



Strategic
metals Ltd.

CD PROPERTY

Drill-ready, copper-gold porphyry and gold vein prospect

- Located within the Dawson Range gold and copper belt, near several deposits and advanced exploration targets
- Porphyry target defined by 1200 m by 400 m area of coincident, highly anomalous copper and gold geochemistry
- 3D geophysical interpretation shows coincident mag high with resistivity low and chargeability high that remains untested
- Class 3 permitted for a large drill program

The CD Project lies within the southern part of the Dawson Range Gold Belt (DRGB), a metallogenic province in west-central Yukon that hosts several known gold and copper-gold deposits (Figure 1). The property comprises 1,370 claims covering 277 km². All claims are wholly owned by Strategic Metals, with 12 claims subject to a 2% NSR for gold and a 1% NSR for other metals. It is located 20 km west of the road-accessible Klaza epithermal gold-silver deposit.

The CD Project is underlain by the same package of rocks as several DRGB deposits, such as Klaza and Casino. Poly-deformed and metamorphosed siliciclastic rocks of the Proterozoic to Devonian Snowcap Assemblage form the oldest unit of the Yukon-Tanana terrane (Figure 2). At CD, these rocks are structurally interleaved with Devonian to Mississippian metavolcanic, volcanoclastic and carbonate rocks of the Finlayson Assemblage, as well as variably sized bodies of mafic to ultramafic rocks. The metamorphic rocks are intruded by mid- to Late Cretaceous and Paleocene magmatic rocks of variable compositions, and dissected by a number of large northeast to north-northeast striking faults. Mineralization in the belt is commonly associated with Late Cretaceous intrusions - particularly small plugs and breccia bodies of the Late Cretaceous Casino Suite.

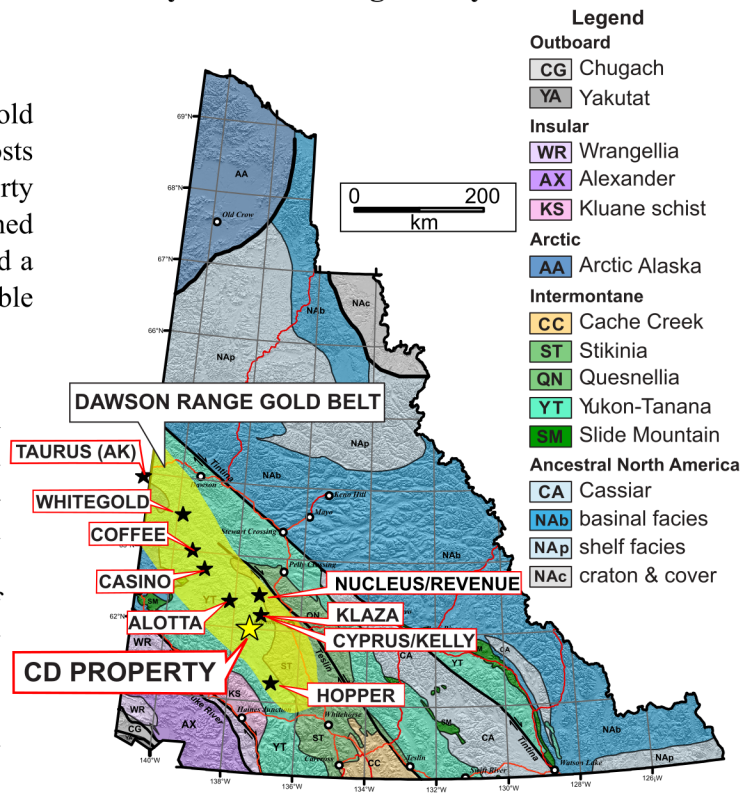


Figure 1. Tectonic assemblage map of Yukon

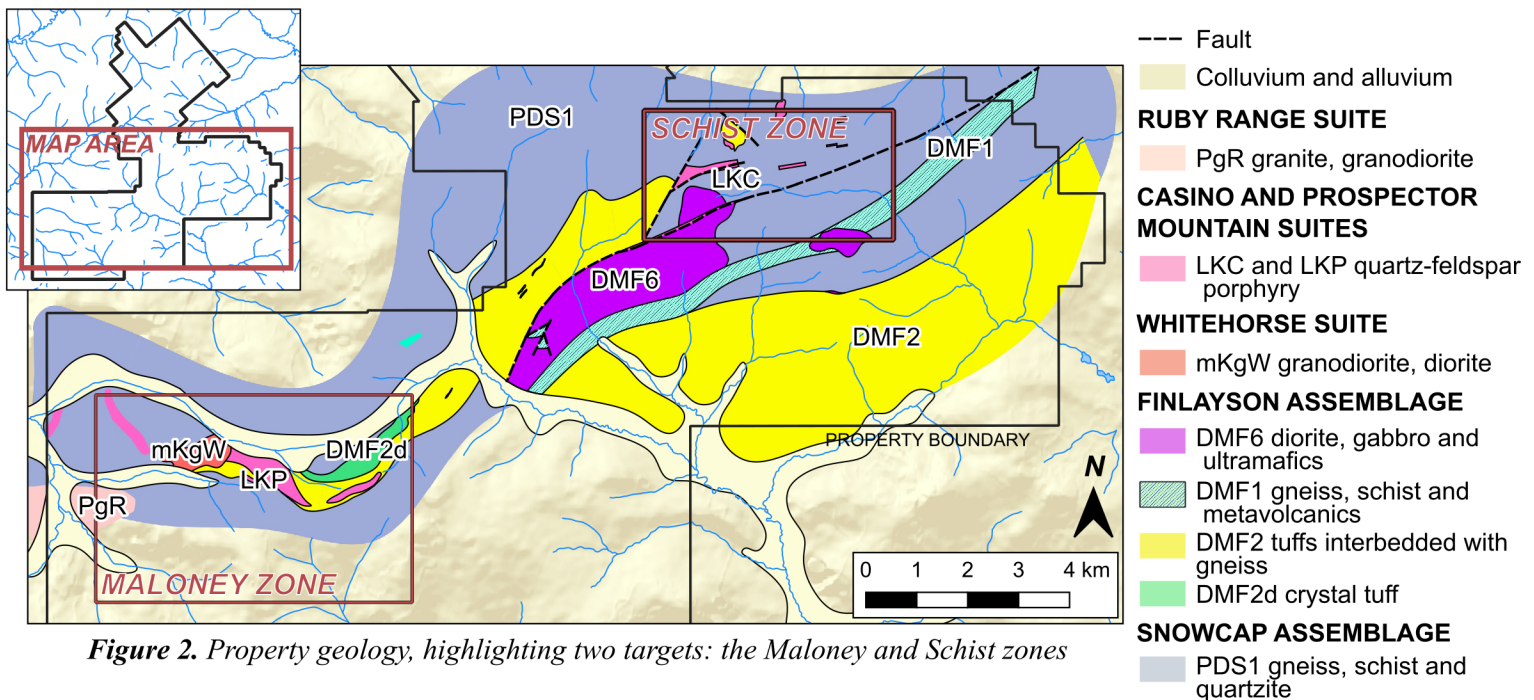


Figure 2. Property geology, highlighting two targets: the Maloney and Schist zones

Mineral occurrences on the CD Project include the poorly exposed, copper-gold-molybdenum porphyry prospect known as the Maloney Zone. This occurrence covers an easterly-trending, approximately 4,000 m by 600 m quartz diorite porphyry stock and breccia body of Late Cretaceous age, which coincides with a 1,200 m by 400 m, very strong copper-, gold- and molybdenum-in-soil anomaly (**up to 1,485 ppm copper and 1,270 ppb gold**). Porphyry style veining is common, along with disseminated and fracture filling pyrite, chalcopyrite, molybdenite, arsenopyrite, jarosite, azurite, malachite and hematite associated with intense sericite-chlorite-clay alteration. Recent mapping in the area has identified zones of alteration that include a potassic core that is overprinted by intense quartz-sericite and pyrite alteration, as well as epidote, quartz and magnetite alteration.



Quartz-biotite-magnetite veins developed within potassium feldspar altered porphyry from the core zone of the Maloney area.



Thin epidote-chlorite veins overprinting quartz-sericite veins within a strongly altered, quartz-sericite-pyrite porphyry from the Maloney area.

The overprinting of alteration types suggests a telescoping of the porphyry system, or the formation of a second, slightly younger and deeper system. A small area of brecciation outcrops near the centre of the multi-element soil anomaly, in an area of intense quartz-sericite-pyrite alteration. It is characterized by broken quartz and feldspar phenocrysts in a fine grained matrix, and interpreted as a late-stage hydrothermal breccia.

In 1976, six shallow holes were drilled into the porphyry target (Figures 3 and 4). The deepest hole was 177 m and the shallowest reached a depth of only 44.5 m. The drilling partially tested two IP chargeability targets from a 1970 survey performed over the central part of the zone. Drill holes largely intersected metasedimentary schist and gneiss, cut by rare, narrow zones of quartz-feldspar porphyry. The best intersections include **0.14% Cu over 6.1 m** and **0.15% Cu over 15.2 m** from hole 76-2 and **0.1% Cu with 0.089 g/t Au over 21.3 m** from hole 76-4. The two holes were the deepest drilled reaching depths of 177.09m (76-2) and 171.6 m (76-4).

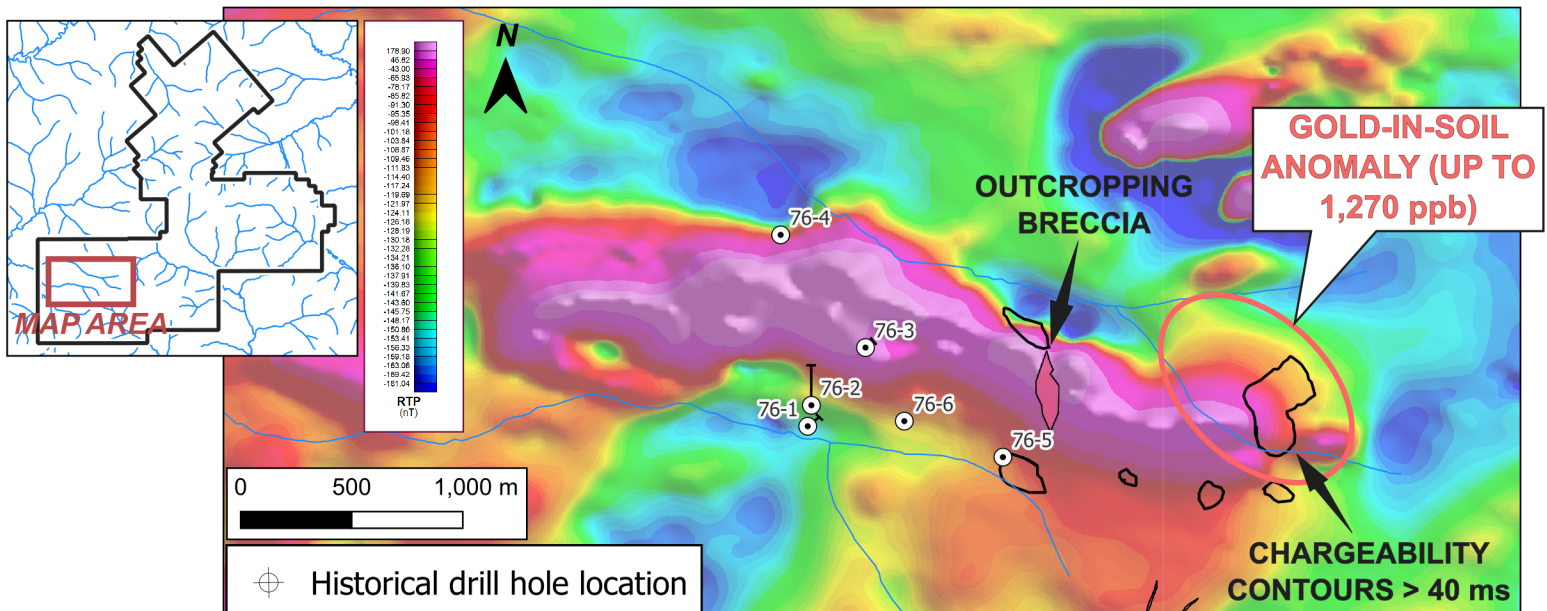


Figure 3. Important geophysical features: RTP magnetics and chargeability contours >40 ms, highlighting strong, untested targets

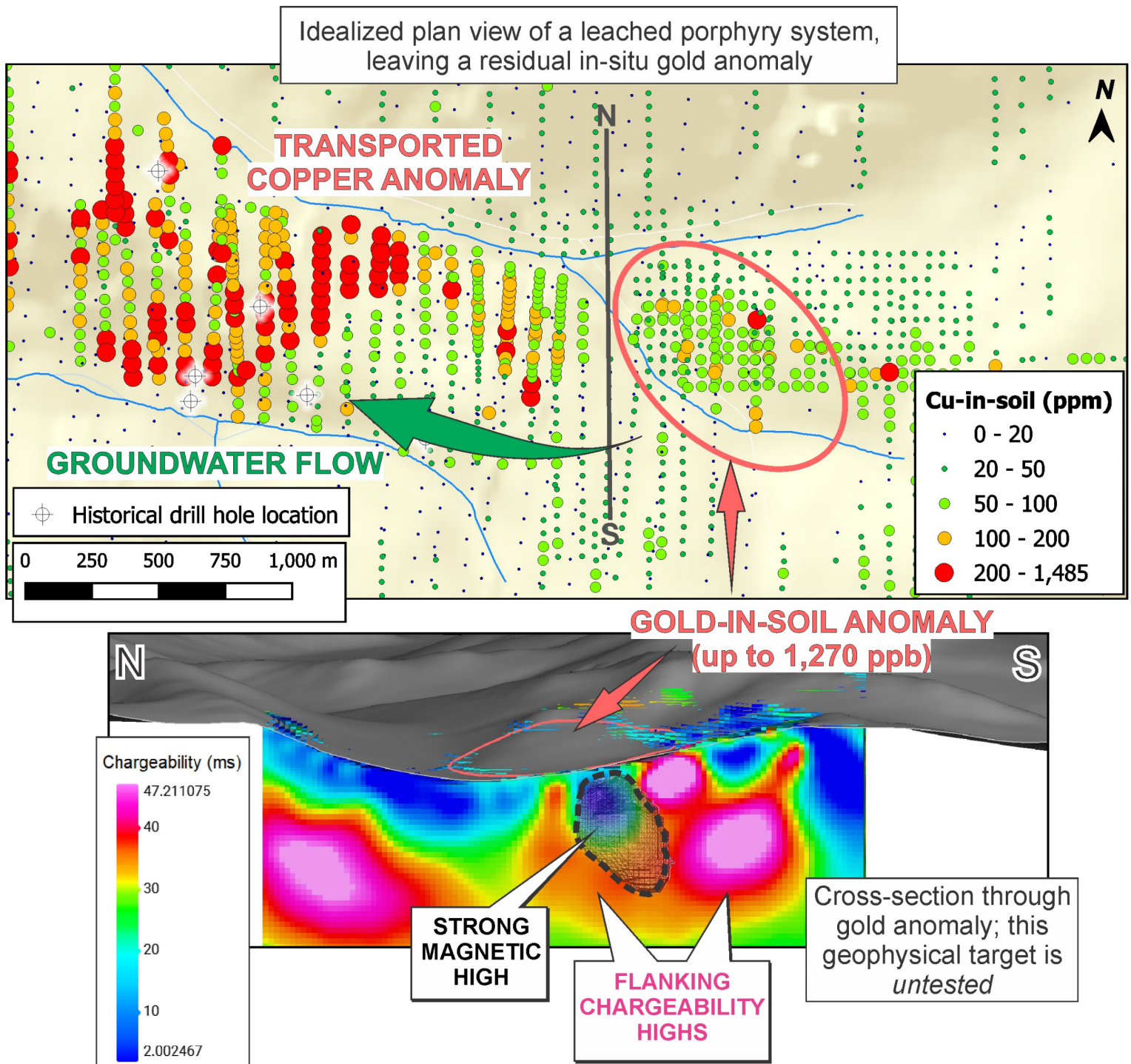


Figure 4. Flanking chargeability highs around a strong magnetic feature are associated with a very strong gold-in-soil anomaly and possibly represent chargeable sulphide minerals around a potassic core

The Maloney Zone is underlain by an elongate and dismembered, roughly east-west oriented magnetic feature, which at its eastern end is coincident with a low resistivity signature and an enveloping chargeability high. Importantly, these untested geophysical features are situated at shallow depths.

The project area covers moderate rolling hills and lies within a variably glaciated area of the Yukon, at the margin of the unglaciated Yukon Plateau. Mapping and soil geochemical sampling have been hampered by thick overburden and permafrost, while historical diamond drilling focused on a small area centered on the strongest copper-in-soil geochemistry. It is possible that the copper-in-soil response was transported by groundwater flux to its current location, leaving behind a strong, leached, gold-in-soil anomaly. This is the scenario observed at the Casino Deposit, located 85 km to the northwest. In addition, several of the historical drill holes were drilled shallowly and with a vertical orientation, which would not be an adequate test of the target. The Maloney Zone is thus considered as one of Yukon's foremost untested porphyry targets.

The vein target at the Schist Creek area, is characterized by gold, silver and arsenic bearing veins, breccias and hydrothermally altered metamorphic rocks, in close proximity to a swarm of Late Cretaceous porphyry dykes. Mineralization within the veins consists of 1% to 2% fine-grained, disseminated pyrite and arsenopyrite with manganese oxide, limonite and sericite alteration. Gold-in-soil values in this area range up to 223 ppb. In 2011, six excavator trenches were dug along a ridge top and one to two veins were exposed in each trench along a 620 m strike length. Chip samples from the main vein returned **1.67 g/t Au over 6.5 m** and **2.82 g/t Au over 3 m**. Peak values of **6.29 g/t Au, 25.7 g/t Ag, 3110 ppm As and 53 ppm Sb** were obtained from grab samples. Based on the trenches it is thought the veins are approximately parallel to the metamorphic fabric. An untested 2,000 m by 500 m strongly elevated arsenic and antimony soil anomaly is found in the western part of the area (Figure 5).

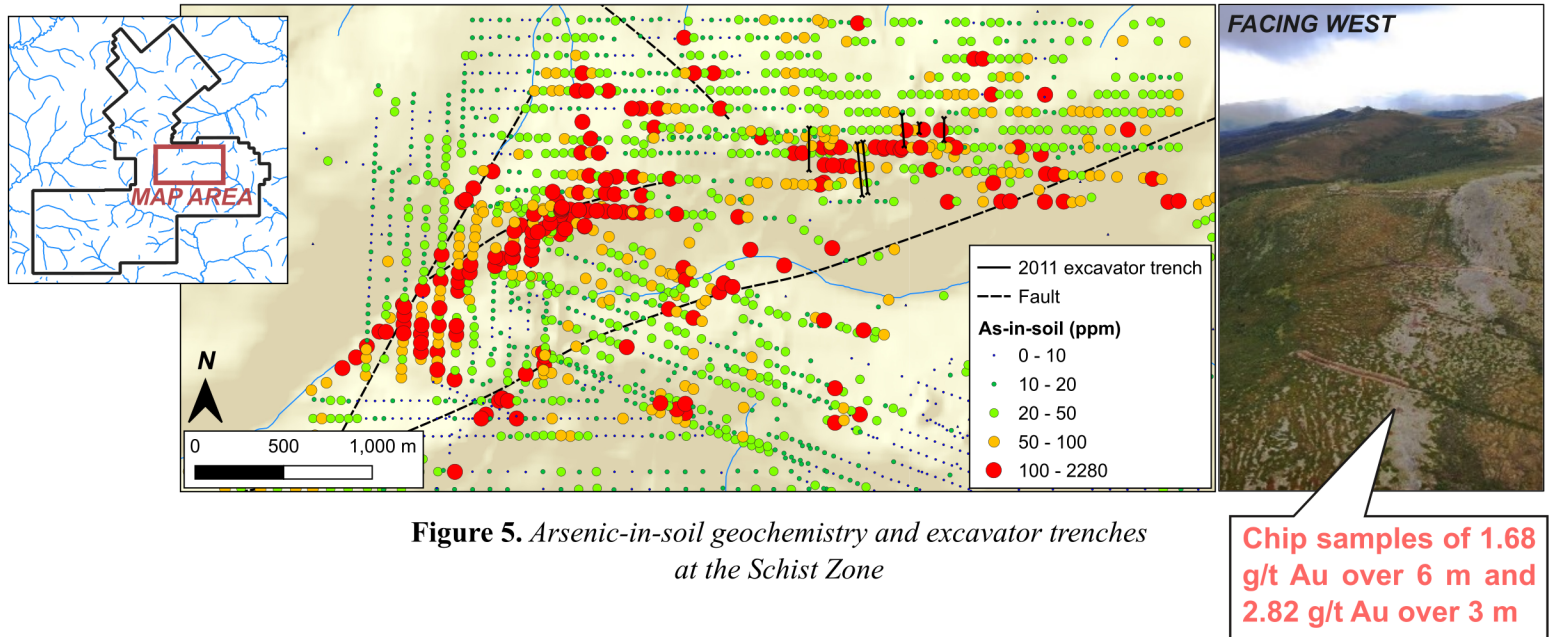


Figure 5. Arsenic-in-soil geochemistry and excavator trenches at the Schist Zone

There is good potential for a bulk tonnage copper-gold-molybdenum deposit at the Maloney Zone, with similarities to the Casino deposit. In addition, work at the Schist Zone has identified gold-bearing epithermal vein and breccia style mineralization that is associated with Late Cretaceous quartz-feldspar porphyry dykes. The CD Project is Class 3 permitted and drill-ready. The two most advanced targets are the Maloney and Schist zones; however, elsewhere on the property, promising, reconnaissance-scale geochemical anomalies have not yet been followed up.



FOR MORE INFORMATION ON THIS PROPERTY

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