OBVIOUS PROPERTY

Exceptionally high-grade tungsten

- **Three areas of scheelite-rich talus have not been traced to source**
- **Typical samples grade 1 to 2% WO_3 with some in the range of 3 to 24.8% WO_3**
- **Other prospective targets identified by magnetic surveys have not been followed-up**

The Obvious property hosts three areas of exceptionally high-grade tungsten mineralization that have not seen focused exploration since 1983 and have never been drilled. It is owned 100% by Strategic Metals Ltd. and is not subject to any underlying royalty interests.

The property comprises 12 mineral claims (250 hectares) that lie within the Pelly Mountains of south-central Yukon Territory. The claims are situated 7 km west of the South Canol Road at a point 110 km north of its junction with the Alaska Highway (Figure 1).

FIGURE 1: LOCATION MAP

Tungsten mineralization was first discovered in this area in 1978 by CUB Joint Venture (Cassiar Asbestos Corporation Limited, Highland-Crow Resources Ltd. and Union Carbide Canada Limited). That joint venture explored with grid soil geochemistry, geophysics (EM and magnetics) and geological mapping in 1979 and 1981. Results of this work were followed up with bulldozer trenching in 1983, which did not reach bedrock in the main areas of interest. The claims were allowed to lapse, and the core of the areas was restaked in 2001 by Nordac Resources Ltd. (later reorganized to become Strategic Metals Ltd.). Strategic expanded the claim block and performed helicopter-borne VTEM and magnetic surveys in 2001, and conducted deep auger soil sampling along old trenches in 2012.

VIEW OF KUBLA AND KHAN ZONES – LOOKING EAST-NORTHEAST

VIEW OF ZANDU ZONE – LOOKING NORTHWEST

The Obvious property is underlain by shale, dolomite and limestone of the Mid Paleozoic

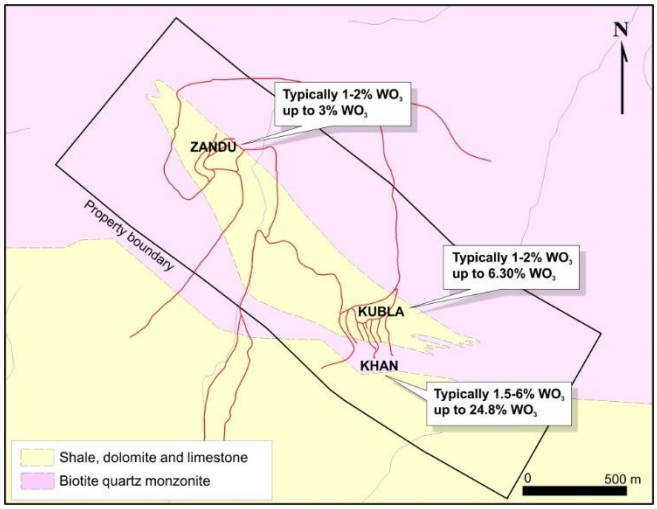

FIGURE 2: GEOLOGY AND MINERALIZATION

Nasina Assemblage, which forms elongated roofs pendants alongside granitic rocks of the Cretaceous Nisutlin Batholith. Tertiary quartz-feldspar porphyry dykes intrude both the sedimentary and granitic rocks, and are thought to be younger than the tungsten mineralization (Figure 2).

Three main zones of tungsten-rich talus have been identified by night lamping. However, bulldozer trenches that explored for bedrock source areas beneath the mineralized talus trains were mostly unsuccessful because of deep frozen overburden.

The **Khan** showing is a 200 m long train of magnetite-rich skarn, samples of which typically grade 1.5 to 6.0% WO_3 but include a selected specimen that assayed 24.8% WO_3. The best trench exposures were a magnetite-rich band that returned 0.74% WO_3 over 2 m and a nearby diopside-garnet skarn that yielded 1.3% WO_3 over 2 m.

The **Kubla** showing is a 50 m long talus train situated about 150 m north of the **Khan** showing. Scheelite-rich specimens assayed up to 6.30% WO_3, while typical material produced assays of 1 to 2% WO_3.

The **Zandu** showing is located 1100 m northwest of the **Kahn** and **Kubla** showings and consists of scattered diopside-plagioclase skarn. Typical specimens of the skarn grade over 1% WO_3 and several specimens assayed over 3% WO_3. A chip sample from the best trench exposure returned 0.59% WO_3 over 1 m.

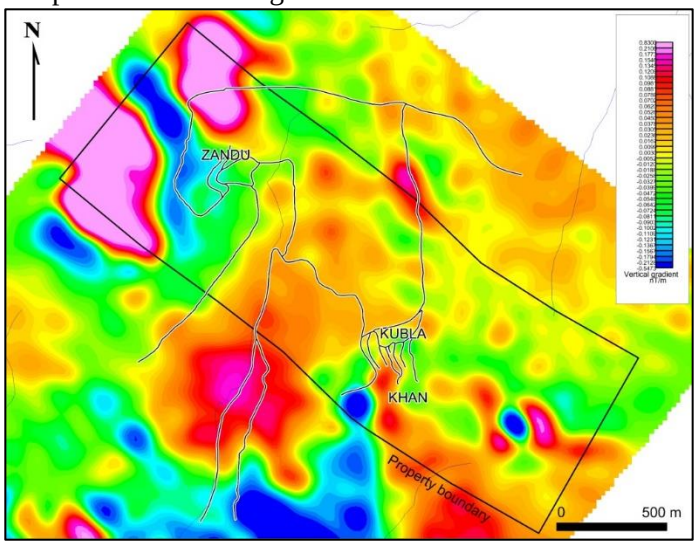

FIGURE 3: MEGNETIC DATA

The 2007 helicopter-borne magnetic survey identified several untested magnetic highs on and adjacent to the property (Figure 3) which could mark magnetite-rich skarn zones.

Recommendation: The uncommonly high-grade nature of the scheelite-rich skarns at the Obvious property make them very attractive targets. Previous bulldozer trenching has provided access to the best target areas and has removed much of the overburden that covered mineralized float trains. Prospective areas should be explored with a portable excavator or with a self-propelled track-mounted reverse circulation drill, which could test beneath frozen overburden and establish continuity to depth. Exploration can be directed on-site by exposing rocks from trenches or cuttings from drill holes to ultra-violet light. The recently identified and untrenched magnetic anomalies should also be thoroughly prospected.

FOR MORE INFORMATION OF THIS PROPERTY

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