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ASSESSMENT REPORT

describing

PROSPECTING AND GEOCHEMICAL SAMPLING

Field work performed August 13 to 17, 19 and 20, 2016

at the

EUREKA PROPERTY

Eureka 1-56	YC12951-YC13006
57-60	YC13701-YC13704
73-84	YC13717-YC13728
97-112	YC13741-YC13756
121-182	YC13765-YC13826
189-202	YC13833-YC13846
203-258	YD07463-YD07518
259-270	YD07909-YD07920
273-276	YD07923-YD07926
277-354	YD07927-YD08004
370-380	YD08020-YD08030
390-411	YD08040-YD08061

NTS 115O/10 and 115O/07
Latitude 63°32'N; Longitude 138°52'W

in the

Dawson Mining District
Yukon Territory

prepared by
Archer, Cathro & Associates (1981) Limited

for

STRATEGIC METALS LTD.

by
H. Burrell, P.Geol.
October 2016

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INTRODUCTION

The Eureka property is located in the Dawson Range Gold Belt (DRGB) of western Yukon and covers gold-bearing, vein- and breccia-style mineralization. The DRGB is a district of major porphyry and vein occurrences, including Western Copper and Gold Corporation's Casino deposit, Rockhaven Resources Ltd.'s Klaza deposit, Kinross Gold Corporation's Golden Saddle deposit and Goldcorp Inc.'s Coffee deposit. The Eureka property is wholly owned by Strategic Metals Ltd., but is subject to a 1% net smelter return royalty payable to StrataGold Corp. (now Victoria Gold Corp).

This report describes prospecting and geochemical sampling conducted between August 13 and 17 and on August 19 and 20, 2016 by Archer, Cathro & Associates (1981) Limited on behalf of Strategic Metals. The author supervised the program and interpreted all results from this work. The author's Statement of Qualifications is located in Appendix I, while a Statement of Expenditures appears in Appendix II.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The Eureka property consists of 347 contiguous mineral claims, which are located in west-central Yukon at latitude 63°32' north and longitude 138°52' west (Figure 1). The property covers an area of approximately 7200 ha (72 km²). The claims are registered with the Dawson Mining Recorder in the name of Strategic Metals. Specifics concerning claim registration are tabulated below, while the locations of individual claims are shown on Figure 2.

<u>Claim Name</u>	<u>Grant Number</u>	<u>Expiry Date*</u>
Eureka 1-56	YC12951-YC13006	February 15, 2028
57-60	YC13701-YC13704	February 15, 2028
73-84	YC13717-YC13728	February 15, 2028
97-112	YC13741-YC13756	February 15, 2028
121-182	YC13765-YC13826	February 15, 2028
189-202	YC13833-YC13846	February 15, 2028
203-258	YD07463-YD07518	February 15, 2027
259-270	YD07909-YD07920	February 15, 2027
273-276	YD07923-YD07926	February 15, 2023
277-354	YD07927-YD08004	February 15, 2027
370-380	YD08020-YD08030	February 15, 2027
390-411	YD08040-YD08061	February 15, 2027

* Expiry dates do not include 2016 work that has not yet been filed for assessment credit.

The Eureka property lies approximately 370 km northwest of Whitehorse and 65 km south of Dawson City, the nearest supply centre. The property is accessed via the Hunker Creek-South Klondike road system, which leaves the Klondike Highway about 20 km east of Dawson City. The 90 km distance from the highway to the property is normally suitable for two-wheel drive vehicles during the summer and fall. Access to various parts of the property is provided by a network of four-wheel drive roads and bulldozer trails that are maintained by local placer miners.

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FIGURE 1
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

PROPERTY LOCATION

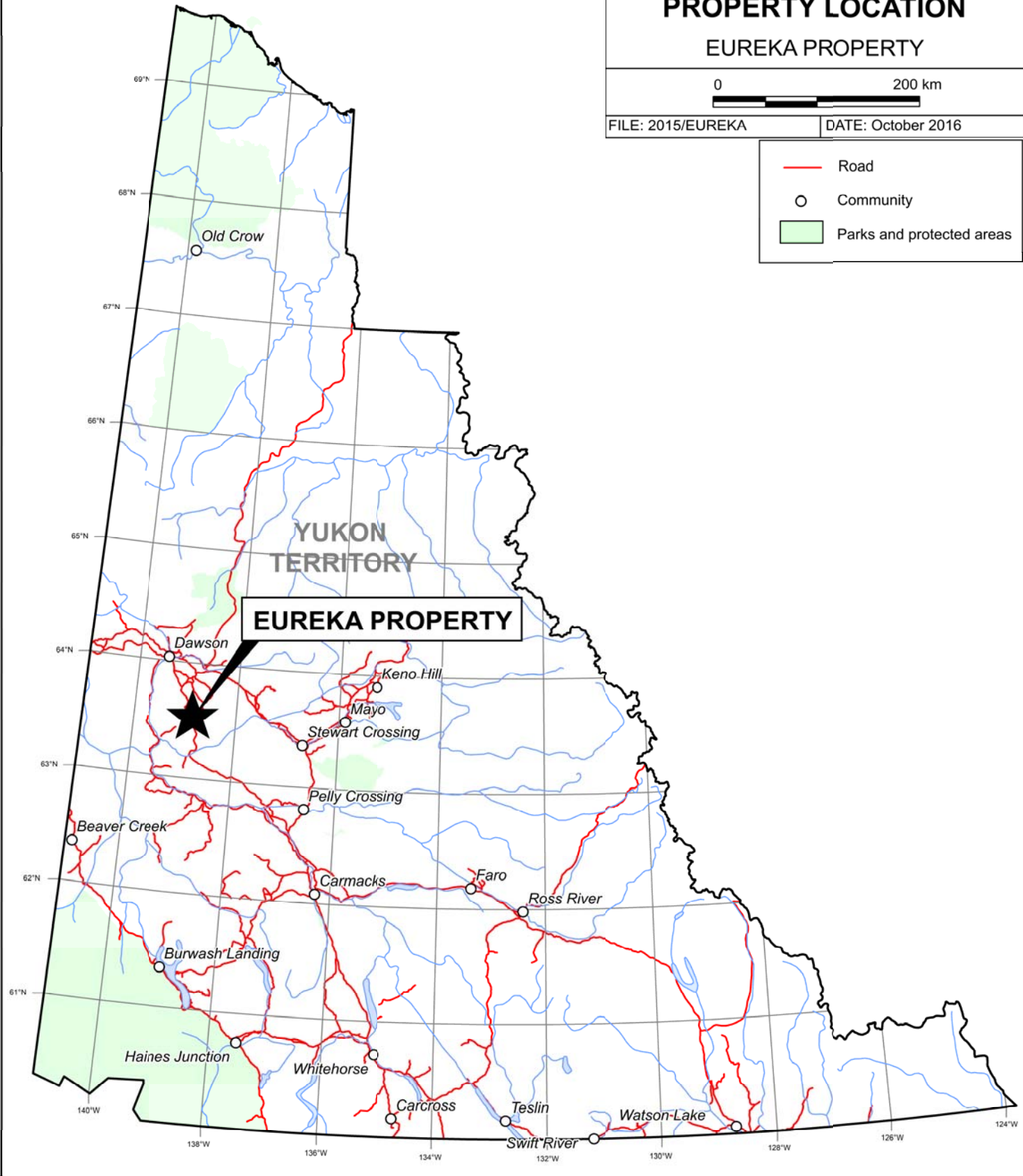
EUREKA PROPERTY

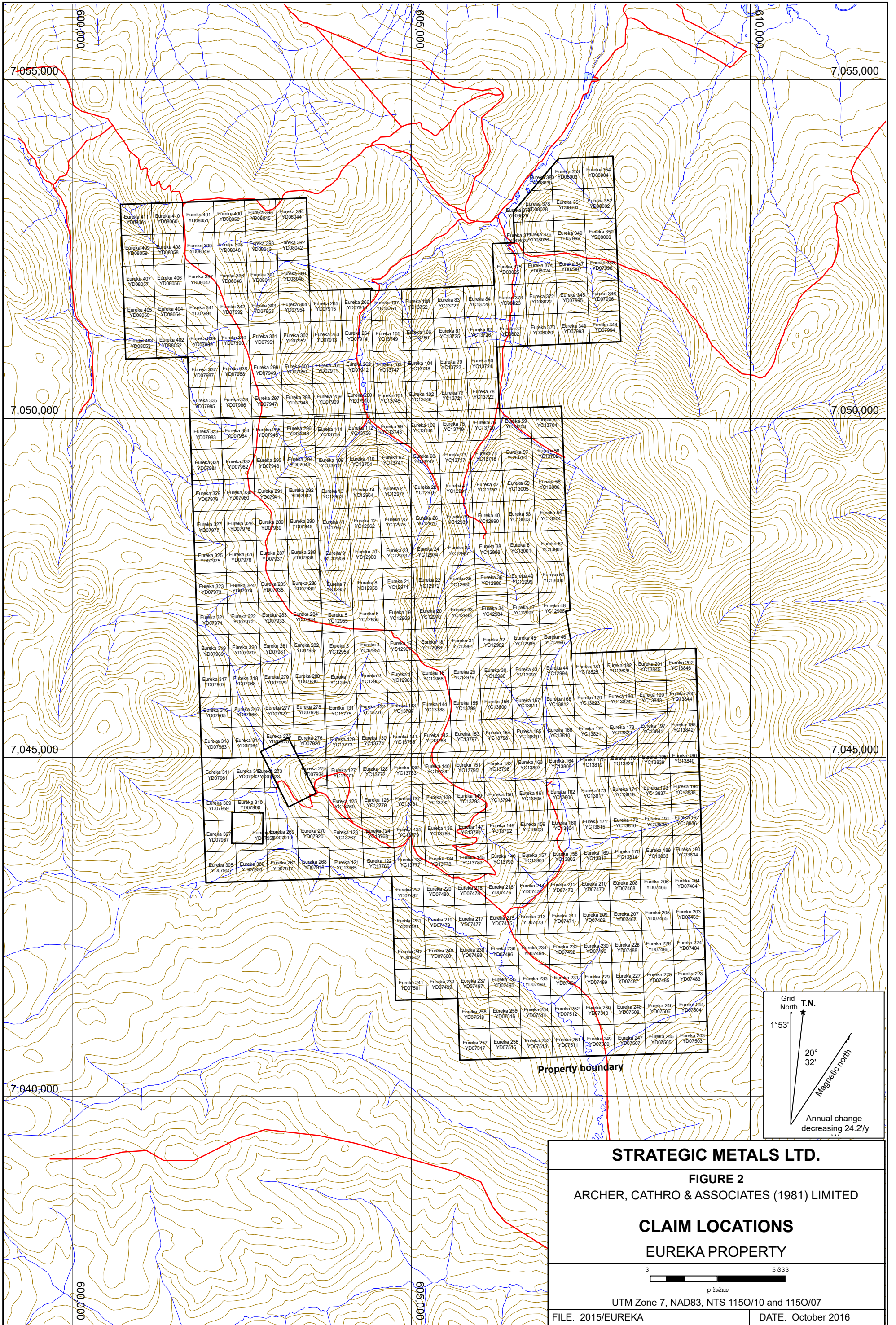


FILE: 2015/EUREKA

DATE: October 2016

- Road
- Community
- Parks and protected areas





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FIGURE 2

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

CLAIM LOCATIONS

EUREKA PROPERTY

3 5,833
p. inchi

UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: 2015/EUREKA DATE: October 2016

HISTORY AND PREVIOUS WORK

Black Hills and Eureka creeks, which drain the Eureka property, have been explored for placer gold since the Klondike gold rush of 1898. Extensive mining has been conducted using shafts and ground sluicing from the late 1890s until the early 1940s and modern, open-cut mining methods since 1959. Reported gold production on Black Hills and Eureka creeks from 1978 to 2005 is 92,476 and 60,195 ounces of gold, respectively (LeBarge, 2007). According to Bond and Van Loon (pers. comm. 2016), buried left-limit channel of Eureka Creek yielded 3618 ounces of gold in 2012, 3632 ounces of gold in 2013, 4015 ounces of gold in 2014 and 6123 ounces of gold in 2015.

Figure 3 illustrates the significant historical workings on the property including main roads and trails, named showings, and 2010 reverse circulation (RC) and 2011 diamond drill collar locations.

Hard rock exploration done in the area prior to 1988 is poorly documented. In 1988, Dawson Eldorado Mines Ltd. and Wealth Resources Ltd. staked the Reka claims to cover the headwaters of Eureka Creek, where a Geological Survey of Canada (GSC) stream sediment sample returned 89 ppb gold. Dawson Eldorado Mines and Wealth Resources performed geological mapping and soil sampling along the ridge system separating upper Eureka Creek from Childs Gulch, a tributary of Black Hills Creek. This work identified three north-trending showings where gold occurs in rocks and soils – the Allen, Childs and Wealth (van Angeren, 1988). Despite encouraging results, the Reka claims were allowed to lapse.

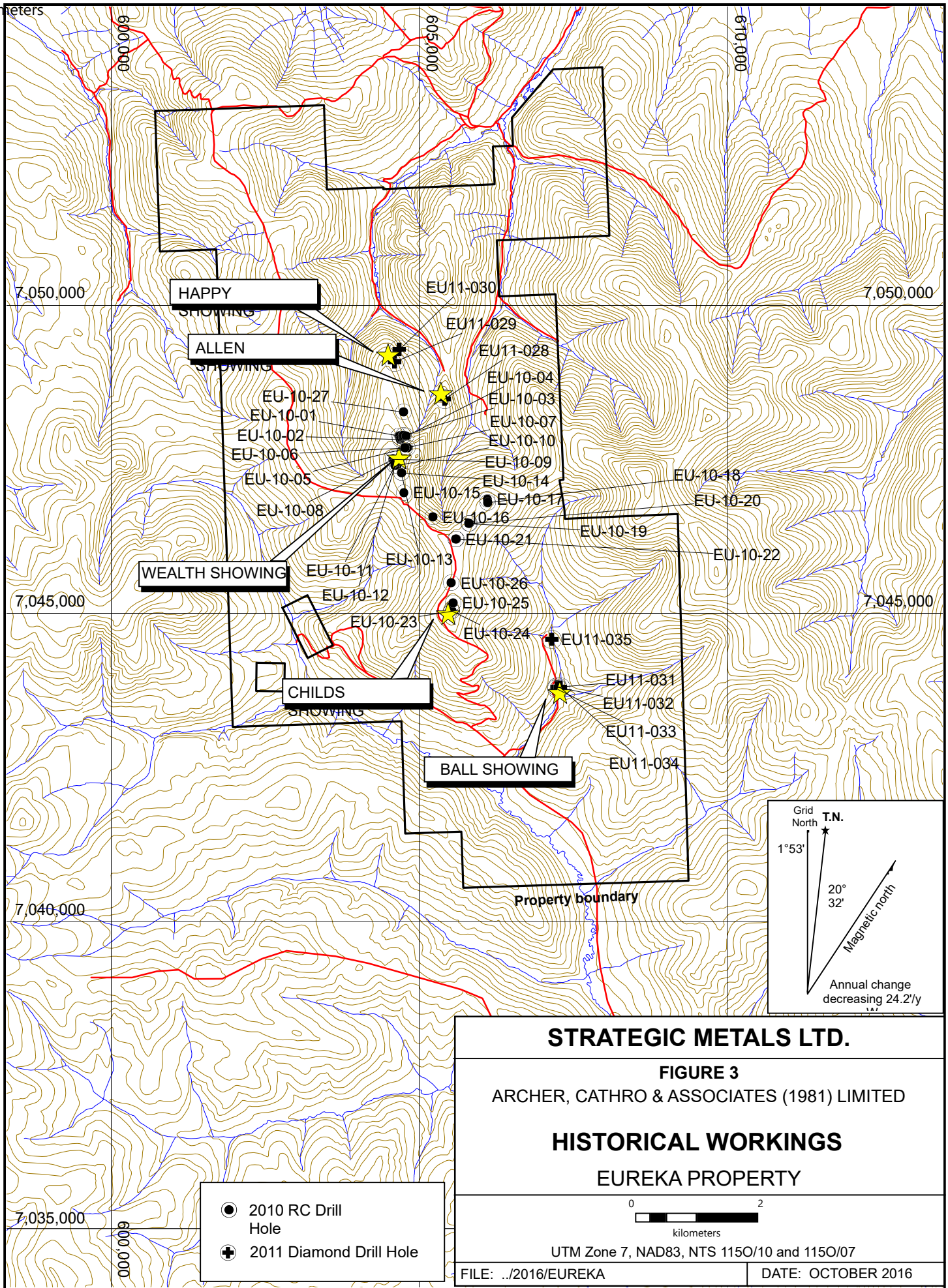
In 1992, the area was restaked as the Clara claims by Wealth Resources and Pacific Mariner Exploration Ltd. Minor soil sampling and ground-based Very Low Frequency Electromagnetic (VLF-EM) geophysical surveys were carried out between 1992 and 1994, in the vicinity of the previously identified showings. In 1994, bulldozer trenching was conducted across gold-in-soil anomalies and VLF-EM conductors (Deklerk and Traynor, 2005).

In late 1998, Archer Cathro conducted a comprehensive study of the placer gold from Eureka Creek and Childs Gulch. Gold recovered from the upper reaches of both creeks is described as a mixture of angular, coarse and fine grains with the average grain size decreasing and the fineness increasing downstream. Some grains were reported to contain inclusions of dark quartz while others were attached to larger white quartz fragments. Based on these observations, the study concluded that the bedrock sources for the placer gold lie within the Eureka Creek and Childs Gulch drainages.

In 1999, Nordac Resources Ltd. (now Strategic Metals) staked 72 Eureka claims and a number of adjoining Arminus claims in order to cover the potential sources of placer gold identified in Archer Cathro's study. Later that spring, Nordac Resources formed the Eureka Joint Venture with Expatriate Resources Ltd. and staked an additional 314 claims in the study area.

During the summer of 1999, Eureka Joint Venture collected 499 soil samples from the Eureka project area in conjunction with limited prospecting. Soil sampling identified an area of strongly anomalous gold geochemistry in the area drained by upper Eureka Creek. A sample of limonitic breccia float with remnant pyrite, collected from the Allen Showing, returned 15 g/t gold,

kilometers

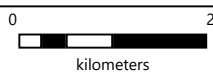


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FIGURE 3
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

HISTORICAL WORKINGS EUREKA PROPERTY

- 2010 RC Drill Hole
- ⊕ 2011 Diamond Drill Hole



UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: ../2016/EUREKA

DATE: OCTOBER 2016

25.5 g/t silver, 3510 ppm arsenic and 23 ppm molybdenum (Wengzynowski, 2000). Following this work, all claims comprising the Armenius property and some of the Eureka claims were allowed to lapse.

In February 2002, Viceroy Resource Corporation optioned the Eureka property and completed three reverse circulation (RC) percussion drill holes at the Allan Showing and one hole at the Wealth Showing. Drilling at the Wealth Showing confirmed the down-dip continuity of the mineralized breccia exposed in trenches, yielding 0.66 g/t gold over an 8 m true width. However, the three drill holes designed to test the down-dip continuity of the Allen Showing failed to return significant results, and the option agreement was subsequently terminated (Diment, 2002).

In January 2003, Expatriate Resources transferred its interest in the Eureka property to StrataGold, as part of a corporate reorganization.

In spring 2006, Strategic Metals and StrataGold signed an agreement that allowed Strategic Metals to earn a 100% interest in the property by funding the 2006 exploration program. This program comprised minor prospecting, 1151 m of excavator trenching and 823 m of RC percussion drilling in ten holes (Wengzynowski, 2006). Trenches dug across the Wealth Showing exposed quartz breccia in an area of pervasive clay alteration. Trench T1 exposed several narrow breccia zones that averaged 0.539 g/t gold over 20 m, while Trench T2 exposed intervals that graded 1.055 g/t gold and 18.9 g/t silver over 2 m and 0.747 g/t gold over 10 m. Trenching at the Childs Showing traced a two to five metre wide zone of breccia over a length of 500 m, returning up to 0.722 g/t gold over 4 m. A parallel zone of breccia assayed 0.481 g/t gold over a true width of 5.5 m (Wengzynowski, 2006).

The 2006 drilling tested beneath trench exposures and geochemical anomalies at the Wealth Showing. Significant results included intervals that yielded 0.592 g/t gold over 18.3 m, 2.34 g/t gold over 3.05 m and 1.13 g/t gold over 6.1 m (Wengzynowski, 2006).

Anfield Ventures Inc. optioned the property in 2007, and the following year it conducted property-wide helicopter-borne Versatile Time Domain Electromagnetic (VTEM) and magnetometer surveys. These surveys identified a magnetic break separating two contrasting fields of magnetic intensity, which corresponds with a prominent linear topographic feature (Gregory, 2009). This feature was interpreted as the surface trace of a major thrust fault and approximately parallels the trend of the mineralized breccia zones at the Wealth and Childs showings. Anfield dropped its option in spring 2009.

In 2009, Strategic Metals completed 4200 m of excavator trenching in 18 trenches plus additional soil geochemical sampling and prospecting. The most significant trenching results were obtained from the area of the Wealth Showing. Trench TR-09-01 exposed six subparallel bands containing blue-grey gouge, quartz breccia and quartz vein material. Chip samples collected across one of the bands averaged 0.97 g/t gold over 17.9 metres, including 2.56 g/t gold over 3 m. Another band in the same trench returned 0.45 g/t gold over 16.6 m (Smith, 2009).

The soil geochemical survey collected 3609 soil samples from a 50 by 100 m grid in the central part of the property. This work identified widespread gold-in-soil anomalies (up to 762 ppb)

with subordinate arsenic and antimony response along the northwest-trending topographic feature (Smith, 2009).

In 2010, Golden Predator Royalty & Development Corp. (now Golden Predator Mining Corp.), optioned the Eureka property and completed 2961 m of RC percussion drilling in 27 holes at the Wealth and Childs showings. Drilling at the Wealth Showing targeted a possible north-south extension of the mineralized breccia systems that were exposed by trenching in 2006.

Significant results included intervals of 0.677 g/t gold over 3.04 m, 2.440 g/t gold over 1.53 m and 1.38 g/t gold over 3.05 m. Holes at the Childs Showing were designed to follow-up anomalous trenching and drilling results from previous programs. The best results were 6.620 g/t and 1.190 g/t gold, both over 1.52 m intervals (O'Brien, 2012).

In 2011, Golden Predator conducted 1188 m of diamond drilling in eight holes. The program was designed to test the Childs and Allen showings and a soil geochemical anomaly north of the Wealth Showing. The most significant result was 9.99 g/t gold over 1.51 m from hole EU11-029, which targeted the geochemical anomaly (O'Brien, 2012). Golden Predator subsequently terminated the option.

In 2015, Strategic Metals performed 10 days of mapping and prospecting on the property. A total of 49 rock and 823 soil samples were collected for analysis. Results from this work were encouraging and have been incorporated into the Mineralization and Soil Geochemistry sections below (Morton, 2016).

GEOMORPHOLOGY

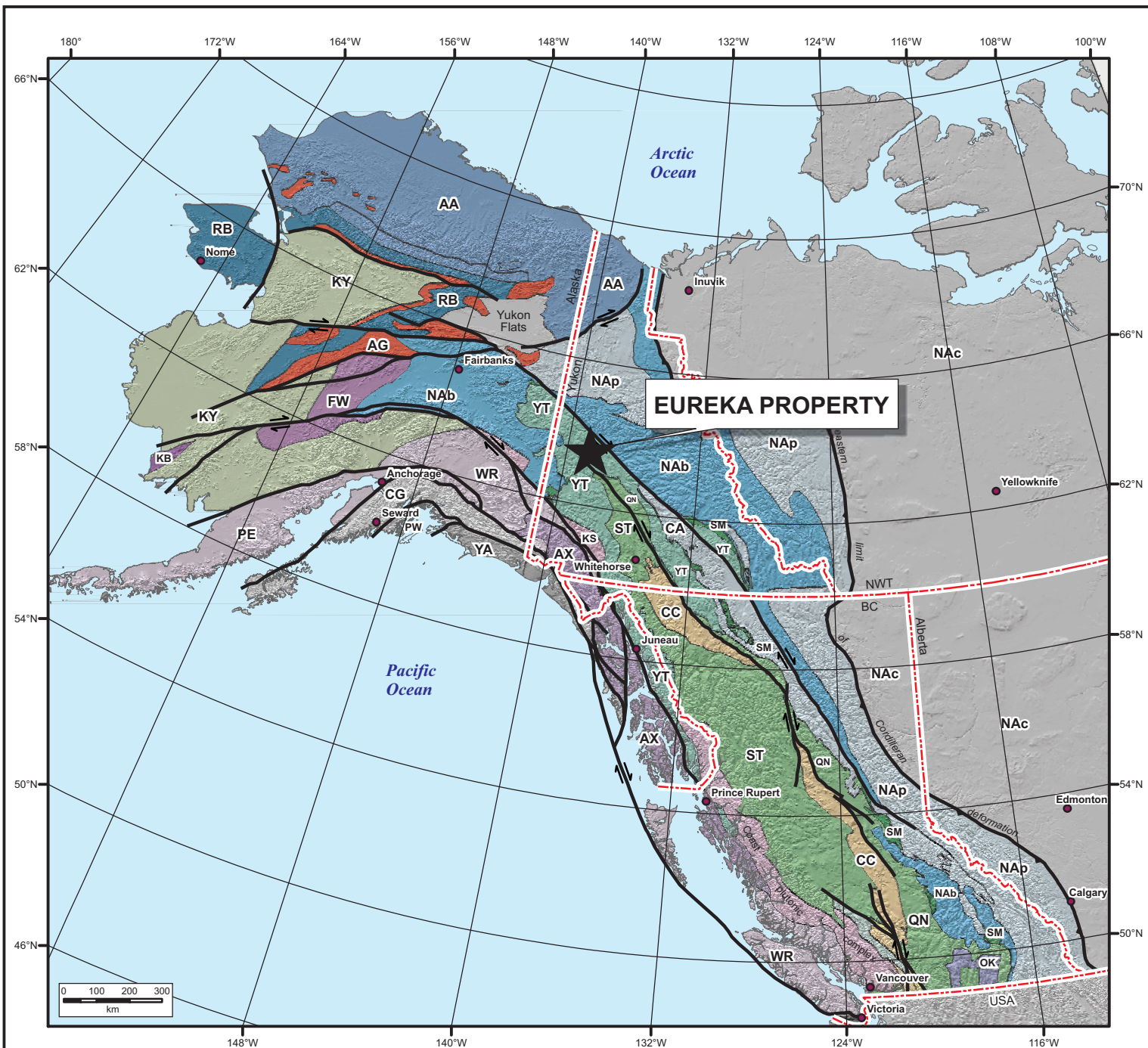
The Eureka property is located in the northern Dawson Range, an incised peneplane that escaped Pleistocene glaciation. Topography in the area is characterized by gently rounded hills and "V" shaped, dendritic valleys. Creeks draining the property are tributaries of the Indian and Stewart rivers, which lie within the Yukon River watershed.

The property is located below treeline, and elevations range from 560 m above sea level (asl) in valley bottoms to 1300 m asl along the ridge separating Eureka Creek from Black Hills Creek. Vegetation is characterized by mature poplar stands along the lower creek valleys and stunted black spruce, willow, dwarf birch and juniper at higher elevations. In 2004, much of the property was engulfed by a forest fire.

The climate in the vicinity of the Eureka property is typical of northern continental regions with long, cold winters, truncated fall and spring seasons and short, mild summers. Although summers are relatively mild, snowfall can occur in any month. The property is mostly snow free from early May to late October.

REGIONAL GEOLOGY

The Eureka property is located in Yukon-Tanana Terrane (YTT), the easternmost and largest of the pericratonic terranes accreted to the northwestern margin of ancestral North America



- | | | |
|-----------|---------------------------|------------------------|
| YA | Yakutat | Outboard |
| PW | Prince William | |
| CG | Chugach | |
| PR | Pacific Rim | |
| CR | Crescent | |
| KY | Koyukuk, Nyak, Togiak | Insular |
| PE | Peninsular | |
| AX | Alexander | |
| WR | Wrangellia | |
| KS | Kluane, Windy, Coast | |
| AG | Angayucham/Tozitna/Innoko | Northern Alaska |
| AA | Arctic-Alaska, Hammond | |
| RB | Coldfoot, Ruby, Seward | |
| FW | Farewell | |
| KB | Kilbuck | |

- | | | |
|-----------|----------------|---------------------|
| MT | Methow | Intermontane |
| CD | Cadwallader | |
| BR | Bridge River | |
| CC | Cache Creek | |
| HA | Harrison | |
| CK | Chilliwack | |
| ST | Stikinia | |
| QN | Quesnellia | |
| OK | Okanagan | |
| SM | Slide Mountain | |

- | | |
|--------------------------------|--------------------------------|
| Ancestral North America | |
| CA | Cassiar |
| NAb | North America - basinal |
| NAp | North America - platform |
| NAc | North America - craton & cover |

Taken from Colpron, M. and Nelson, J.L., 2011

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FIGURE 4

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

TECTONIC SETTING

EUREKA PROPERTY

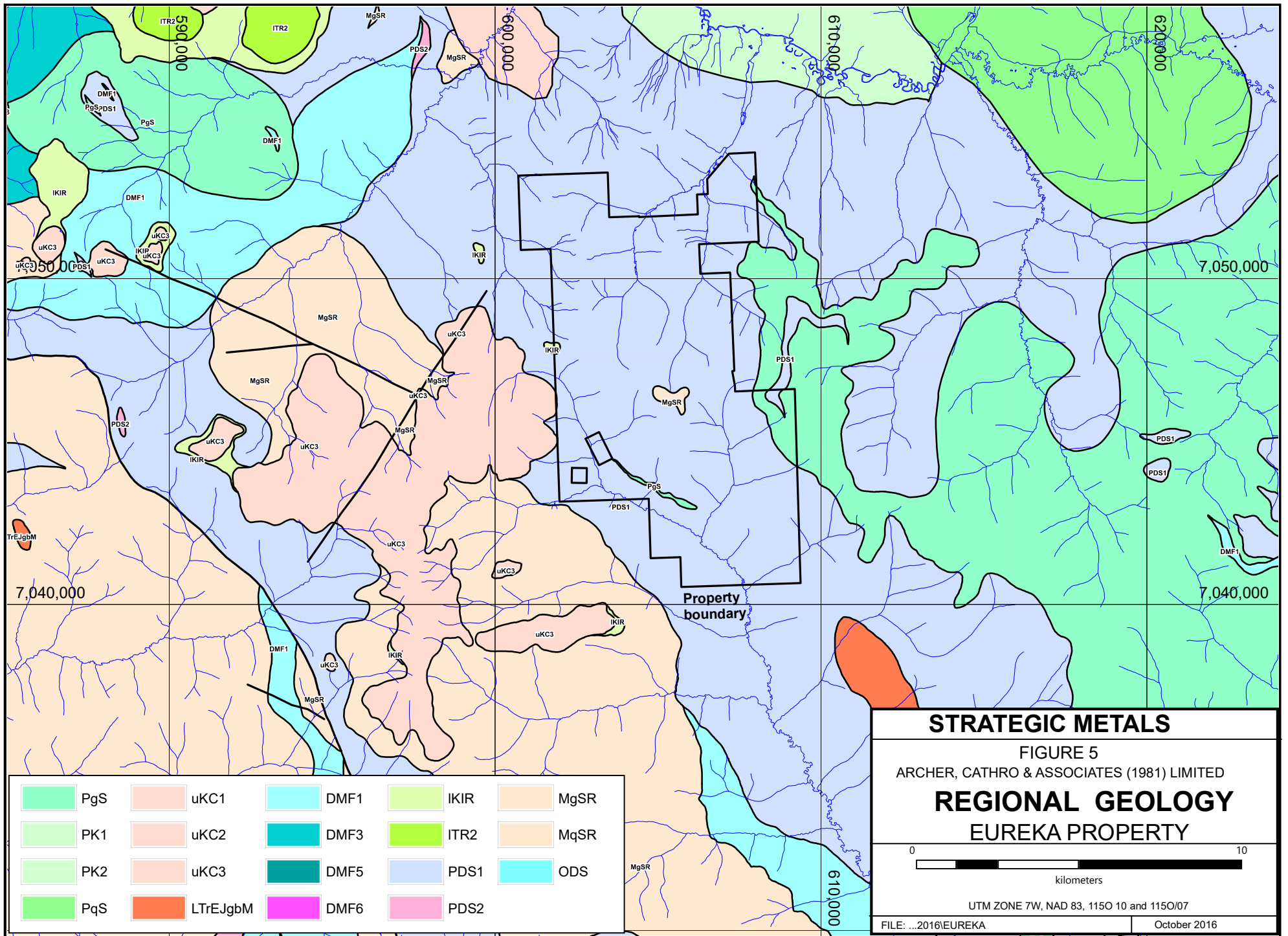
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(Figure 4). It consists of Late Devonian to Middle Permian continental margin sediments, island arc volcanics and coeval intrusions that record the evolution of a continental arc and back-arc system built upon a pre-Late Devonian metasedimentary basement. This sequence was metamorphosed during accretion in Permo-Triassic time and subsequently cut by the Tintina Fault, a large transcurrent structure that produced 450 km of dextral offset during the Eocene (Colpron et. al, 2005; Nelson and Colpron, 2007). The Tintina Fault is located 50 km northwest of the property, where it forms the boundary between YTT to the southwest and ancestral North America to the northeast.

In 1996, Indian and Northern Affairs Canada published a geological map of the northern Stewart River Area and the Klondike and Sixtymile districts (including parts of 1150/15, 16) at 1:50,000 scale (Mortensen, 1996). In 2005, the GSC published an updated 1:250,000 scale compilation of the Stewart River Area, which includes the area of the Eureka property (Gordey and Ryan, 2005). Geological unit names were updated in 2015 by the Yukon Geological Survey (YGS, 2015). Figure 5 illustrates the updated regional geology and Table I summarizes the lithological units.

Table I– Regional Lithological Units (after Yukon Geological Survey, 2015)

Map Suite	Age	Map Unit	Description
Ross Suite	Eocene to Paleocene	ITR2	Smokey quartz and K-feldspar phyric rhyolite to rhyodacite stocks and dykes, and possible rare flows.
Carmacks Group	Upper Cretaceous	uKC3	Rhyodacite and dacite, commonly biotite and hornblende phyric, dominated by lesser andesite and basalt; minor rhyolite.
Tantalus Formation	Lower Cretaceous	IKIR	Clast-supported pebble to cobble conglomerate with clasts of vein quartz and foliated quartzite.
Minto Suite	Lower Jurassic to Upper Triassic	LTrEJgbM	Foliated to unfoliated metagabbro (locally garnet-bearing); diabase, metabasite.
Sulphur Creek Suite	Permian	PgS	Mainly K-feldspar augen orthogneiss, exhibits various states of strain including porphyroclastic straight gneiss; commonly associated with K-feldspar rich granitic orthogneiss.
Sulphur Creek Suite	Permian	PqS	Orthogneiss derived from quartz monzonite; refers to highly strained, mafic-poor Sulphur Creek orthogneiss,
Simpson Range Plutonic Suite	Mississippian	MgSR	Mainly tonalitic or mafic to intermediate orthogneiss, generally grey, banded to layered, commonly veined; commonly interlayered with amphibolite schist and gneiss, biotite and/or hornblende bearing.



	PgS		uKC1		DMF1		IKIR		MgSR
	PK1		uKC2		DMF3		ITR2		MqSR
	PK2		uKC3		DMF5		PDS1		ODS
	PqS		LTrEjgbM		DMF6		PDS2		

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FIGURE 5
 ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

REGIONAL GEOLOGY
EUREKA PROPERTY

0 10
 kilometers

UTM ZONE 7W, NAD 83, 1150 10 and 1150/07

FILE: ...2016\EUREKA October 2016

Finlayson Assemblage	Upper Devonian to Mississippian	DMF	Biorite-hornblende+/-plagioclase+/-quartz mafic schist; generally associated with amphibolite; main locality on Thistle Mountain.
Snowcap Assemblage	Neoproterozoic to Upper Devonian	PDS2	Marble (metacarbonate) derived from pure to impure limestone; associated with calc-silicate schist derived from calcareous metapelite.
Snowcap Assemblage	Neoproterozoic to Upper Devonian	PDS1	Undivided metasedimentary rocks dominated by metapsammite, semipelite and metapelite; commonly quartz-garnet-biotite-muscovite schist possibly derived from siliceous siltstone; commonly finely interlayered with garnet metapelite; commonly contains members of micaceous quartzite; rare conglomerate; grades locally to paragneiss.

Basement rocks in the area of the Eureka property belong to the Snowcap (PDS) and Finlayson (DMF) assemblages, which are cut by meta-plutonic rocks of the Simpson Range (MgSR) and Sulphur Creek (PqS and PgS) suites, and meta-gabbroic sills of the Minto Suite (LTrEJgbM). Post-accretionary, Upper Cretaceous Carmacks Group (uKC3) basaltic andesites and fluvial chert-pebble conglomerates and quartzites of the Tantalus Formation (IKIR) overlie the metamorphic rocks. The youngest unit observed in the area of the Eureka property consists of Eocene to Paleocene Ross Suite (ITR2) subvolcanic rhyolite to rhyodacite porphyry.

Three phases of deformation are recognized within the YTT. The deformation occurred during and following accretion of YTT to ancestral North America, spanning Middle Permian to Cretaceous time. The first phase is characterized by a penetrative foliation that trends northwest, dips gently to the northeast and is sub-parallel to the attitude of bedding. The second phase exhibits a tight crenulation cleavage, small-scale isoclinal folding, kink banding and warping. This phase is associated with regional thrust faulting and coincident emplacement of serpentinite along the fault planes. The final phase of deformation is coeval with the emplacement of Cretaceous intrusive bodies and resulted in broad, low amplitude folding that masks and overprints the earlier foliation. Steeply dipping faults are developed adjacent to some Cretaceous intrusions, but displacement along them is believed to be minor (Mortensen, 1990).

PROPERTY GEOLOGY

No systematic property-scale geological mapping has been performed by Strategic Metals or any of the previous owners on the Eureka property. Systematic mapping is encumbered by a lack of bedrock exposures, which are generally confined to ridge crests, placer excavations and roadcuts. The property geology described below is based on regional mapping by the GSC and YGS, and a few observations made by exploration geologists who have worked on various parts of the property at different times.

The property is mostly underlain by Snowcap Assemblage quartzite with interbedded quartz±muscovite±biotite schist and phyllite (PDS1), which exhibits well-developed foliation

that dips 10° to 35° west. Tight parasitic folding in this unit was noted by Diment (2002). Two north to northwesterly-trending horizons of marble (PDS2) have been observed in the southwestern part of the property where they form buff weathering cliffs.

Eureka Creek and Childs Gulch form a north-northwest-trending topographic linear that is interpreted to represent the surface trace of a northwest dipping thrust fault. Breccia zones exposed on the west side of the linear, the hanging wall of the thrust, are orientated approximately parallel to the linear.

In 2012, Sanchez et al., synthesized publically available, regional-scale geological and geophysical data from western Yukon and eastern Alaska. According to Sanchez et al., deformation processes and fluid pressures associated with structural controls generate and maintain permeability within active faults, shear zones, and fracture networks. Specifically, steeply dipping, northeasterly trending brittle structures in the western Yukon have focussed pervasive fracturing, therefore, increasing the rock permeability and pressure gradients. Secondary permeability may be further enhanced at structural intersections. The airphoto linear on the property exhibits structural and mineralogical characteristics that are consistent with the large-scale regional trends highlighted by Sanchez et al.

PROPERTY MINERALIZATION

The Eureka property hosts two main types of gold mineralization: 1) auriferous quartz breccias and gouge zones that are found along low angle shear and fault structures; and, 2) massive quartz veins with elevated but sub-economic concentrations of gold.

Quartz breccias on the property consist of autoclastic, subangular to well rounded, limonitic quartz clasts cemented in a matrix of rock flour. Mineralization consists of pitted clots of limonite found in quartz fragments and along fractures, with rare remnant pyrite. The geochemistry of the breccias is generally characterized by positive correlations between gold, silver, arsenic, molybdenum and lead, with near background values for antimony and bismuth.

Veins comprise clear to white, strongly fractured quartz with rusty weathering vugs and pits along fractures. Mineralization within the veins consists of remnant disseminated pyrite, galena, chalcopyrite and arsenopyrite, in decreasing order of abundance. Some specimens exhibit crackle brecciation, but they are distinguished from the milled breccias by the strong angularity of the fragments and the absence of a rock flour matrix.

Prospecting, trenching and drilling on the Eureka property have identified five named showings: Happy, Allen, Wealth, Childs and Ball. Descriptions of the showings are provided in the following paragraphs.

The **Happy Showing** is located at the toe of a north-trending ridge and lies within a 500 by 700 m gold and arsenic soil anomaly. In 2011, a diamond drill hole targeting the soil anomaly and a northwest-trending fault returned 9.99 g/t gold over 1.5 m from an intercept that is associated with a narrow zone of graphitic, healed fault breccia (O'Brien, 2012).

The **Allen Showing** lies one kilometre southeast of the Happy Showing and is exposed in a single, deep trench cut along a north-trending ridge. The showing consists of clay-altered breccia zone that is two to five metres wide and trends approximately north to northwest. Rock samples yielded up to 15 g/t gold, but chip sampling in the trench returned only 0.44 g/t gold over four metres (Wengyznowski, 2000). In 2002, Viceroy Resources conducted a small RC drilling program on the Eureka property, which included three drill holes targeting the Allen Showing, and in 2011 Golden Predator completed one diamond drill hole at the showing. The diamond drill hole intersected numerous small gouge zones, as well as minor local brecciation, but none of the four holes yielded significant results for gold or other metals of interest (Diment, 2002; O'Brien, 2012).

The **Wealth Showing** is located 1.3 km southwest of the Allen Showing, within a 600 by 250 m area of strongly anomalous gold-in-soil values. Eight trenches excavated across the showing between 1999 and 2009 exposed north-trending quartz breccias with clay alteration halos. Significant results from this work include chip samples yielding 0.54 g/t gold over 20 m, 0.97 g/t gold over 17.9 m, 0.75 g/t gold over 10 m and 1.06 g/t gold over 2 m (Deklerk and Traynor, 2005; Wengyznowski, 2006; and Smith, 2009). In 2006, Strategic Metals completed 10 RC drill holes along three section lines in the core of the Wealth Showing. Elevated gold values were encountered from intervals in all 10 holes, with highlights including: 0.592 g/t gold over 18.3 m and 1.38 g/t gold over 3.05 m (Wengyznowski, 2006). In 2010, Golden Predator completed another 23 RC drill holes at the Wealth Showing. The most significant results from this work were from two holes spaced 100 m apart that were designed to test quartz veins and breccias exposed in 2009 excavator trenches. Those holes returned 2.44 g/t gold over 1.53 m and 1.93 g/t gold over 1.52 m along the same stratigraphic horizon (Bourne and Marino, 2010).

Preliminary cyanide leach bottle-roll tests of course reject material from chip samples taken from trenches at the Wealth Showing yielded the following results in a 24 hour period (Smith, 2009).

Table II – Results of Cyanide Leach Test

Gold Head Grade (g/t)	Gold from Cyanide Recovery (g/t)
0.32	0.33
0.59	0.57
1.16	0.9
2.76	2.72

The **Childs Showing** lies 2.7 km south of the Wealth Showing and comprises gold-bearing breccia zones exposed in three excavator trenches. Chip samples collected from the trenches yielded 0.722 g/t gold over a true width of 4 m and 0.481 g/t gold over a true width 5.5 m (Wengyznowski, 2006). In 2010, Golden Predator completed four RC drill holes at the Childs Showing, which were designed to intersect the down-dip extension of the gold-bearing breccias exposed in trenches. All four holes returned significant gold grades, including 6.62 g/t gold over 1.52 m and 1.19 g/t gold over 1.52 m (Bourne and Marino, 2010).

The **Ball Showing** is located 2.2 km southeast of the Childs Showing and comprises a gold-rich quartz vein that was exposed in bedrock by placer mining. A chip sample across the vein assayed 9.8 g/t gold over 0.6 m. In 2011, five short diamond drill holes totalling 385.07 m were attempted in the area around the Ball Showing, but most were abandoned due to difficult ground conditions and none appears to have reached the vein (O'Brien, 2012).

In 2016, seven rock samples were collected by the soil sample crew in the northern part of the property. All of the samples returned low values for precious metals. The 2016 rock sample locations are plotted on Figure 6, along with the locations of trenches and diamond drill holes. Rock Sample Descriptions and Certificates of Analysis for the 2016 samples are provided in Appendices III and IV, respectively.

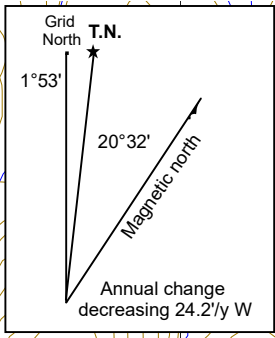
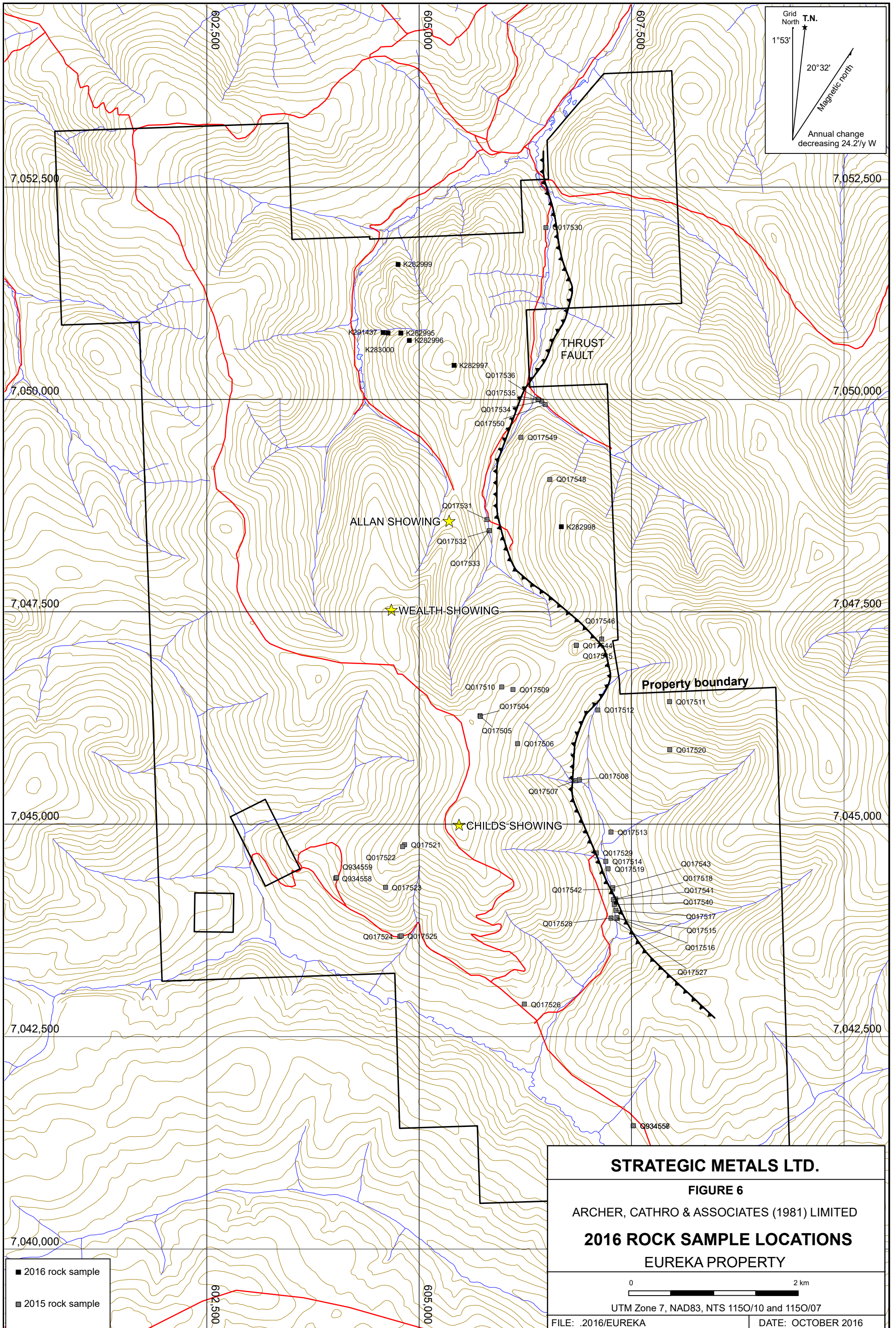
Rock geochemical sample sites on the property were marked with orange flagging tape labelled with the sample number. The location of each sample was determined using a handheld GPS unit. Rock sample preparation and multi-element analyses were carried out at ALS Minerals' laboratory in North Vancouver, BC. Each sample was dried, fine crushed to better than 70% passing 2 mm and then a 250 g split was pulverized to better than 85% passing 75 microns. The fine fraction was analyzed for 35 elements using an aqua regia digestion followed by inductively coupled plasma combined with atomic emission spectroscopy (ME-ICP41). An additional 30 g charge was further analyzed for gold by fire assay followed by inductively coupled plasma-atomic emissions spectroscopy (Au-ICP21).

SOIL GEOCHEMISTRY

Approximately 45% of the Eureka property has been soil sampled to date. In 2009, Strategic Metals collected 3609 soil samples from a 6.1 by 3.1 km grid in the central part of the property, a smaller 2.2 by 0.8 km grid in the northwestern part of the property and along the length of an access road. In 2015, Strategic Metals collected another 822 soil samples in order to expand coverage east of the main grid and in 2016, it collected 1019 soil samples north and east of the main grid.

Figure 7 illustrates the 2016 soil sample locations, while results from all programs for gold, copper, lead, zinc, molybdenum, arsenic and antimony are illustrated thematically on Figures 8 to 13, respectively. Certificates of Analysis for the 2016 samples are provided in Appendix IV.

The 2016 soil sample locations were recorded using hand-held GPS units. Sample sites are marked by aluminum tags inscribed with the sample numbers and affixed to 0.5 m wooden lath that were driven into the ground. Soil samples were collected from 5 to 75 cm deep holes dug by hand-held auger. They were placed into individually pre-numbered Kraft paper bags. The soil samples were sent to ALS Minerals in North Vancouver where they were dried and screened to -180 microns and then analysed for 35 elements using the inductively coupled plasma-atomic emission spectroscopy technique (ME-ICP41). An additional 30 g charge was further analysed for gold by fire assay with inductively coupled plasma-atomic emissions spectroscopy finish (Au-ICP21). Anomalous thresholds and peak values for the metals of interest are listed in Table III.



- 2016 rock sample
- 2015 rock sample

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FIGURE 6

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

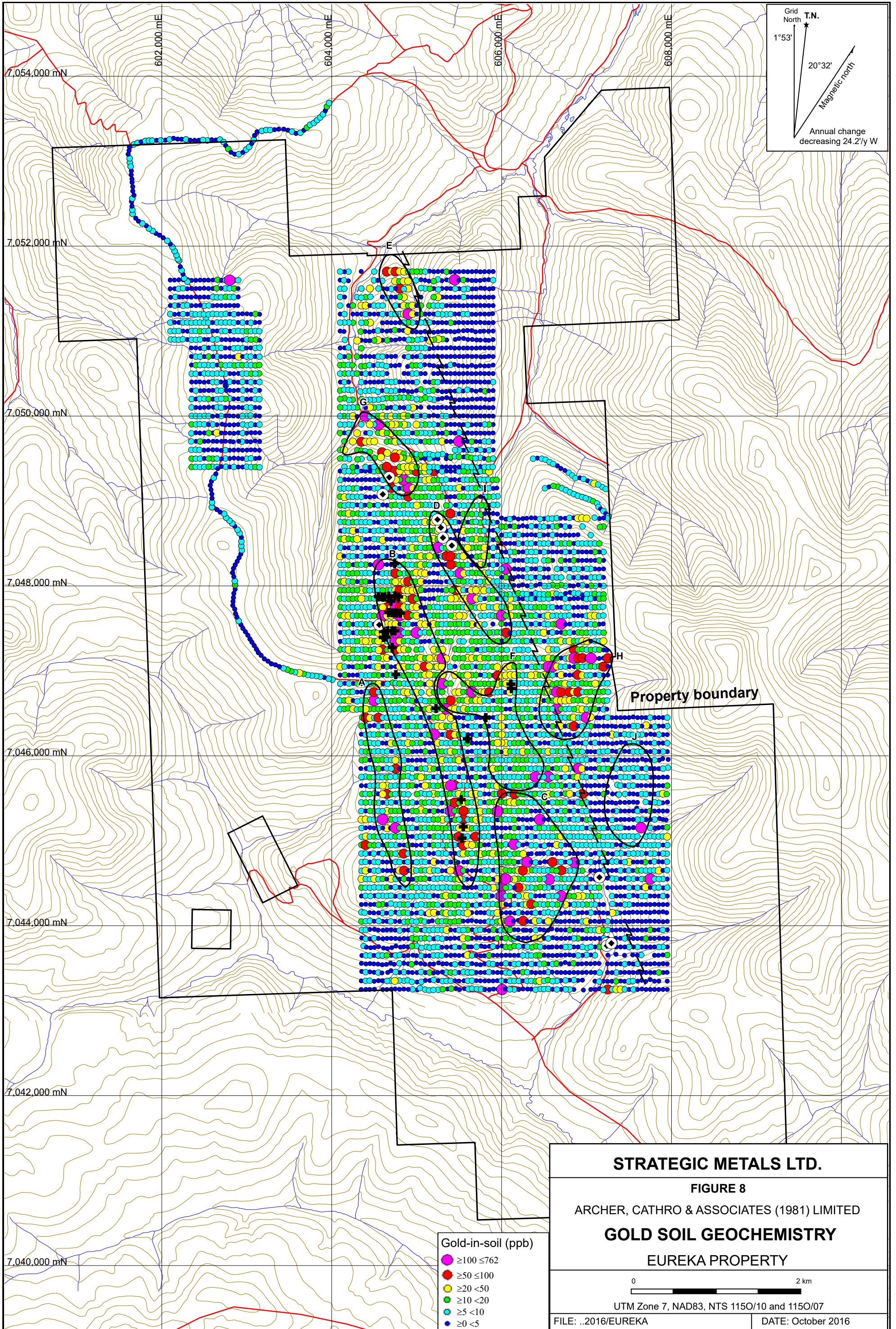
2016 ROCK SAMPLE LOCATIONS

EUREKA PROPERTY

0 2 km

UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: .2016/EUREKA DATE: OCTOBER 2016



Grid North T.N.
 1°53'
 20°32'
 Magnetic north
 Annual change decreasing 24.2'/y W

Property boundary

- Gold-in-soil (ppb)
- ≥100 ≤762
 - ≥50 ≤100
 - ≥20 <50
 - ≥10 <20
 - ≥5 <10
 - ≥0 <5

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FIGURE 8

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

GOLD SOIL GEOCHEMISTRY

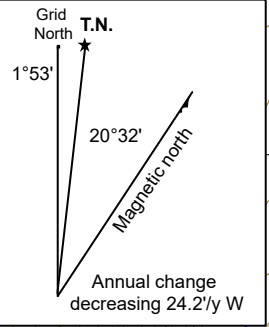
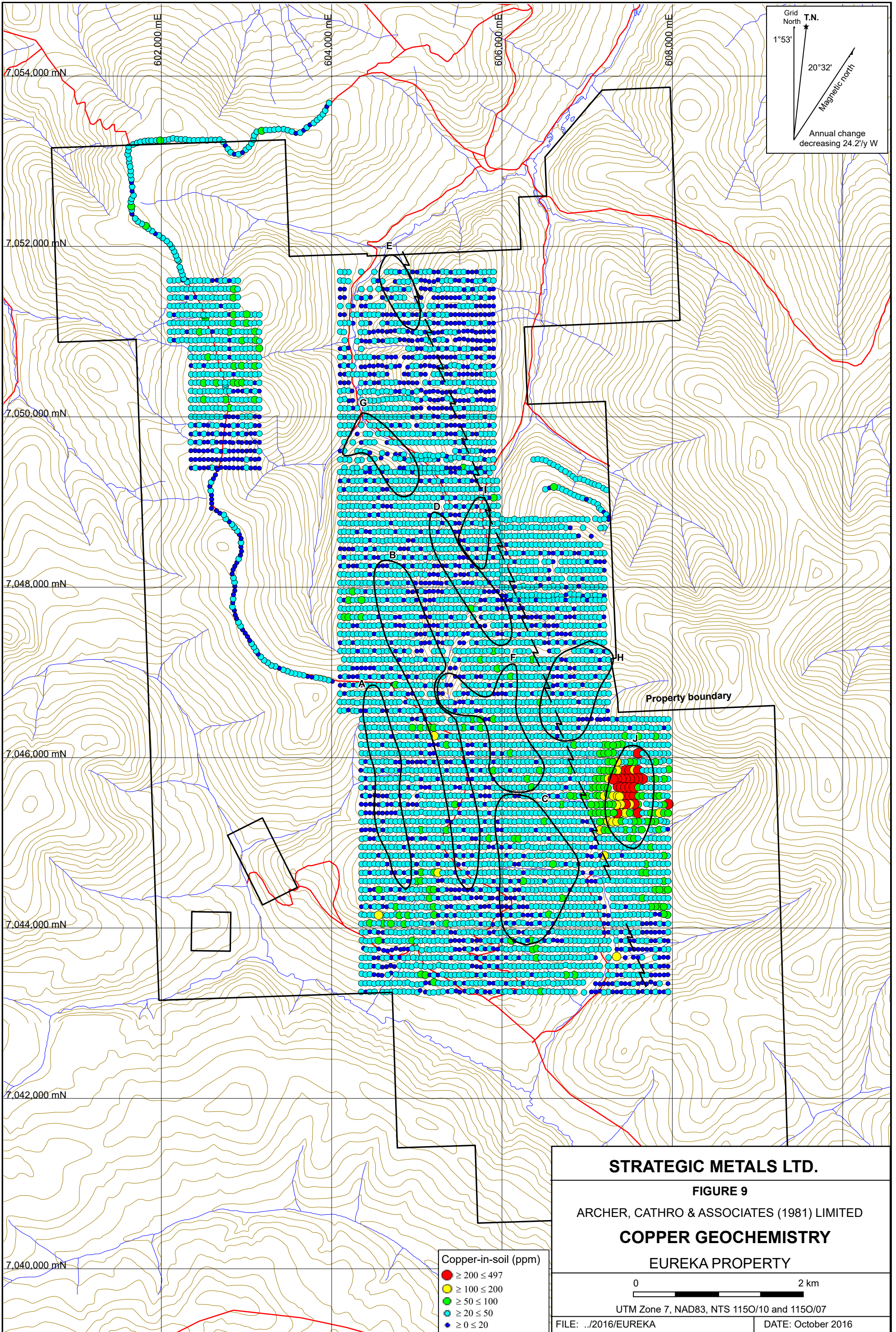
EUREKA PROPERTY

0 2 km

UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: ..2016/EUREKA

DATE: October 2016



STRATEGIC METALS LTD.

FIGURE 9

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

COPPER GEOCHEMISTRY

EUREKA PROPERTY

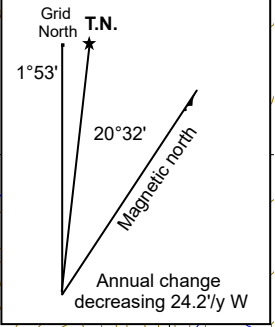
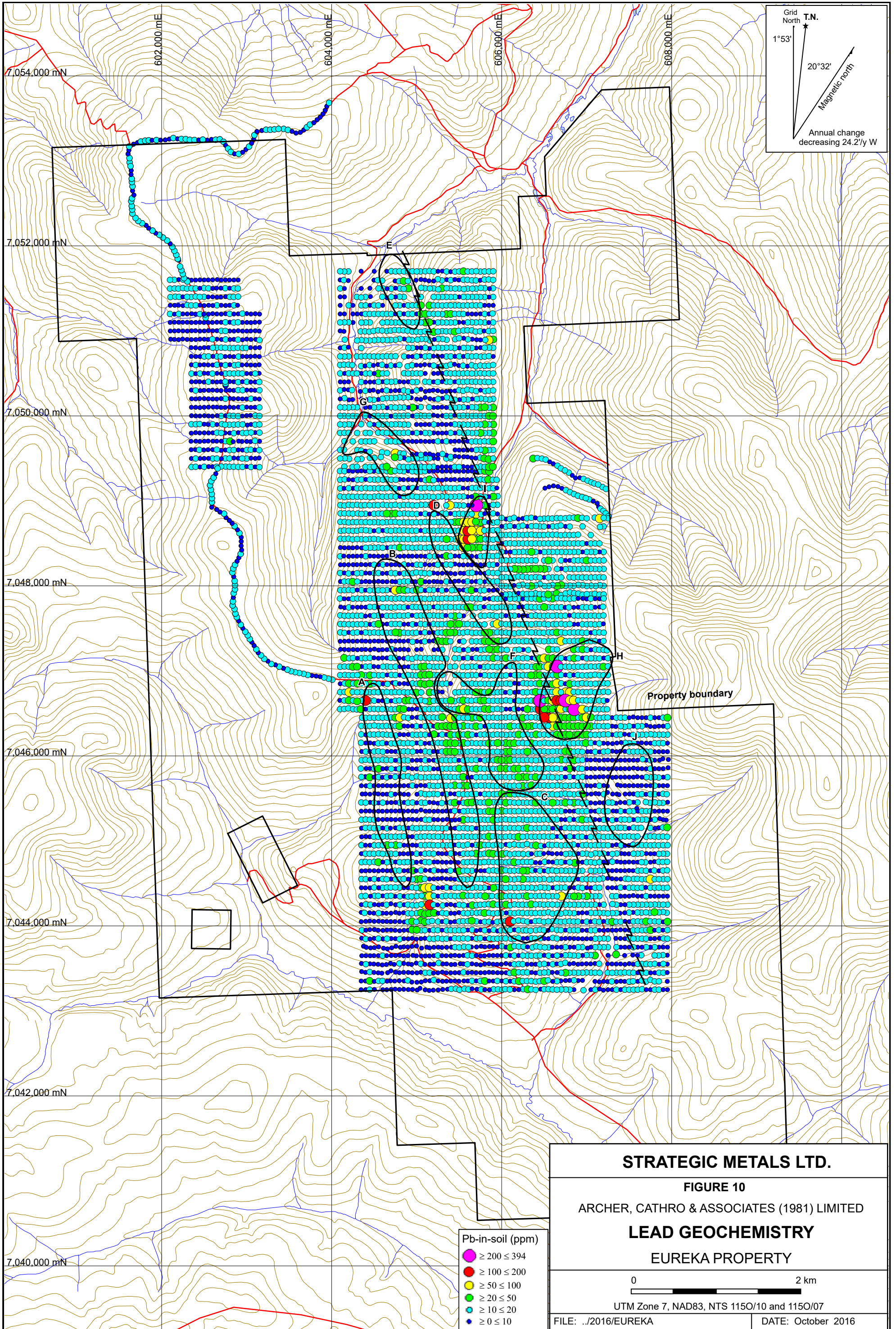


UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: ../2016/EUREKA

DATE: October 2016

- Copper-in-soil (ppm)
- ≥ 200 ≤ 497
 - ≥ 100 ≤ 200
 - ≥ 50 ≤ 100
 - ≥ 20 ≤ 50
 - ≥ 0 ≤ 20



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FIGURE 10

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

LEAD GEOCHEMISTRY

EUREKA PROPERTY

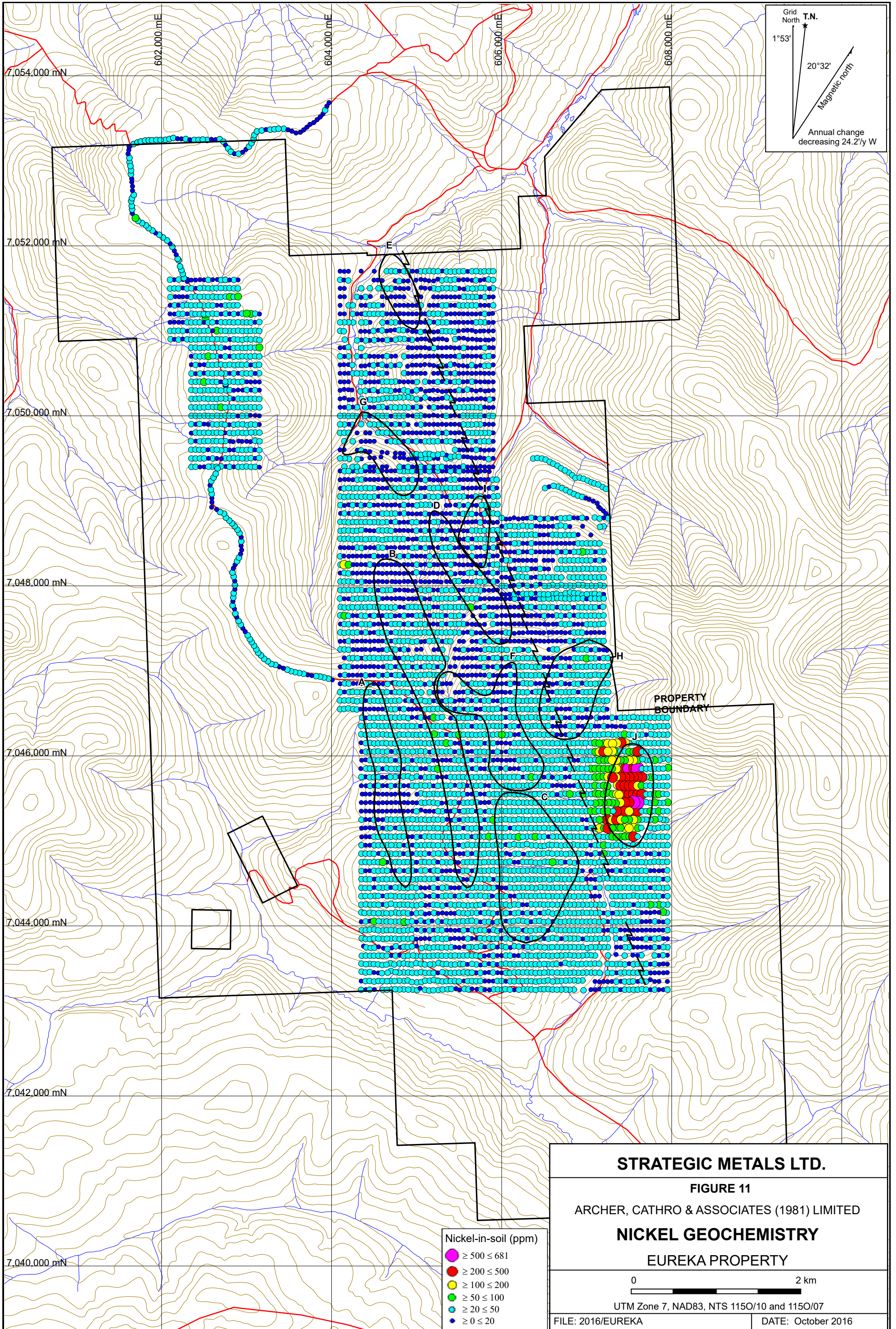


UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: ../2016/EUREKA

DATE: October 2016

- Pb-in-soil (ppm)
- $\geq 200 \leq 394$
 - $\geq 100 \leq 200$
 - $\geq 50 \leq 100$
 - $\geq 20 \leq 50$
 - $\geq 10 \leq 20$
 - $\geq 0 \leq 10$



STRATEGIC METALS LTD.

FIGURE 11

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

NICKEL GEOCHEMISTRY

EUREKA PROPERTY

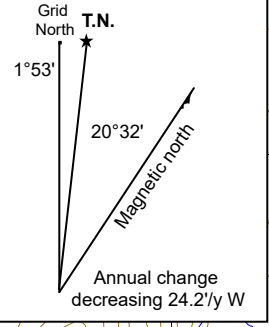
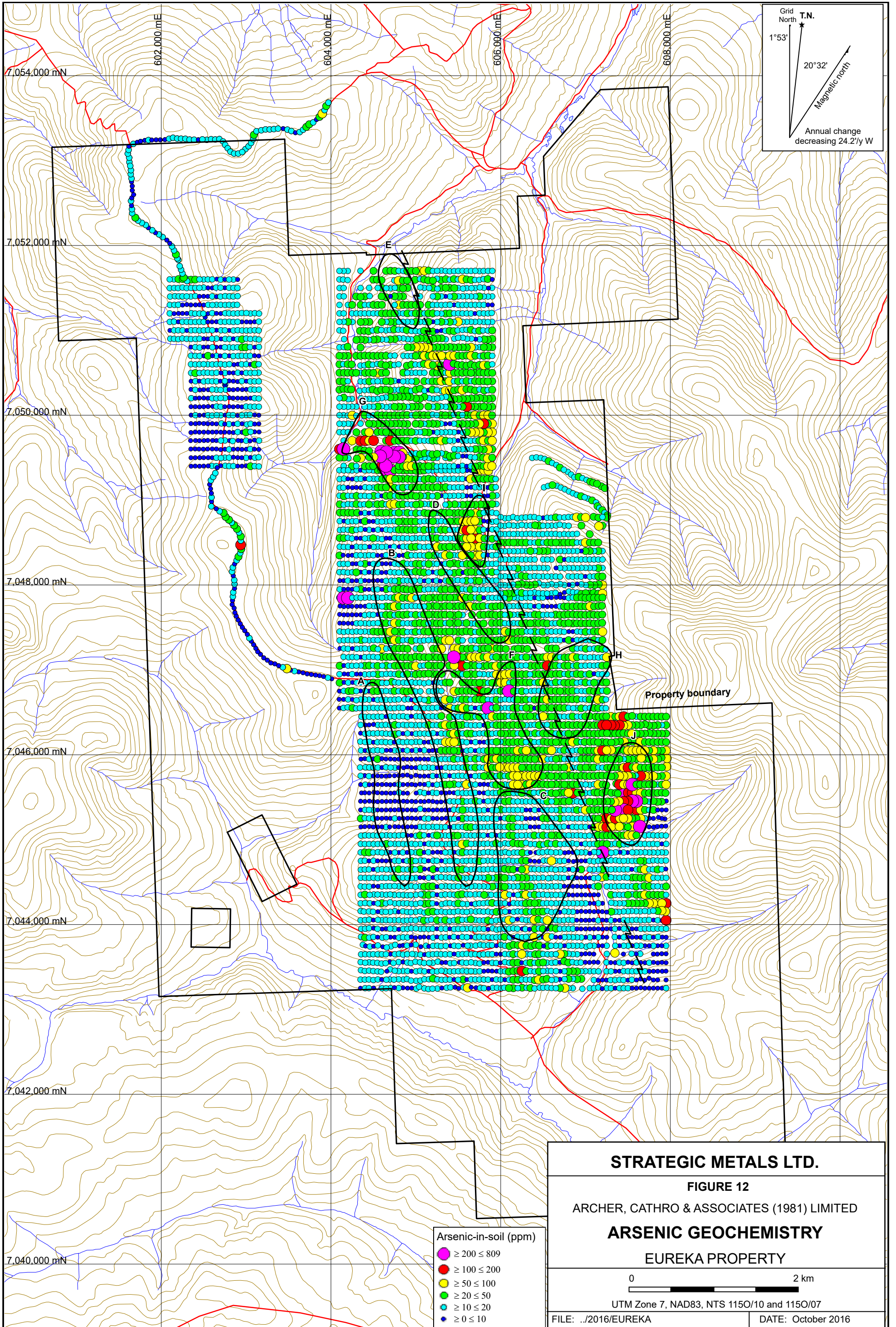
0 2 km

UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: 2016/EUREKA

DATE: October 2016

- Nickel-in-soil (ppm)
- ≥ 500 ≤ 681
 - ≥ 200 ≤ 500
 - ≥ 100 ≤ 200
 - ≥ 50 ≤ 100
 - ≥ 20 ≤ 50
 - ≥ 0 ≤ 20



- Arsenic-in-soil (ppm)
- ≥ 200 ≤ 809
 - ≥ 100 ≤ 200
 - ≥ 50 ≤ 100
 - ≥ 20 ≤ 50
 - ≥ 10 ≤ 20
 - ≥ 0 ≤ 10

STRATEGIC METALS LTD.

FIGURE 12

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

ARSENIC GEOCHEMISTRY

EUREKA PROPERTY

0 2 km

UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: ../2016/EUREKA DATE: October 2016

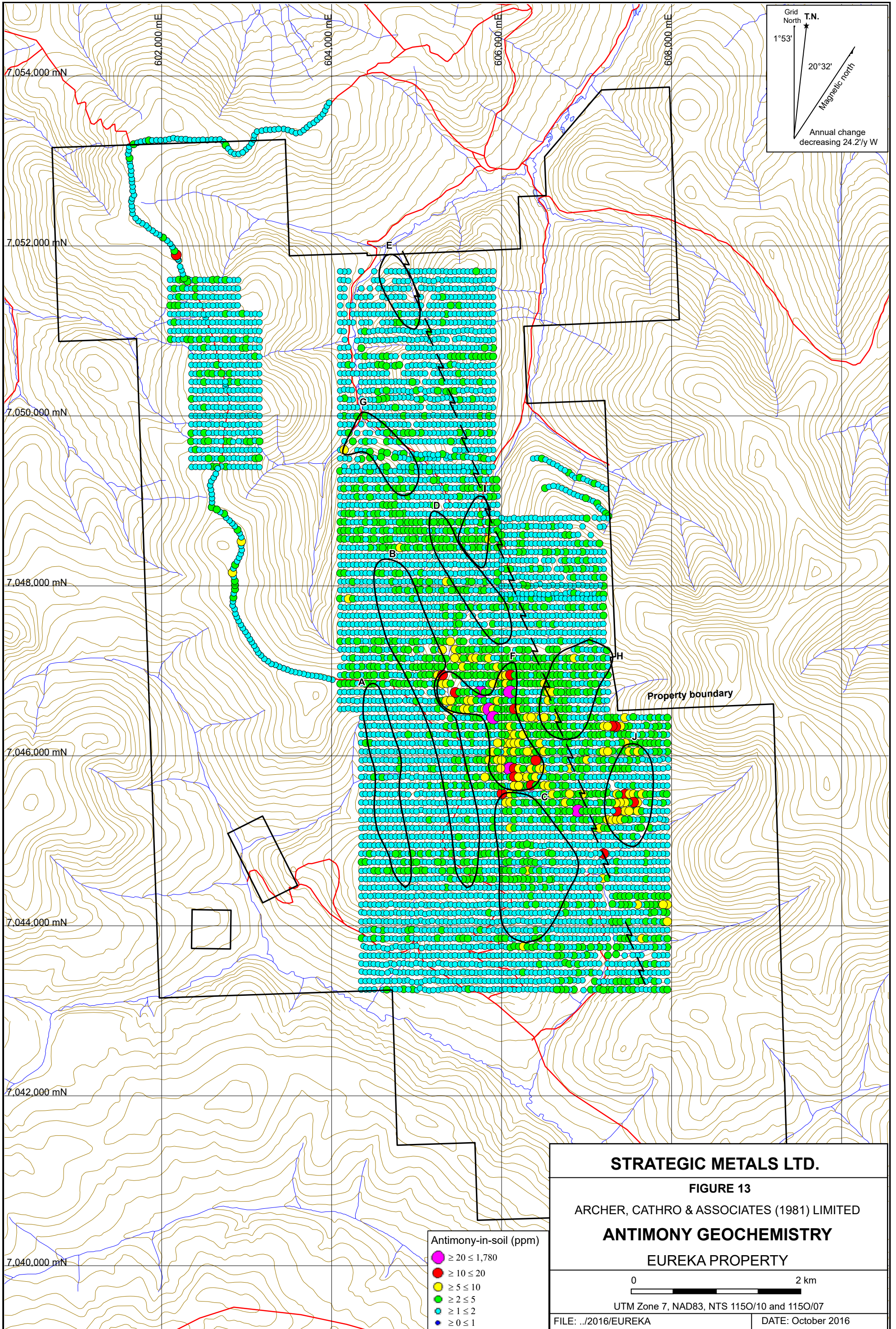


Table III – Threshold and Peak Values for Soil Samples

Element	Anomalous Thresholds				
	Weak	Moderate	Strong	Very Strong	Peak
Gold (ppb)	$\geq 10 < 20$	$\geq 20 < 50$	$\geq 50 < 100$	≥ 100	762
Copper (ppm)	$\geq 50 < 100$	$\geq 100 < 200$	≥ 200		497
Lead (ppm)	$\geq 20 < 50$	$\geq 50 < 100$	$\geq 100 < 200$	≥ 200	394
Nickel (ppm)	$\geq 50 < 100$	$\geq 100 < 200$	$\geq 200 < 500$	≥ 500	681
Arsenic (ppm)	$\geq 20 < 50$	$\geq 50 < 100$	$\geq 100 < 200$	≥ 200	809*
Antimony (ppm)	$\geq 5 < 10$	$\geq 10 < 20$	$\geq 20 < 50$	≥ 50	1780

* 2016 soil sample

Due to the abundance of regionally anomalous (greater than 20 ppb) gold-in-soil values on the Eureka property, the thresholds used to describe the geochemistry have been expanded in this report to allow for meaningful discussion. Moderately to strongly anomalous gold-in-soil values span the entire length (7800 m) and width (3400 m at its widest point) of the main soil grid. The northwesterly trending airphoto linear is shown on the geochemical maps for geological reference. As mentioned earlier, this linear likely represents the approximate surface trace of a more sinusoidal west-dipping thrust fault.

The main soil grid on the property hosts 10 distinct clusters of anomalous soil geochemical values (Anomalies A to J). Each anomaly has been defined based on its geochemical signature and geographical location on the property. Some scattered high values occur outside of the main anomalies.

In broad terms, Anomalies A to E are gold dominant, while Anomalies F to J have at least two elements with coincident strongly anomalous geochemical values within their bounds.

Gold Anomalies

Anomaly A is a 2000 m by 400 m, northerly elongated string of moderately to strongly anomalous gold-in-soil values that occurs in the southwestern part of the main grid.

Anomaly B is the largest (4000 m by 1000 m) gold-in-soil anomaly defined to date on the property. It straddles a ridge system in the centre of the property and encompasses the Wealth and Childs showings. Most of the historical trenching and percussion drilling has been done within Anomaly B.

Anomaly C lies in the south-central part of the main grid and covers an east-facing slope above the Ball Showing. It is an elliptical area with scattered moderately to strongly anomalous gold-in-soil values.

Anomaly D lies in the central part of the main grid. It comprises a northwesterly-trending string of moderately to strongly anomalous gold-in-soil values. The northwestern part of this anomaly covers the Allen Showing.

Anomaly E lies in the northernmost part of the property. It is the smallest of the gold only soil anomalies, and occurs immediately east of the airphoto linear.

Multi-Element Anomalies

Anomaly F is an irregularly shaped gold- and antimony-in-soil anomaly located immediately east of Anomaly B, on the ridge system in the central part of the property.

Anomaly G is a gold- and arsenic-rich anomaly that encompasses, and extends north from, the Happy Showing in the northern part of the property. This anomaly hosts the most continuous and coherent string of strongly anomalous values on the property.

Anomaly H lies on the east side of the airphoto linear in the central part of the property. It is defined by strongly anomalous lead- and arsenic-in-soil values, with only background values for other elements of interest.

Anomaly I trends northerly between Anomaly D and the airphoto linear. It is characterized by moderately anomalous gold values and moderately to strongly anomalous lead values.

Anomaly J is the eastern-most anomaly on the property. It comprises coincident, strongly anomalous copper, nickel, arsenic and antimony values. This geochemical signature may represent the surface expression of an unmapped ultramafic body in the footwall of the thrust fault.

DISCUSSION AND CONCLUSIONS

The Eureka property lies within the Dawson Range Gold Belt, a district containing a number of advanced epithermal and orogenic vein occurrences, including the nearby Coffee and White Gold deposits.

Drilling and trenching have identified widespread gold-bearing vein and breccia-style mineralization on the property, which has been intensely oxidized and probably leached by surface weathering. RC drilling on the property indicates that the depth of oxidation extends 100 m or more below surface. The relatively shallow dips of the mineralized shear and breccia zones, coupled with their favourable orientation relative to topography, suggests a target amenable to open pit mining. Preliminary cyanide leach tests have demonstrated good gold recoveries from strongly weathered rock collected on the property.

Further work on the Eureka property is warranted. It should consist of: additional soil sampling to expand the grid coverage; excavator trenching to test areas with strongly anomalous soil geochemistry to try and identify new showings; and, RC or rotary air blast drilling to test known mineralized showings at depth and along strike. Priority should be given to establishing the general limits of mineralization, as well as identifying higher grade cores within the broad lower grade shells. Depth of oxidation should be established along with the characteristics of unoxidized mineralization. Particular attention should be given to structure and timing of mineralization relative to various deformation events.

Respectfully submitted,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

A handwritten signature in blue ink that reads "Heather Burrell". The signature is written in a cursive style with a large initial 'H' and a long, sweeping tail on the 'l'.

Heather Burrell, P.Geo

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Yukon Geological Survey

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http://www.geology.gov.yk.ca/update_yukon_bedrock_geology_map.html

APPENDIX I
STATEMENT QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Heather Burrell, geologist, with business addresses in Vancouver and Squamish, British Columbia and Whitehorse, Yukon Territory and residential address in Whitehorse, Yukon 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 Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia.
4. I am a partner in Archer, Cathro & Associates (1981) Limited.
5. I have personally supervised the fieldwork reported herein and have interpreted all data resulting from this work.



H. Burrell, B.Sc., P.Geo

APPENDIX II
STATEMENT OF EXPENDITURES

Statement of Expenditures
347 Eureka Mineral Claims
November 25, 2016

Labour

D. Eaton (geologist) 39 hours March to November at \$120/hr	\$ 4,914.00
H. Burrell (geologist) 82 hours March to November at \$106/hr	9,126.60
J. Morton (geologist) 38 hours March to November at \$82/hr	3,271.80
M. Kulla (field assistant) 80 hours March to November at \$51/hr	4,284.00
R. Burke (field assistant) 72 hours March to November at \$49/hr	3,704.40
Q. Willms (field assistant) 80 hours March to November at \$45/hr	3,780.00
J. Itkin (office) 18.3 hours March to November at \$90/hr	2,172.33
J. Mariacher (office) 28 hours March to November at \$90/hr	2,646.00
L. Corbett (expedite) 14 hours March to November at \$81/hr	1,190.70
L. Smith (expedite and office) 50 hours March to November at \$69/hr	3,622.50
S. Newman (office) 43 1/2 hours March to November at \$66/hr	<u>3,014.55</u>
	41,726.88

Expenses (including management)

Field room and board – 30 mandays @ \$180/manday	6,102.00
Truck rental and fuel	2,040.94
ALS Chemex	<u>20,016.58</u>
	28,159.52

Total \$69,886.40

1,026 samples at \$69,886.40= \$68.12/sample

APPENDIX III
ROCK SAMPLE DESCRIPTIONS

Rock Sample Descriptions

Property: Eurkea

Sample Number: K282995 UTM: 604784 mE Nad83, Zone 7
Elevation: 723 m UTM: 7050782 mN

Comments: Specimen sample of orange-brown weathering, smokey quartz, with clay and black manganese(?) on fx. surfaces.

Sample Number: K282996 UTM: 604885 mE Nad83, Zone 7
Elevation: 722 m UTM: 7050694 mN

Comments: Specimen sample of chocolate-brown to black weathering, medium grey brecciated dolostone(?), with limonite and lesser goethite on fx. surfaces and as mm-scale rind.

Sample Number: K282997 UTM: 605411 mE Nad83, Zone 7
Elevation: 722 m UTM: 7050401 mN

Comments: Specimen sample of chocolate-brown to orange to red weathering, punky + pocky, brecciated oxide with pocks filled with limonite + clay.

Sample Number: K282998 UTM: 606674 mE Nad83, Zone 7
Elevation: 722 m UTM: 7048502 mN

Comments: Specimen sample of chocolate-brown to orange weathering, sheared, pale grey quartz (+ hornfels?), with limonite + brown mica + clay on fx. surfaces and sparse vugs filled with goethite.

Sample Number: K282999 UTM: 604752 mE Nad83, Zone 7
Elevation: 723 m UTM: 7051589 mN

Comments: Specimen sample of rock with the same lithology as sample K282997. No rep.

Sample Number: K283000 UTM: 604634 mE Nad83, Zone 7
Elevation: 723 m UTM: 7050783 mN

Comments: Specimen sample of rock with the same lithology as sample K282995. No rep.

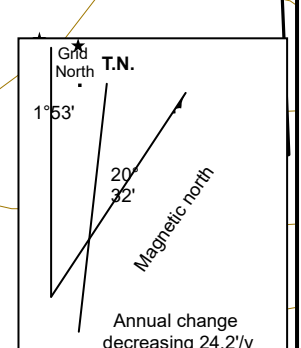
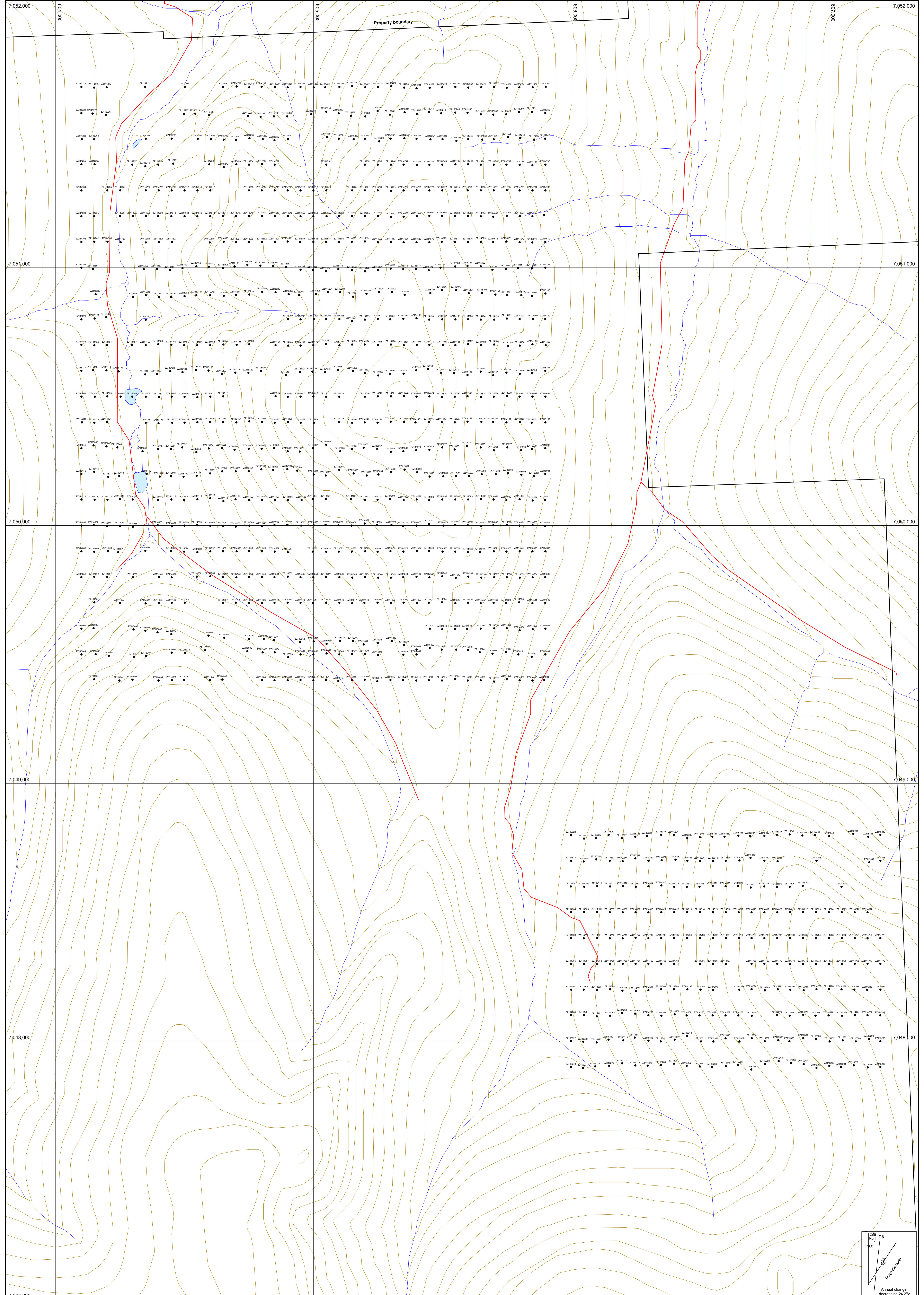
Rock Sample DescriptionsProperty: Eurkea

Sample Number: K291437 UTM: 604576 mE Nad83, Zone 7
Elevation: 719 m UTM: 7050788 mN

Comments: Specimen sample of chocolate-brown to orange weathering, dark grey, very pocky oxide, with clay + limonite + dark grey powdery mx. in vugs/pocks. Rock feels light.

APPENDIX IV
CERTIFICATES OF ANALYSIS

This appendix is contained in a digital format on the disc attached to this report.



STRATEGIC METALS LTD.

FIGURE 7
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
SOIL SAMPLE LOCATIONS
EUREKA PROPERTY

3 533
 p scale
 UTM Zone 7, NAD83, NTS 1150/10 and 1150/07

FILE: 2015/EUREKA DATE: October 2016