

TECHNICAL REPORT
on the
GK PROJECT
Telegraph Creek area, British Columbia

NTS: 104G/13 & 14 and 104J/03 & 04
BCGS: 104G083-084, 092-094, 104J002-004

Latitude 57°55N Longitude 131°25'W

Liard Mining Division

Site visit on September 28, 2018

For
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January 7, 2019

1.0 Executive Summary

The GK Project (the "Project") is located at latitude 57°55'N and longitude 131°25'W on NTS map sheets 104G/13 & 14 and 104J/03 & 04, approximately 17 km west of the community of Telegraph Creek, northwestern British Columbia. Telegraph Creek lies approximately 113 km by road southwest of Dease Lake, British Columbia. The 27,458 hectare Project comprises 36 contiguous mineral tenures within the Liard Mining Division, which are 100% owned by Strategic Metals Ltd. ("Strategic") of Vancouver, British Columbia. Road access exists across the extreme southeastern Project area, but helicopter access, available in Dease Lake, is required to access the main showings on the property.

Regionally the GK Project is situated within Stikinia, a predominantly intra-oceanic island arc terrane accreted to ancestral North America in the Early Mesozoic. Stikinia hosts numerous porphyry-type copper-gold occurrences, specifically in areas where Triassic and Lower Jurassic silica saturated plutons have intruded coeval oceanic island arcs. Examples of such alkalic porphyries in the regional area of the GK Project include the Red Chris mine, the Galore Creek deposit, and the Sheslay occurrences. Calc-alkalic porphyry-type copper-gold deposits such as Schaft Creek, GJ and KSM also occur within the area. World class gold rich deposits primarily occur as veins, stockworks and lesser breccias associated with the Late Triassic and Early Jurassic intrusive suites within the Golden Triangle of northwest Stikinia, including important precious metal mines, past-producers and deposits such as Brucejack, Premier, Snip, Johnny Mountain, and Spectrum. Deposits are typically Early Jurassic in age. An Early Jurassic age is also inferred for the disseminated, limestone hosted, past-producing Golden Bear gold mine located 55 km northwest of the Project.

The GK Project is primarily underlain by arc related volcano-sedimentary rocks of the Upper Triassic Stuhini Group, which is intruded by an approximate 20 km² granodiorite and diorite to quartz diorite pluton (informally named the Grass Mountain pluton in this report) and similar small plug of Upper Triassic to Jurassic age in the east-central property area, and quartz diorite of the Middle to Upper Triassic Tahltan Lake and Tahltan River plutons in the western property area.

Documented historical exploration on the GK Project area, undertaken from 1916 to 1991, has included mapping, prospecting, rock and stream sediment geochemistry, soil sampling, hand trenching, 116.6 km of ground magnetic surveying, and minor self potential ground geophysical surveying. Work by Strategic was completed between 2005 and 2018 and has included: prospecting; geological mapping; stream sediment and rock geochemical sampling; contour and grid soil sampling; minor hand trenching; an airborne magnetic and VTEM survey covering approximately 12% of the property; a 13.95 km induced polarization geophysical survey and; 927.81m of diamond drilling in two holes on the Winter Creek zone in 2010. Soil geochemistry now covers approximately 30% of the property and approximately 40% has been mapped.

The GK Project covers nine Minfile occurrences as documented by the British Columbia Geological Survey, and an additional five occurrences were discovered by Strategic in 2013 and 2018. In the east-central Project area gold, copper and silver mineralization primarily occurs in veins, shears, fracture fillings and dykes cutting, and as disseminations in, volcanic and lesser volcanoclastic rocks of the Upper Triassic Stuhini Group along the margins of the Grass Mountain pluton, and to a lesser extent, within the pluton. Peak values of 47.5 g/t Au, 15.85% Cu, 120 g/t Ag and 0.214% Co were obtained from rock samples, with peak values of 6.18 g/t Au, 0.689% Cu, 59.9 g/t Ag and 92 ppm Co from soil samples.

Several veins occur at the Hungry Bear showing within the Winter Creek prospect just south of the Grass Mountain pluton, one of which has been traced for almost 90m, remaining open along strike. Chip samples from seven hand trenches averaged 6.22 g/t Au, 1.67% Cu and 4.4 g/t Ag over an average length of 1.0m, including one sample that returned 12.9 g/t Au, 4.76% Cu and 12.6 g/t Ag over 1.9m. The vein was successfully intersected in drill hole DDH10-01 about 75m down dip from

surface, yielding 1.38 g/t Au and 6197 ppm Cu over 9.14m, including 13.1 g/t Au and 6.05% Cu over 0.74m.

A semi-discrete, ovoid magnetic high geophysical anomaly was identified in the 2008 airborne geophysical survey one kilometre west of the Winter Creek prospect in an area hosting strong gold and copper in soil values and underlain by Triassic to Jurassic aged diorite to granodiorite. A 3D IP survey performed over the area in 2018 defined a steeply west-dipping resistivity low and associated chargeability high, features characteristic of buried porphyry copper-gold mineralization, downdip of the ovoid magnetic high.

Furthermore, the strongest gold-copper soil anomaly on the property (Anomaly A) covers a 4000 by 2000m area that extends to the west and northeast beyond the 1000 by 800m Winter Creek prospect and ovoid magnetic high geophysical anomaly.

The Poppa Bear showing, proximal to the central pluton area, primarily consists of a 400m wide by 800m long well fractured zone of northeast trending gold and copper bearing structures and numerous faults and dykes, remaining open along strike. The best result is 15.85 g/t Au, 1.74% Cu and 13.6 g/t Ag over 3.5m from a 050°/73°SE trending dioritic dyke with chalcocite, chalcopyrite and malachite. Gold ±copper soil geochemistry implies an extension of the showing to the northeast.

The Growly Bear showing comprises an area of gold bearing semi-massive chalcopyrite mineralization in calcite veins hosted by the pluton between the Hungry Bear and Poppa Bear showings. Four trenches exposed an easterly trending vein that is open along strike under talus cover and contains 7.44 g/t Au and 3.24% Cu over an average width of 2.9m along a 20m strike length, including 17.2 g/t Au and 2.77% Cu over 3.0m. Another vein occurs to the northeast and a subsequent self potential survey detected several more anomalies prospective for the discovery of sulphide mineralization. The showing lies within a 350 by 1700m northeast trending copper±gold-silver soil anomaly (Anomaly D).

The Honey Pot showing, just north of the pluton, covers a rusty, east-northeast dipping quartz-sericite-arsenopyrite-chalcopyrite vein, which cuts strongly fractured phyllite and carries 20.2 g/t Au, 0.32% Cu and 16.9 g/t Ag over 0.70m within soil Anomaly E.

A broad, 400 by 600m copper-gold-silver soil anomaly (Anomaly F) with peak values of 1005 ppm Cu, 265 ppm Au and 39 ppm Ag was delineated in 2018 about 700m northeast of the Honey Pot showing and does not correspond to any known mineralization. It is underlain by volcanic rocks sandwiched between intrusive rocks to the north and south on a steep, east-facing cirque.

In the western Project area, acquired by Strategic in 2017, an 800m by 400m area of exposed skarn mineralization hosted by limestone occurs proximal to the Tahltan Lake pluton at the VB showings. Six samples over a strike length of 740m averaged 1.34 g/t Au, 31.86 g/t Ag and 2.29% Cu, and grid soil sampling returned encouraging results along strike. The Frosty showing, 3.6 km to the southeast, covers several chloritic shear zones along a 200m strike length, which yielded 2.54 g/t Au and 0.14% Cu over 1.5m and mineralized calcite vein float occurrences located 450m to the southeast and 400m to the north, which yielded 2.74 g/t Au, and 1.65 g/t Au with 59.4 g/t Ag and 1.34% Cu, respectively. In 1989, a sample of mineralized quartz float, collected two km northeast of the Frosty showing, assayed 8.37 g/t Au. This work has not been followed up by Strategic.

The GK Project constitutes a property of merit based on: favourable geological setting within the well mineralized Stikine Arch; significant vein and possible porphyry style mineralization; untested soil and stream sediment anomalies and; untested geophysical targets. A contingent two phase exploration program is recommended to follow up significant mineralized zones and soil geochemical and geophysical anomalies with a Phase 1 program consisting of additional soil geochemistry, detailed mapping, prospecting, and hand trenching with a budget of \$220,000. Contingent on results from Phase 1, a Phase 2 diamond drill program with a \$500,000 budget is proposed to follow up results from Phase 1 and earlier work programs.

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2.0 INTRODUCTION AND TERMS OF REFERENCE

2.1 Qualified Person, Participating Personnel and Scope

Ms. Jean M. Pautler, P.Geo. of JP Exploration Services Inc. (“JPEX”) was commissioned by Strategic Metals Ltd., a company duly incorporated under the laws of the Province of British Columbia, to examine and evaluate the geology and mineral potential of the GK Project and to make recommendations for the next phase of exploration work in order to test the resource potential of the property. Based on the literature review and property examination recommendations are made for the next phase of exploration work. An estimate of costs has been made based on current rates for trenching, soil and rock geochemical surveys, drilling and professional fees in British Columbia. This report describes the geology, previous exploration history and mineral potential of the GK Project. Regional geological data and current exploration information have been reviewed to determine the geological setting of the mineralization and to obtain an indication of the level of industry activity in the area.

The report describes the property in accordance with the guidelines specified in National Instrument 43-101 and is based on historical information, a review of recent exploration in the area, and a site visit on the property by the author for Strategic on September 28, 2018 at which time drill hole sites and select showings were examined. The author was assisted by Heather Burrell of Archer, Cathro & Associates (1981) Ltd. (“Archer Cathro”). Work on the Project by Strategic from 2005 to 2018 was completed by or under the supervision of Archer Cathro, a private mineral exploration consulting firm based in Vancouver, British Columbia and Whitehorse, Yukon Territory.

2.2 Terms, Definitions and Units

All costs contained in this report are denominated in Canadian dollars. Distances are reported in metres (m) and kilometres (km). GPS refers to global positioning system with co-ordinates reported in UTM grid, Zone 9, Nad 83 projection. Minfile refers to documented mineral occurrences on file with the British Columbia Geological Survey. DDH refers to diamond drill hole. VTEM refers to versatile time-domain electromagnetic, and SP to self potential, types of electromagnetic geophysical surveys useful in the detection of conductors, and IP refers to an induced polarization type of geophysical survey, useful in detecting disseminated mineralization.

The term ppm refers to parts per million, which is equivalent to grams per metric tonne (g/t) and ppb refers to parts per billion. The abbreviation oz/ton and oz/t refers to troy ounces per imperial short ton. The symbol % refers to weight percent unless otherwise stated. The annotation 020°/55°E refers to an azimuth of 020°, dipping 55° to the east. Ma refers to a million years in geological time.

Elemental abbreviations used in this report include gold (Au), silver (Ag), arsenic (As), copper (Cu), cobalt (Co) and molybdenum (Mo). Minerals found on the property include pyrite and pyrrhotite (iron sulphides), chalcopyrite and chalcocite (copper sulphides), chalcantite (hydrated copper sulphate), magnetite and hematite (iron oxides), and arsenopyrite (arsenic-iron sulphide).

2.3 Source Documents

Sources of information are detailed below and include available public domain information and private company data.

- Research of the Minfile data available for the area on December 4, 2018 at <http://minfile.gov.bc.ca/searchbasic.aspx>.
- Research of mineral titles on December 4, 2018 and January 7, 2019 at <http://www.mtonline.gov.bc.ca> and <https://www2.gov.bc.ca/gov/content/industry/mineral-exploration-mining/british-columbia-geological-survey/mapplace>.
- Review of company reports and annual assessment reports filed with the government at <http://aris.empr.gov.bc.ca/>.
- Review of geological maps and reports completed by the British Columbia Geological Survey or its predecessors and the Geological Survey of Canada.
- Review of published scientific papers on the geology and mineral deposits of the region and on mineral deposit types.
- Publicly available and Company data of Strategic Metals Ltd., including a review of the entire exploration programs.
- Site visit on the property by the author on September 28, 2018.
- The author has previous independent experience and knowledge of the area having conducted exploration, including property examinations, within the Telegraph Creek area in 1997 to 1998 for Teck Exploration Ltd. The author has visited the Premier and Snip past producing mines, the GJ and Spectrum deposits and the Hoey prospect (part of the Sheslay occurrences).
- A review of pertinent news releases of Strategic Metals Ltd. and of other companies conducting work in the regional area.

2.4 Limitations, Restrictions and Assumptions

The author has relied in part upon work and reports completed by others in previous years in the preparation of this report as identified under Section 2.3, "Source Documents" and Section 27.0, "References". The author has assumed that the previous documented work on the property and in the region is valid and has not encountered any information to discredit such work. Thorough checks to confirm the results of such work and reports have not been done. Unless otherwise stated the author has not independently confirmed the accuracy of the data. Exploration assessment reports, listed in Section 27.0, "References", were completed by competent professionals and/or reputable prospectors and have been accepted by the Mining Recorder.

3.0 RELIANCE ON OTHER EXPERTS

While title documents and option agreements were reviewed for this study as identified under Section 2.3, “Source Documents” and Section 27.0, “References”, this report does not constitute nor is it intended to represent a legal, or any other, opinion as to the validity of the title. The title and option information were relied upon to describe the ownership of the property and claim summary in Section 4.2, “Land Tenure”.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location (Figure 1)

The GK Project is located at latitude 57°55'N and longitude 131°25'W on NTS map sheets 104G/13 & 14 and 104J/03 & 04, centred approximately 17 km west of the community of Telegraph Creek, northwestern British Columbia (Figure 1). Telegraph Creek is located at the confluence of the Stikine River and Telegraph Creek, which is about 113 km by road southwest of Dease Lake, British Columbia (Figure 1).

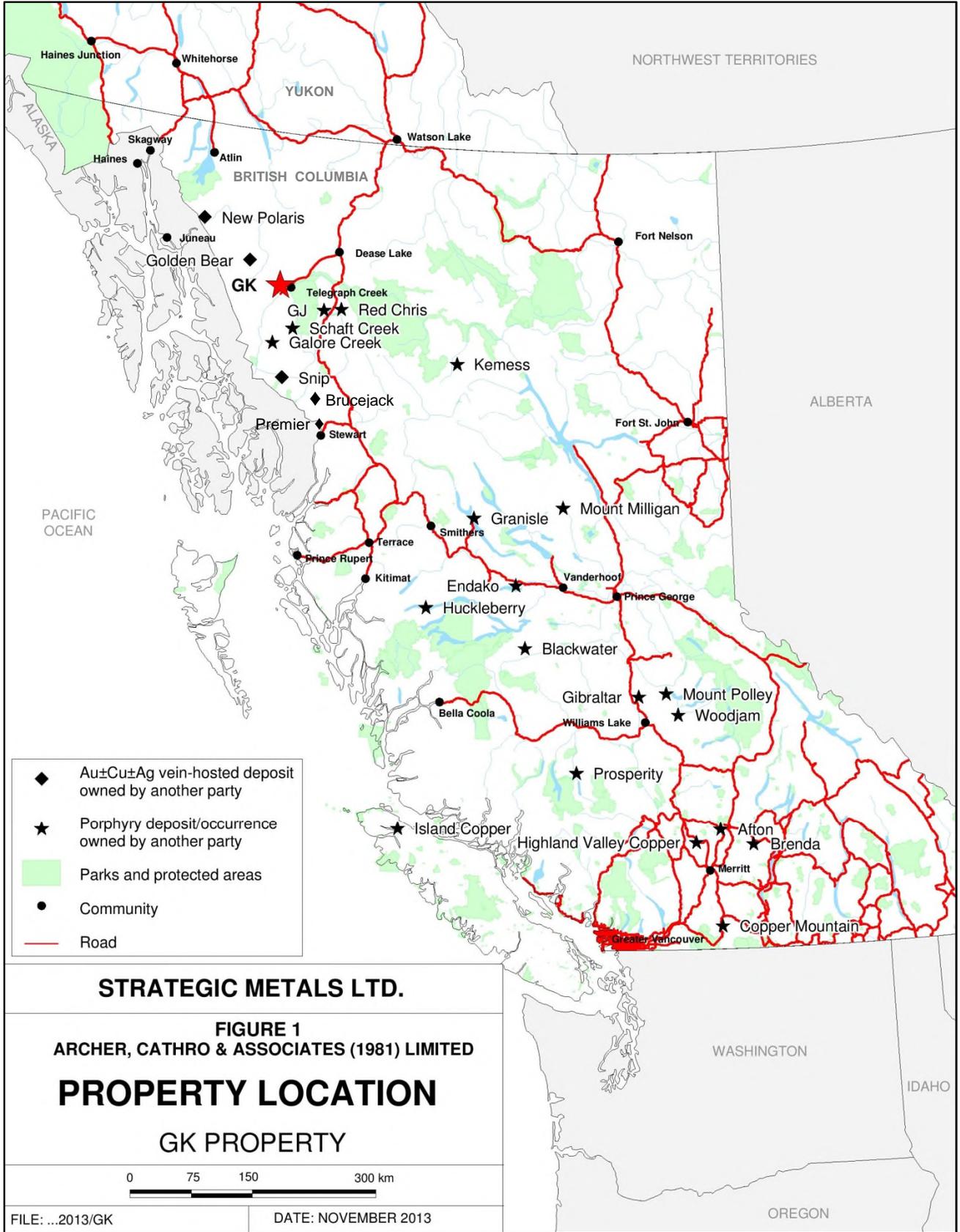
4.2 Land Tenure (Figure 2)

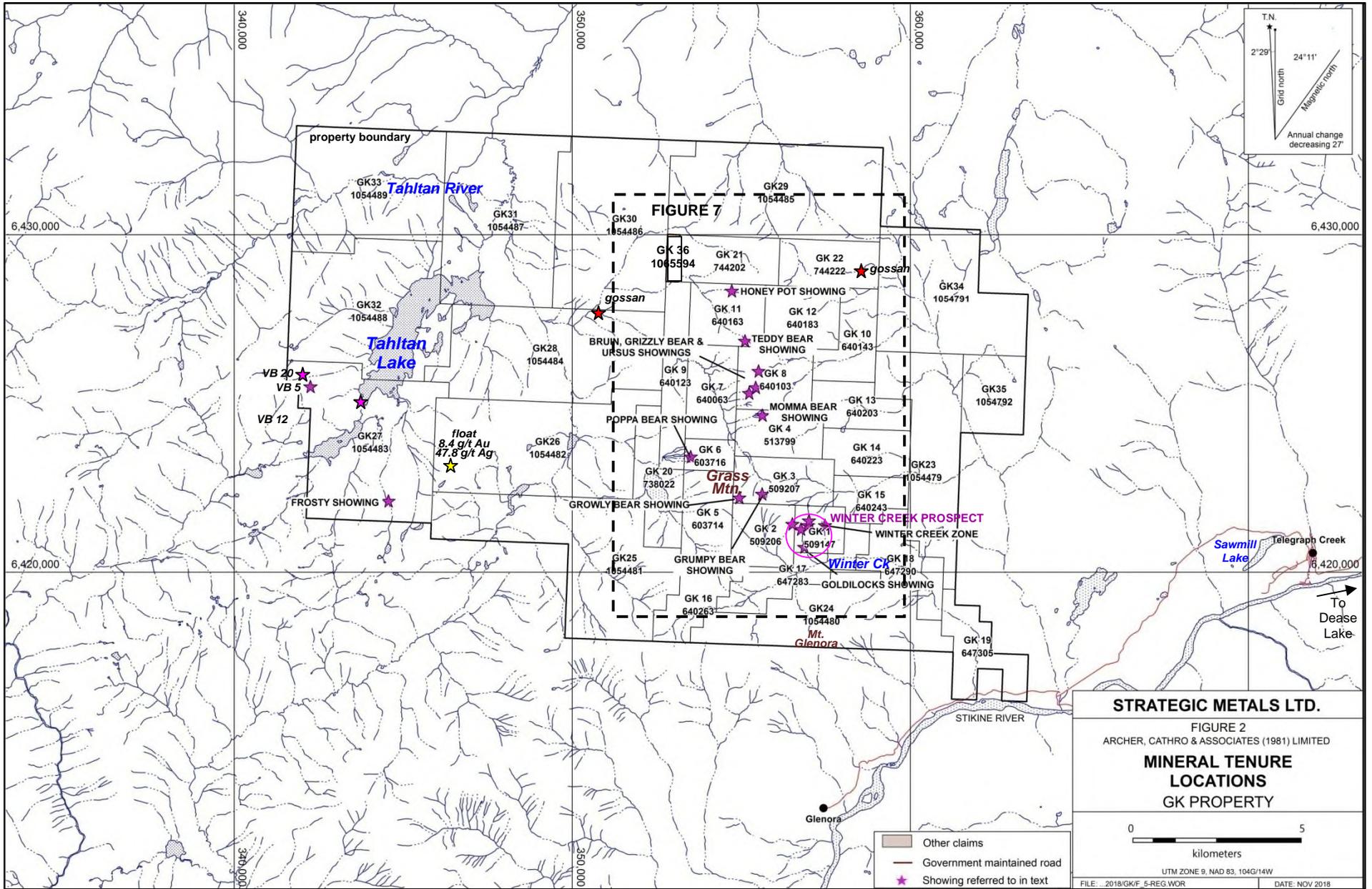
The Project consists of 36 contiguous mineral tenures covering an area of approximately 27,458 hectares in the Liard Mining Division (Figure 2 and Table 1). The area is approximate since the claims have not been legally surveyed. All claims were acquired in accordance with Mineral Titles Online on NTS map sheets 104G/13 & 14 and 104J/03 & 04, available for viewing at <http://www.mtonline.gov.bc.ca>. The tenures comprising the Project are registered to Archer, Cathro & Associates (1981) Limited (owner number 100811), held in trust for, and 100% owned by, Strategic Metals Ltd., of Vancouver, British Columbia. A table summarizing pertinent claim data follows.

TABLE 1: Claim data summary

Name	Title Number	No. of Tenures	Good to date	Area (ha)
GK 1	509147	1	March 31, 2024	206.221
GK 2-3	509206-207	2	March 31, 2024	756.235
GK 4	513799	1	March 31, 2024	360.736
GK 5-6	603714, 716	2	March 31, 2024	550.0219
GK 7	640063	1	March 31, 2022	412.132
GK 8-12	640103, 123, 143, 640163, 183	5	March 31, 2022	2025.568
GK 13-17	640203, 223, 243, 640263, 283	5	March 31, 2022	1718.689
GK 18-19	647290, 640305	2	March 31, 2022	859.7124
GK 20	738022	1	March 31, 2022	429.6401
GK 21-22	744202, 222	2	March 31, 2022	823.4311
GK 23-25	1054479-81	3	March 31, 2021*	3920.1351
GK 26-35	1054482-89, 91-92	10	March 31, 2020*	15344.524
GK 36	1065594	1	January 7, 2020	51.46
TOTAL		36 tenures		27458.5056

* expiry date subject to acceptance of 2018 assessment report, which has been filed





STRATEGIC METALS LTD.
 FIGURE 2
 ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
**MINERAL TENURE
 LOCATIONS**
GK PROPERTY

0 5
 kilometers

UTM ZONE 9, NAD 83, 104G/14W
 FILE: ...2018/GKF-5-REG-WOR DATE: NOV 2018

The GK Project is located within the Traditional Territory of the Tahltan First Nation as identified in the Statements of Intents of the First Nations. The land in which the mineral claims are situated is Crown Land. The mineral claims fall under the jurisdiction of the British Columbia Government.

A mineral claim holder is required to perform assessment work and is required to document this work to maintain the title as outlined in the regulations of the British Columbia Ministry of Energy and Mines. The amount of work required is \$5.00 per hectare for the first two years, \$10.00 per hectare for the third and fourth years, \$15.00 per hectare for the fifth and sixth, and \$20.00 per hectare thereafter. Alternatively, the claim holder may pay twice the equivalent amount to the British Columbia Government as “Cash in Lieu” to maintain title to the claims.

Preliminary exploration activities do not require permitting, but significant drilling, trenching, blasting, cut lines, and excavating may require a permit, obtained by filing a Notice of Work and Reclamation with the British Columbia Ministry of Energy and Mines. A permit is not currently in place for the GK Project, but will be applied for as required.

To the author’s knowledge, the GK Project area is not subject to any environmental liability. The author does not foresee any significant factors and risks that may affect access, title, or the right or ability to perform work on the property.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY (Figures 1 to 3)

5.1 Access, Local Resources and Infrastructure

Telegraph Creek is the closest community to the Project and is accessible southwest from Dease Lake, British Columbia via Highway 51, a rough 113 km gravel road with steep grades and narrow passages (*Figures 1 to 3*). The road is maintained by the British Columbia government. The road continues 10 km southwest from Telegraph Creek to Glenora along the north side of the Stikine River, passing through the extreme southeastern portion of the GK Project (*Figure 1*). Helicopter is required to access most of the property with a helicopter base located in Dease Lake, an approximate 45 minute flight one way. The Stikine River provides navigable water access from Wrangell, Alaska north to Telegraph Creek.

Abundant water is available for exploration and mining from tributaries of the Stikine River, which include Winter Creek and the Tahltan River.

Telegraph Creek has a population of approximately 250 with facilities including an airstrip, general store, health clinic, two police officers, accommodation and cafe. More complete services, including food, gas and accommodation, and some heavy equipment and a small mining oriented labour force, are available for contract mining work in Dease Lake, approximately 2 hours by gravel road northwest of Telegraph Creek (*Figure 1*).

5.2 Physiography, Climate and Infrastructure

The GK Project covers Grass Mountain and Tahltan Lake, situated within the Tahltan Highland along the eastern margin of the Coast Mountain Range (*Figures 1 and 2*). The area is drained by Winter Creek, the Tahltan River and other tributaries of the Stikine River, which flows into the Pacific Ocean.

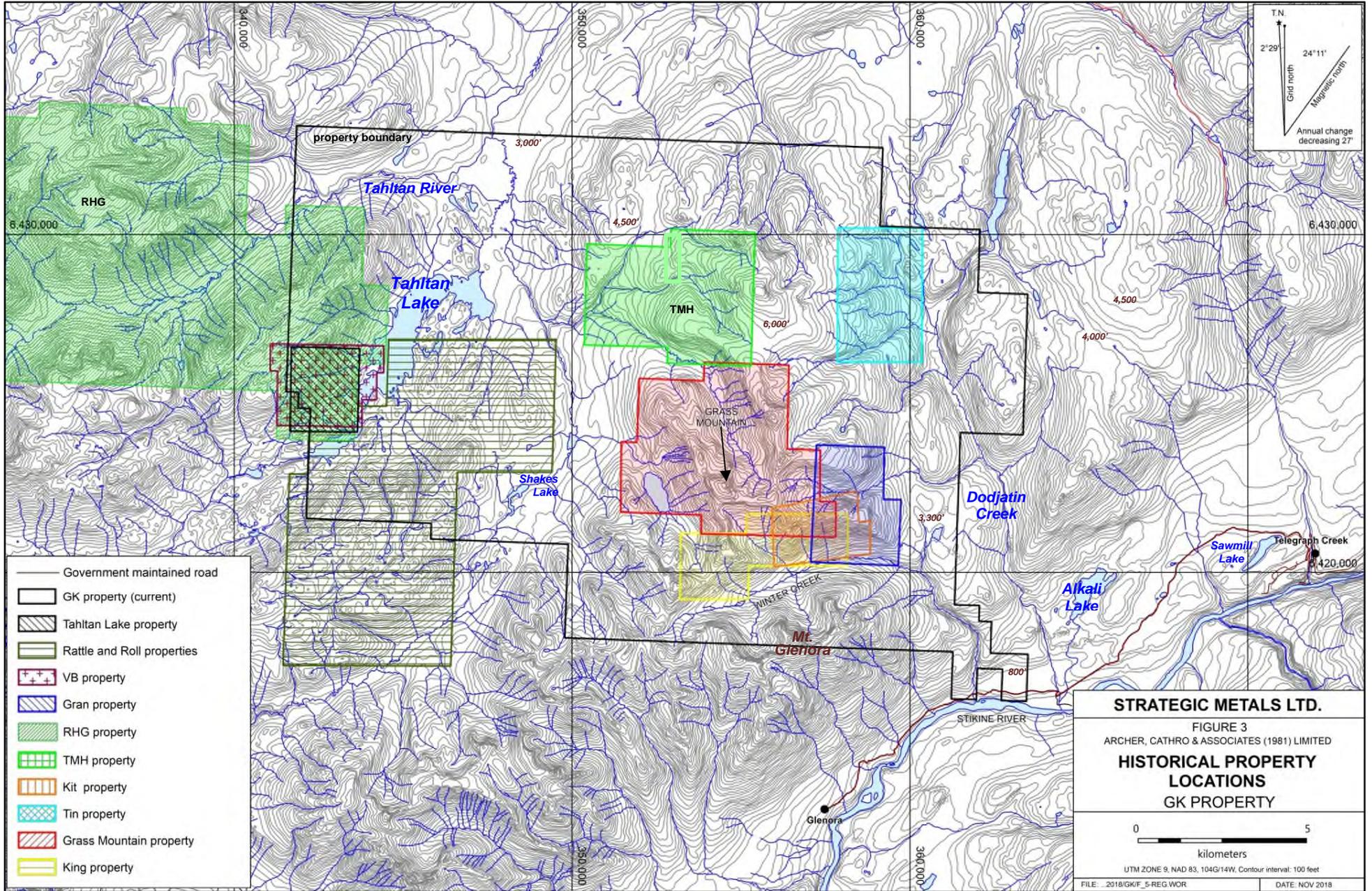
Topography consists of rugged mountain peaks and ridges generally surrounded by broad grassy gentle slopes that steepen to precipitous rocky cliffs and talus slopes on cirque headwalls. Elevation ranges from 140m along the Stikine River in the southeast property area to about 2085m in the central property area (*Figure 3*). Bedrock is found in steep drainages and along mountainous ridges, generally with poor exposure in the valleys. Approximately half of the Project lies above treeline, which is at about 1080m. Lower elevations are rocky with glacial cover and commonly thick brushy vegetation consisting of spruce, alpine fir, balsam and willow. Higher elevations are sparsely vegetated with grass, moss and rare juniper.

The area has a northern interior climate, typical of northwestern British Columbia, characterized by a wide temperature range with warm summers, truncated spring and fall seasons and long cold winters. Summers are warm, with daily averages of around 10 to 15°C. Winters are cold, with average temperatures of -5 to -15°C and moderate snowfall. The exploration season lasts from early June until late September. Total annual precipitation in Telegraph Creek is 387 millimeters, much of which falls as snow.

Although there do not appear to be any topographic or physiographic impediments, and suitable lands appear to be available for a potential mine, including mill, tailings storage, heap leach and waste disposal sites, engineering studies have not been undertaken and there is no guarantee that areas for potential mine waste disposal, heap leach pads, or areas for processing plants will be available within the subject property. The nearest source of hydroelectric power is the Hluey Lakes hydro-generating facility near Dease Lake, British Columbia, approximately 100 km northeast of the GK Project. Service to Telegraph Creek is being considered.

6.0 HISTORY (Figures 2, 3 and 7 to 9)

The first rush of exploration to the Telegraph Creek area in 1873 was initiated by the discovery of fine placer gold in the Stikine River with active prospecting for placer gold in the area continuing as prospectors passed through to the Cassiar and Klondike gold rushes (*Souther, 1972*). In 1916, gold-copper mineralization was discovered on the south facing slope of the Winter (originally Four Mile) Creek valley in the southern property area (*Figure 2*). Since then, exploration programs have been carried out over various parts of the current GK Project by various operators, with eleven main properties having been staked and abandoned (King, VB, Gran, Grass Mountain, Kit, Tin, TMH, Tahltan Lake and parts of the Rattle and Roll and RHG) as outlined on Figure 3. The locations of mineral showings are shown on Figure 2.



Documented historical exploration on the GK Project area, undertaken from 1916 to 1991, has included mapping, prospecting, rock and stream sediment geochemistry, soil sampling, hand trenching, 116.6 line km of ground magnetic surveying, and minor SP ground geophysical surveying.

A summary of the historical work completed by various operators on the GK Project (unless stated otherwise), as documented in British Columbia Minfile, reports on file with the government (e.g. Annual Reports of, and assessment reports filed with, the British Columbia Ministry of Energy and Mines and publications of the Geological Survey of Canada) and various private company data, is tabulated below. The locations of the occurrences, known mineralized zones and important natural features are shown in Figures 2, 3, 7 and 8 in relation to the outside property boundaries.

- 1916 A pack trail was constructed from the Stikine River up the Winter Creek valley and a 6.7m open cut was excavated by G.V. Carson, exposing “good” showings of copper and gold on the south facing slope of the valley (*Minister of Mines, 1917*).
- 1929-30 Prospecting and trenching by Mining Corp. of Canada on their Glenora and King claims, covering the Winter Creek zone, uncovered discontinuous lenses of massive pyrrhotite with disseminated chalcopyrite over a 457m strike length with results of 11 g/t Au, 9.7% Cu and 72 g/t Ag reported from one 9m long lens (*Minister of Mines, 1931*).
- 1962 Staking of the NP claims over the Winter Creek zone but no work or results are documented (*Carmichael et al., 1989*).
- 1973-4 Discovery of copper-iron skarn in the western GK Project area (VB property) by Amax Explorations Inc. (“Amax”), which followed up with reconnaissance mapping, minor trenching and a 34.1 line km ground magnetic survey. The survey detected the known skarn mineralization, but did not indicate an extension (*Hodgson and LeBel, 1974*).
- 1974 A program of geological mapping and geochemical sampling (89 soils and 7 rocks) by Ecstall Mining Ltd. over their Kit property, covering the Winter Creek zone, resulted in the discovery of the WC2 showing which returned 6.85 g/t Au, 4.25% Cu and 14.0 g/t Ag, and 2.06 g/t Au, 0.83% Cu and 2.05 g/t Ag from a chalcopyrite bearing mineralized shear (*Pearse, 1974*). Contour soil lines returned many moderately to strongly anomalous copper values above and below the zone (*Pearse, 1974*).
- 1976 About 37m of blast trenching in 4 trenches and sampling (17 rocks) near some of the anomalous 1974 soil sample sites on the Kit property was completed by Texas Gulf of Canada Ltd. (“Texas Gulf”), but significant results were only returned from a 2m by 0.3m chalcopyrite-pyrrhotite-pyrite pod in Trench 3 (*Donnelly and Peatfield, 1976*).
- 1983-7 The Kit property was restaked as the King by Atlantic Mineral Explorations Ltd., which completed mapping and chip sampling (10 rocks) in an area west of the Texas Gulf trenches where gossanous tuff is reportedly cut by two lamprophyre dykes (WC 3 showing). Chip sampling yielded low to moderate results; however, three silt samples collected up-drainage from the gossan returned highly anomalous values that were not explained (*Harper, 1983*).
- 1987 The Geological Survey of Canada (“GSC”) completed a low-density stream sediment and water sampling survey on NTS map sheets 104F and 104G (*Matysek et al., 1988*). Samples within the current GK property boundary included 95th percentile gold (79 ppb) and 99th percentile copper (332 ppm) values for those map sheets.

The following programs were conducted simultaneously on separate properties within the GK Project.

1988-91 The Grass Mountain property was staked by Teck Corp. ("Teck") to cover anomalous copper-gold stream sediment results from the GSC survey, which they followed up by prospecting, stream sediment sampling (21 samples), mapping, soil (1949 samples) and rock geochemistry (180 samples), magnetometer (82.5 line km in Momma and Poppa Bear areas), limited SP surveying, and 18 hand trenches (*Betmanis, 1989, 1990, and Roberts, 1992*). Four showings were discovered which are summarized below.

Four of five trenches on the Growly Bear showing, discovered during soil sampling, delineated a vein which contained 7.44 g/t Au and 3.24% Cu over an average width of 2.9m along a 20m strike length. The SP survey delineated several other targets nearby (*Figure 9*). Two chip samples from the Grumpy Bear showing yielded 2.63 g/t Au and 0.21% Cu over 1.5m and 1.51 g/t Au over 1.5m from limonitic fractures. Rock samples from the Momma Bear showing yielded 1.31 g/t Au with 1.50% Cu and 2.59 g/t Au with 0.84% Cu. Some of the ground magnetic lows from the Momma Bear area, suggestive of probable alteration, correlate with copper and gold soil anomalies (*Betmanis, 1990*). The Poppa Bear showing returned peak values of 15.8 g/t Au, 4.38 % Cu and 16.4 g/t Ag from narrow, high grade zones within a broad copper-gold±silver soil geochemical anomaly associated with a northeast trending zone of rhyodacite dykes, quartz-carbonate veins and faults.

1988-90 Homestake Mineral Development Company ("Homestake") and Equity Silver Mines Ltd. staked the Tahltan Lake property to cover the VB showing, found by Amax in 1973, and completed prospecting, mapping, rock (38), silt (4) and soil (50) geochemistry (*Marud, 1989, 1990b*). Skarn with associated copper and gold mineralization was noted over a 400m width and 800m strike length. The copper soil response was strongly elevated downslope of the known skarn mineralization, as well as along strike to the northeast and southwest, in areas covered by overburden. Gold soil response was coincident with copper, but more erratic in distribution (*Southam, 1991*).

Geochemical sampling (20 rock, 9 stream sediment and 106 soil samples) was also completed on their Gran property in the Winter Creek showing area (*Carmichael et al, 1989 and Marud, 1990a*). Semi-massive to massive pyrite with pyrrhotite and minor chalcopyrite mineralization occurs in hornfelsed mafic volcanic rocks adjacent to hornblende porphyry dykes associated with fault zones trending 150-180°/50-70°W with peak results of 2.98 g/t Au (by metallic screen assay) and 2.9% Cu (*Marud, 1990a*).

Later in 1990, Yukon Minerals Corporation carried out prospecting and contour soil sampling on the Gran claims under option (*Davidson, 1991*). Disseminated to massive lenses of pyrite were observed in faults and at volcanic-intrusive contacts; however, rock sample values were low to background for gold and silver, with weakly to moderately anomalous copper values.

1989-90 The Rattle and Roll property, the northern portion of which lies on the southwest GK property, was staked by Pass Lake Resources Ltd. and Golden Sitka Resources Ltd. to cover anomalous stream sediment samples from the GSC survey. They completed prospecting, geological mapping and rock (64) and stream sediment (27) sampling outlining numerous gossanous, carbonate, clay and silica-altered outcrops, associated with high-angle faults, returning 3.09 g/t Au from the Frosty showing, with elevated gold

and copper values nearby, and 8.37 g/t Au with 47.8 g/t Ag from quartz veinlets in volcanic float (*Figure 2*) about 2 km to the northeast (*Kasper, 1990*).

Sundial Resources Ltd. completed geological mapping, prospecting and rock (128), soil (32) and silt (60) geochemical sampling in 1990 under option (*Kasper, 1991*). Stream sediment sampling across the property yielded anomalous values for gold, copper, arsenic and zinc, with the strongest geochemical response from the area of the Frosty showing, which assayed 2.43 g/t Au and 1.41% Cu over 1.5m. Float samples from the area yielded peak values of 2.74 g/t Au (*Kasper, 1990*).

- 1989 The TMH property property was staked by Gulf International Minerals Ltd. on the basis of anomalous gold in GSC stream sediment samples, which were followed up by prospecting, rock (2) and stream sediment sampling (16) (*Kikauka, 1989*). A prominent pyritiferous gossan (*Figure 2*) associated with breccia and fracture zones within volcanic host rocks was identified but did not return significant results (*Kikauka, 1989*).
- 1989 Kestrel Resources Ltd. staked the Tin property and conducted rock (11) and pan concentrate (6) sampling (*Chase, 1989*). An up to 10m wide, northwest trending, andesite hosted, pyritic gossan with minor chalcopyrite, was traced for several hundred metres. Significant pan concentrate results of 0.54, 3.39 and 8.91 g/t Au were obtained (*Chase, 1989*).

Strategic acquired the initial GK mineral tenures in 2005, with additional tenures added in 2009, 2010, September, 2017 and January, 2019. Part of the western portion of the current GK Project (west of Tahltan Lake) covers the easternmost RHG property, which was acquired by Strategic in 2017 (*Figure 3*). Work programs were carried out on the RHG property in 2005 and 2008, but no work was conducted on the GK property area except for a site examination of the VB 5 showing area in 2008 which was not documented.

The following is a summary of the work conducted on the GK Project by Strategic, the details and results of which will be discussed under section 9.0, "Exploration", with rock geochemistry discussed under section 7.3, "Mineralization", mapping under section 7.2, "Property Geology" and the drill program under section 10.0, "Drilling".

Work by Strategic:

- 2005 One day of prospecting and stream sediment sampling (12 samples) was performed, resulting in the delineation of three anomalous drainages (*Wengzynowski and Smith, 2009*).
- 2008 Helicopter-borne magnetic and variable time domain electromagnetic ("VTEM") surveys were conducted by Geotech Ltd. across the eastern GK 1-4 claims (*Wengzynowski and Smith, 2009*).
- 2009 Reprocessing and interpretation of the VTEM and magnetic surveys was performed by Condor Consulting, Inc. and a program of geological mapping, prospecting and geochemical sampling (94 rock and 1242 soils) was completed in areas that overlap with the historical Grass Mountain, Gran, Tin and King properties.

The Hungry Bear and Baby Bear showings were discovered within the Winter Creek zone and the extent and grade of the zone and several historical soil anomalies was confirmed. The Hungry Bear vein showing yielded 12.9 g/t Au, 4.76% Cu and 12.6 g/t Ag over 1.9m and an average of 6.22 g/t Au, 1.67% Cu and 4.4 g/t Ag over an average

width of 1.0m from intermittent chip sampling along a strike length of 68m. Mineralized veins (15 cm wide) and associated vein float at the Baby Bear showing returned 2.35 to 7.99 g/t Au with peak values of 1.29% Cu and 14.2 g/t Ag. A silver-rich soil anomaly was identified in the southwestern Grass Mountain area, which includes values of 43.5 and 59.9 ppm Ag (*Wengzynowski and Eaton, 2010*).

- 2010 A program of geochemical sampling (43 rock and 412 soils), prospecting, geological mapping and 927.81m of diamond drilling in two holes on the Winter Creek zone was conducted. The Goldilocks showing was discovered yielding 0.118 g/t Au over 1.05m and 1.00 g/t Au from a grab sample and the best drill interval averaged 1.38 g/t Au and 6197 ppm Cu over 9.14m, including 13.1 g/t Au and 6.05% Cu over 0.74m from the Hungry Bear vein and its altered wallrock (*Smith and Eaton, 2010*).
- 2013 A program of geological mapping, prospecting and rock (132), soil (405) and silt (110) geochemical sampling resulted in the discovery of the Teddy Bear breccia zone and the Honey Pot showing and outlined a 2 km by 2 km prospective area defined by anomalous soil and silt geochemistry (*Mitchell and Burrell, 2013*). A float sample collected from the Honey Pot showing returned 9.51 g/t Au, 1.11% Cu and 21 g/t Ag.
- 2018 A program of prospecting, geochemical sampling (31 rock and 485 soils) and a 13.95 line km IP survey resulted in the discovery of three new showings (Ursus, Grizzly Bear and Bruin), and yielded 20.2 g/t Au, 0.32% Cu and 16.9 g/t Ag over 70 cm from the Honey Pot showing (*Morton, 2018*). Peak values from the Grizzly Bear showing were 0.20 g/t Au, 2.31% Cu and 10,000 ppm As from float, while the Bruin showing returned 0.62 g/t Au and 0.24% Cu over 1.4m. Two new soil anomalies were identified in the northeastern property area, one of which covers a broad area that includes the Honey Pot showing. The IP survey defined a steeply west-dipping resistivity low and associated chargeability high downdip of an ovoid magnetic high suggestive of buried porphyry copper-gold mineralization (*Morton, 2018*).

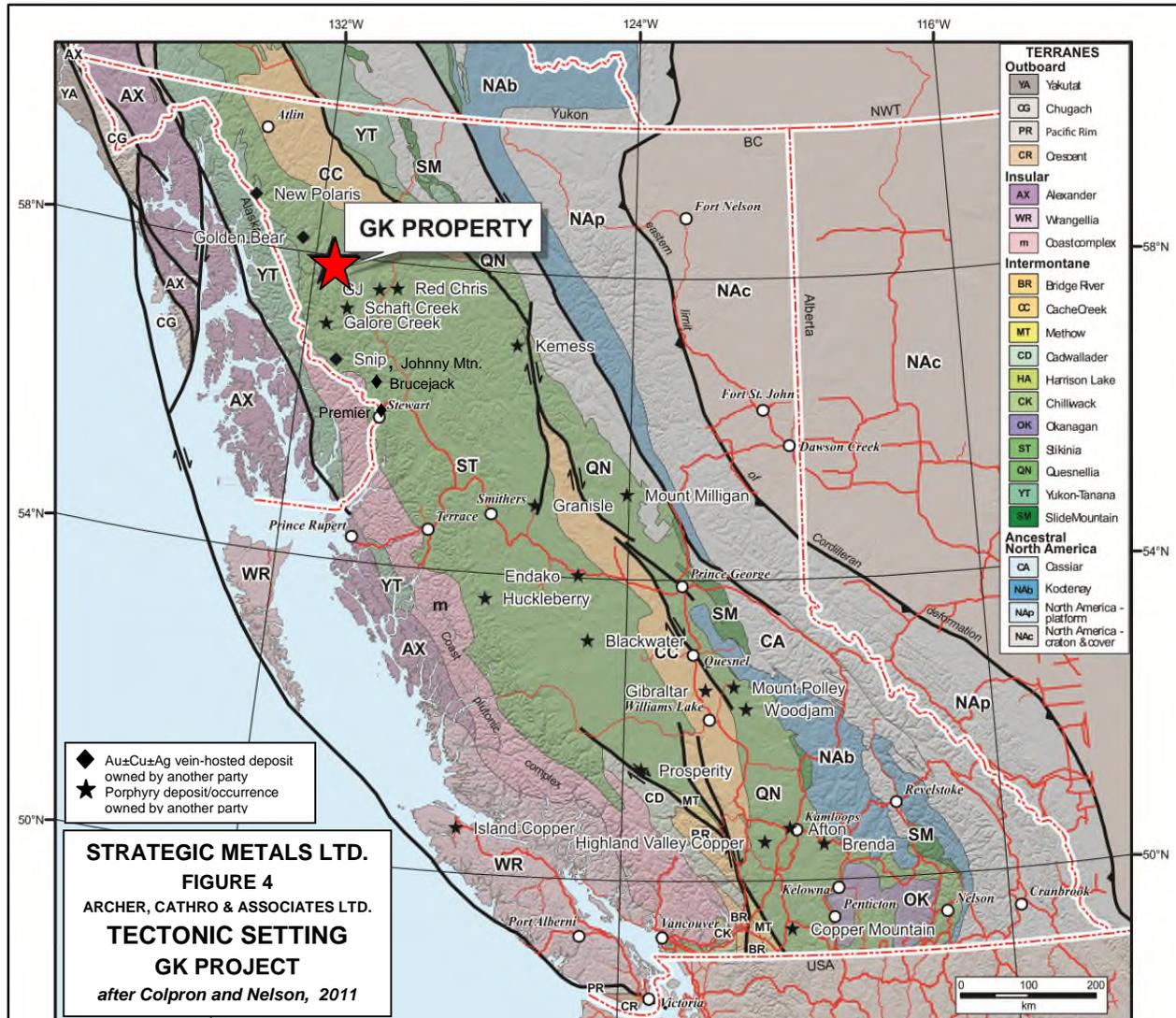
The exploration work since 2005 has been completed by, or under the supervision of, Archer Cathro, a private mineral exploration consulting firm based in Vancouver, British Columbia and Whitehorse, Yukon Territory.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

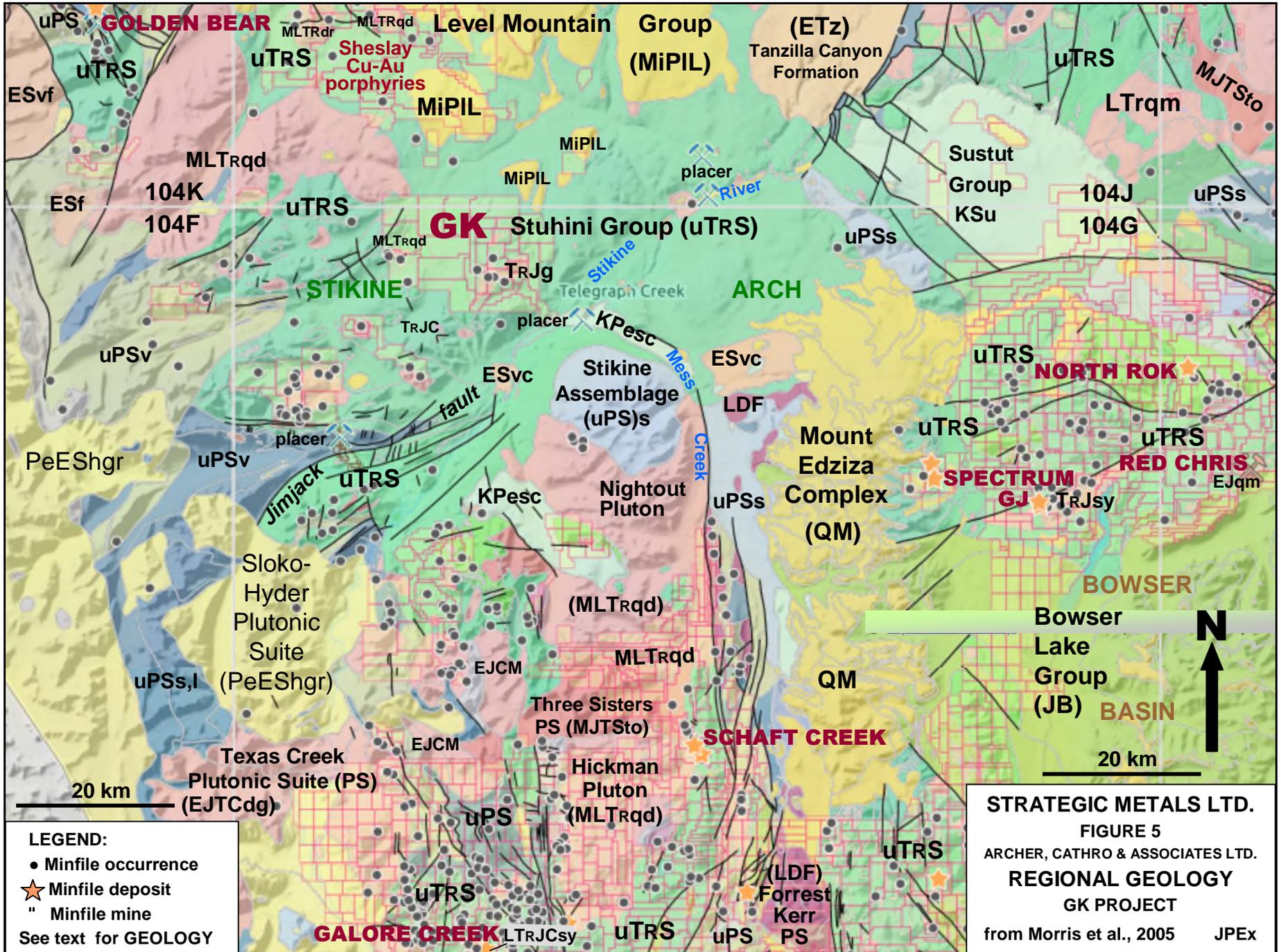
7.1 Regional Geology (Figures 4 to 5)

The Telegraph Creek (104G) and the Dease Lake (104J) map sheets were mapped at a 1:250,000 scale by the GSC and released by Souther (1972) and Gabrielse (1980), respectively. The British Columbia Geological Survey ("BCGS") conducted 1:50,000 mapping between 1988 and 1992 in four map areas within map sheet 104G. The 1991 program focused on an area that covers part of the western GK property (*Brown et al., 1992*). Previous geological work was reviewed and synthesized and Mesozoic plutonic suites updated in Brown et al. (1996). A digital compilation of northwestern British Columbia was then completed by Mihalynuk et al. (1996), which was utilized in the province-wide geology compilation by Massey et al. (2005), resulting in updated lithological unit names in the GK area.

The GK Project is located in the northwestern portion of Stikinia, a predominantly intra-oceanic island arc terrane accreted to ancestral North America in the Early Mesozoic (*Figure 4*).



More specifically the Project lies within the Stikine Arch (*Figure 5*), a triangular shaped area cored by remnants of the Stuhini, Takla and Hazelton magmatic arcs separating the Bowser Basin from the Whitehorse Trough; the latter lies north of the regional area in *Figure 5*. The Stikine Arch hosts numerous porphyry-type copper-gold occurrences, specifically in areas where Triassic and Lower Jurassic silica saturated plutons have intruded coeval oceanic island arcs. Examples of such alkalic porphyries include the Red Chris mine, the Galore Creek deposit, and the Sheslay occurrences (*Figure 5*). Calc-alkalic porphyry-type copper-gold deposits such as Schaft Creek, GJ and KSM also occur within the Stikine Arch. World class gold rich deposits primarily occur as veins and stockworks associated with the Late Triassic and Early Jurassic intrusive suites in northwest Stikinia, including important precious metal mines, past producers and deposits such as Premier, Brucejack, Snip, Johnny Mountain, and Spectrum. An Early Jurassic age is inferred for the disseminated, limestone hosted, past producing Golden Bear gold mine, located 55 km northwest of the Project.



In the regional area (*Figure 5*), Stikinia comprises Paleozoic and Mesozoic arc volcano-sedimentary successions and coeval plutonic complexes. It is overlain by marine clastic rocks of the Jurassic Bowser Lake Group in the east, and by younger, less extensive continental strata, which include unnamed Cretaceous to Paleocene coarse clastic sedimentary rocks (**KPesc**) as well as those of the Cretaceous Sustut Group (**KSu**) and Eocene Tanzilla Canyon Formation (**ETz**), and continental arc volcanic (**ESv**) and derived epiclastic rocks (**ESvc**) of the Eocene Sloko Group (**ES**). The youngest stratified rocks in the region consist of alkali olivine basalt with minor trachyte and rhyolite of the Miocene to Pleistocene Level Mountain Group (**MiPIL**) to the north of the GK Project, and trachyte and alkali olivine basalt and hawaiite lava flows, domes and pyroclastic breccia of the Quaternary Mount Edziza Complex (**QM**) to the southeast.

The Stikine Assemblage (**uPS**), which forms the basement of Stikinia, consists of Permian, Carboniferous and Devonian aged calc-alkaline bimodal flow and volcanoclastic rocks (**uPSv**) with interbedded carbonate (**uPSI**) and minor shale and chert (**uPSs**). Unconformably overlying this package is a succession of Upper Triassic rocks belonging to the Stuhini Group (**uTRS**), comprising a mixed arc related volcano-sedimentary package that dominates the regional area of the GK Project.

Stikinia has been intruded by several major plutonic suites: the Late Devonian Forrest Kerr suite (**LDF**); the Middle to Late Triassic aged intrusions (**MLTRqd-dr**) that include the Kaketsa pluton and others associated with the Sheslay alkalic copper-gold porphyries (*Figure 5*), the Nightout, Hickman (associated with the Schaft Creek copper, molybdenum, gold, silver deposit) (*Figure 5*), and the Tahltan Lake and Tahltan River plutons (*Figure 6*); the Late Triassic to Early Jurassic dominantly alkaline Copper Mountain suite (**TRJC**), commonly associated with porphyry copper-gold deposits throughout British Columbia including the Galore Creek deposit; the Early Jurassic calc-alkaline Texas Creek suite (**EJTC**) associated with economically important precious metal vein deposits such as the Premier past producer and the Brucejack mine, and the KSM (Kerr-Sulphurets) porphyry deposit in the Stewart-Iskut area further south; other Triassic to Jurassic granitic intrusions, including those at Red Chris and North Rok (**EJqm**), GJ (**TRJsy**), and in the eastern GK Project area (**TRJg**); the late Early Jurassic Cone Mountain suite (**EJCM**) of granodiorite compositions; the Middle Jurassic Three Sisters suite (**MJTSto**); and the Paleogene Sloko-Hyder suite (**PeEShgr**) in the west.

Overall north and northwest trending normal faults are dominant in the regional area and are cut by narrow west trending extensional faults. The dominant structural feature is a north trending major fault zone along Mess Creek, believed to have undergone repeated movement. The northeast trending, moderately northwest dipping Jimjack reverse fault, proximal to the Stikine River, may continue across the southeastern GK property boundary to the Tanzilla River area, 75 km to the northeast. Movement is post-Triassic (Stuhini Group) and pre-Eocene.

7.2 Property Geology (Figures 6 and 7)

Property scale mapping (*Figure 6*) has been undertaken in two main areas within the GK Project, the Tahltan Lake and the Grass Mountain (*Figure 7*) areas. The programs were completed by Ecstall Mining Ltd. (*Pearse, 1974*), Atlantic Mineral Explorations Ltd. (*Harper, 1983*), Homestake and Equity Silver Mines Ltd. (*Marud, 1990b*), Pass Lake Resources Ltd. and Golden Sitka Resources Ltd. (*Kasper, 1990*), Sundial Resources Ltd. (*Kasper, 1991*), Yukon Minerals Corporation (*Davidson, 1991*), Teck (*Roberts, 1992*) and Strategic in 2009, 2010 and 2013 (*Figure 6*). Mapping on the GK Project is hampered by felsenmeer and talus cover at higher elevations, and rock glacier, boulder field, colluvium, glacial till and overburden cover in the valleys.

The Project is primarily underlain by the Stuhini Group an arc related volcano-sedimentary package (**uTRS**), which is locally subdivided into four main units on the property consisting of: primarily coarse augite porphyritic andesite flows and pyroclastics, locally with fine feldspar phenocrysts, and lesser massive andesite flows (**uTRSVb**), which are exposed predominantly in the central to southwestern property area; brown-green weathering, vesicular feldspar phyric andesite flows and interflow breccia in the north-central property area (**uTRSVa**); a feldspar porphyritic volcaniclastic unit in the western north-central to central property areas (**uTRSVc**); and a sedimentary unit (**uTRSS**) in the western property area with mappable limestone horizons (**uTRSlm**) identified near the south end of Tahltan Lake. Bedding within the sedimentary unit trends 300°/30°S. Minor aphanitic felsic tuff of rhyolite to dacite composition occurs as broad horizons (*Pearse, 1974*) that are limited to the southeast portion of the Grass Mountain detailed area (*Figure 7*). This unit contains abundant, disseminated pyrite, which is typically oxidized and, consequently, often marked by pronounced gossans.

The Stuhini Group is overlain by Cretaceous to Paleocene coarse clastic sedimentary rocks (**KPesc**) in the extreme southeast property area along the Stikine River and just to the east of the northeast property area (*Figure 6*).

The Stuhini Group has been intruded by the 3.5 km², two-phase Middle to Upper Triassic Tahltan Lake pluton (**MLTRqd**) just west of Tahltan Lake in the western Project area. The pluton consists of hornblende quartz monzodiorite in its northern and western sectors and hornblende quartz diorite in the eastern half. A similar, <2 km² northeast trending pluton is exposed along the Tahltan River straddling the western claim boundary (Tahltan River pluton). It comprises medium-grained equigranular hornblende to biotite hornblende quartz monzodiorite.

The largest intrusion on the Project is an irregular shaped, about 20 km², Upper Triassic to Jurassic pluton (**TRJg**), comprising granodiorite and diorite to quartz diorite phases, which intrudes the east-central property area with a small similar plug 1.5 km further north. The pluton is informally referred to as the Grass Mountain pluton in this report. The granodiorite is medium grained and equigranular with 30 to 40% quartz, 5 to 10% hornblende, ±biotite, and 50% combined feldspar. Hornblende is often pseudomorphed by chlorite and magnetite. The hornblende diorite, diorite to quartz diorite phase is described as medium to coarse grained and equigranular with 50 to 70% plagioclase crystals, 20 to 40% hornblende, 5 to 15% quartz and 1 to 3% magnetite and trace fine grained euhedral pyrite cubes. Minor epidote along hairline fracture selvages and quartz

and calcite fracture linings are common. The contacts between the dioritic phase and the Stuhini volcanic rocks vary from sharp breccia contacts to border phases of broad, weakly indurated recrystallization in the volcanic rocks and chilled microdiorite within the pluton.

The Early Jurassic Brewery pluton, belonging to the Texas Creek plutonic suite (**EJTC**), lies immediately south of the GK Project. Several pyroxenite stocks of the Copper Mountain plutonic suite (**LTRJCum**), including the Damnation and Latimer Lake plutons, lie just southwest of the Project.

Several generations of dykes occur across the property; most appear to be of similar compositions to, and probably coeval with, the plutons they peripherally intrude. Such dykes trend northerly, dip steeply and are commonly associated with faults and strong fracture zones in the Grass Mountain area (*Roberts, 1992*). Crowded andesite porphyry dykes in the western property area and northeast trending felsic, \pm quartz-feldspar porphyritic, dykes in the southeastern Grass Mountain area probably represent feeders to Stuhini volcanic rocks of similar composition. Syenite dykes, probably related to the dominantly alkaline Copper Mountain suite, intrude both the Stuhini Group and the Grass Mountain pluton in the Grass Mountain area (*Roberts, 1992*) and the Stuhini Group sedimentary unit in the Tahltan Lake area (*Brown et al., 1992*). Two sub-parallel southeast trending, steeply dipping, 2 to 5m wide, fine grained lamprophyre dykes cut augite porphyry of the Stuhini Group in the Winter Creek area (*Pearse, 1974*).

The regional fault trend in the Grass Mountain area is northerly, with northeast trending faults also evident here and in the western property area.

A table of Formations follows:

Upper Triassic to Jurassic

TRJg: *Grass Mountain pluton:* medium grained diorite to quartz diorite and granodiorite

Middle to Upper Triassic

MLTRqd: *Tahltan Lake pluton:* hornblende-quartz monzodiorite and quartz diorite

Upper Triassic

uTRS: *Stuhini Group:* undifferentiated marine sedimentary and volcanic rocks

uTRSs: undifferentiated sedimentary rocks: siltstone (siliceous, tuffaceous, calcareous and dolomitic), sandstone and interbedded argillite (turbidites); greywacke, volcanic conglomerate; minor limestone and ribbon chert

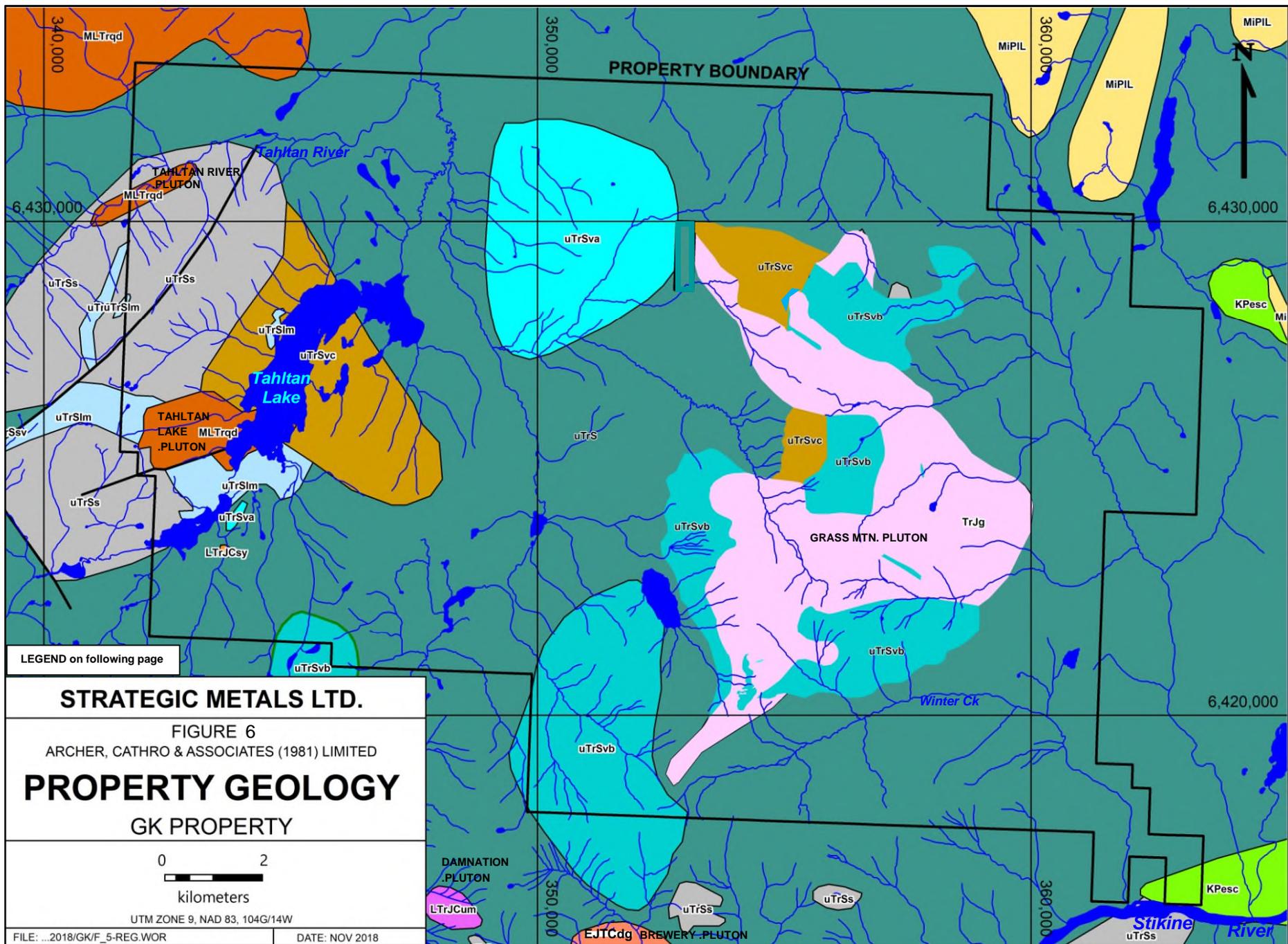
uTRSim: limestone horizons

uTRSvc: feldspar porphyritic lapilli tuffite and monomict sharpstone conglomerate with olive green ash and argillite interlayers; orange weathering; maroon, tan, light green

uTRSvd: massive, aphyritic dacite to rhyolite flows and felsic fragmental

uTRSva: plagioclase-phyric andesite flows and interflow breccia, brown-green weathering, vesicular

uTRSvb: augite andesite flows and pyroclastics, derived volcanoclastic and minor sedimentary rocks



Miocene to Pleistocene Level Mountain Group

MiPIL

Alkali olivine basalt, minor trachyte and rhyolite. Aphyric, and olivine, plagioclase and augite-phyric, fine-grained basalt flows, in part columnar-jointed, locally vesicular or amygdaloidal; may include massive, fine-grained diabase sills.

Cretaceous to Paleocene

KPesc

Chert-grain sandstone and conglomerate; minor shale

Early Jurassic

EJTCdg

Texas Creek Plutonic Suite: Fine to coarse-grained hornblende monzodiorite, quartz monzonite; syn to post-volcanic intrusions. Equigranular to porphyritic to aphanitic; includes hypabyssal equivalents of Hazelton Group extrusive rocks

Late Triassic to Early Jurassic

LTrJCum

Copper Mountain Suite: medium-grained clinopyroxenite.

Triassic to Jurassic

TrJg

Granitoid intrusions of probable Triassic to Jurassic age (104G; 104J, 104M).

Middle Triassic to Late Triassic

MLTrqd

Hornblende-quartz diorite to granodiorite and tonalite (206 Ma unpublished K-Ar, in 104K). Hornblende-pyroxene diorite; and may include amphibolite and pyroxene-bearing amphibolite.

Upper Triassic

uTrS

Stuhini group undivided arc volcanic and sedimentary rocks.

uTrSlm

Limestone, fetid argillaceous limestone, calcareous shale and reefal, very minor greywacke and siltstone in 104I.

uTrSs

Undivided sedimentary strata: siltstone (siliceous, tuffaceous, calcareous and dolomitic), sandstone and interbedded argillite (turbidites); greywacke, volcanic conglomerate; minor limestone and ribbon chert. Monotitis are common.

uTrSva

Bladed plagioclase feldspar porphyry flows and interflow breccia and lapilli tuff; brown to green weathering; vesicular; feldspars 1-4 cm.

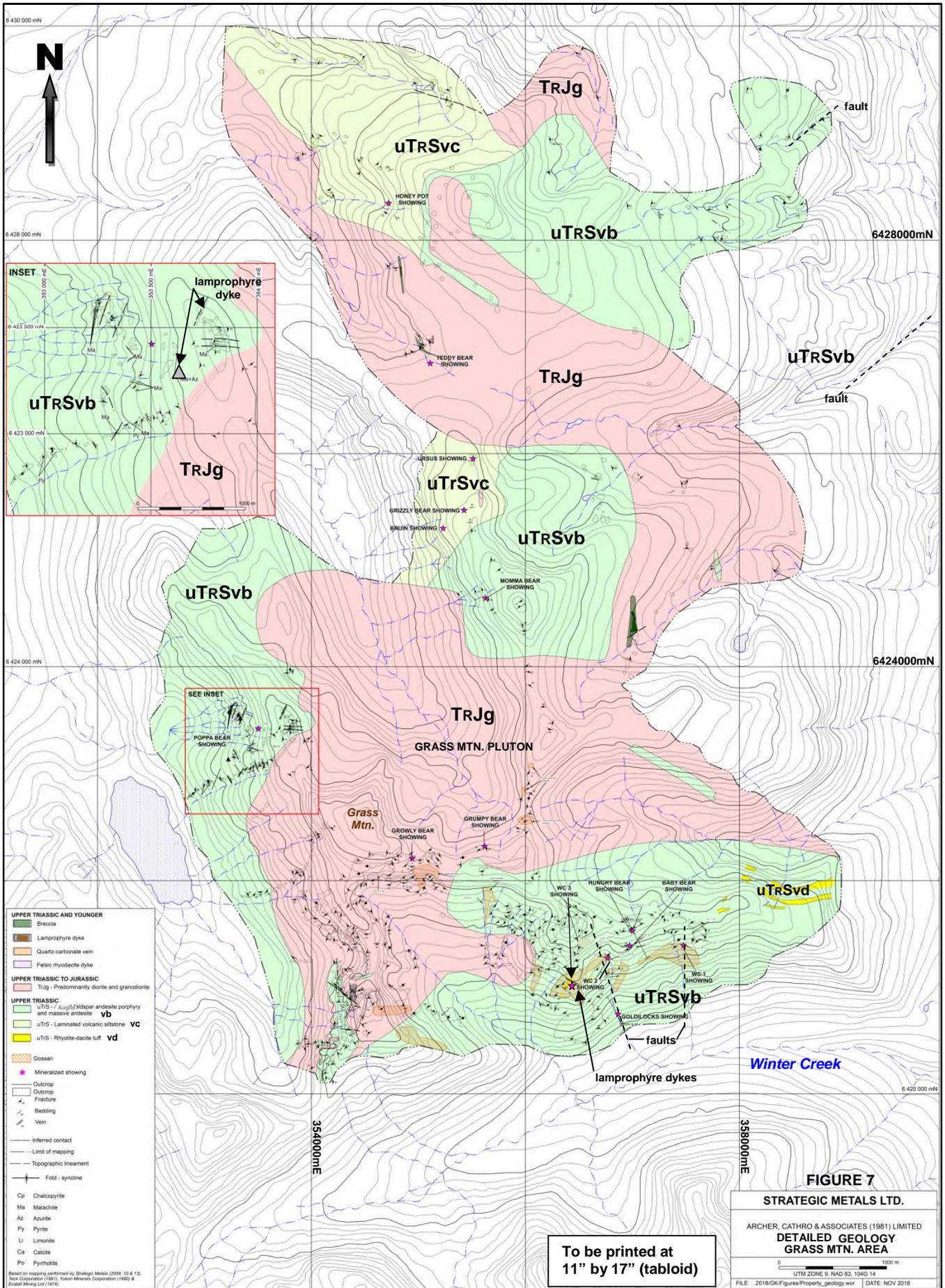
uTrSvb

Coarse augite-andesite flows and pyroclastics, derived volcanoclastic rocks and related subvolcanic intrusions; minor greywacke, siltstone and polymictic conglomerate (104G). Like Shonektaw Formation in Quesnellia (104J).

uTrSvc

Feldspar porphyritic lapilli tuffite and monomict sharpstone conglomerate with olive green ash and argillite interlayers. Orange weathering, maroon, tan and light green.

LEGEND for FIGURE 6



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7.3 Mineralization (Figures 2, 8 and 9)

The GK Project covers nine Minfile occurrences as documented by the British Columbia Geological Survey (British Columbia Minfile, 2018) and an additional five occurrences were discovered by Strategic in 2013 and 2018 (Figure 2). A detail of the Grass Mountain area is shown in Figure 8 with select results. Peak values of 47.5 g/t Au, 15.85% Cu, 120 g/t Ag and 0.214% Co were obtained from rock samples. The location of rock samples collected by Strategic were determined using a handheld GPS unit and marked with orange flagging tape labelled with the sample number.

TABLE 2: Summary of occurrences

Minfile No.	Minfile Name	status	Commodities	Easting	Northing	Comments
104G 003	Winter Creek	prospect	Au-Ag-Cu	356945	6421640	includes Goldilocks showing
104G 081	VB 20	showing	Cu-Ag-Au	352132	6425857	Cu skarn
104G 082	VB 5	showing	Cu	342282	6425479	Cu skarn
104G 083	VB 12	showing	Cu-Ag	343745	6425019	Cu skarn
104G 179	Frosty	showing	Cu-Ag-Au	344554	6422109	Cu-Ag quartz veins
104G 223	Momma Bear	showing	Au-Cu	355550	6424740	porphyry ?
104G 224	Poppa Bear	showing	Au-Cu	353600	6423275	Cu-Ag quartz veins
104G 225	Grumpy Bear	showing	Au-Cu	355500	6422300	porphyry ?
104G 226	Growly Bear	showing	Cu-Au	354850	6422200	Cu-Ag quartz veins
	Teddy Bear	showing	Cu-Au	355109	6426847	breccia
	Honey Pot	showing	Au-Ag-Cu	354731	6428350	Au quartz vein
	Ursus	showing	Cu-Au	355506	6425959	dyke/hornfels
	Grizzly Bear	showing	Cu-Au	355451	6425511	Au quartz vein
	Bruin	showing	Au-Cu	355236	6425323	Au quartz vein

7.3.1 Winter Creek prospect

The Winter Creek prospect comprises three historical occurrences (WC 1, WC 2, WC 3), which occur within prominent pyritiferous gossans, and three additional occurrences discovered by Strategic in 2009 to 2010 (Hungry Bear, Baby Bear and Goldilocks). They occur within a 1000m by 800m area hosted by Stuhini Group volcanic rocks on the south facing slope of Winter Creek valley. Mineralization consists of pyrite-chalcopyrite ±pyrrhotite with secondary malachite and limonite occurring as mineralized shears (WC 1, WC 2, WC 3, and Goldilocks), veins (WC 1, Hungry Bear, Baby Bear) and possible minor replacement lenses (WC 1). A representative sample of the gossanous pyrite-altered volcanic rocks, common within the Winter Creek prospect, returned 0.26 g/t Au with negligible copper and silver (Wengzynowski and Eaton, 2010).

Results of 11 g/t Au, 9.7% Cu and 72 g/t Ag were obtained by Mining Corp. of Canada in 1929 from one 9m long massive pyrrhotite with disseminated chalcopyrite lens at WC 1, the easternmost occurrence of the Winter Creek prospect; discontinuous massive sulphide lenses (possibly high sulphide veins similar to those at the Snip mine) were found over a 457m strike length (Minister of Mines, 1931). Blast trenching in the area returned 2.06 g/t Au, 3.05% Cu and 21 g/t Ag over 0.5m from a 2m by 0.3m chalcopyrite-pyrrhotite-pyrite pod (Donnelly and Peatfield, 1976). In 1989, Homestake found that mineralization was hosted by hornfelsed mafic volcanic rocks adjacent to hornblende porphyry dykes, associated with 150-180°/50-70°W trending fault zones; peak results of 2.98 g/t Au (by metallic screen assay) and 2.9% Cu were obtained in grab samples (Marud, 1990a). An average of four grab samples collected in 2009

yielded 8.89 g/t Au, 4.69% Cu and 59.6 g/t Ag with one containing 15.6 g/t Au, 1.05% Cu and 120 g/t Ag (*Wengzynowski and Eaton, 2010*). A 15m long vein exposure was discovered in 2009 nearby, which averaged 2.75 g/t Au, 0.65% Cu and 20.2 g/t Ag over 0.80m from two chip samples (*Wengzynowski and Eaton, 2010*).

At WC 2, 600m west of WC 1, disseminated and blebby chalcopyrite with malachite staining occurs along primarily serpentinized faults, shear zones and prominent fractures. Two grab samples from a shear exposed intermittently over a length of 30m returned 6.85 g/t Au, 4.25% Cu and 14.1 g/t Ag, and 2.06 g/t Au, 0.83% Cu and 2.06 g/t Ag (*Pearse, 1974*). Four grab samples collected from this area in 2009 averaged 13.3 g/t Au, 3.83% Cu and 22.0 g/t Ag (*Wengzynowski and Eaton, 2010*).

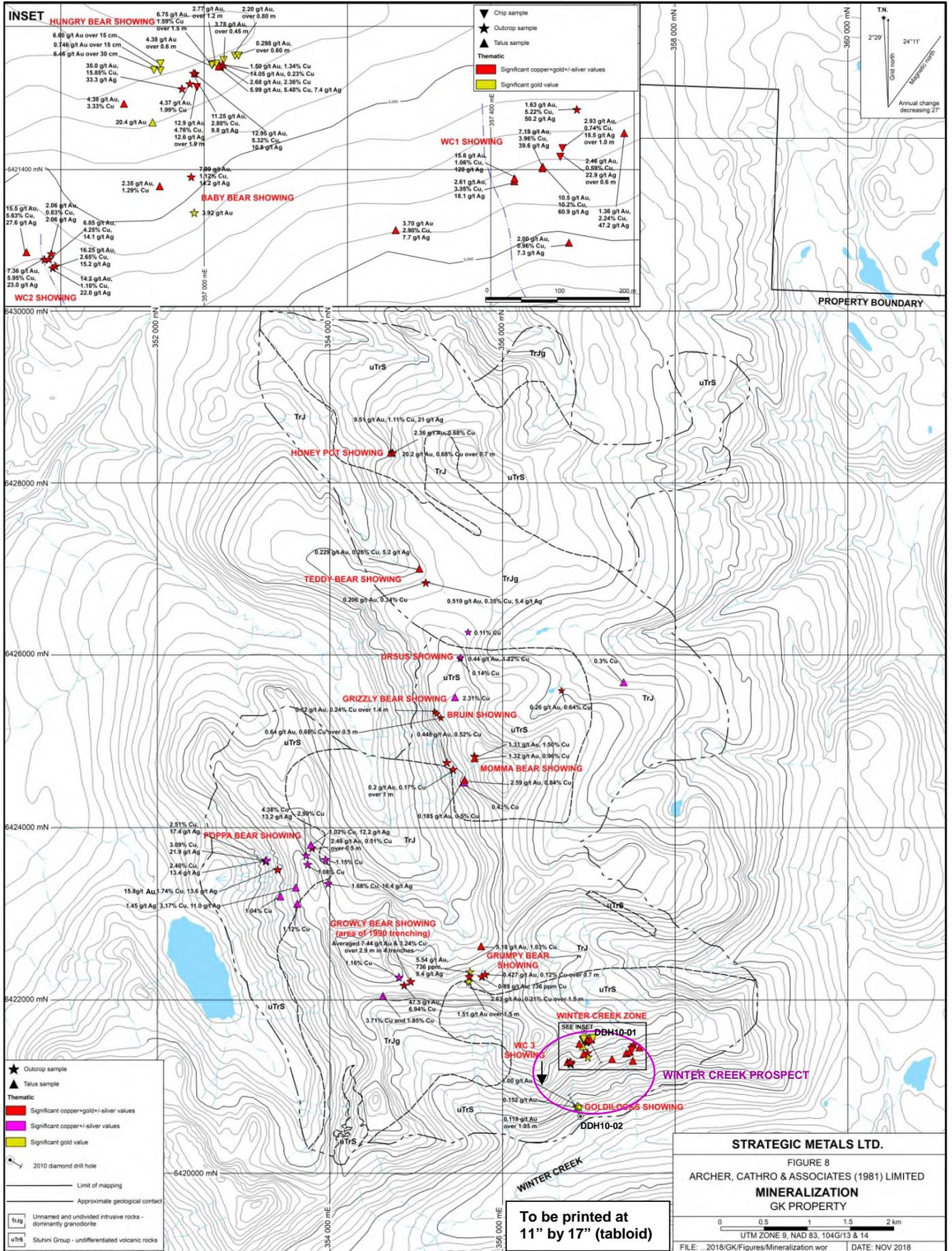
The Goldilocks showing lies at the base of the Winter Creek prospect, apparently related to the same structure associated with the mineralization at WC 2. In 2010, six chip samples of locally quartz-carbonate altered volcanic rocks with disseminated and fracture-filling pyrite and pyrrhotite yielded an average of 0.118 g/t Au over 1.05m, with background values for copper and silver. Two grab samples of similar material returned 0.152 and 1.00 g/t Au.

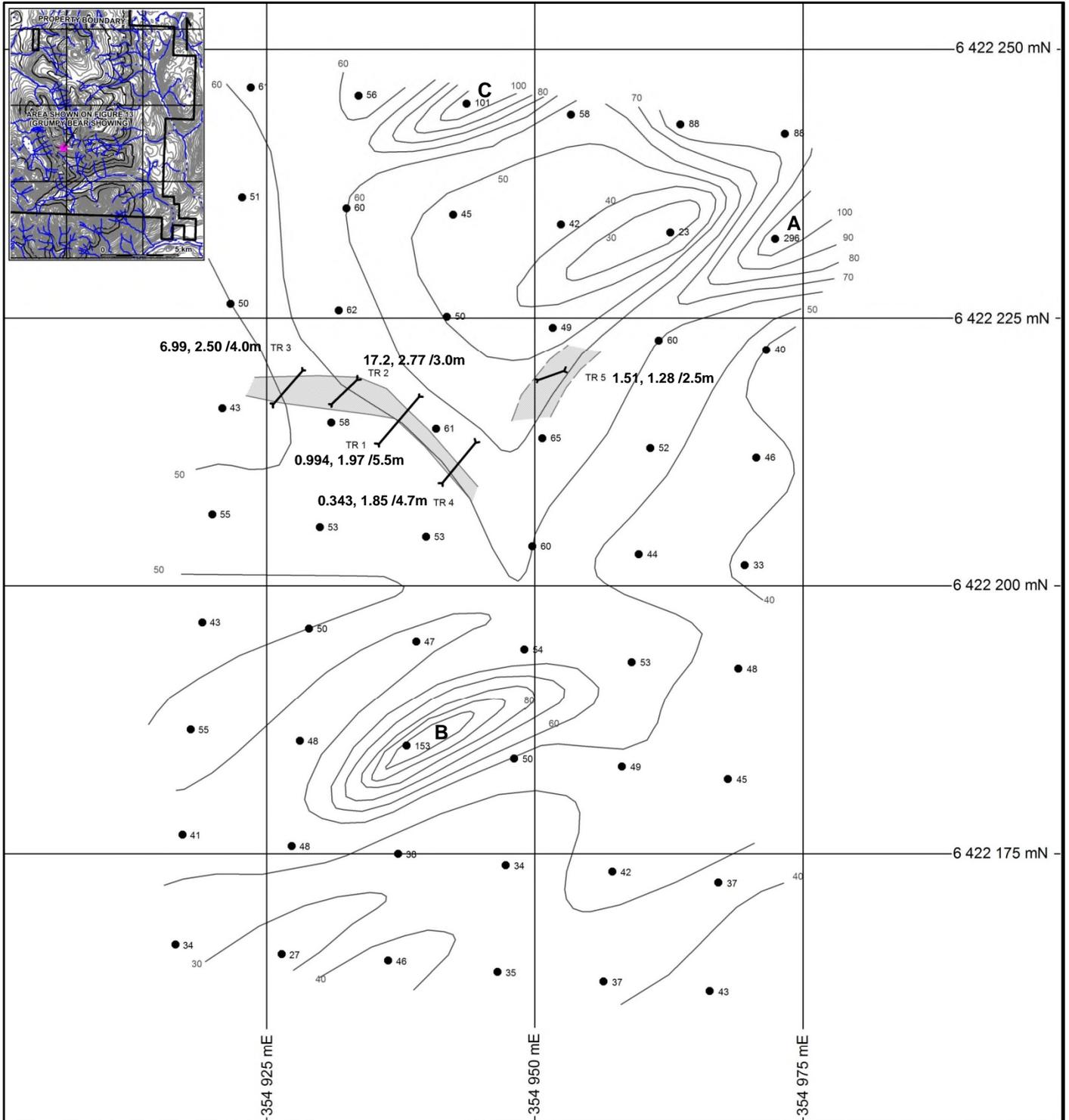
At WC 3, 500m southwest of WC 2, a faulted pyritiferous rhyolite-dacite tuff horizon is cut by two, 2 to 5m wide lamprophyre dykes (*Harper, 1983*). Mineralization, consisting of about 2.5% disseminated and fracture filling pyrite, appears to be related to the dykes, but samples did not contain significant results.

The Baby Bear showing, approximately midway between WC 1 and WC 2, comprises an area of mineralized vein float and two 15 cm thick veins that are partially exposed below soil and talus cover. Rock samples in 2009 ranged from 2.35 to 7.99 g/t Au with up to 1.29% Cu and 14.2 g/t Ag (*Wengzynowski and Eaton, 2010*). These veins have a similar mineralogy to the main vein at the Hungry Bear showing, discussed below.

The Hungry Bear showing, about 90m uphill from the Baby Bear, consists of a 0.45 to 1.9m wide limonite ±pyrite-pyrrhotite-chalcopyrite-malachite bearing, locally decomposed calcite vein that was discovered in 2009 beneath rusty soil and intermittently exposed over a 68m strike length in seven hand trenches (*Wengzynowski and Eaton, 2010*). To the west the vein branches out into several narrower, but better mineralized, veins that were traced for an additional 19m and remains open to extension along strike in both directions. Chip samples from the trenches averaged 6.22 g/t Au, 1.67% Cu and 4.4 g/t Ag over an average length of 1.0m, including one sample that returned 12.9 g/t Au, 4.76% Cu and 12.6 g/t Ag over 1.9m. Four rock samples from the splays at the west end of the vein yielded values from 4.37 to 35 g/t Au (average 15.9 g/t), 1.99 to 15.85% Cu (average 6.49%) and 6.7 to 33.3 g/t Ag (average 15 g/t). No samples were collected from the adjacent wallrock. The vein was successfully intersected in DDH10-01 about 75m downdip from surface yielding 1.38 g/t Au and 6197 ppm Cu over 9.14m, including 13.1 g/t Au and 6.05% Cu over 0.74m.

In 2010, another sub-parallel, decomposed limonite vein was discovered 30m northwest of the main Hungry Bear vein and traced along strike for 15m. Three chip samples returned a weighted average of 5.10 g/t Au over 0.2m, with background values for copper and silver.





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FIGURE 9: GROWLY BEAR DETAIL
 ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

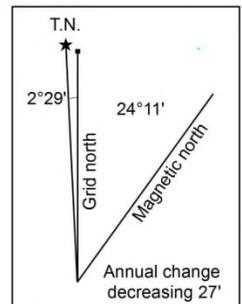
1990 SELF POTENTIAL SURVEY
WITH TRENCH LOCATIONS
GK PROPERTY



FILE: ...2018/GK/Figures/SP_survey.wor DATE: NOV 2018

Trench results: Au in g/t, Cu in % / width in metres

- 1990 hand trench
- Higher grade Cu - Au zone
- Value in negative millivolts
- Contour for self potential survey (contours above 100 mV not shown)
- B** significant self potential anomalies



7.3.2 Grumpy and Growly Bear showings

The Grumpy and Growly Bear showings consist of intrusion hosted gold-copper mineralization found by Teck in 1989 to 1990 (*Betmanis, 1990*), proximal to a ridge crest extending easterly from Grass Mountain about 1.5 to 2 km northwest of the Winter Creek prospect. The Grumpy Bear showing covers three limonitic fracture or shear zones that returned 1.51 g/t Au with 543 Cu over 1.5m and 2.64 g/t Au with 2110 ppm Cu over 1.5m with weak gold and copper values from the third (*Betmanis, 1990*). In 2010, a chip sample of strongly rusty weathering, fairly decomposed, dark green pyritic andesite in the area yielded 0.427 g/t Au and 1160 ppm Cu over 0.7m. Four grab samples of this material averaged 1.64 g/t Au and 962 ppm Cu, with the best sample returning 5.54 g/t Au and 9.4 g/t Ag (*Smith and Eaton, 2010*).

The Growly Bear showing, 700m west of the Grumpy Bear showing, comprises an area of gold bearing semi-massive chalcopyrite mineralization hosted in calcite veins. An initial grab sample in 1989 of rusty, carbonate altered andesite returned 47.5 g/t Au, 6.94% and 8.2 g/t Ag (*Betmanis, 1990*). Four trenches exposed an easterly (about 285°) trending vein that is open along strike under talus cover and contained 7.44 g/t Au and 3.24% Cu over an average width of 2.9m along a 20m strike length, including 17.2 g/t Au and 2.77% Cu over 3.0m. Trench 5, located 11m to the northeast off trend, appeared to intersect a separate vein that yielded 1.51 g/t Au and 1.28% Cu over 2.5m. A subsequent SP geophysical survey detected several more prospective anomalies for the discovery of sulphide mineralization. The trenches are shown in Figure 9 over the SP contours with low negative numbers suggestive of possible sulphide.

7.3.3 Momma and Poppa Bear showings

The Momma and Poppa Bear showings were discovered by Teck in 1990 and 1991, respectively, in an area of massive to porphyritic andesite peripheral to the central portion of the Grass Mountain pluton (*Betmanis, 1990 and Roberts, 1992*).

The Poppa Bear showing (*Roberts, 1992*), 1.8 km northwest of the Growly Bear showing, primarily consists of a 400m wide by 800m long well fractured zone of northeast trending gold and copper bearing structures and numerous faults and dykes. The zone remains open to the northeast and southwest where it is obscured by talus. Mineralization consists of chalcocite and chalcopyrite as fracture fillings and lesser blebs and disseminations, with malachite and rare azurite. The mineralized structures are discontinuous, irregularly shaped and difficult to trace for any substantial distance. Mineralization is usually concentrated within fractures in the immediate hanging wall or footwall of faults and dykes, with fracture density the greatest factor in determining grades. Dykes include diorite to quartz diorite, rhyodacite, syenite, andesite and rare lamprophyre.

The best result from the Poppa Bear showing is 15.85 g/t Au, 1.74% Cu and 13.6 g/t Ag over 3.5m from a 050°/73°SE trending dioritic dyke with chalcocite, chalcopyrite and malachite (*Roberts, 1992*). A grab sample of lamprophyre dyke returned 1.45 g/t Au, 3.17% Cu and 11 g/t Ag and a chip sample of the dyke 300m northeast along strike yielded 0.698 g/t Au and 1.08% Cu over 0.75m (*Mitchell and Burrell, 2013*). About 200m further northeast andesite with magnetite, pyrite and chalcopyrite contains 2.49 g/t Au,

0.51% Cu over 0.5m (*Roberts, 1992*). A calcite-chalcopyrite-chalcocite-pyrite vein averaged 0.21 g/t Au, 2.61% Cu and 16.7 g/t Ag over 1.05m from three chip samples along an exposed 18m strike length (*Mitchell and Burrell, 2013*).

Three rock samples collected from the Momma Bear showing, 2 km northeast of the Poppa Bear showing, returned moderate to strong gold-copper values of 1.31 to 2.59 g/t Au and 0.84 to 1.50% Cu generally from 145-155°/moderate west dipping fractures (*Morton, 2018*).

7.3.4 Bruin, Grizzly Bear and Ursus showings

The Bruin, Grizzly Bear and Ursus showings were discovered by Strategic in 2018 in an area of bedded volcanoclastic rocks and andesite cut by diorite, syenite and felsic dykes within an embayment of the Grass Mountain pluton.

The Bruin showing, about 700m northwest of the Momma Bear showing, comprises pyrite-chalcopyrite-goethite fracture fillings and disseminations hosted by andesite adjacent to a 0.7m wide, sub-vertical, malachite-stained and chlorite-altered, felsic dyke. A chip sample across the andesite and dyke yielded a weighted average grade of 0.62 g/t Au and 0.24% Cu over 1.4m.

The Grizzly Bear showing, 285m northeast of the Bruin showing, covers rusty quartz felsenmeer with malachite, chalcantite and chalcocite within a small, gossanous boulder field. Peak values of 0.20 g/t Au, 2.31% Cu and greater than 10,000 ppm As were obtained from three samples collected in 2018 (*Morton, 2018*).

The Ursus showing, 475m north of the Grizzly Bear showing, covers a 35 cm wide, steeply southwest dipping, coarse grained, magnetite-bearing syenite dyke, which cuts fractured and malachite-stained andesite; the later contains 0.44 g/t Au and 1.22% Cu.

7.3.5 Teddy Bear and Honey Pot showings

The Teddy Bear and Honey Pot showings were discovered by Strategic in 2013 in the northern Grass Mountain area.

The Teddy Bear showing, 950m north-northwest of the Grizzly Bear showing, consists of an up to one metre thick northwesterly trending breccia, with chalcopyrite, chalcocite(?) and malachite, exposed over a five metre strike length cutting granodiorite country rock. The breccia comprises granodiorite, volcanic siltstone and andesite clasts up to one metre in diameter within a dark green to grey, fine grained, strongly magnetic matrix. Two grab samples of the breccia returned 0.206 g/t Au and 0.34% Cu and 0.519 g/t Au, 0.35% Cu and 5.4 g/t Ag. A nearby sample of rusty limonite float yielded 0.229 g/t Au, 0.26% and 5.2 g/t Ag (*Mitchell and Burrell, 2013*).

The Honey Pot showing, 1.5 km north-northwest of the Teddy Bear showing, covers a rusty, east-northeast dipping quartz-sericite-arsenopyrite-chalcopyrite vein, which cuts strongly fractured phyllite and carries 20.2 g/t Au, 0.32% Cu and 16.9 g/t Ag over 0.70m (*Morton, 2018*). The original rusty limonite float with malachite returned 9.51 g/t Au, 1.11% Cu and 21 g/t Ag (*Mitchell and Burrell, 2013*).

7.3.6 VB showings

The VB showings (VB 5, 12 and 20) cover an 800m by 400m area of exposed skarn mineralization located immediately west of Tahltan Lake (*Figure 2*). Limestone in close proximity to the Tahltan Lake pluton has been altered to a dark green to brown assemblage of calcite, epidote, diopside and garnet with hematite or magnetite. Disseminated to semi-massive chalcopyrite, pyrite, pyrrhotite and magnetite occur within the skarn, in malachite and azurite stained zones that are typically 1 to 2m wide and up to 5m long on surface. The sulphide minerals exhibit a zonation of magnetite-chalcopyrite-pyrite in the southwest to chalcopyrite-pyrite-hematite in the northeast (*Marud, 1990b*). This change from reduced conditions close to the intrusion to more oxidized conditions farther from the contact is analogous to the Craigmont deposit in southwestern British Columbia (*Brown et al., 1996*).

Skarn mineralization is exposed on surface and in three historical trenches. In 1989, Homestake and Equity Silver collected 54 rock samples from the VB area, many of which returned moderate to strongly anomalous values for gold, silver and copper. Six outcrop samples, collected over a strike length of 740m and including some samples collected from historical trenches, yielded average grades of 1.34 g/t Au, 31.86 g/t Ag and 2.29% Cu (*Marud, 1990b*). In 1991, Homestake performed grid soil sampling, which returned strongly elevated copper and gold soil values along strike of the known mineralization, to the northeast and southwest. This work has never been followed up (*Southam, 1991*).

7.3.7 Other showings

The Frosty showing (*Figure 2*) is located approximately 3.6 km southeast of the VB showing, and covers several chloritic shear zones, which are exposed for 200m along a north-flowing drainage. The shear zones range in width from 0.3 to 1.5m and strike between 050° and 085°, dipping steeply to the north and south. The majority of the structures host disseminated pyrite, with some containing chalcopyrite as blebs within narrow veinlets of chalcedonic quartz. A channel sample across one of the shear zones assayed 2.54 g/t Au and 0.14% Cu over 1.5m. Two pieces of gold-bearing, calcite vein float, discovered 450m to the southeast and 400m north of the showing, yielded 2.74 g/t Au, and 1.65 g/t Au with 59.4 g/t Ag and 1.34% Cu, respectively (*Kasper, 1991*).

In 1989, a sample of mineralized quartz float, collected two km northeast of the Frosty showing, assayed 8.37 g/t Au (*Figure 2*). Follow-up work in 1990 failed to locate the source of this float, but another sample of quartz talus, collected 450m to the northwest, returned 1.78 g/t Au (*Kasper, 1991*).

In the eastern property area, Strategic (*Wengzynowski and Eaton, 2010*) and Teck (*Roberts, 1992*) sampled quartz-carbonate veins in several locations. These veins varied greatly in their gold and copper contents, but most returned low values.

8.0 DEPOSIT TYPE

The GK Project is at an early exploration stage so that a definitive deposit type for mineralization has not as yet been ascertained. Furthermore there is uncertainty and some debate as to the genesis of many of the large and high grade deposits within northwest Stikinia ranging from mesothermal to transitional and epithermal veins with some unique variations, and copper-gold porphyry associations with alkalic to calc-alkalic intrusions. A hybrid ore genesis model combining epigenetic vein and porphyry copper characteristics compare well with the features observed in many of the deposits.

There is potential for alkalic porphyry type copper-gold deposit(s) (*Panteleyev, 1995*) based on: the widespread copper and gold bearing fracture fillings and disseminated copper (chalcopyrite and chalcocite) mineralization in and surrounding the Grass Mountain pluton; the abundance of syenite dykes (probably of the Copper Mountain suite), often associated with mineralization; and the geophysical signature. Such deposits are commonly associated with the Late Triassic and Early Jurassic intrusive suites throughout northwest Stikinia. Examples of this style of mineralization in the area include the Red Chris mine, the Sheslay prospects and the Galore Creek deposit. It is possible that the porphyry-style mineralization here could be calc-alkalic in character such as at the GJ and Schaft Creek deposits and related to the Grass Mountain pluton.

There is also potential for deposits of the alkalic intrusion-associated gold-silver type (*Schroeter and Cameron, 1996*), which has been suggested for the vein-stockwork-breccia mineralization at the Brucejack mine (*British Columbia Minfile, 2018*). Brucejack is also interpreted as being a deformed porphyry-related transitional to intermediate sulphidation gold-silver epithermal deposit. High grade gold-silver mineralization occurs as coarse aggregates of electrum and silver sulphosalts in steeply dipping and predominantly east to northwest trending quartz-carbonate vein, stockwork and breccia zones within a broader halo of clay alteration and low grade mineralization; the latter formed between 191 and 185 Ma. High-grade mineralization was superimposed upon the earlier porphyry associated alteration and mineralized between 185-183 Ma. The age discrepancy between the known porphyry bodies and the Brucejack system indicates that, if it was porphyry-driven, the source porphyry has not yet been discovered. Mineralized veins and vein stockwork zones appear to have utilized lithological contacts and pre-existing structures.

Another potential model for mineralization on the GK Project is the intrusion-related gold pyrrhotite vein type which is the model for the former Snip and possibly the Johnny Mountain mines. Gold-silver mineralization occurs as quartz-carbonate-sulphide (pyrite, pyrrhotite, chalcopyrite) and sulphide veins and shears associated with the periphery of a subvolcanic pluton (*Alldrick, 1996*). The past producing Premier mine may also be of this type, although epithermal, polymetallic vein and volcanic hosted massive sulphide models have also been postulated. Mineralization occurs as veins, stockworks and breccias, locally with very high sulphide content, associated with the Premier porphyry dykes of the Early Jurassic Texas Creek plutonic suite. Potassic alteration is evident.

Copper-gold skarns are evident within the western GK Project area, just west of Tahltan Lake.

9.0 EXPLORATION (Figures 7, 8 and 10 to 15)

Work by Strategic Metals Ltd. on the GK Project, completed between 2005 and 2018, has included: prospecting; geological mapping; stream sediment and rock geochemical sampling; contour and grid soil sampling; minor hand trenching; airborne magnetic and VTEM surveys covering approximately 12% of the property; an IP survey; and 927.81m of diamond drilling in two holes on the Winter Creek zone in 2010. A total of 2544 soil, 122 stream sediments and 300 rock samples were collected by Strategic on the Project. Soil geochemistry covers approximately 30% of the property. The rock sample results have been discussed under section 7.3, “Mineralization” and mapping under section 7.2, “Property Geology”. The soil and stream sediment geochemistry and geophysics completed by Strategic are discussed under their respective sections below. A total of \$187,014.00 was spent on the GK Project by Strategic in 2018.

A site visit was completed by the author on the GK Project on September 28, 2018, at which time drill sites and select showings were examined.

9.1 Soil and Stream Sediment Geochemistry (Figures 10 to 12)

A total of 2544 soil and 122 stream sediment samples were collected by Strategic from 2005 to 2018 from the Grass Mountain area of the Project. The majority of the soil samples were collected within a 4 by 4 km area in the southern Grass Mountain area. In 2018, grid soil sampling was extended to the north to better define areas underlain by anomalous contour soil samples and evaluate the Honey Pot showing.

All sample locations were recorded using hand-held GPS units. Soil sample sites were marked by aluminum tags inscribed with the sample number and affixed to 0.5m wooden lath, driven into the ground. Stream sediment samples were collected by hand, placed in individually pre-numbered Kraft paper bags and locations marked with orange flagging labelled with the sample number. Soil samples were collected from the B-C horizons with hand-held augers or mattocks and placed into individually pre-numbered Kraft paper bags. Anomalous thresholds and peak values for soil and stream sediment samples are tabulated below. A low range of values was obtained for silver in streams, but historical samples exhibited a higher range in values (*Figure 12*).

Table 3: Thresholds and peak values for soil (S) and stream sediment (L) samples

Element	Anomalous Thresholds				Peak
	Weak	Moderate	Strong	Very Strong	
Gold (ppb) S	≥ 10 < 20	≥ 20 < 50	≥ 50 < 100	≥ 100	6180
Gold (ppb) L	≥ 10 < 20	≥ 20 < 50	≥ 50 < 100	≥ 100	1010
Copper (ppm) S	≥ 50 < 100	≥ 100 < 200	≥ 200 < 500	≥ 500	6890
Copper (ppm) L	≥ 50 < 100	≥ 100 < 200	≥ 200 < 500	≥ 500	528
Silver (ppm) S	≥ 0.5 < 1	≥ 1 < 2	≥ 2 < 5	≥ 5	59.9
Silver (ppm) L	≥ 0.5	-	-	-	0.9

Stream sediment sampling identified four highly anomalous creeks draining the Grass Mountain area (Creeks 1 to 3 and 5). Three of these have been traced to known showings. Anomalies from the Creek 2 drainage suggest an extension to the Winter Creek prospect and/or the Grumpy Bear showing, which is also suggested by the continuity of soil Anomaly A through this region. A single, strong high in the upper portion of Creek 4, suggests a possible extension to the Growly and/or Grumpy Bear

showing(s). Although Creeks 7 and 8 did not produce significant results, 3.39 and 8.91 g/t Au were obtained in historical pan concentrate samples (*Chase, 1989*) (*Figure 10*).

Soil sampling in the Grass Mountain area has identified six main copper ±gold-silver-cobalt anomalies (Anomalies A, B, C, D, E and F). Anomalies A, B, C, E and F are underlain primarily by volcanic rocks flanking the Grass Mountain pluton and similar plug to the north, while Anomaly D overlies the Grass Mountain pluton in the Growly Bear area.

Stream sediment (silt) and soil sampling results are summarized in Tables 4 and 5 below and gold, silver and copper results are shown in Figures 10 to 12. The descriptions below are taken in whole or in part from Morton (2018). Analytical procedure is described under section 11.0, "Sample Preparation, Analyses and Security".

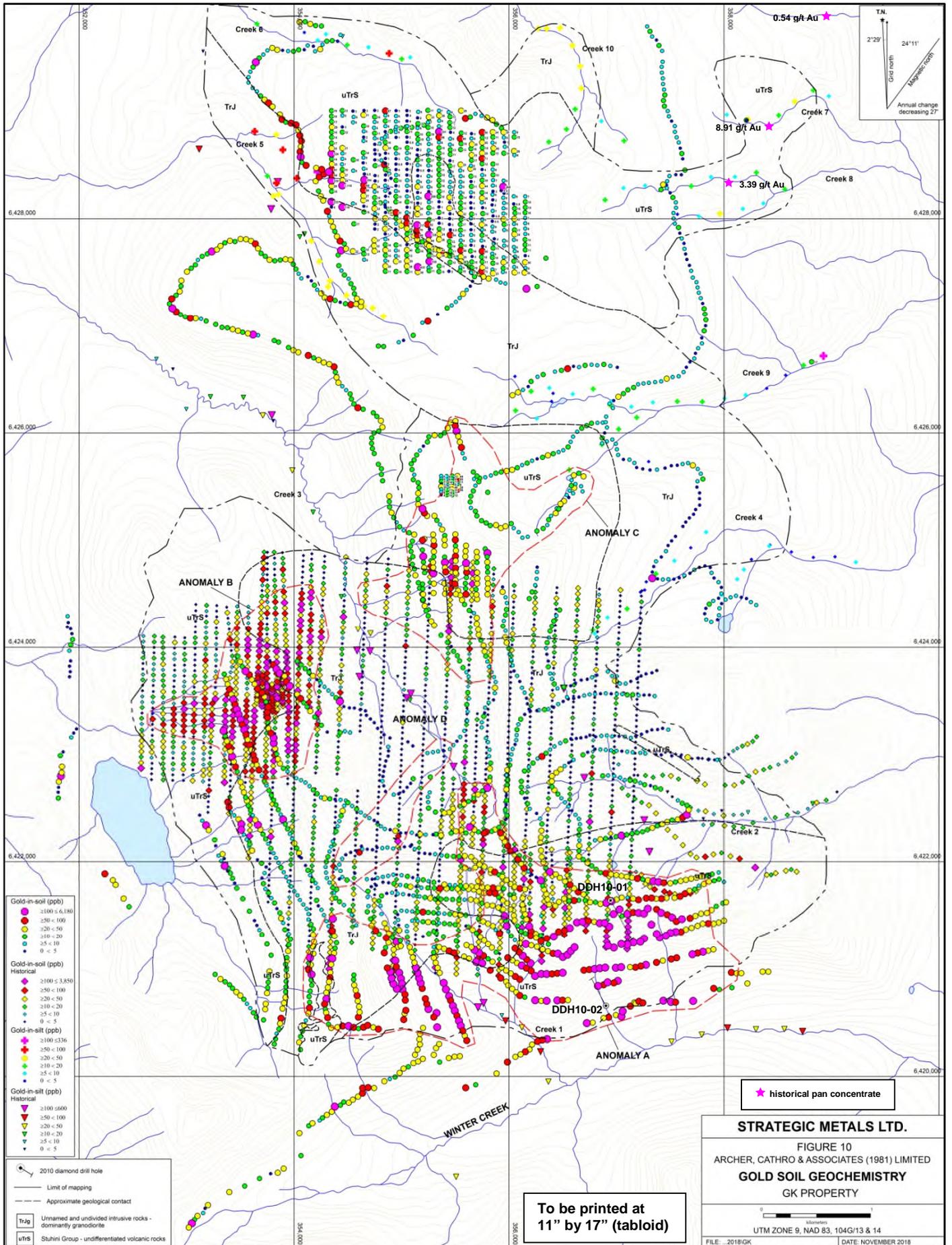
Table 4: Summary of stream sediment geochemical anomalies

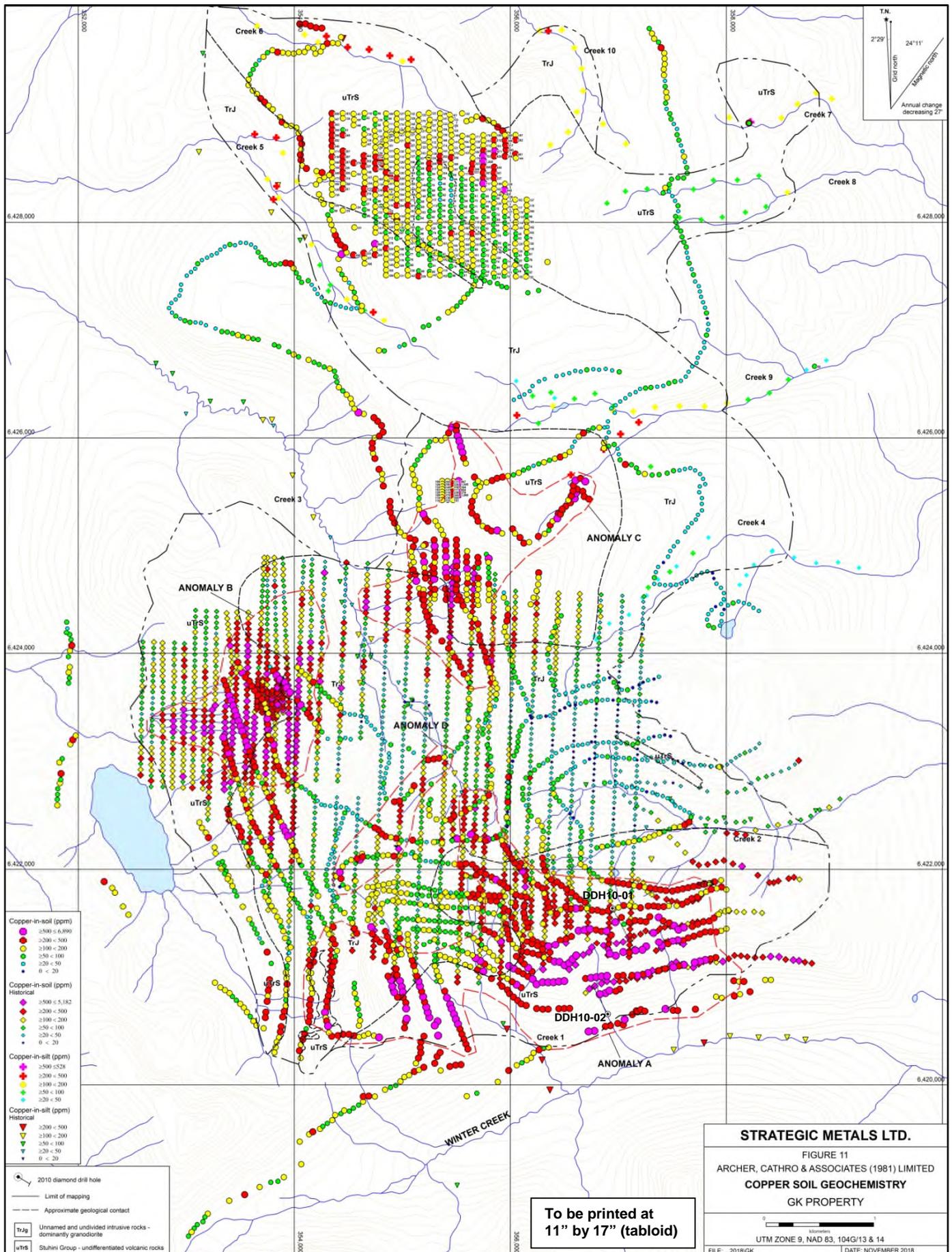
Creek No.	Elements				Showing	Soil Anomaly
	Weak	Moderate	Strong	Very Strong		
1			Cu	4-Au (400)	Winter Creek, Growly & Grumpy	A
2		Cu		3-Au, Ag		A
3		Cu		6-Au, Ag	Poppa, Momma, Growly & Grumpy	B, C, D, A
4	Au, Cu, Ag		(1-Au-Ag)		drains TRJg	
5	Ag		Cu, 4-Au	2-Au	most Honey Pot, moderate Teddy	E
6	Ag	Cu	1-Au, Cu		mostly uTRS	F
7	Ag	Au, Cu	Cu		mostly uTRS	limited sampling
8		Au, Cu			mostly uTRS	
9	Ag, Au	Cu	Cu	1-Au (365)	TRJg/uTRS	C
10	Ag, Au	Au,Cu	1-Cu		TRJg	F

Table 5: Summary of soil geochemical anomalies

Anomaly	Size (m)	showing	Element	Comments (Au soils in ppb, Cu and Ag in ppm)
A	2000 by 4000	Winter Creek Grumpy Bear	Au, Cu ±Ag	-1895, 2360 and 6180 Au; most 50 - 500 Au; -with 500 - 3840 Cu; elevated Ag locally in E; linear cluster of high Ag to 59.9
B	1200 by 1800	Poppa Bear	Au, Cu ±Ag	-200 to 3850 Au; 1000 to 5182 Cu; 5.4 & 6.0 Ag
C	1300 by 2000	Momma, Bruin, Ursus, Grizzly	Cu, ±Au	-strong Cu with sporadic and clustered, elevated Au
D	350 by 700	Growly Bear	Cu, ±Au	-NE trend of moderate to strong sporadic Au to 365; calcite-sulphide veins
E	200 by 1500	Honey Pot	Cu, ±Au	- moderate to strong Cu to 484: sporadic Au to 1115 Cu
F	400 by 600	700m NE of Honey Pot	Cu, (Au-Ag)	-a broad area of very strong Cu to 1005; with spot 265 Au and 39 Ag

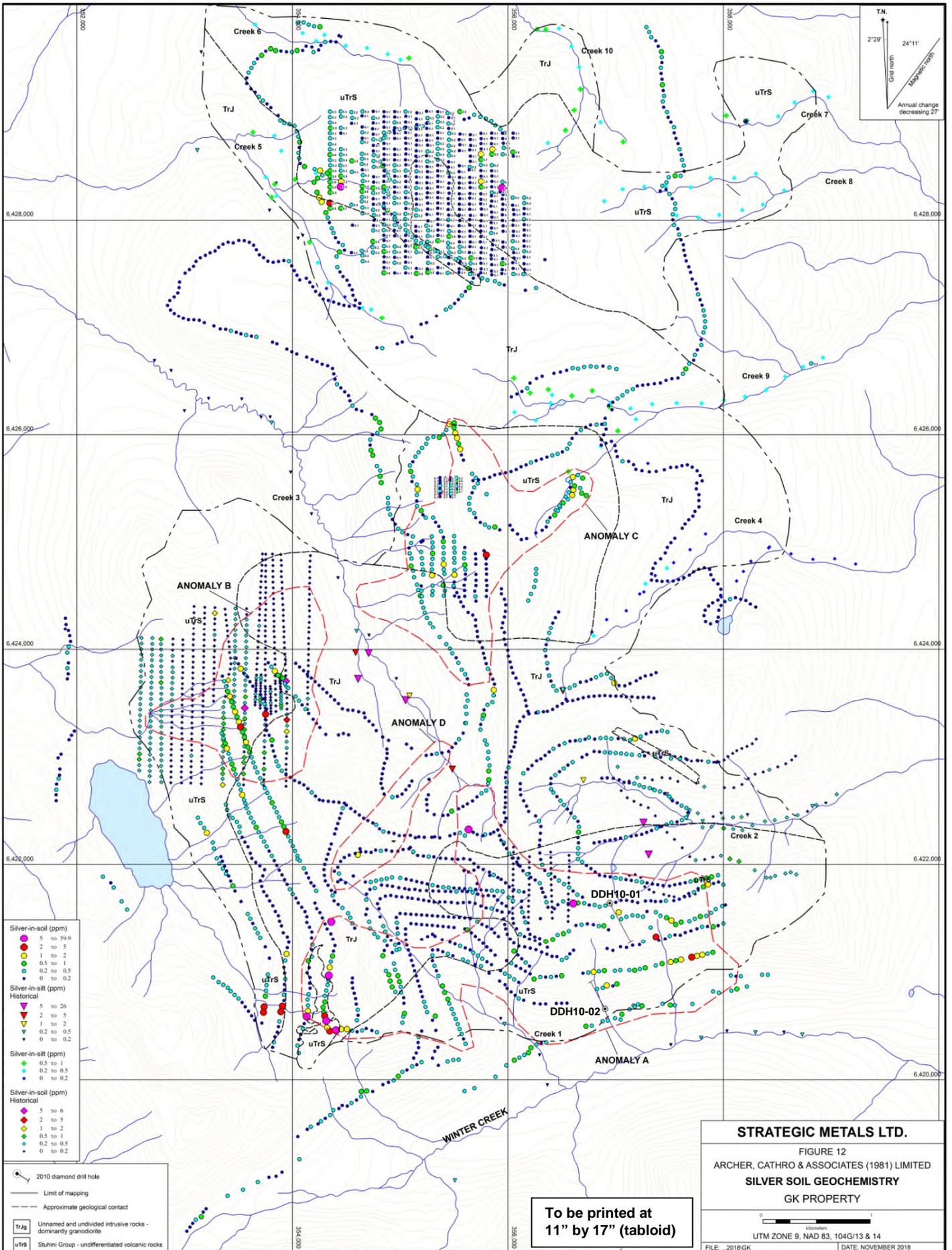
Anomaly A is the strongest soil anomaly and is characterized by moderately to very strongly elevated gold and copper values within a 2000 by 4000m area that covers the Winter Creek prospect and the Grumpy Bear showing. Typical soil samples within Anomaly A returned between 50 and 500 ppb gold, but three samples yielded 1895, 2360 and 6180 ppb Au. Most gold-enriched samples also returned high copper values between 500 and 3840 ppm. Slightly elevated silver values are present locally in the eastern half of this anomaly and a linear cluster of high silver values to 59.9 ppm crosses the ridge in its western extent. The extent of Anomaly A suggests the continuity of the Winter Creek prospect to the west and northeast.





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 FIGURE 11
 ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
COPPER SOIL GEOCHEMISTRY
 GK PROPERTY



To be printed at 11" by 17" (tabloid)

STRATEGIC METALS LTD.

FIGURE 12
ARCHER, CATHRO & ASSOCIATES (1981) LIMITED
SILVER SOIL GEOCHEMISTRY
GK PROPERTY

0 1 Kilometers
UTM ZONE 9, NAD 83, 104G/13 & 14

FILE: _2018/GK DATE: NOVEMBER 2018

Anomaly B covers a 1200 by 1800m area of mostly moderate to strong gold and copper values that encompasses the Poppa Bear showing. It is mainly underlain by volcanic rocks on the west side of the main Grass Mountain pluton within an area of extensive faults, dykes (including lamprophyres) and calcite veins. Strong gold (200 to 3850 ppb) and copper (1000 and 5182 ppm) soil values occur within the core of the anomaly. Two strong, point silver in soil anomalies of 5.4 and 6.0 ppm are also present. The Poppa Bear showing may extend further north.

Anomaly C spans a 1300 by 2000m area covering the Momma Bear, Bruin, Grizzly Bear and Ursus showings in an area primarily underlain by Stuhini volcanic rocks within an embayment of the Grass Mountain pluton. The anomaly consists of a broad, moderate to strong copper soil anomaly with sporadic and clustered elevated gold values.

Anomaly D is a 350 by 1700m, northeast trending, moderate to strong copper anomaly that covers the Growly Bear showing between Anomalies A and B. The anomaly overlies the Grass Mountain pluton and appears to be associated with mineralized calcite veins. Sporadic gold in soil values are found within it, with the best result (365 ppb) located near the main Growly Bear vein.

Anomaly E covers an approximately 200 by 1500m northwest trending cluster of moderately to strongly anomalous copper values and sporadic, very strongly anomalous gold values. The cluster encompasses the Honey Pot showing and is associated with a narrow, northwest trending projection of volcanic rock into the Grass Mountain pluton. Peak soil values from the anomaly are 1115 ppb Au and 484 ppm Cu.

Anomaly F comprises a broad, 400 by 600m area of very strongly anomalous copper to 1005 ppm, and one very strongly anomalous gold and silver in soil sample with 265 ppm Au and 39 ppm Ag, about 700m northeast of the Honey Pot showing. It is underlain by volcanic rocks sandwiched between intrusive rocks to the north and south on a steep, east-facing cirque.

9.2 Geophysics (Figure 13)

Strategic completed helicopter-borne magnetic and VTEM surveys over approximately 12% of the Project in 2008 (*Wengzynowski and Smith, 2009*) and a Volterra Distributed Acquisition 3D IP survey in 2018 over an ovoid magnetic high anomaly outlined by the survey (*Mitchell and Burrell, 2013*).

Geotech Ltd. of Aurora, Ontario completed 83 line kilometres of airborne magnetic and electromagnetic geophysical surveys in 2008 (*Orlowski et al., 2008*) for Strategic across the then existing GK Project area (about 12% of the current Project area). The surveys were flown in a 088° direction at a traverse line spacing of 200m with 178° tie lines at a 2 km line spacing and a mean height of 72m above the ground. The electromagnetic survey utilized the versatile time-domain (“VTEM”) system. The VTEM system measures the electromagnetic induction field (B-field) and the vertical component of its time derivative (dB/dt), utilizing a proprietary receiver design using modern digital

electronics and signal processing delivering low noise levels. Coupled with a high dipole moment transmitter the system delivers high resolution and depth penetration in precise electromagnetic measurements. The system is capable of penetrating to depths of 800m, has a low base frequency for penetration of conductive cover, has a spatial resolution of two to three metres, determines resistivity, and detects weak anomalies that are relatively easy to interpret and can be used directly to locate drill holes. The aeromagnetic survey used a high resolution caesium magnetometer to measure the Earth's magnetic field intensity.

The data was subsequently reprocessed and interpreted by Condor Consulting, Inc., results of which are briefly summarized below (*Wengzynowski and Smith, 2009*). Figure 13 illustrates total field magnetic data and interpreted VTEM conductors.

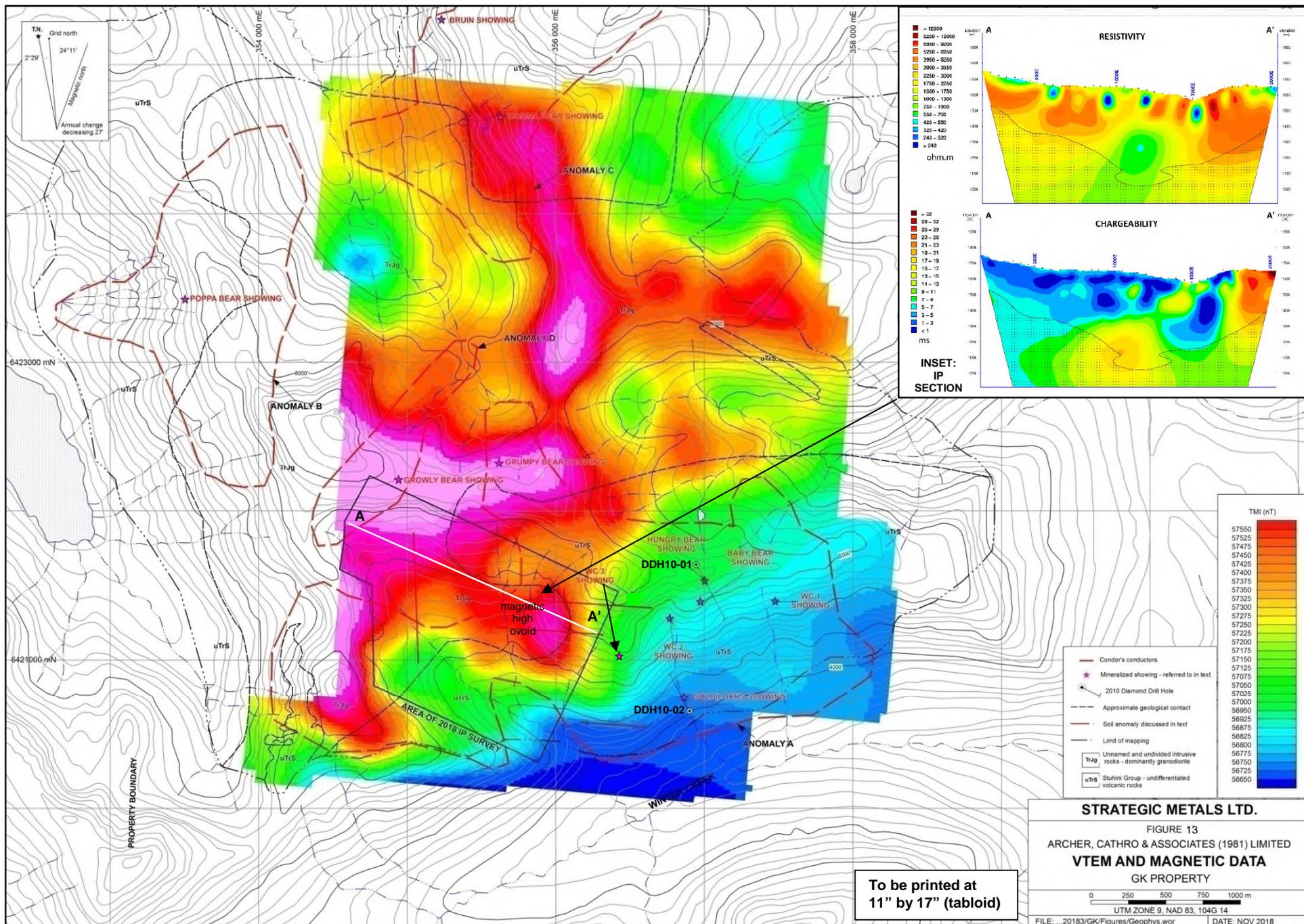
Analysis of the magnetic data shows that most areas of elevated magnetic response are associated with topographic highs (commonly due to variations in equipment height relative to the ground); however, the highs are mostly underlain by the magnetic Grass Mountain pluton with a subdued magnetic signature over the Stuhini Group. Areas with anomalous copper and gold geochemistry appear to be associated with magnetic lows probably due to alteration associated with mineralization, as noted with the 1990 ground magnetic survey (*Betmanis, 1990*).

The most significant geophysical feature is a pronounced, oval shaped semi-discrete magnetic high located 300m west of WC 3 in the central part of soil Anomaly A within one of the most geochemically anomalous drainages (Creek 1). Magnetic modeling of this feature suggests that it lies at a depth of 30m, has an average width of 240m, strikes northerly and dips 65° to the west, and is associated with a broad zone of enhanced conductivity.

Geological mapping in 2009 indicated that the magnetic high coincides with an area of intermittently exposed intrusive rocks, which may represent a series of dykes, a small satellite plug, or a lobe off the main Grass Mountain pluton. Several soil contour lines across the magnetic high showed a low gold and copper geochemical response directly over it, but a moderately anomalous response around its periphery. In 2013, the area was briefly prospected and a rock sample collected along the western edge of the magnetic high returned 0.576 g/t Au and 0.76% Cu (*Mitchell and Burrell, 2013*).

In 2018, SJ Geophysics Ltd. conducted a Volterra Distributed Acquisition 3D IP survey over the ovoid magnetic high and the west-central part of soil Anomaly A (*Figure 13*). A total of 13.95 line kilometres was completed on nine northwest trending survey lines with a line spacing of 150m. The lines ranged from 1150 to 1800m in length. Survey location information was collected using hand-held GPS units and slope data with hand-held clinometers.

The 3D IP survey defined a steeply west dipping, resistivity low and associated chargeability high that are downdip of the ovoid magnetic high (*Figure 13 inset*). These geophysical features are characteristic of buried, alkalic type porphyry gold-copper mineralization. The target is shown in Photo 1 on page 42.



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10.0 DRILLING (Figures 10 to 15)

A total of 927.81m of diamond drilling in two holes has been completed on the GK Project. The drilling was conducted on the Winter Creek zone by Strategic in 2010 under the direction of Archer Cathro. The following discussion of the program is summarized from Smith and Eaton (2010).

The drilling was completed by Bodnar Drilling Ltd. of Sainte Rose du Lac, Manitoba utilizing a heliportable A-5-B-20 diesel-powered drill equipped with HQ and NQ2 wireline tools. The holes were sighted in by compass and no down hole survey tests were documented. Drill core is stored at Archer Cathro's facility in Whitehorse, Yukon. Diamond drill recoveries were good, averaging 96%, with poor recovery encountered in the top 50m of DDH10-01. HQ equipment was used for the top of the holes and reduced to NQ2 at approximately 90m. The author is not aware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results. Drill collar locations are shown in Figures 10 to 13, with cross-sections in Figures 14 and 15. Drill hole specifications are summarized in Table 6, below.

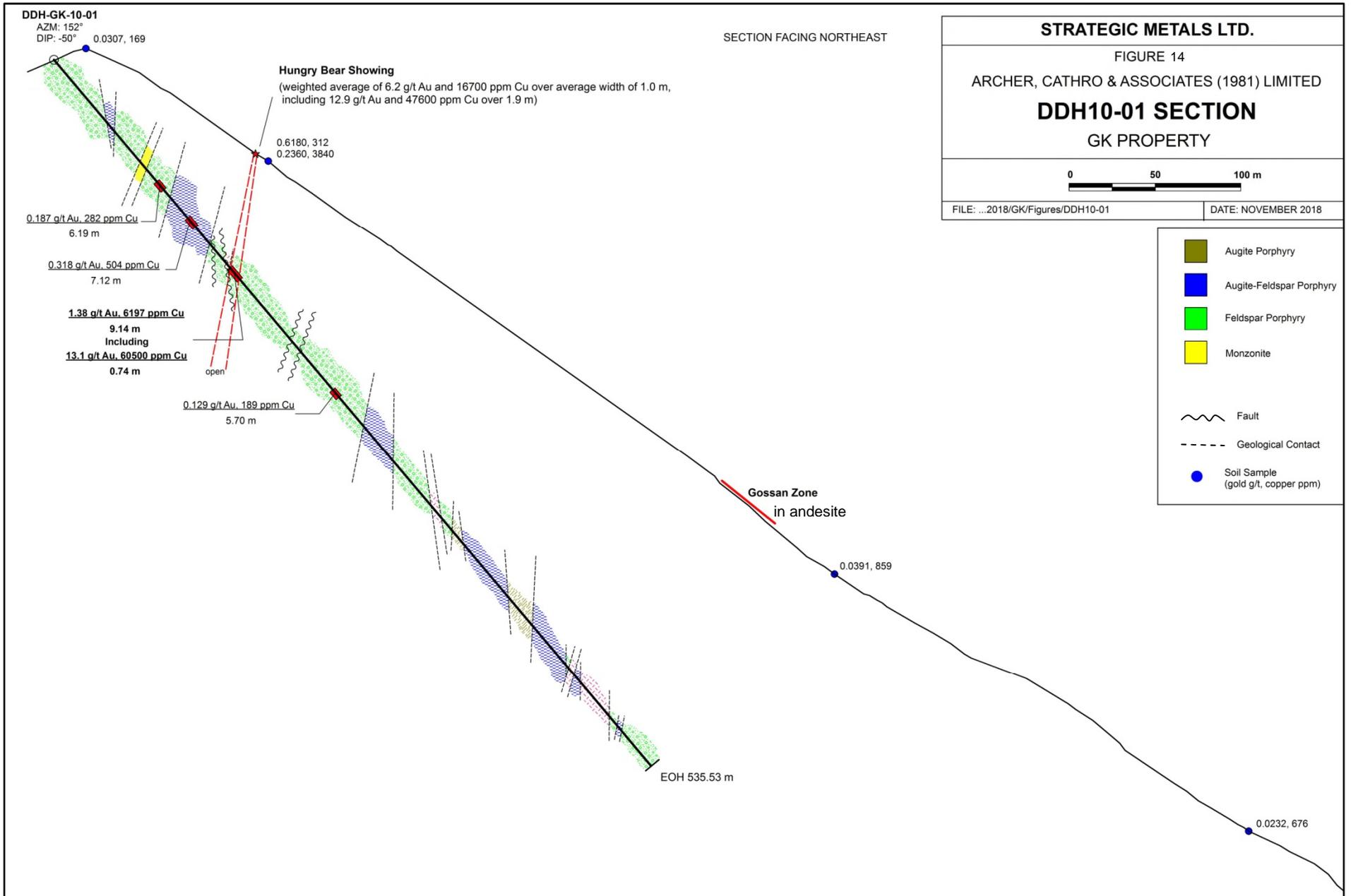
Table 6: Diamond drill hole specifications

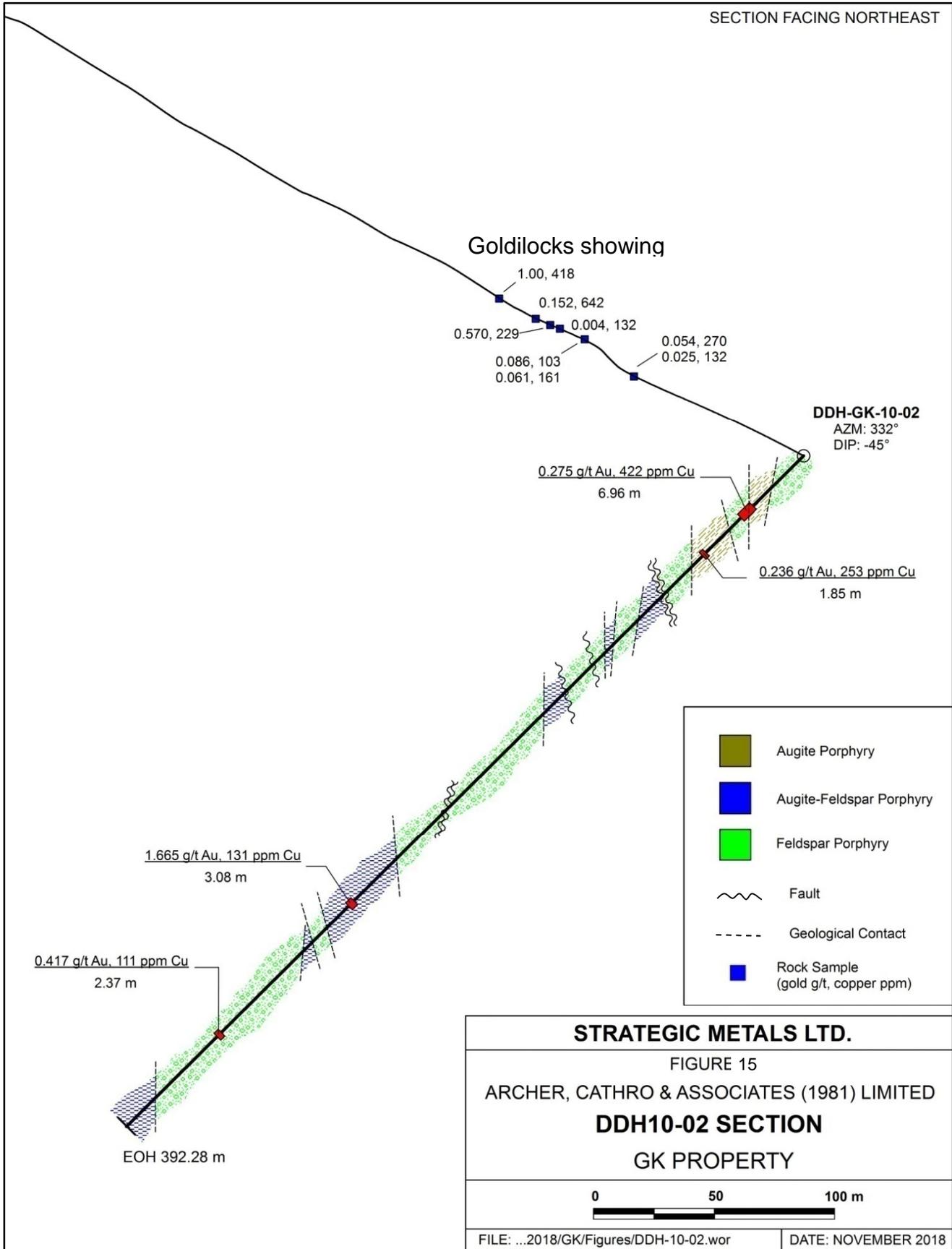
Hole No.	Easting Nad 83	Northing Zone 9	Elev.	Az. (°)	Dip (°)	Length (m)	Core Recovery	No. of Samples
DDH10-01	356945	6421640	1815	152°	-50°	535.53	95%	223
DDH10-02	356902	6420655	1220	332°	-45°	392.28	98%	190
TOTAL						927.81	96%	413

Both drill holes were observed by the author during the 2018 site examination.

The holes were primarily designed to evaluate potential for porphyry copper-gold mineralization, but the first hole was also located to explore the down dip extent of the Hungry Bear vein.

DDH10-01 and DDH10-02 intersected augite-feldspar andesite porphyry with minor massive, fine grained andesite. Narrow, up to about three metre wide, felsic sills, numerous fault and shear zones, ranging from centimetre scale to nearly 15m wide, and unaltered to weakly altered fractures cut the volcanic package. The fault and shear zones are typically associated with quartz-carbonate, epidote, chlorite and/or serpentinite alteration.





DDH10-01 intersected the Hungry Bear vein and several other short mineralized intervals were encountered in both holes, but neither drill hole intersected a broad zone of porphyry style mineralization. Significant results are shown in Figures 14 and 15 and summarized in Table 7. Silver results are generally weak.

Table 7: Anomalous diamond drill hole results

Hole Number	From (m)	To (m)	Interval Length (m)	Au (g/t)	Cu (ppm)
DDH10-01	96.73	102.92	6.19	0.187	282
DDH10-01	123.88	131.00	7.12	0.318	504
DDH10-01	164.42	173.56	9.14	1.38	6197
including	172.87	173.56	0.74	13.1	60500
DDH10-01	262.33	268.03	5.70	0.129	189
DDH10-02	30.00	36.96	6.96	0.275	422
DDH10-02	57.85	59.70	1.85	0.236	253
DDH10-02	262.66	265.74	3.08	1.665	131
DDH10-02	336.03	338.40	2.37	0.417	111

The Hungry Bear vein was intersected between 164.42 and 173.56m in hole DDH10-01 approximately 75m almost vertically beneath the surface exposure of the vein at the Hungry Bear showing (*Figure 14*). The vein and wallrock averaged 1.38 g/t Au and 0.62% Cu over 9.14m, including 13.1 g/t Au with 6.05% Cu over 0.74m. Three other short mineralized intervals with anomalous results were encountered in DDH10-01 (*Figure 14*), consisting of weak pyrite and magnetite with rare chalcopyrite and chalcocite in fault and shear zones (*Table 7*).

In DDH10-02 anomalous results are associated with four intervals of disseminated to blebby to banded pyrrhotite, pyrite and rare chalcopyrite, which are related to veins and felsic dyke swarms (*Table 7, Figure 15*). The uppermost of the intervals is located about 100m at -45°SE below the Goldilocks showing.

Sampling methods are discussed under section 11.0, "Sample Preparation, Analyses and Security", below.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

All samples collected from the GK Project from 2005 to 2018 were controlled by employees of Archer Cathro, which managed the exploration programs during this time. Sources for the sample information below are: Smith and Eaton (2010) for the 2010 diamond drill and geochemical program; Morton (2018) for the 2018 geochemical program; Mitchell and Burrell (2013) for the 2013 geochemical program; Wengzynowski and Eaton (2010) for the 2009 geochemical data; and Wengzynowski and Smith (2009) for the 2005 geochemical data.

The drill collar locations were marked with a 1m long 4"x 4" timber affixed with a metal tag listing the hole number, azimuth, dip and total depth. Survey control was established by chain and compass measurements.

Core was transported by helicopter from the drill sites to a temporary storage area at the Sawmill Lake float plane base near Telegraph Creek. From there, it was transported by truck to the Archer Cathro exploration complex in Whitehorse, Yukon, escorted by a representative of Archer Cathro. In Whitehorse, core markers were converted from feet to metres, recovery was measured and geological and geotechnical logging was performed. The core was logged and sample intervals outlined by C. Chung, a competent geologist, and the program was directed and supervised by a certified professional geoscientist.

All core was assayed with sample intervals of 2 to 3m, but reduced across significant vein or mineralized intercepts and at significant lithological boundaries, and increased in areas of poor recovery. All samples were split with a manual core splitter with one half bagged in numbered plastic bags, placed in rice bags and sealed for shipping, and the other half returned to the core box for future reference. Duplicate samples were obtained by re-splitting the remaining half of the core (resulting in a quarter of the core) for random sample intervals, resulting in 6 duplicates in DDH10-01 and 5 duplicates in DDH10-02. Two blank and two standard samples were randomly included in every batch of 32 core samples.

A total of 413 samples of drill core were submitted for analysis in 2010, including 57 quality assurance and quality control (QAQC) samples, which consisted of 23 commercial standards, 23 blanks and 11 duplicates. Four different standards were used: 12 of CDN-CGS-23 ($0.182 \pm 0.010\%$ Cu, 0.218 ± 0.036 g/t Au); 3 of CDN-CGS-21 ($0.130 \pm 0.084\%$ Cu, 0.99 ± 0.09 g/t Au); 6 of CDN-CM-7 ($0.445 \pm 0.027\%$ Cu, 0.427 ± 0.042 g/t Au, $0.027 \pm 0.002\%$ Mo) and; 2 of CDN-ME-7 ($0.227 \pm 0.016\%$ Cu, 0.219 ± 0.024 g/t Au, 150.7 ± 8.7 g/t Ag). Blank material used consisted of commercially available marble (<0.005 g/t Au). The standards and blanks returned results within acceptable limits. This indicates that the analytical results had an acceptable degree of precision and were free from contamination during sample preparation.

All samples were delivered by Archer Cathro personnel to the Whitehorse facility of ALS Chemex ("ALS" - now ALS Minerals Laboratory) in 2010 and ALS Minerals Laboratory ("ALS") in 2013 and 2018. Samples were prepared and internally sent to their North Vancouver, British Columbia facility for analysis. In 2005 and 2009 samples were shipped directly to ALS Chemex in North Vancouver for preparation and analysis.

Core samples were dried and crushed to 70% passing minus 2 mm, before a 1.5 kg split was taken and pulverized to better than 85% at 75 microns. Sample pulps were then internally sent to ALS's North Vancouver, British Columbia facility and analyzed for 35 elements using an aqua regia digestion and inductively coupled plasma ("ICP") - atomic emission spectroscopy ("AES") analysis (ME-ICP41). Samples were also analyzed for gold by fire assay on a 50g charge with an atomic absorption spectroscopy ("AAS") finish (Au-AA24). Over limit values for gold were re-analyzed using gravimetric assay methods.

Rock sample preparation involved drying, fine crushing to better than 70% passing minus 2 mm, then pulverizing a 250g split to better than 85% passing 75 microns. The fine fraction was analyzed for gold by fire assay on a 30g charge with an ICP-AES analysis (Au-AA21), and for 35 additional elements by aqua regia digestion and ICP-AES analysis (ME-ICP41). Over limit values for gold were re-analyzed using gravimetric

assay methods and over limit values for copper were determined using by aqua regia digestion with ICP or AAS analysis (Cu-OG46).

Soil and stream sediment sample preparation involved drying and screening to minus 180 microns. The fine fraction was analyzed for gold by fire assay on a 30g charge with an ICP-AES analysis (Au-AA21), and for 35 additional elements by aqua regia digestion and ICP-AES analysis (ME-ICP41). The 2005 stream sediment package included only 34 elements, and platinum and palladium were also analyzed (PGM-ICP23), in addition to gold.

Quality control procedures were also implemented at the laboratory, involving the regular insertion of blanks and standards and check repeat analyses and resplits (re-analyses on the original sample prior to splitting). All standards and check analyses by the laboratory returned results within acceptable limits. There is no evidence of any tampering with or contamination of the samples during collection, shipping, analytical preparation or analysis. All sample preparation was conducted by the laboratory. The laboratory is entirely independent from the issuer. ALS Minerals Laboratory does and ALS Chemex did carry ISO 9001 registration and is/was accredited to ISO 17025 Standards Council of Canada for the preparation and analysis procedures performed. In the author's opinion the sample preparation, security, and analytical procedures were adequate.

A sampling protocol should be implemented by Strategic involving the routine and regular insertion of blanks, standards and duplicates sent to the primary laboratory, and re-assaying of selected mineralized pulps at a second independent laboratory in future trenching and drill programs on the project.

12.0 DATA VERIFICATION

The geochemical data was verified by sourcing analytical certificates and digital data. Analytical data quality assurance and quality control was indicated by the favourable reproducibility obtained in laboratory and company inserted standards, blanks and duplicates (repeats). There does not appear to have been any tampering with or contamination of the samples during collection, shipping, analytical preparation or analysis. In the author's opinion the data provided in this technical report is adequately reliable for its purposes.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The GK Project is at an early exploration stage and no metallurgical testing has been carried out.

14.0 MINERAL RESOURCE ESTIMATES

There has not been sufficient work on the GK Project to undertake a resource calculation.

23.0 ADJACENT PROPERTIES (Figure 2)

There are no properties adjoining the GK Project.

24.0 OTHER RELEVANT DATA AND INFORMATION

To the author's knowledge, there is no additional information or explanation necessary to make this technical report understandable and not misleading.

25.0 INTERPRETATION AND CONCLUSIONS

The GK Project constitutes a property of merit based on: favourable geological setting within the well mineralized Stikine Arch; significant vein and possible porphyry style mineralization; untested soil and stream sediment anomalies and; untested geophysical targets.

Regionally the Project is situated within the northwestern portion of Stikinia, a predominantly intra-oceanic island arc terrane accreted to ancestral North America in the Early Mesozoic. Stikinia hosts numerous porphyry-type copper-gold occurrences, specifically in areas where Triassic and Lower Jurassic silica saturated plutons have intruded coeval oceanic island arcs. Examples of such alkalic porphyries in northwest Stikinia include the Red Chris mine, the Galore Creek deposit, and the Sheslay occurrences. Calc-alkalic porphyry-type copper-gold deposits such as Schaft Creek, GJ and KSM also occur within the area. World class gold rich deposits primarily occur as veins, stockworks and lesser breccias associated with the Late Triassic and Early Jurassic intrusive suites within the Golden Triangle of northwest Stikinia, including important precious metal mines, past producers and deposits such as Premier, Brucejack, Snip, Johnny Mountain, and Spectrum. Deposits are typically Early Jurassic in age. An Early Jurassic age is also inferred for the disseminated, limestone hosted, past producing Golden Bear gold mine located 55 km northwest of the Project.

Documented historical exploration on the GK Project area, undertaken from 1916 to 1991, has included mapping, prospecting, rock and stream sediment geochemistry, soil sampling, hand trenching, 116.6 line km of ground magnetic surveying, and minor SP ground geophysical surveying. Work by Strategic was completed between 2005 and 2018 and has included: prospecting; geological mapping; stream sediment and rock geochemical sampling; contour and grid soil sampling; minor hand trenching; an airborne magnetic and VTEM geophysical survey covering approximately 12% of the property; a 13.95 line km IP geophysical survey; and 927.81m of diamond drilling in two holes on the Winter Creek zone in 2010. Soil geochemistry now covers approximately 30% of the property and approximately 40% has been mapped.

The Project covers nine Minfile occurrences as documented by the British Columbia Geological Survey (*British Columbia Minfile, 2018*) and an additional five occurrences were discovered by Strategic in 2013 and 2018. In the east-central Project area gold, copper and silver mineralization primarily occurs in veins, shears, fracture fillings and dykes cutting, and as disseminations in, volcanic and lesser volcanoclastic rocks of the Upper Triassic Stuhini Group along the margins of the Grass Mountain pluton, and to a lesser extent, within the pluton. Peak values of 47.5 g/t Au, 15.85% Cu, 120 g/t Ag and 0.214% Co were obtained from rock samples, with peak values of 6.18 g/t Au, 0.689% Cu, 59.9 g/t Ag and 92 ppm Co from soil samples.

Several veins occur at the Hungry Bear showing within the Winter Creek prospect just south of the Grass Mountain pluton, one of which has been traced for almost 90m, remaining open along strike. Chip samples from seven hand trenches averaged 6.22 g/t Au, 1.67% Cu and 4.4 g/t Ag over an average length of 1.0m, including one sample that returned 12.9 g/t Au, 4.76% Cu and 12.6 g/t Ag over 1.9m (*Wengzynowski and Eaton, 2010*). The vein was successfully intersected in drill hole DDH10-01 about 75m down dip from surface, yielding 1.38 g/t Au and 6197 ppm Cu over 9.14m, including 13.1 g/t Au and 6.05% Cu over 0.74m.

A semi-discrete, ovoid magnetic high geophysical anomaly was identified in the 2008 airborne geophysical survey one kilometre west of the Winter Creek prospect in an area hosting strong gold and copper in soil values and underlain by Triassic to Jurassic aged diorite to granodiorite. A 3D IP survey performed over the area in 2018 defined a steeply west-dipping resistivity low and associated chargeability high, features characteristic of buried porphyry copper-gold mineralization, down dip of the ovoid magnetic high.

Furthermore the strongest gold-copper soil anomaly on the property (Anomaly A) covers a 4000 by 2000m area that extends to the west and northeast beyond the 1000 by 800m Winter Creek prospect and ovoid magnetic high geophysical anomaly.

The Poppa Bear showing, proximal to the central pluton area, primarily consists of a 400m wide by 800m long well fractured zone of northeast trending gold and copper bearing structures and numerous faults and dykes, remaining open along strike (*Roberts, 1992*). The best result is 15.85 g/t Au, 1.74% Cu and 13.6 g/t Ag over 3.5m from a 050°/73°SE trending dioritic dyke with chalcocite, chalcopyrite and malachite (*Roberts, 1992*). Gold ±copper soil geochemistry implies an extension of the showing to the northeast.

The Growly Bear showing comprises an area of gold bearing semi-massive chalcopyrite mineralization in calcite veins hosted by the pluton between the Hungry Bear and Poppa Bear showings. Four trenches exposed an easterly trending vein that is open along strike under talus cover and contains 7.44 g/t Au and 3.24% Cu over an average width of 2.9m along a 20m strike length, including 17.2 g/t Au and 2.77% Cu over 3.0m (*Betmanis, 1990*). Another vein occurs to the northeast and a subsequent SP survey detected several more anomalies prospective for the discovery of sulphide mineralization. The showing lies within a 350 by 1700m northeast trending copper±gold-silver soil anomaly (Anomaly D).

The Honey Pot showing, just north of the pluton, covers a rusty, east-northeast dipping quartz-sericite-arsenopyrite-chalcopyrite vein, which cuts strongly fractured phyllite and carries 20.2 g/t Au, 0.32% Cu and 16.9 g/t Ag over 0.70m within soil Anomaly E (*Morton, 2018*).

A broad, 400 by 600m copper-gold-silver soil anomaly (Anomaly F) with peak values of 1005 ppm Cu, 265 ppm Au and 39 ppm Ag was delineated in 2018 about 700m northeast of the Honey Pot showing and does not correspond to any known mineralization. It is underlain by volcanic rocks sandwiched between intrusive rocks to the north and south on a steep, east-facing cirque.

In the western Project area, acquired by Strategic in 2017, an 800m by 400m area of exposed skarn mineralization hosted by limestone occurs proximal to the Tahltan Lake pluton at the VB showings. Six samples over a strike length of 740m averaged 1.34 g/t Au, 31.86 g/t Ag and 2.29% Cu, and grid soil sampling returned encouraging results along strike. The Frosty showing, 3.6 km to the southeast, covers several chloritic shear zones along a 200m strike length, which yielded 2.54 g/t Au and 0.14% Cu over 1.5m and mineralized calcite vein float occurrences located 450m to the southeast and 400m to the north, which yielded 2.74 g/t Au, and 1.65 g/t Au with 59.4 g/t Ag and 1.34% Cu, respectively (*Kasper, 1991*). In 1989, a sample of mineralized quartz float, collected two km northeast of the Frosty showing, assayed 8.37 g/t Au. This work has not been followed up by Strategic.

The GK Project is at an early stage of exploration, and as such considered a high risk. The above interpretations and the following recommendations for work are based on the results of geochemical and geophysical surveys, which are subject to a wide range of interpretation, with only local trenching and very limited drilling. There are no specific risks the author foresees that would impact continued exploration and development of the property. Although the author believes the surveys on the property are scientifically valid, evaluating the geological controls on mineralization is hampered by a lack of rock exposure in critical areas.

26.0 RECOMMENDATIONS

A contingent two phase exploration program is recommended to follow up significant mineralized zones and soil geochemical and geophysical anomalies with a Phase 1 program consisting of additional soil geochemistry, detailed mapping and prospecting, and hand trenching with a budget of \$220,000. Contingent on results from Phase 1, a Phase 2 diamond drill program with a \$500,000 budget is proposed to follow up results from Phase 1 and earlier work programs. Targets are outlined below.

Mapping and prospecting is recommended to follow up: western and northeastern soil Anomaly A, which hosts the Winter Creek prospect; the northern portion of soil Anomaly B, containing the Poppa Bear showing; the Honey Pot showing and associated soil Anomaly E; newly defined soil Anomaly F; and the mineralized skarns, fracture fillings and veins in the western Project area.

Additional soil geochemistry is warranted: to the north and west of soil Anomaly E; to the north and east of soil Anomaly F; and southwest and east of Anomaly A. The samples should be collected at 50m stations on lines 100m apart.

Hand trenching is recommended to follow up the SP geophysical anomalies at the Growly Bear showing and anomalous copper \pm gold-silver soil values within Anomaly D, along trend.

A contingent Phase 2 diamond drill program is recommended to follow up significant results from Phase 1 and previous programs. Current drill targets include the Hungry Bear vein and the steeply west dipping resistivity low and associated chargeability high feature downdip of the ovoid magnetic high geophysical anomaly just west of the Winter Creek prospect. Potential sites require groundtruthing. Additional targets will depend on results from Phase 1.

26.1 Budget:

Based on the above recommendations, the following contingent two phase exploration program with corresponding budget is proposed. Phase 2 is entirely contingent on results from Phase 1.

Phase 1:

• soils (700 samples all inclusive - labour, assays, QAQC)	\$ 55,000
• mapping/prospecting and supervision	35,000
• hand trenching	15,000
• assays (250 Au, ICP @ \$40/each, shipping, QAQC)	12,000
• helicopter	35,000
• camp, accommodation, food	13,000
• transportation, fuel	10,000
• communication, travel & expediting	5,000
• field equipment and supplies	5,000
• preparation, compilation, report and drafting	15,000
• contingency	<u>20,000</u>
TOTAL:	\$220,000

Phase 2: (contingent on results from Phase 1) diamond drilling (1,500m in 4-6 holes)

• drilling (1,500m @ \$190/m, includes fuel, core boxes, mob/demob)	\$285,000
• helicopter	40,000
• camp, accommodation, food	25,000
• assay costs 600 rock samples @ \$40/sample, shipping, QAQC	27,000
• personnel – geologists, core splitter, supervision	35,000
• transportation, fuel	10,000
• communication, expediting	5,000
• field equipment and supplies	8,000
• preparation, compilation, report and drafting	15,000
• contingency	<u>50,000</u>
TOTAL:	\$500,000

SIGNATURE PAGE

Respectfully submitted,

Effective Date: January 7, 2019

“Jean Pautler”

Signing Date: January 7, 2019

Jean Pautler, P.Geol.

The signed and sealed copy of this Signature page has been delivered to Strategic Metals Ltd.

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CERTIFICATE OF QUALIFYING PERSON

- 1) I, Jean Marie Pautler of 103-108 Elliott Street, Whitehorse, Yukon Territory am self-employed as a consultant geologist, authored and am responsible for all sections of this report entitled "Technical report on the GK Project, Telegraph Creek area, British Columbia", dated January 7, 2019.
- 2) I am a graduate of Laurentian University, Sudbury, Ontario with an Honours B.Sc. degree in geology (May, 1980) with over 38 years mineral exploration experience in the North American Cordillera. Pertinent experience includes the acquisition and delineation of the Tsacha epithermal gold deposit, British Columbia and conducting exploration and property examinations through the Telegraph Creek area in 1997 to 1998 for Teck Exploration Ltd. I have visited the Premier, Snip and Eskay Creek past-producing mines, the GJ and Spectrum deposits and the Hoey prospect (part of the Sheslay occurrences).
- 3) I am a registered member of the Association of Professional Engineers and Geoscientists of British Columbia, registration number 19804.
- 4) I have visited the subject mining property of this report and am a "Qualified Person" in the context of and have read and understand National Instrument 43-101 and the Companion Policy to NI 43-101. This report was prepared in compliance with NI 43-101.
- 5) This report is based on a site visit by the author on September 28, 2018, and a review of pertinent data. I do not have any other prior involvement on the GK Project.
- 6) As stated in this report, in my professional opinion the property is of potential merit and further exploration work is justified.
- 7) At the effective date of the technical report, to the best of my knowledge, information, and belief, the technical report contains all scientific and technical information required to be disclosed to make the technical report not misleading.
- 8) I am entirely independent, as defined in section 1.5 of National Instrument 43-101, of Strategic Metals Ltd., any associated companies, Archer, Cathro & Associates (1981) Limited and the GK Project. I do not have any agreement, arrangement or understanding with Strategic Metals Ltd., or any affiliated company to be or become an insider, associate or employee. I do not own securities in Strategic Metals Ltd., or any affiliated companies and my professional relationship is at arm's length as an independent consultant, and I have no expectation that the relationship will change.

Dated at Carcross, Yukon Territory this 7th day of January, 2019,

"Signed and Sealed"

"Jean Pautler"

Jean Pautler, P.Geo. (APEGBC Reg. No. 19804)
JP Exploration Services Inc.
#103-108 Elliott St. Whitehorse, Yukon Y1A 6C4

The signed and sealed copy of this Certificate page has been delivered to Strategic Metals Ltd.