



MOUNT HINTON PROPERTY

Strategic Metals' wholly-owned Mount Hinton property lies within the legendary Keno Hill silver mining camp, a district that hosts more than 35 individual mines and is historically Canada's second largest primary silver producer. Between 1913 and 1990, 6657 tonnes (214 million ounces) of silver, 35,000 tonnes of lead and 21,000 tonnes of zinc were extracted from the extensive and numerous vein faults in the Keno Hill camp. Average recovered grade was 1373 g/t (40.1 oz/ton) silver, 6.7% lead and 4.1% zinc.

The property covers an 83 sq km area that is located 10 km by road from Keno City in central Yukon Territory (Photo 1). A hydroelectric power grid extends to Alexco Resource Corp.'s mill at Keno City and to its Bellekeno Deposit, which is located three kilometres north of the Mount Hinton claim block.

Although silver mineralization is found in veins on the Mount Hinton property, gold is the most significant component in many of the 73 bedrock showings and numerous float occurrences that have been discovered to date. Creeks draining the property have yielded significant placer gold production and are still being mined.

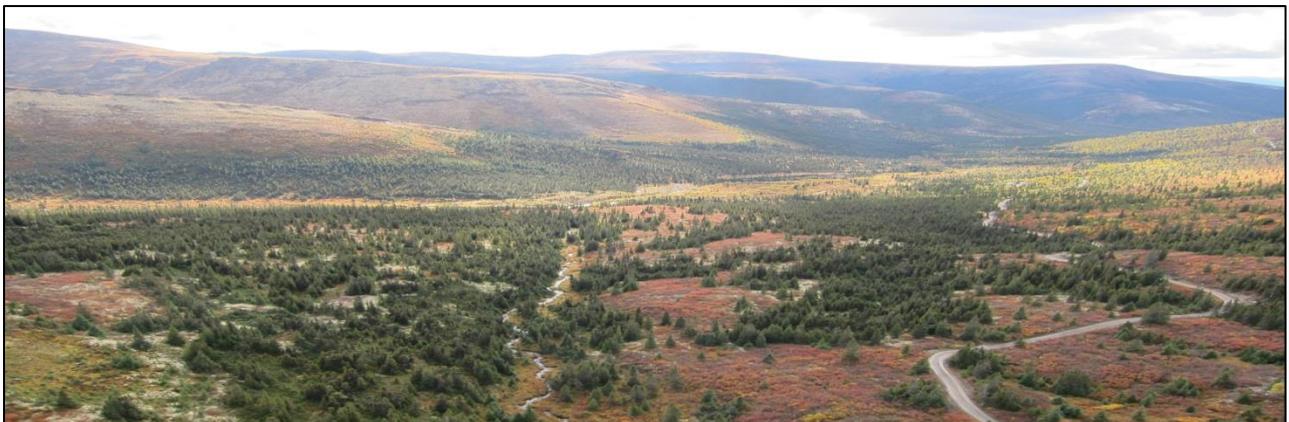
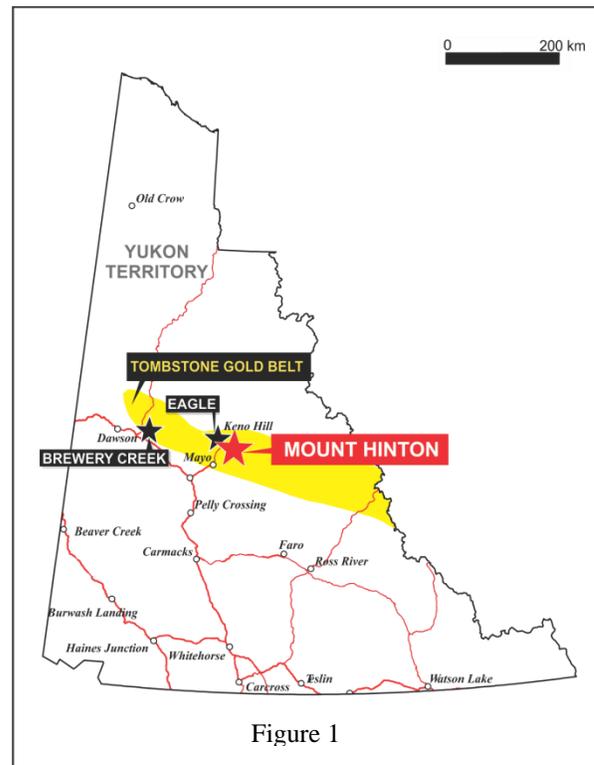
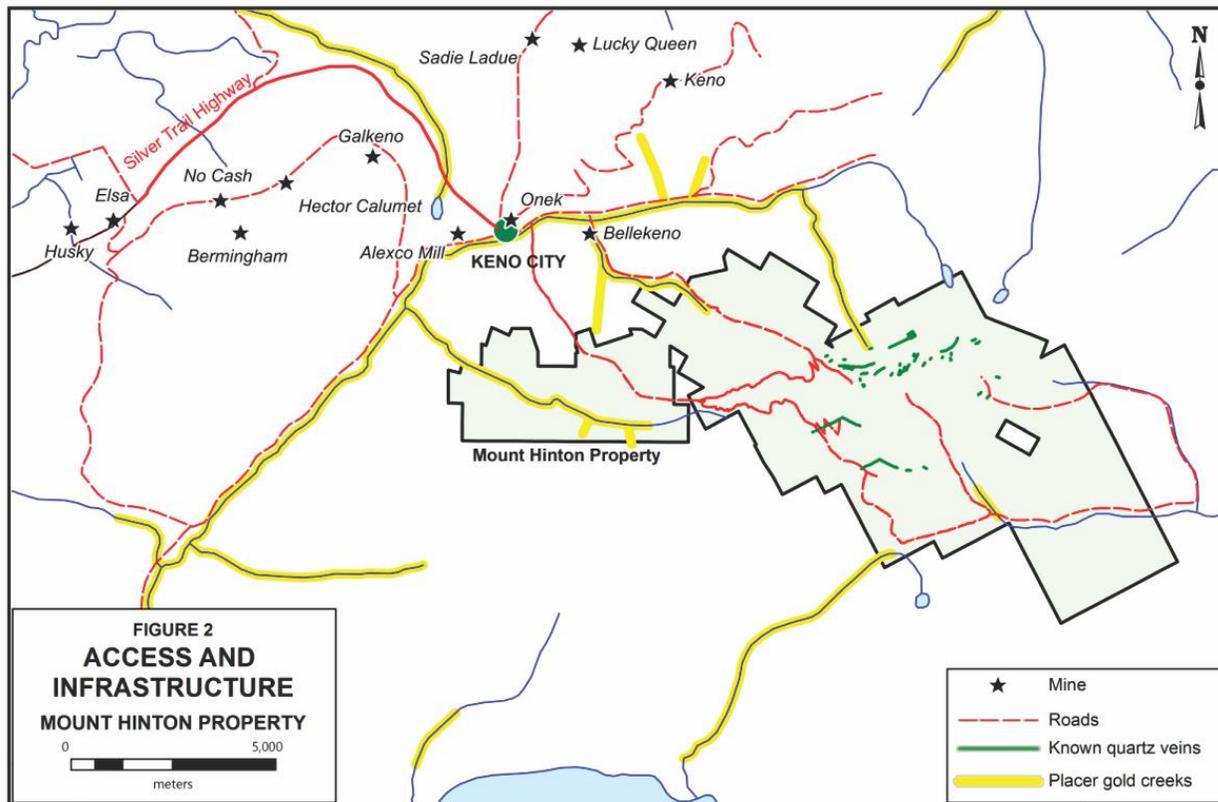


Photo 1 – Access road

The Mount Hinton property lies along the southwest margin of Selwyn Basin, a region of deep water, off-shelf sedimentation that persisted from Late Precambrian to Middle Devonian time. The property is largely underlain by interbedded Mississippian phyllitic quartzite, chloritic and carbonaceous phyllite and massive to well foliated quartzite with lesser limestone.



The stratified rocks are intruded by a Mid-Cretaceous quartz monzonite pluton belonging to the Tombstone Suite.

Intrusions of the Tombstone Suite are spatially and genetically related to gold deposits that comprise the Tombstone Gold Belt, including Eagle and Brewery Creek in Yukon and Fort Knox in Alaska.

Two types of vein mineralization are presented in the Keno Hill district. The earliest stage involved deposition of hydrothermal silica, which precipitated as quartz lenses in dilatent zones within northeast-trending faults. The silica is accompanied by gold and silver with considerable amounts of arsenic, iron, lead, copper and antimony. This is the most common type of precious metal vein on the Mount Hinton property.

The second type of vein mineralization is a silver-rich, later stage consisting of siderite and quartz gangue hosting iron, manganese, antimony, lead, zinc, and cadmium minerals. This style of vein fault is responsible for the bulk of the historical silver-lead-zinc production from the Keno Hill district. Ore shoots comprise less than 2% of the volume of most vein faults, but this density locally increases to 20% within productive areas.

The silver-rich veins, that host most of the mineralization in the Keno Hill Camp are believed to

have been deposited in the distal part of a hydrothermal system developed west of the Mid-Cretaceous pluton. The gold-rich veins at the Mount Hinton property are located closer to the pluton. The Mount Hinton veins mostly consist of fractured milky quartz hosting (in order of abundance) arsenopyrite, galena, jamesonite, pyrite, sphalerite and gold as well as weathering products such as scorodite, limonite and anglesite. Mineralized shoots on the veins typically range between 0.2 and 3.0 m wide and grade between 1 and 30 g/t gold, 50 and 1500 g/t silver and 0.5 to 2.5% lead. Maximum grades of 127.5 g/t gold, 30,822 g/t silver, and 75% lead have been returned from rock samples. The highly fractured vein faults weather recessively and are usually capped by felsenmeer and talus of course, unmineralized walkrock (Photo 2).

Little drilling has been done to test the known veins or soil geochemical anomalies. The best reported drill intercept graded 31.7 g/t Au over 1.5 m. This hole tested a soil anomaly.

Soil geochemical surveys on the Mount Hinton property have outlined numerous, strong anomalies with coincidentally high values for multiple metals (Figure 3). Peak soil sample values include 3310 ppb (3.31 g/t) gold, 485 ppm silver and 7520 ppm lead.



Photo 2 – soil sampling near the No. 1 vein

Most of the historical work on the Mount Hinton property has been done near ridge crests and north facing cliffs, where steep topography and permafrost have complicated exploration. The gentler south-facing hillsides and broad valleys between ridges have seen little exploration, even though strong soil geochemical anomalies and favourable host rocks are found within those areas. Many of these soil geochemical anomalies have not yet been drilled or trenched, which suggests good potential for additional discoveries.

The distribution and size of mineralized veins at the Mount Hinton property are strongly controlled by lithological and structural features, and these controls must be carefully considered during future exploration. Relatively little drilling has been done to date on the Mount Hinton property. Experience here and elsewhere in the Keno Hill Camp has shown that diamond drilling is often ineffective. Alternative drill technologies, such as track-mounted, reverse circulation or rotary air blast drills, should be considered during planning of future exploration programs.

FOR MORE INFORMATION ON THIS PROPERTY



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