

HIDDEN PROPERTY

A “sleeper” tungsten prospect
with giant potential

- **A drill ready prospect encompassing skarn and stockwork hosted tungsten**
- **Good geometries for open-pit bulk-tonnage mining**
- **One of the largest, strongest tungsten-in-soil anomalies in Yukon**

The Hidden property hosts one of the largest, strongest tungsten geochemical anomalies in Yukon. Although the original discovery was a 30 m by 40 m area of scheelite-rich skarn float, the more important target is a 1000 m by 300 m zone of thermal metamorphism with attendant silicification and abundant scheelite on fracture surfaces and in quartz veinlets.

The property is owned 100% by Strategic Metals Ltd. It consists of 22 mineral claims (4.5 sq km) that are located 15 km west of the South Canal Road at a point 110 km north of its junction with the Alaska Highway (Figure 1).

Tungsten mineralization was first discovered in 1978 by CUB Joint Venture (Cassiar Asbestos Corporation Limited, Highland-Crow Resources Ltd. and Union Carbide Canada Limited). This joint venture explored with soil geochemistry, magnetic surveys, geological mapping and diamond drilling (8 holes totaling 915 m) between 1978 and 1981. Drilling was done in 1979 and focused on scheelite-rich skarn talus at the Discovery Zone (Figure 2). The significance of the porphyry-style mineralization was not recognized until later and, following declining metal prices in the early 1980s, the property was allowed to lapse without that target being drilled. The area of the strongest tungsten-in-soil was re-staked in 2001 by Nordac Resources Ltd. (later restructured to become Strategic Metals). Only minor prospecting and soil geochemical sampling have been done since 2001.

The property overlies shale, dolomite and limestone of the Mid-Paleozoic Nasina Assemblage, near the margin of the Cretaceous Nisutlin Batholith. Almost all the rocks in this area have been altered to calc-silicate mineral assemblages of upper amphibolite facies, possibly due to local heating by an unroofed apophysis of quartz monzonite.

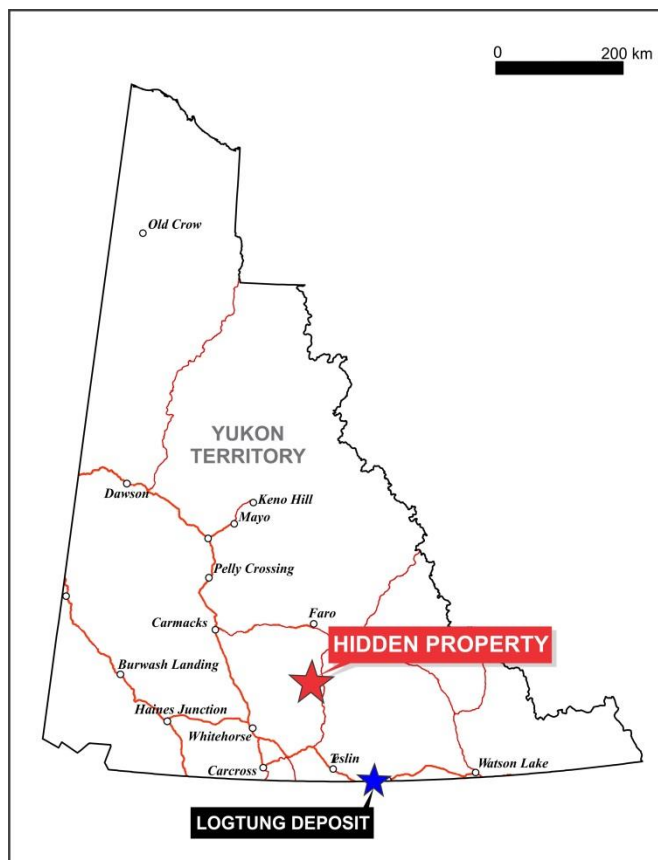


FIGURE 1: LOCATION MAP

Two types of tungsten mineralization have been recognized on the property:

- The Discovery Showing is located at treeline in the northern part of the claim block. It consists of quartz-garnet-diopside-pyrrhotite skarn within graphitic shale and dark grey limestone. Mineralization occurs in coarse boulders and talus slabs up to 5 m wide. Grades from representative chip sampling of talus over a 30 by 40 m area average about 1.2% WO₃. Drilling beneath the scheelite-rich skarn talus returned 0.95% WO₃ from a 2 m wide, clay-rich fault. The mineralized fault is interpreted to be a feeder zone to a narrow skarn band that was locally developed in a permissive unit but which later slumped to form the talus.
- The much larger, porphyry-style target consists of pervasive stockwork fracturing, often accompanied by bleaching and silicification, which lies 150 to 500 m uphill of the Discovery Showing. Fracture surfaces are partially coated with scheelite, and quartz-scheelite veinlets are abundant. Bedrock exposures are rare within the porphyry target and relatively few rock samples have been taken within it.

Soil geochemical results from the late 1970s outlined a 2000 m diameter area of moderate tungsten values with a 1000 m diameter core of strong to very strong tungsten response that is centred on the porphyry target. Unfortunately the upper detection limit for the analytical technique was 400 ppm tungsten and more than 30% of the samples taken from the core area exceeded that limit. Soil panning was conducted to overcome the analytical limitations and define specific sources for the tungsten. Results from panning are shown on Figure 2 along with analytical results from recent samples taken on traverse lines through the geochemically anomalous area. The recent sampling validated the earlier results and included very high values, up to 4100 ppm. For comparison, the Hidden tungsten-in-soil results cover a larger area and are richer than those from comparable geological and geomorphological settings at the nearby Logtung porphyry deposit (545 million tonnes grading 0.076% WO₃).

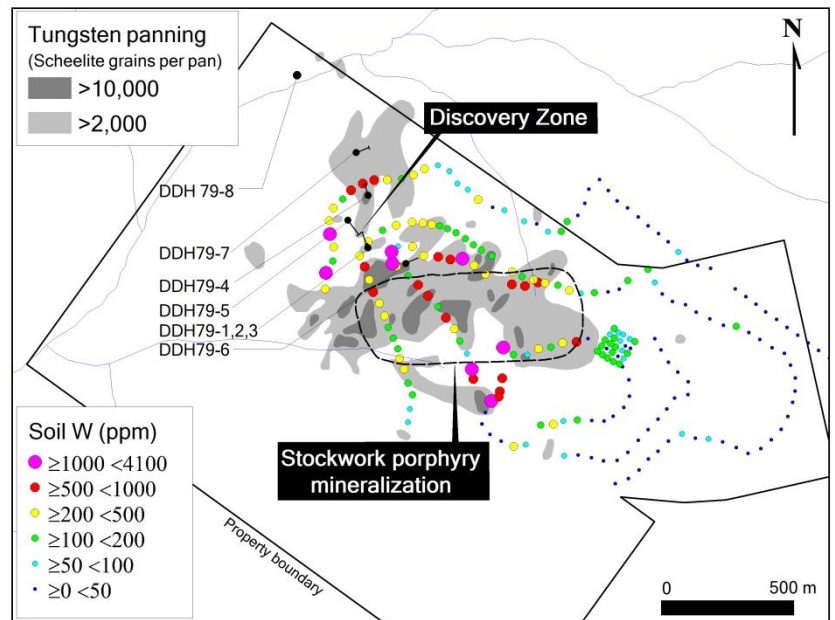


FIGURE 2: TUNGSTEN-IN-SOIL

Recommendations: The porphyry tungsten target at the Hidden property should be tested by diamond drilling with at least 4 deep holes overlapping to form a section line across the core of the geochemical and panning anomalies.

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FOR MORE INFORMATION OF THIS PROPERTY

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