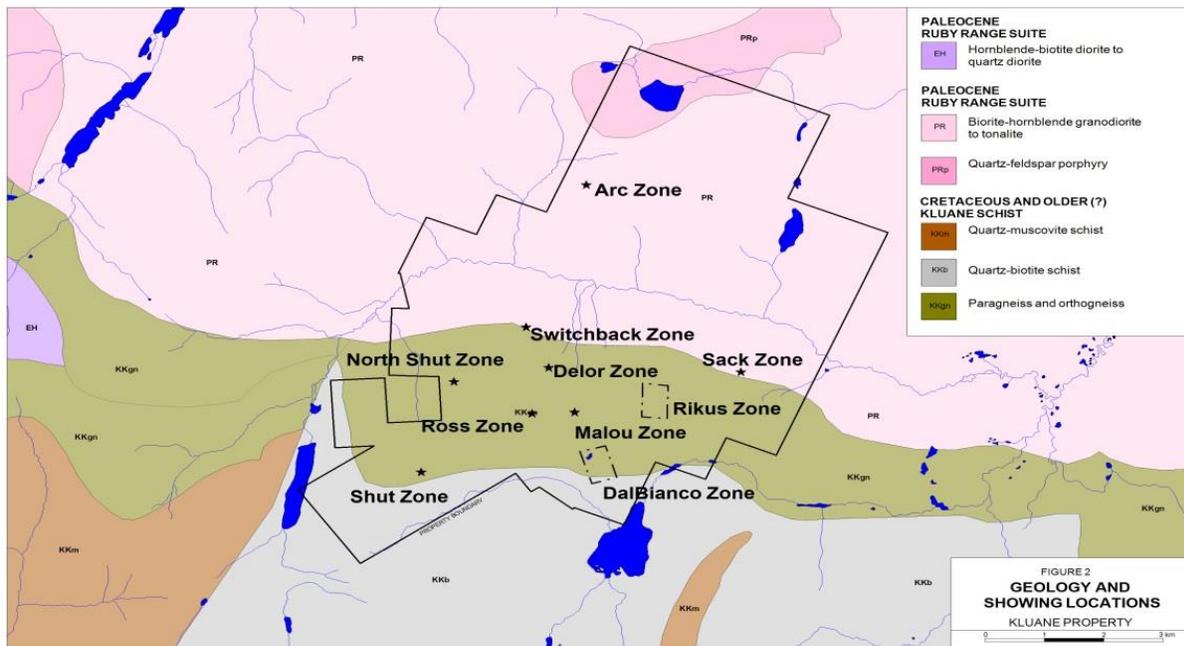
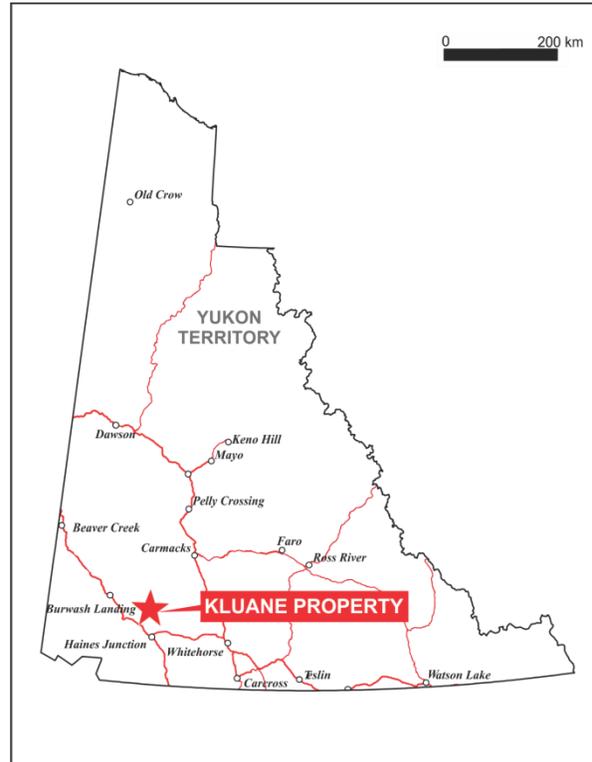


# KLUANE PROPERTY

Strategic Metals' Kluane property hosts numerous gold-rich veins. It lies in southwestern Yukon Territory, 46 km north of Haines Junction and 33 km west of a major hydroelectric generating station. The property covers a 68 sq km area within the traditional territory of the Champagne and Aishihik First Nations. A prospector's estate has a 1% NSR royalty on production from the property.

The Kluane property lies within the Kluane Schist Terrane immediately west of its boundary with the Yukon-Tanana Terrane (YTT). A thrust fault relationship has been interpreted between the Kluane Schist and Yukon-Tanana terranes; however, this contact is obscured by the emplacement of the Paleocene Ruby Range Suite. The southern part of the property is underlain by Cretaceous and older (?), Kluane Schist metamorphic units that are comprised of detritus shed from the YTT rocks to the east. The northern part of the property covers hornblende-biotite diorite of the Ruby Range Suite (Figure 2).

The contact between these units is hidden by glacial overburden in a valley bottom.



The Kluane property hosts numerous gold-rich quartz-carbonate vein zones (Figure 2), which cut the schists and diorite. The gold occurs in native form and in auriferous arsenopyrite. The mineralized zones include discreet fault-bounded veins and broader complexes of sheeted veins and veinlets with well-developed alteration halos. The known zones are usually associated with north-trending recessive topographic linears, which are quite evident on ridges. Very little exploration has been done on the adjacent talus covered hillsides and in valley bottoms.

Arsenopyrite-bearing veins typically assay between 3 and 60 g/t gold across widths of 0.35 m to 0.85 m while the adjacent wallrocks commonly yield between 0.2 and 1.0 g/t gold across widths of 1 to 3 m on either side of the veins. Several chip samples taken across various mineralized exposures average 3.85 g/t gold over 2.76 m, with the best exposure returning 7.36 g/t gold over 9.5 m. Outcrop and float specimens containing native gold have been found in various parts of the property, and samples of this material have assayed between 30 and 225 g/t gold. Historically, the exploration emphasis was on veins within the Kluane Schist. In 2015, a five day prospecting program focused on the adjacent Ruby Range Suite intrusion and led to the discovery of seven new areas with vein style mineralization. A rock sample of banded quartz with 20% arsenopyrite and 1% galena assayed 11.48 g/t gold and 0.82% lead, while another vein sample from a different area returned 9.85 g/t gold.

Electromagnetic (EM) surveys have been performed on the southern part of the property and have delineated strong conductors along some of the known veins.

Soil sampling has focused on the metamorphic rocks in the southern part of the property, where there are large areas with strongly anomalous gold and arsenic values to peaks of 3280 ppb and 7350 ppm respectively. Follow up prospecting and widely spaced excavator trenching within these anomalous areas have discovered several vein exposures and mineralized float trains; but, because most of the property is covered by thick overburden, many of the soil geochemical anomalies are unexplained. Soil sampling in the northern part of the property returned weaker but still anomalous values to maximums of 276 ppb gold and 3070 ppm arsenic.

A few of the mineralized zones, EM conductors and soil geochemical anomalies have been partially tested by diamond drilling, with the best intercept returning 5.32 g/t gold over 2.75 m.

Previous exploration has evaluated only a small portion of this very large property and potential for further discoveries is high. The geological setting of the Kluane property is akin to the Juneau Gold Belt in nearby southeastern Alaska, which includes several gold deposits such as Coeur Mining's Kensington Mine.

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#### FOR MORE INFORMATION ON THIS PROPERTY



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