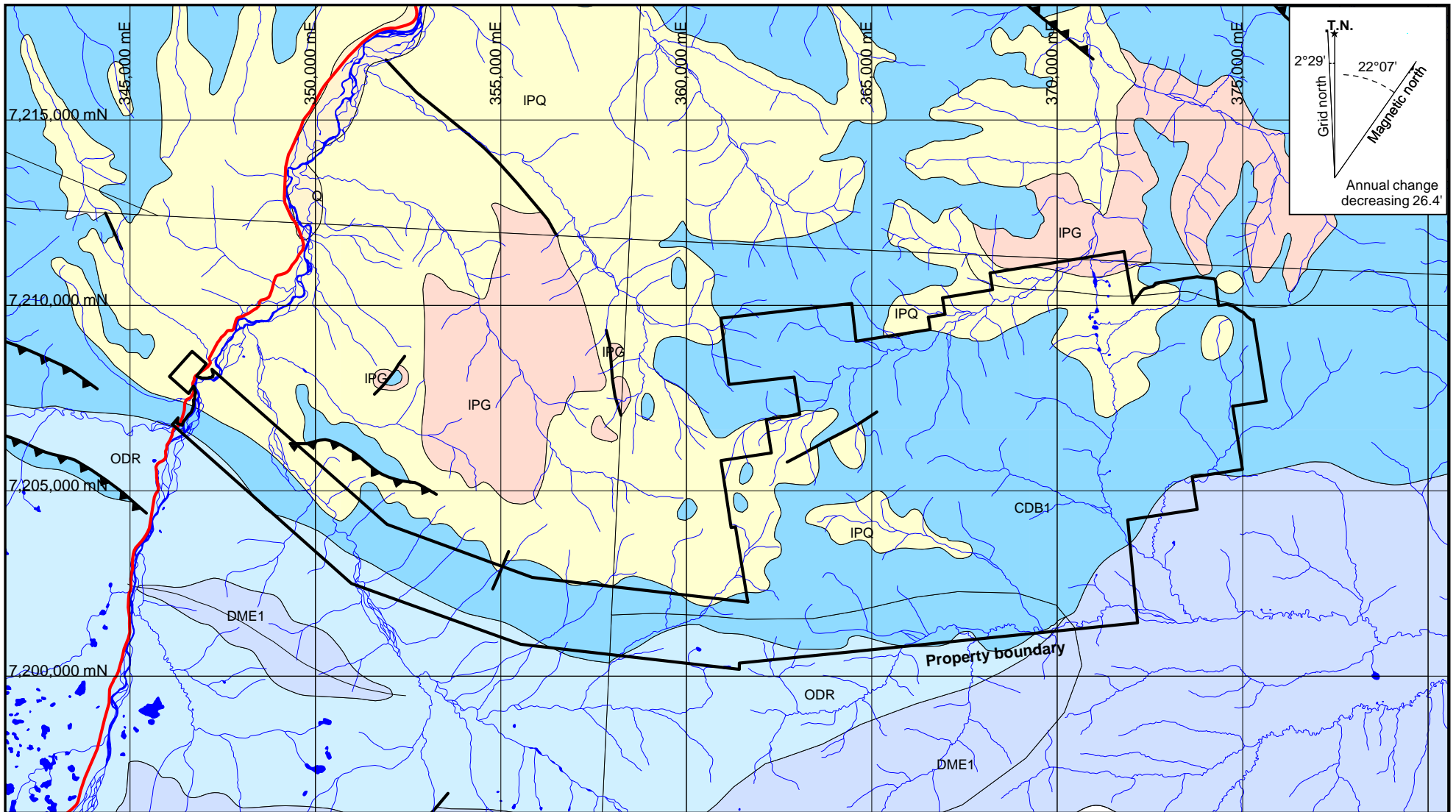
Table I - Lithological Units (after Gordey and Makepeace, 1999)

Unit Name	Map Name	Age	Description
Earn Group	DME1	Devonian and Mississippian	Complex assemblage of submarine fan and channel deposits with slate, chert-quartz arenite and wacke, chert pebble conglomerate, siltstone, barite and rare limestone.
Road River Group	ODR	Ordovician to Lower Devonian	Black shale and chert.
Bouvette Formation	CDB1	Upper Cambrian to Lower Devonian	Medium to thick bedded or massive dolostone and limestone, minor argillaceous limestone, limestone conglomerate and black shale.
Unconformity			
Gillespie Lake Group	IPG	Lower Proterozoic	Dolostone and silty dolostone, locally with chert nodules and sparry karst infillings, interbedded with lesser siltstone, shale, mudstone and sandstone.
Quartet Group	IPQ	Lower Proterozoic	Black weathering shale, finely laminated dark grey weathering siltstone, and thinly to thickly interbedded, light grey weathering siltstone and fine grained sandstone.

PROPERTY GEOLOGY

No systematic property-scale geological mapping has been done by Strategic Metals or Zinccorp; however, detailed mapping has been performed near some of the mineralized zones.

Quartet Group sediments are mapped at regional-scale by the Yukon Geologic Survey, within many low areas on the property (Gordey and Makepeace, 1999), but limited examinations conducted by Strategic Metals suggest that some of these sediments exhibit features that are



- DME1 Earn Group: thin bedded, laminated slate with thin to thickly interbedded chert-quartz arenite and wacke, chert pebble conglomerate, siliceous siltstone and barite.
- ODR Road River-Selwyn: black shale and chert.
- CDB1 Bouvette Fmtn: medium to thick bedded or massive dolomite and limestone, minor argillaceous limestone, limestone conglomerate and black shale.
- IPG Gillespie Lake Group: dolostone and silty dolotone, interbedded with lesser black siltstone, shale, mudstone and sandstone.
- IPQ Quartet Group: shale, finely laminated siltstone and thin to thickly interbedded siltstone and fine grained sandstone.

- Fault
- Dempster Highway

STRATEGIC METALS LTD.	
FIGURE 5 ARCHER, CATHRO & ASSOCIATES (1981) LIMITED	
REGIONAL GEOLOGY	
MICHELLE PROPERTY	
UTM ZONE 8, NAD 83, 116A/13, 116B/16, 116H/04	
FILE: .../2013/MICHELLE	DATE: MARCH 2014

After Gordey and Makepeace, 1999

more akin to the clastic units of Gillespie Lake Group. As such, the Lower Proterozoic unit(s) exposed on the property is referred to as Unit 1. This unit comprises flaggy, rusty weathering dolomitic siltstone with minor interbedded silty dolomite, very fine grained dolomitic sandstone and greenish weathering argillite. The property is roughly bordered to the south by sediments of Road River and Earn groups.

Unit 1 is unconformably overlain by Bouvette Formation sediments (Unit 2). Dynasty reports that the unconformity is nearly flat lying (Dean, 1975). Unit 2 comprises most of the outcrop on the property and consists of grey weathering, light grey, fetid, sparry dolostone with locally abundant chert and limestone. Bedding orientations in this unit indicate that it is dominated by open, east-trending folds. All known zinc, lead and silver mineralization on the property is contained within Unit 2. Northerly- and easterly-trending faults mapped in Unit 2 appear to have acted as channelways for mineralizing fluids.

MINERALIZATION

Prospecting and geochemical sampling have identified 17 named showings and several isolated occurrences within an 11 km long by up to 8 km wide belt that trends easterly across the eastern half of the Michelle property (Figure 5). Most of the showings are marked by weak gossans located on or near ridge crests, where the softer mineralized rocks are least likely to be covered by harder unmineralized talus. Mineralization consists almost exclusively of cavity-, fracture- and/or breccia-hosted, secondary oxide minerals, predominantly limonite and smithsonite. Visually, it is often difficult to determine relative percentages of these two minerals and, as such, visual grade estimates are unreliable. Rare residual galena with a cerussite or anglesite envelope is present in some showings. Relatively unoxidized sulphide (consisting of nearly massive sphalerite, galena and pyrite with a coating of hydrozincite) was only observed in two locations (Dynasty and Silver Matt showings). No detailed mineralogical studies have been completed on any of the mineralization.

Although most of the mineral showings appear to be hosted in moderately to steeply dipping zones that trend easterly or northerly, some stratabound mineralization has been observed (Gully Zone and Dynasty Showing).

A mineralized sample from an uncertain location on the property was submitted to the Department of Geological Sciences at the University of British Columbia by Dynasty for lead isotope dating. Results showed markedly radiogenic lead, which is typical of MVT deposits. The sample likely reflects a Devonian-Mississippian age of formation because it falls on the line of young carbonate deposits (Godwin et al., 1988).

The thresholds used to define weakly, moderately and strongly anomalous values for zinc, lead, silver and gallium are listed on Table II along with peak values for those elements.

Table II - Thresholds for Surface Rock Samples

Element	Weak	Moderate	Strong	Peak Value
Zinc	1.00 < 2.00%	≥ 2.00 < 10.00%	≥ 10.00%	47.40%
Lead	0.50 < 2.00%	≥ 2.00 < 10.00%	≥ 10.00%	81.70%
Silver	20 < 50 ppm	≥ 50 < 200 ppm	≥ 200 ppm	2,300 g/t
Gallium	50 < 100 ppm	≥ 100 < 200 ppm	≥ 200 ppm	1, 120 ppm

Six idealized sub-types of mineralization have been developed for the Michelle property based on leached cap, in situ oxidation and supergene enrichment. The criteria for categorizing mineralization are summarized on Table III.

Table III - Criteria for Categorizing Mineralization Types

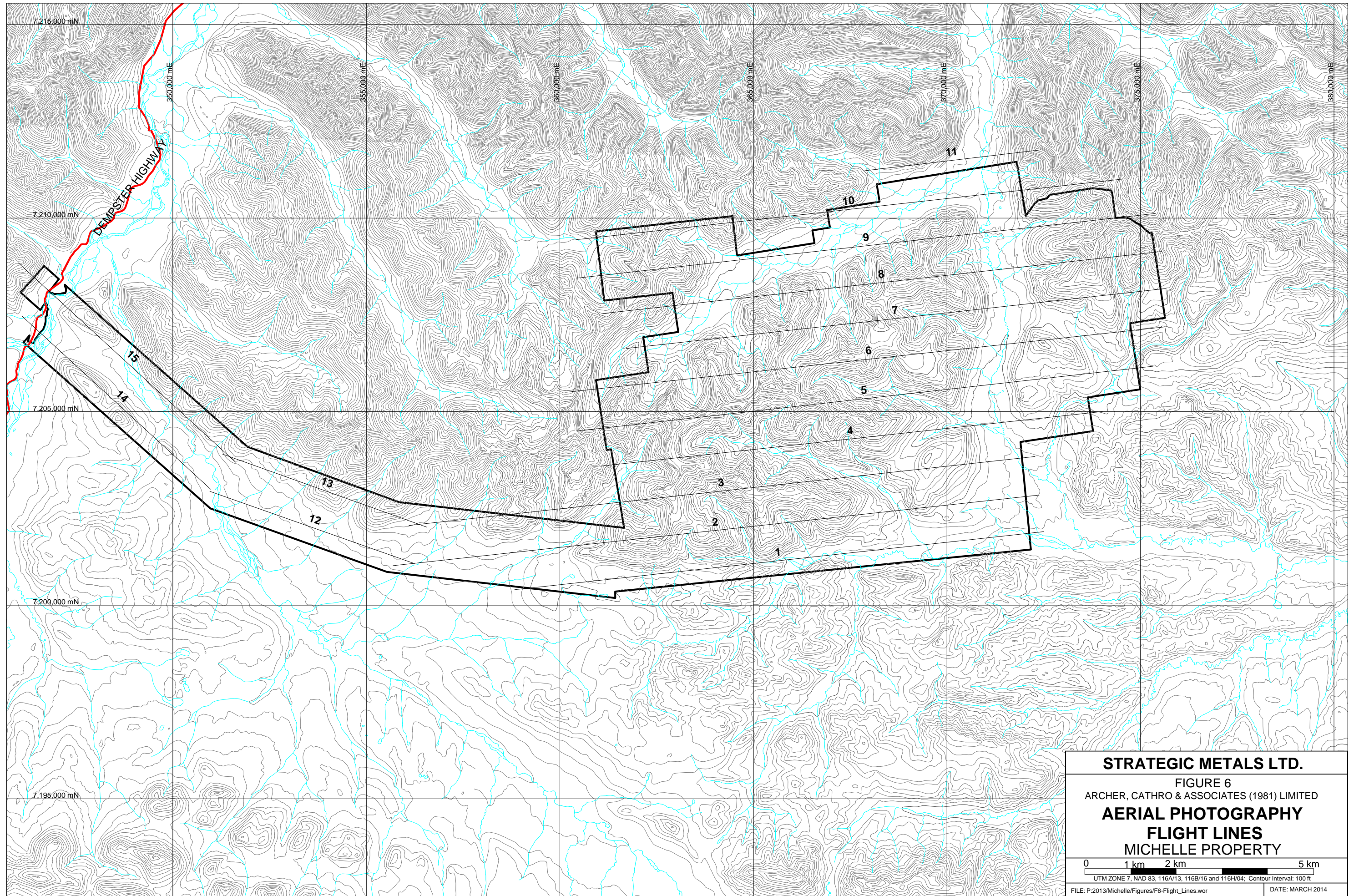
Mineralization Type	Criteria
Weak leached cap	Zn (0 < 2%), Fe (< 10 %) Pb (< 1%), Ag (< 50 ppm) and Ga (< 50 ppm) unless reported otherwise.
Leached cap	Zn (0 < 5 %), Fe (≥ 10%) Pb (< 1%), Ag (< 50 ppm) and Ga (< 50 ppm) unless reported otherwise.
Weak in situ oxidation	Zn + Pb (< 5%), Fe (< 10%) Weak Ag and Ga Relative proportion of Zn : (Pb + Fe) about 50:50
In situ oxidation	Zn + Pb (≥ 5%) Ag and Ga variable, reported if ≥ 50 ppm for either. Substantial Pb and/or Fe.
Weak supergene enrichment	Zn (≥ 1%) Relative proportion of Zn : (Pb + Fe) at least 60:40. Weak Pb, Ag and Ga.
Supergene enrichment	Zn (≥ 10%) Relative proportion of Zn : (Pb + Fe) at least 80:20. Weak Pb, Ag and Ga.

Zinc is the most widespread metal on the property and is a significant component in all of the showings. Lead and silver are abundant in showings that form the core of an eleven kilometre long, east-trending band that extends through the centre of the property. Strong gallium values were obtained from some of the showings within this band. Sporadic, highly elevated germanium, indium, bismuth and molybdenum values are locally present within the various showings. A few areas of nearly massive, non-sulphide bearing barite have also been reported.

AERIAL PHOTOGRAPHY

On July 15, September 10 and September 13, 2013 Underhill Geomatics flew aerial photography over the Michelle property on behalf of Strategic Metals. Flight lines are shown on Figure 6 while Appendix III contains digital air photo files.

The aerial photographs will be extremely useful for identifying areas with colour anomalies (gossans) that likely mark mineral showings and, linear features that may represent recessive structural zones. The air photos may also be used to produce detailed (2 to 10 m) orthorectified



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FIGURE 6
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
**AERIAL PHOTOGRAPHY
FLIGHT LINES
MICHELLE PROPERTY**

0 1 km 2 km 5 km
UTM ZONE 7, NAD 83, 116A/13, 116B/16 and 116H/04; Contour Interval: 100 ft

FILE: P:2013/Michelle/Figures/F6-Flight_Lines.wor DATE: MARCH 2014

contour maps. These detailed topography maps are required for deposit modelling and preliminary analysis of potential ground access routes. In spring 2014, a thorough compilation and re-evaluation of all historical data will be undertaken using the air photos.

DISCUSSION AND CONCLUSIONS

The Michelle property lies within the Mackenzie Platform, a tectonic element that hosts a number of zinc±lead±silver MVT deposits but relatively few documented non-sulphide zinc deposits. Reconnaissance-scale exploration on the property has identified a large mineralized system that hosts at least 17 non-sulphide and sulphide zinc showings within an 11 km long by up to 8 km wide belt.

Previous work has produced encouraging results and the property definitely warrants additional work to better assess the character and extent of the known mineralization and to explore for new discoveries. The work program should consist of: 1) field surveying to permit orthorectification of air photos and generation of detailed contour maps; 2) property-wide structural and stratigraphic mapping; 3) continued reconnaissance- and detail-scale prospecting and soil geochemical sampling; 4) systematic hand trenching guided by on-site XRF analyses; 5) closely spaced drill holes wherever high grade zones are exposed in trenches; 6) preparation of high-, medium- and low-grade assay standard samples for quality control, using coarse rejects from drill core; and, 7) design and implementation of mineralogical studies and preliminary metallurgical testing to establish recoverability of zinc, lead, silver, gallium, germanium and indium through a combination of dense medium, flotation and hydrometallurgical techniques.

Respectfully submitted,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED



Heather Burrell, P.Geol.

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APPENDIX I
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Heather Burrell, geologist, with business addresses in Vancouver, British Columbia and Whitehorse, Yukon Territory and residential address in Squamish, British Columbia do hereby certify that:

1. I graduated from the University of British Columbia in 2006 with a B.Sc in Earth and Ocean 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 Professional Geoscientist (P.Ge.) with the Association of Professional Engineers and Geoscientists of British Columbia (Member Number 34689).
4. I am a partner in Archer, Cathro & Associates (1981) Limited.
4. I have personally supervised the fieldwork reported herein and have interpreted all data resulting from this work.



H. Burrell, B.Sc., P.Ge.

APPENDIX II
STATEMENT OF EXPENDITURES

Statement of Expenditures
Michelle Project
Hot, H, NS, Ot, M, Michelle, US, ZN Mineral Claims
February 24, 2014

Labour

W.D. Eaton – geologist – March - February 19 hrs at \$120/hr	\$ 2,394.00
H. Burrell – geologist – March - February 12 hrs at \$96/hr	1,209.60
S. Drechsler – geologist – March - February 10 hrs at \$96/hr	1,008.00
A. Carne – engineer – March - February 1 hr at \$85/hr	89.25
R. Drechsler – office – March - February 1 hr at \$74/hr	77.70
J. Mariacher – office– March - February 17 ¾ hrs at \$90/hr	1,677.38
S. Newman – office – March - February 13 ½ hrs at \$62/hr	<u>878.85</u>
	7,334.78

Expenses (incl. management)

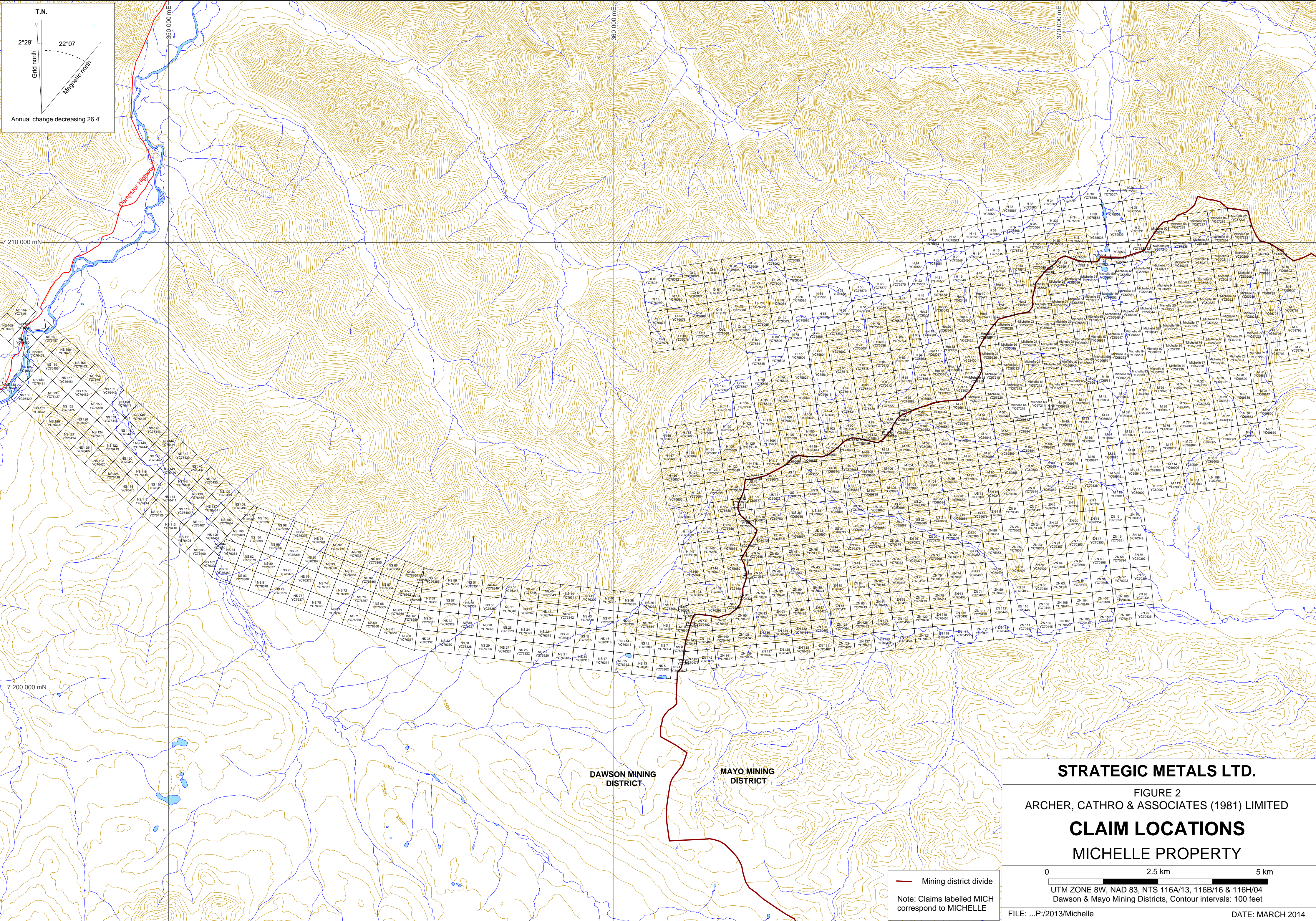
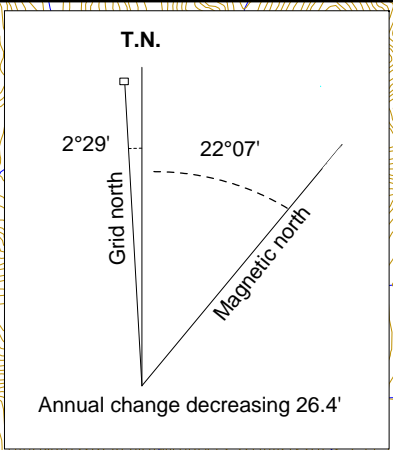
Underhill Geomatics Ltd.	<u>49,896.00</u>
	\$ 49,896.00

Total \$ 57,230.78

Pro-rated	
Dawson Mining District	\$ 27,470.77
Mayo Mining District	\$ 29,760.01

APPENDIX III
DIGITAL AERIAL PHOTOGRAPHS

This appendix is contained in digital format in the data folder.



STRATEGIC METALS LTD.

FIGURE 2
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

CLAIM LOCATIONS
MICHELLE PROPERTY

0 2.5 km 5 km

UTM ZONE 8W, NAD 83, NTS 116A/13, 116B/16 & 116H/04
Dawson & Mayo Mining Districts, Contour intervals: 100 feet

FILE: ...P:/2013/Michelle DATE: MARCH 2014

— Mining district divide

Note: Claims labelled MICH correspond to MICHELLE