TIMBER PROPERTY

- **Porphyry mineralization in a tectonically favourable environment**
- **High-level porphyry system is drill-confirmed but remains wide open**

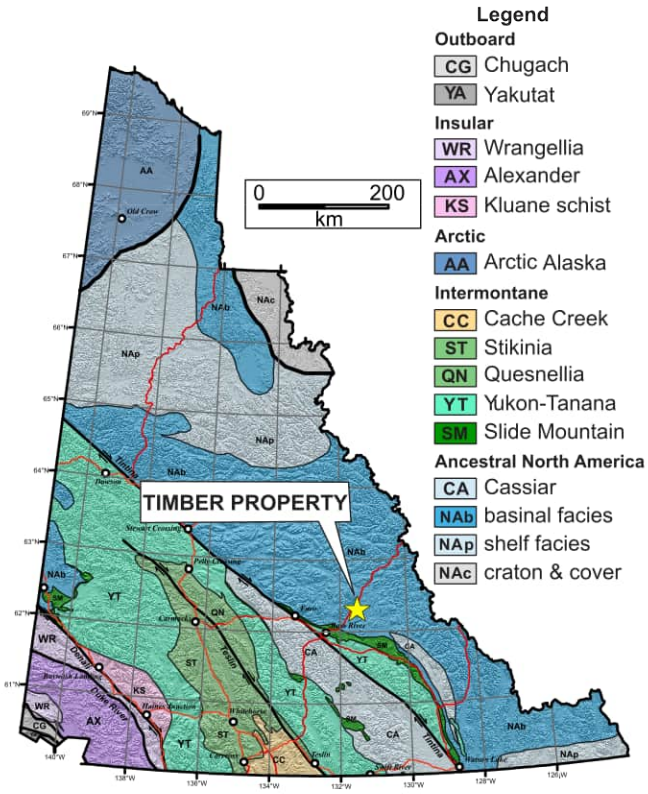
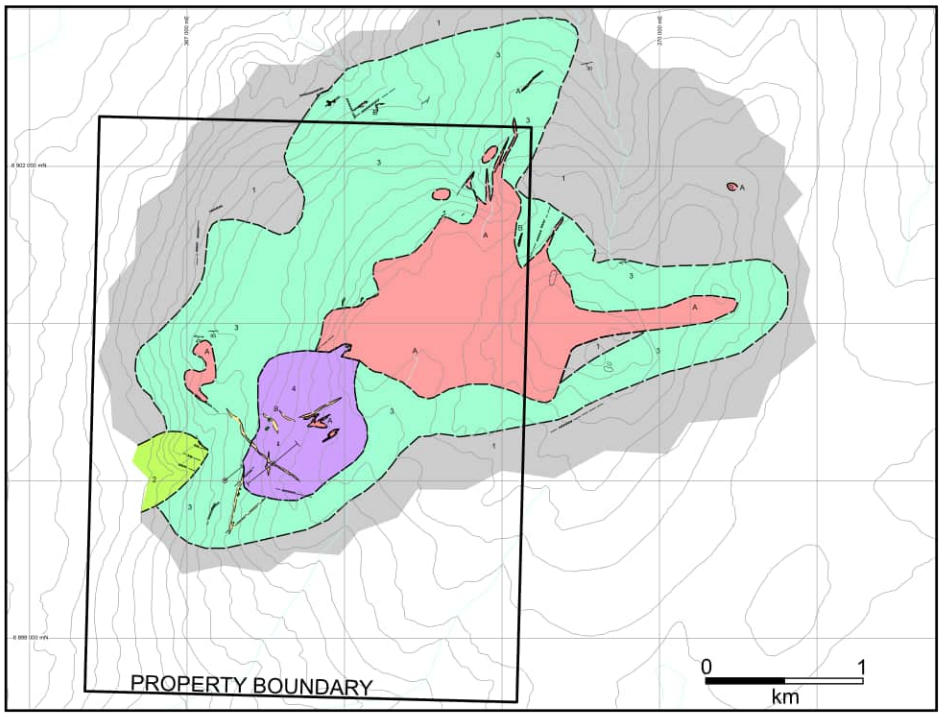


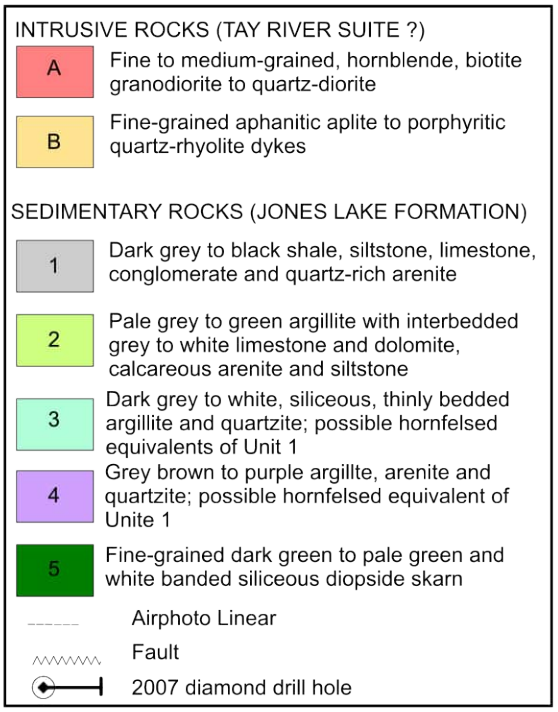
Figure 1. *Tectonic assemblage map of Yukon, showing the location of the Timber Property.*

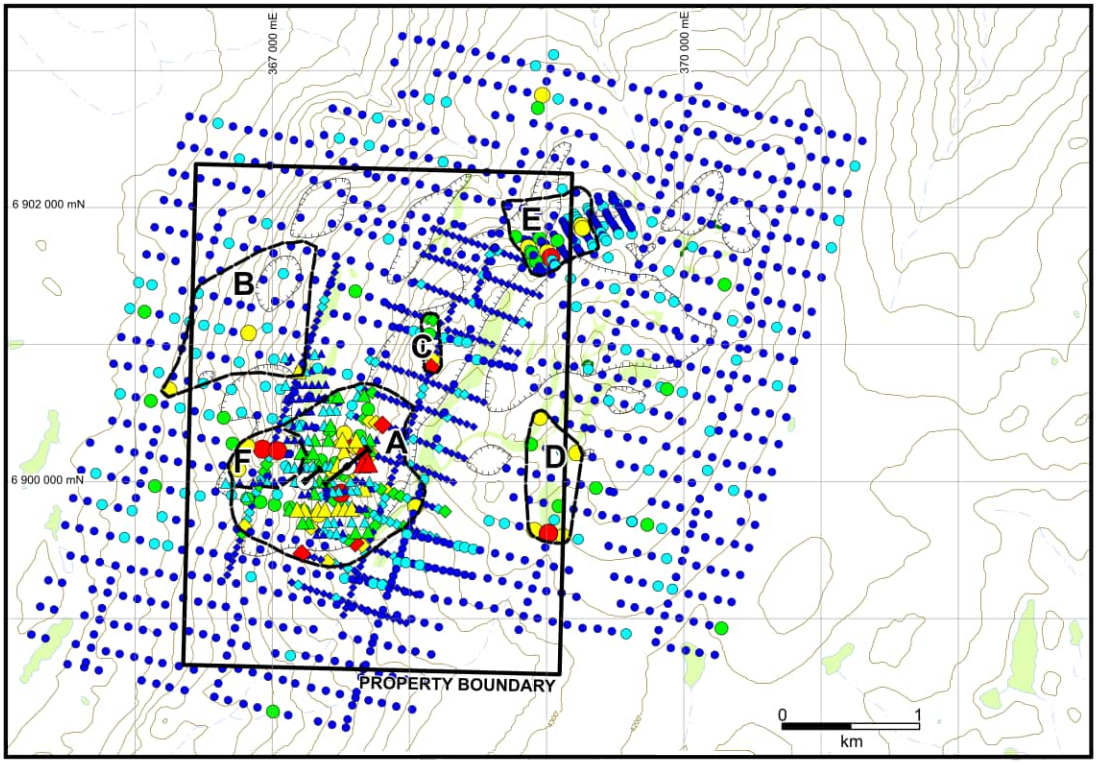
The Timber property, wholly owned by Strategic Metals Ltd., is located approximately 55 km northeast of the town of Ross River, and 9 km east from the North Canol Road, in east-central Yukon (Figure 1). The property comprises 48 continuous claims, covered by thick vegetation consisting of buckbrush and stunted black spruce or slide alder found in an area that was burned in 1997 and 2007. Outcrop exposures are limited to small, high-standing knobs surrounded by forest and by the occasional stream cut.

The Timber property is underlain by meta-siliclastic rocks and limestone of the Triassic Jones Lake Formation, intruded by a granodiorite pluton of probable mid-Cretaceous age and several quartz-feldspar porphyry dykes of unknown age. Rocks surrounding the pluton have been hornfelsed and locally form skarn where sediments are calcareous. To the east and west of the property, large packages of mid-Cretaceous volcanic rocks overlie the Triassic sediments and are locally bound by north to northeast striking normal faults.

Porphyry, skarn and vein-style mineralization have been identified on the property. Mineralization is hosted within all rock types and include copper, molybdenum, silver, lead and zinc.







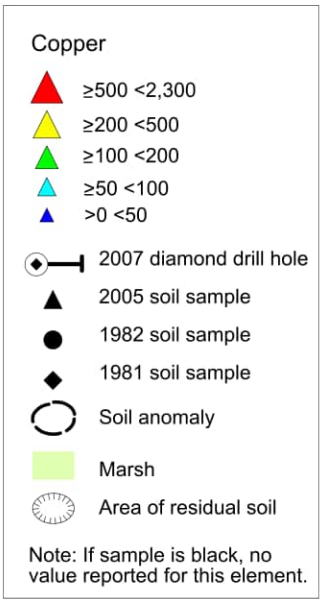
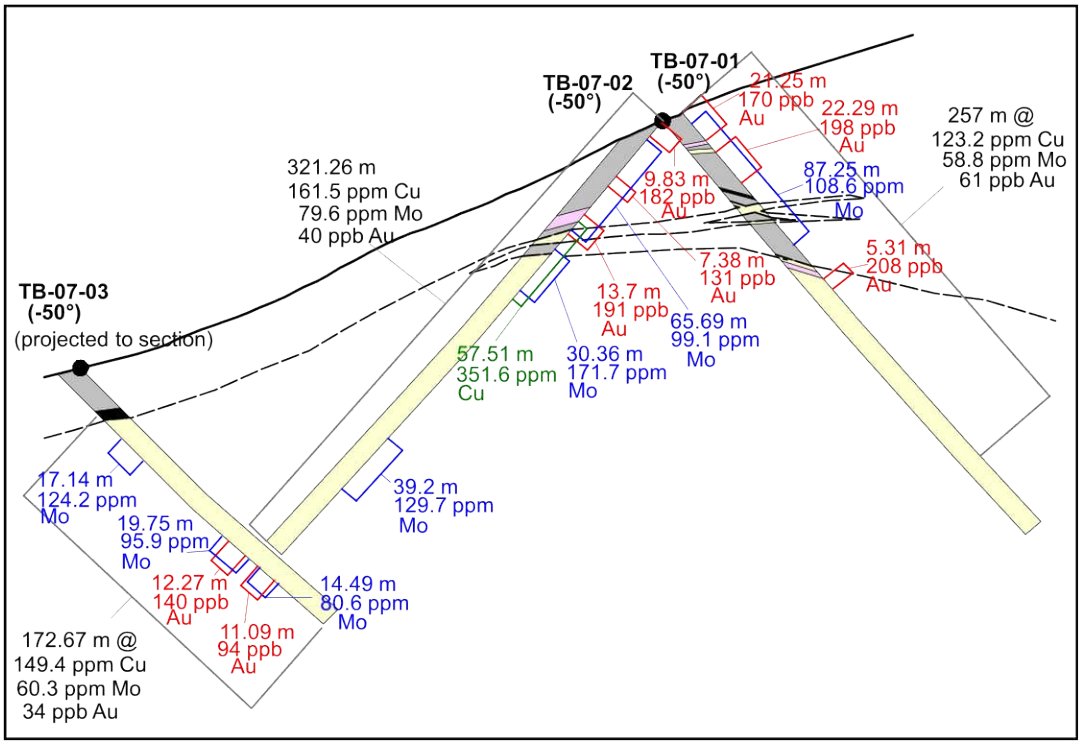


***Figure** 3. Copper-in-soil geochemistry from the Timber property. Several showings outlined and labeled A through F.*

Mineralization at the Timber property is intrusion-related and occurs on the flanks of the intrusive bodies within chemically reactive horizons or within the intrusion themselves. Soil geochemical surveys over the property were somewhat limited due to permafrost, marshy areas and localized glacial material; however, several multi-element showings were identified (Figure 3). The soil geochemical anomalies coincide with three principal styles of mineralization that include: 1) Copper-molybdenum ± silver ± gold ± lead ± zinc in porphyry-style quartz vein networks developed in hornfelsed metasediments (showings A, B, D); 2) Silver ± zinc ± lead in skarnified calcareous sedimentary units adjacent to intrusions (showing E); and 3) Copper-silver-zinc-lead hosted in hydrothermal breccia pipes developed within calcareous sedimentary rocks distal from the intrusions (showing F). Three relatively short diamond drill holes were completed in 2007 targeting mineralization found within showing A. All three holes intersected anomalous values for copper, molybdenum and gold over their entire length (Figure 4). From these drill holes it is apparent that mineralization is associated with the quartz-feldspar porphyritic dykes and hornfelsed country rock. In all holes, steeply dipping and broadly distributed quartz stockwork veinlets and healed fractures were present. Weak chlorite and local potassic alteration were also noted in the three drill holes.



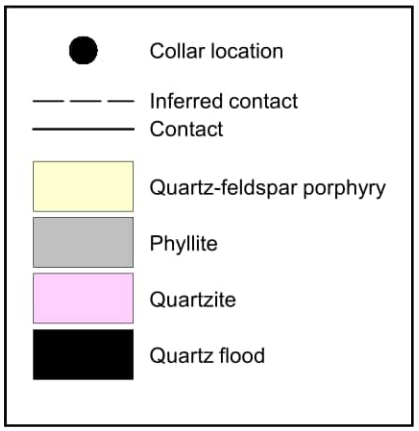


***Figure 4**. Drill cross-sections through the Timber property.*

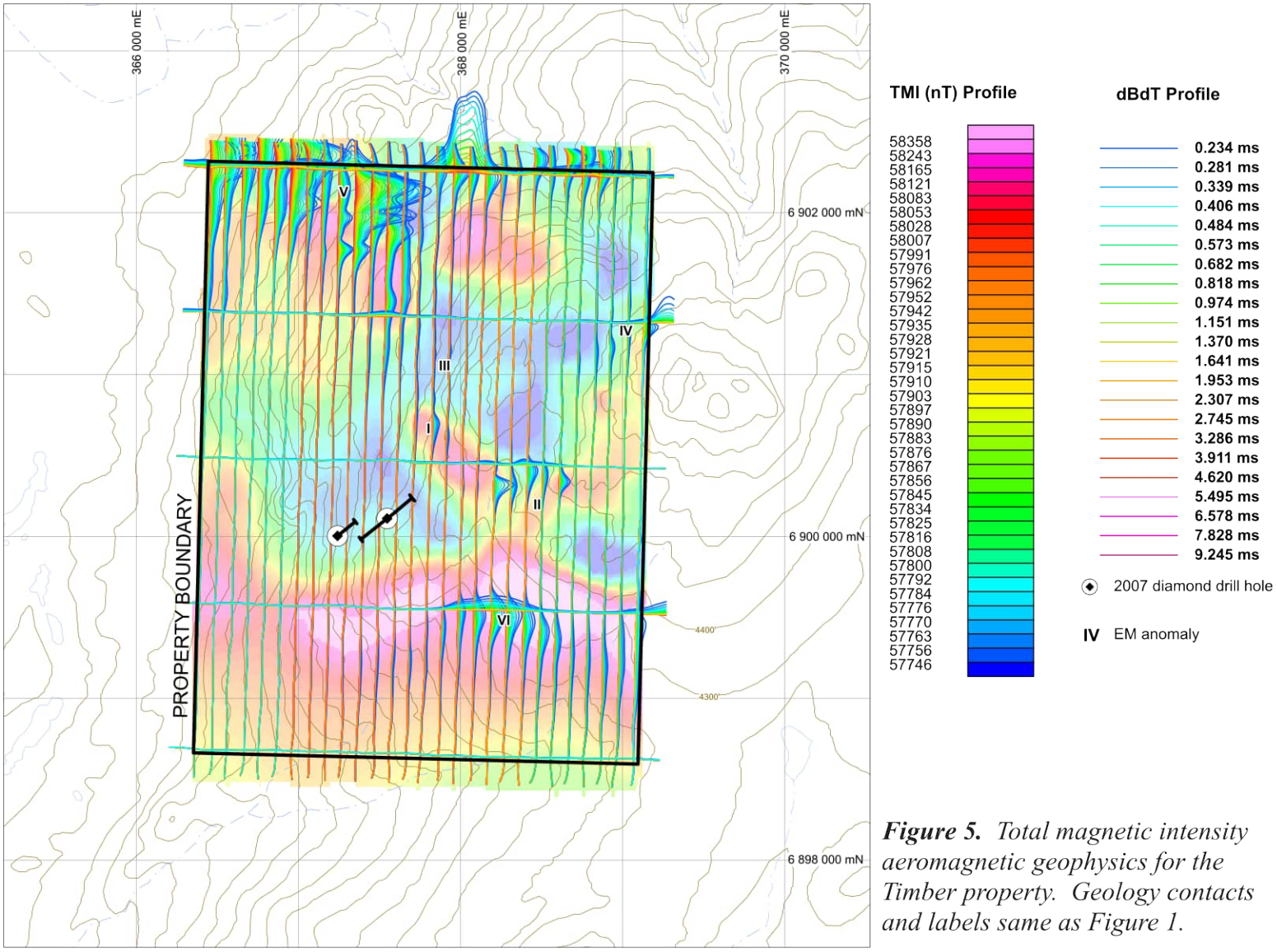


Figure 5. *Total magnetic intensity aeromagnetic geophysics for the Timber property. Geology contacts and labels same as Figure 1.*

A helicopter-borne VTEM survey was conducted across the property in 2008 resulting in several magnetic and electromagnetic anomalies being identified (Figure 5). A weak single-line anomaly (EM I) corresponds to a known, mineralized skarn exposure at the edge of the mid-Cretaceous intrusion. This anomaly corresponds with a strong magnetic response. Conductor EM IV lies along the eastern edge of the property and overlies a mineralized hydrothermal breccia and quartz stockwork zone. Two broad anomalies are found in the northern (EM V) and southern (EM VI) portions of the property and correspond with underlying magnetic highs. None of the geophysical anomalies have been tested to date.

It is likely that the Timber property hosts the upper levels of a porphyry system where the underlying mineralizing pluton is in contact with the country rocks. The distribution of skarns at the edges of the property with associated base metal enrichment is likely the distal expression of the mineralizing system. The upper level 'core' is characterized by the stockwork veins found in showing A, coinciding with highest copper-in-soil values.

The region surrounding the Timber property is not normally thought of as a porphyry belt. However, when regional structure and tectonics are evaluated the region becomes much more attractive. The Sixty Mile-Pika faults system (SMP) is a northeast striking structure that controlled Late Cretaceous magmatism, hydrothermal activity and associated porphyry and epithermal mineralization (Figure 6). The SMP has at least 150 km of strike-length and terminates at its northeastern end against the Tintina fault (Figure6). The Tintina fault is a crustal-scale structure that has up to 490 km of dextral displacement, at least 430 km of which occurred in the Eocene. Reconstruction of this Eocene displacement re-aligns many features along the length of the Tintina including the Tombstone-Robert Service thrust system and Late Cretaceous plutons of McQuesten suite (Figure 7).

After this reconstruction, the SMP restores to a position along-strike of the Timber property (Figure 7). At this location, several northeast striking structures have been mapped north of the Tintina fault that could be the pre-Eocene extension of the SMP. These faults trend towards the Timber property and may be the controlling structure for mineralization, similar to that observed along the SMP south of the Tintina fault.

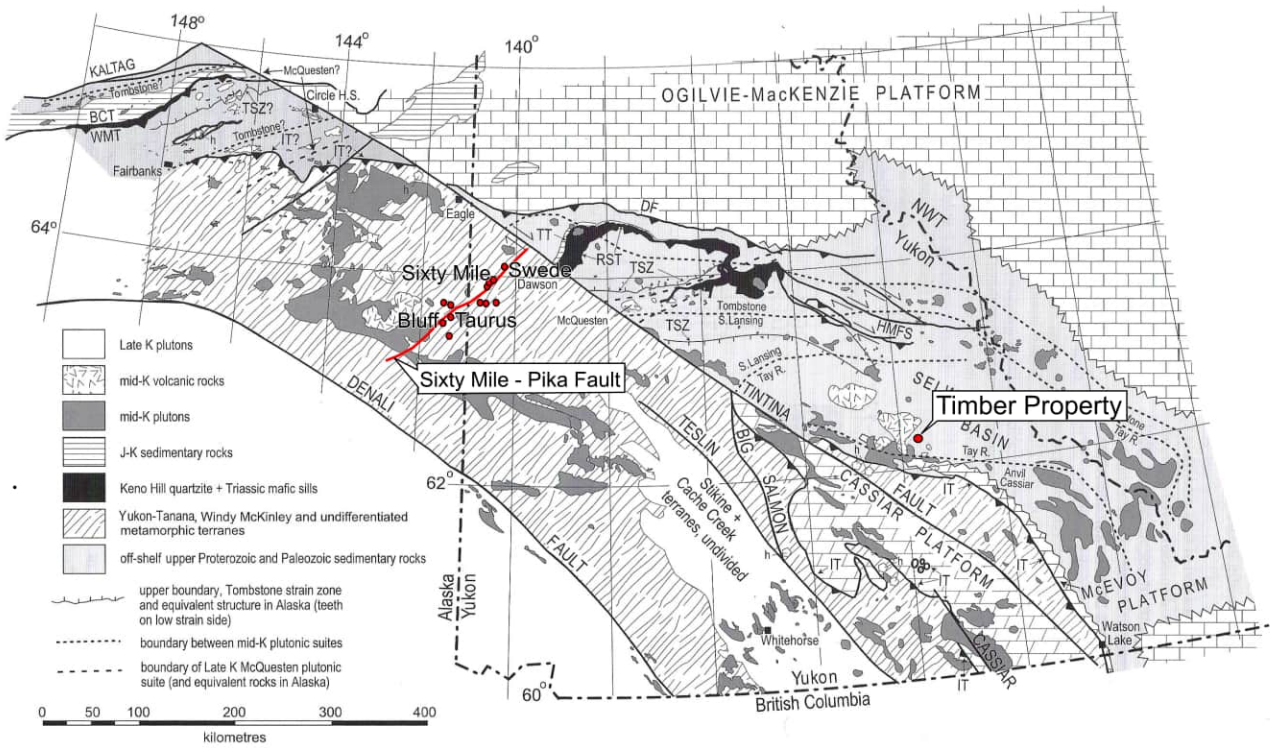


Figure 6. *Generalized regional geology for west-central Yukon and east-central Alaska (modified from Gabrielse et al., 2006). Red circles along Six Mile-Pika fault system represent Late Cretaceous porphyry and epithermal deposits and occurrences.*

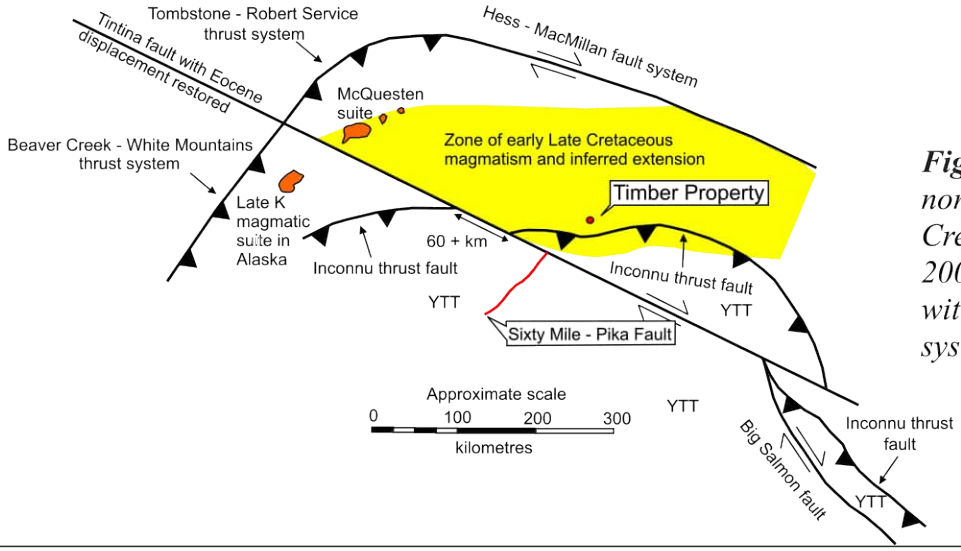


Figure 7. *Schematic reconstruction of the northern Cordillera during the Late Cretaceous (modified from Gabrielse et al., 2006). Location of the Timber property with respect to the Sixty Mile-Pika fault system shown as reference.*

FOR MORE INFORMATION ON THIS PROPERTY

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