NI 43-101 TECHNICAL REPORT ON THE DIVISION MOUNTAIN PROPERTY, YUKON TERRITORY, CANADA

Located at Latitude 61° 20' N and
Longitude 136° 05' W

Submitted to:
Strategic Metals Ltd.

Date:
July 14, 2025

Tom Becker
135 Edforth Crescent NW
Calgary, Alberta
T3A 3X5

Author:
T.C.Becker, B.Sc, P.Geo.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1.0 SUMMARY

The Division Mountain coal deposit ("the Property") is located 90 km north-northwest of Whitehorse in southwestern Yukon Territory. Access is by a 31 km four-wheel drive road leaving the Klondike Highway at Braeburn. The Property lies 20 km west of the highway and parallels the Yukon Energy Corporation electrical transmission grid. This point is 290 km by road from a year-round tidewater port at Skagway, Alaska. It lies within the Traditional Territories of Champagne and Aishihik, Little Salmon/Carmacks and Kwanlin Dün First Nations and the Ta'an Kwäch'än Council (collectively "the local First Nations").

The Property is 100% owned by Strategic Metals Ltd. ("Strategic") and is covered by two Territorial Coal Exploration Licences. The licences encompass approximately 37,000 ha of coal-bearing stratigraphy in the Division Mountain area. They were acquired in April and May 2025 and are held under renewable three-year terms.

Exploration on the Division Mountain Property between 1972 and 2018 consisted of 10.4 km of excavator trenching, 72 diamond drill holes totalling 12,230 m, 27 reverse circulation percussion drill holes totalling 2,536 m and 4 rotary air blast ("RAB") drill holes totalling 125 m. Of these, 68 diamond drill holes (11,425 m), 5 reverse circulation percussion (477 m) and 4 RAB drill holes (125 m) were drilled in a 6.5 km by 1.5 km southeast trending area covering the Division Mountain deposit.

Exploration to date has outlined a resource of 52.5 million tonnes (Mt) High Volatile "B" Bituminous coal at the Division Mountain deposit. Calculated weighted average for Division Mountain raw coal, on an air dried basis, is shown in Table 1.

Table 1 Average Coal Quality

Calorific Value cal/g	Residual Moisture %	Ash %	Volatile Matter %	Fixed Carbon %	Sulphur %
5159	2.8	27.6	26.3	43.7	0.45

The potential exists to increase the coal resources by conducting additional exploration. It is anticipated that the relatively abundant and thick coal seams present on the east limb of the Division Mountain Syncline may extend to the southeast under the Klusha Creek valley. Legacy drill holes on the northern slopes of Hull Mountain, a step out distance of 1400 m, were all abandoned in overburden and have not tested the underlying stratigraphy. Exploration on the slopes of Hull Mountain, further to the southeast, would help test the potential of this area. The Corduroy Mountain showing located 4.5 km east of the Cairnes Syncline has the potential to host additional resources. Mapping, excavator trenching and ultimately diamond drilling will be required to test the favourable lower section of the Tanglefoot Formation Upper Member.

A three-phase program is recommended as the next step in development of the Division Mountain Property. Phase 1 would be a preliminary economic assessment ("PEA") to determine the best path forward for both open pit mining operations and operation of a thermal power plant either at the Division Mountain site or at a location elsewhere in the Yukon Territory. Phase 2 would be geotechnical and coal quality studies, with diamond drilling. Phase 3 would be continued exploration at two showings, each of which has the potential to increase the coal resources. The cost estimate for the entire program is $1,890,000 with Phase 1 totaling $750,000, Phase 2 $840,000 and Phase 3 $300,000.

2.0 INTRODUCTION AND TERMS OF REFERENCE

The Division Mountain Property is a coal property located at latitude 61º20' N and longitude 136º05' W, on NTS map sheet 115 H/8, 90 km north-northwest of Whitehorse and 290 km from tidewater at Skagway, Alaska. It is owned 100% by Strategic Metals Ltd.

In the spring of 2005 the Author, working for Norwest Corporation, was retained by Cash Minerals Ltd. to examine the results of previous exploration conducted on the Property, and update resource calculations for the Property. The assignment included a review of exploration procedures and results; compilation of regional and property-scale geological data and drill data from public sources, assessment reports and company reports. The results of the work were presented in a report titled Geologic Evaluation and Resource Calculation on the Division Mountain Property, Yukon Territory, Canada (Norwest, 2005). The technical report was written to fulfill the requirements of NI 43-101.

Upon completion of the 2005 exploration program Norwest was asked to update the earlier resource estimate. The results of the work were presented in a report titled NI 43-101 Technical Report on the Coal Resources and Reserves of the Division Mountain Property, Yukon Territory, Canada (Norwest, 2008a). The technical report was written to fulfill the requirements of NI 43-101.

In the spring of 2025 Strategic asked the Author to update the technical report to present work completed on the Property up to June 1, 2025.

The Author was responsible for the resource estimate in the 2005 and 2008 reports. The Author was not responsible for the reserve estimate in the 2008 report. The Author was not responsible for or involved in any work on the Property or reports related to the Property, after the 2008 report.

The Author assisted with exploration programs conducted in the fall of 1994, spring of 1995 and last visited the Property on July 5 and 6, 2005. Due to the lack of substantial work on the Property since 2005 the Author does not believe an additional site visited is required for this report. The Author’s Statement of Qualifications is provided at the end of this report. This technical report was written to fulfill the requirements of NI 43-101.

3.0 RELIANCE ON OTHER EXPERTS

The Author disclaims information described in the following paragraphs since this information was extracted from sources which may not have been compiled by a qualified person, or by the Author and for reasons stated below:

- Claim Information: Information about the location and status of two coal exploration licenses was provided by company documents and the Yukon Government web site of the office of the Whitehorse mining recorder.

- Assessment Reports: Certain assessment reports summarizing exploration programs and used in this report pre-dated the adoption of NI 43-101 reporting standards. As such, and even where the author(s) appear to have been a qualified person(s), these earlier documents do not strictly adhere to the standards required under NI 43-101.
- Purpose of the NI 43-101 Report and Resource Definitions: Under no circumstances is this report to be considered a revision of the previous mineral resources work. This report merely provides a summary of the previous work.
- Qualified Person: The Qualified Person (Author) has not conducted sufficient work to classify the historical mineral reserve as current mineral reserves, and the Author is not treating the historical estimates as current mineral reserves.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Division Mountain Property is located at latitude 61º20' N and longitude 136º05' W on NTS map sheet 115 H/8, 90 km north-northwest of Whitehorse and 290 km from tidewater at Skagway, Alaska, see Figure 1. It lies within the Traditional Territories of Champagne and Aishihik, Little Salmon/Carmacks and Kwanlin Dün First Nations and the Ta'an Kwäch'än Council.

The area of detailed exploration and resource definition at Division Mountain lies largely within 2 coal exploration licences. These are valid for a three-year, renewable term. These licences total approximately 37,000 ha and encompass Upper Jurassic, Lower Cretaceous and Tertiary coal-bearing stratigraphy including several previously known coal occurrences. Figure 2 outlines the general location of the Coal Exploration Licences. Renewal dates are shown in Table 2.

Table 2 Claim List

Licence No.	Mining District	Renewal Date
CYW0166	Whitehorse	2028-04-24
CYW0166	Whitehorse	2028-05-02

Under the Territorial Lands (Yukon) Act, Coal Regulation, exploration licences are currently subject to rental fees of $0.05/ac in the first year, $0.10/ac in the second year and $0.20/ac in the third and final year for each license period. Costs incurred by the license holder on exploration work may be reported to the Yukon Mining Recorder and credited against rental fees. Annual fees for mining leases are currently levied at $1/ac.

Figure 1 Property Location

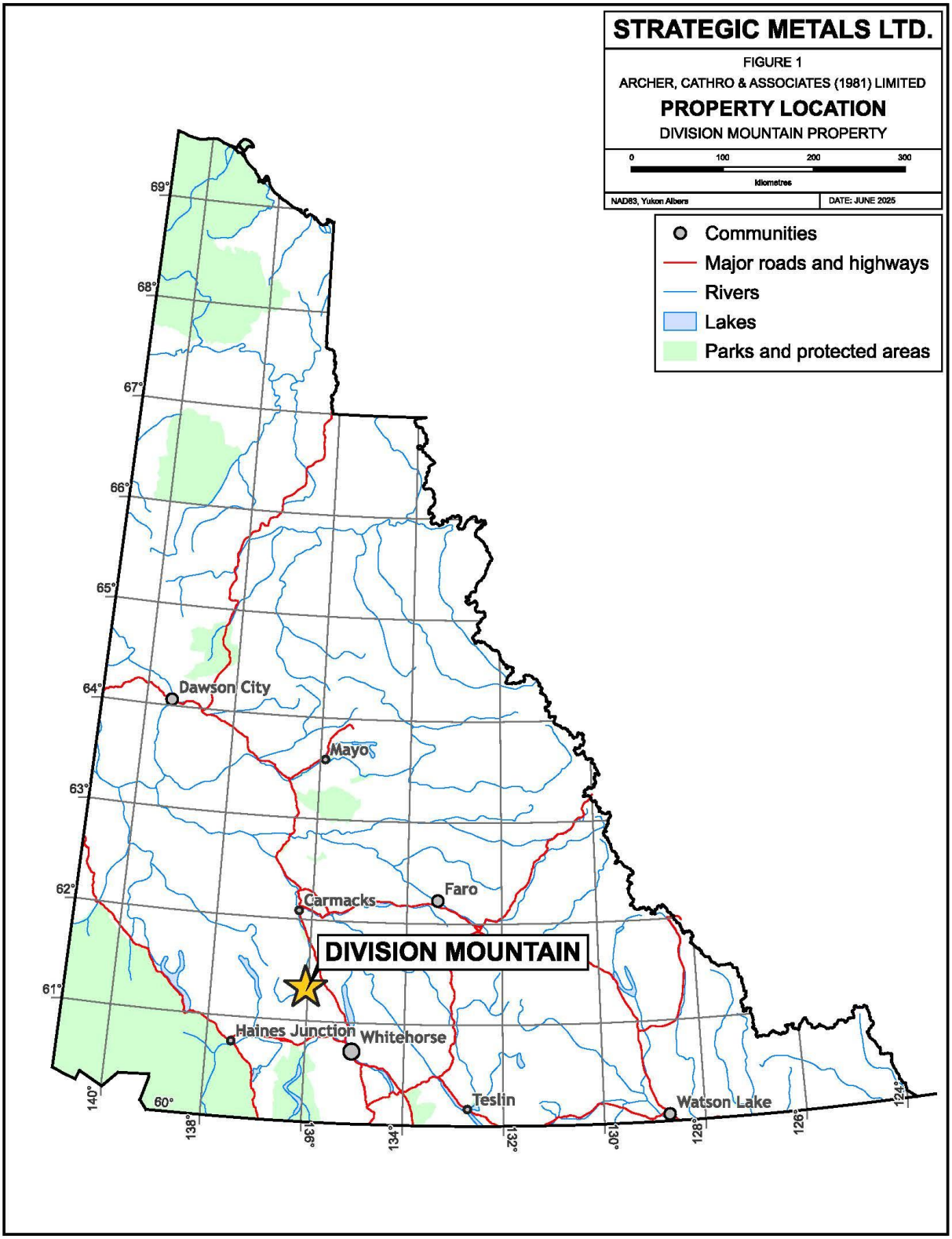
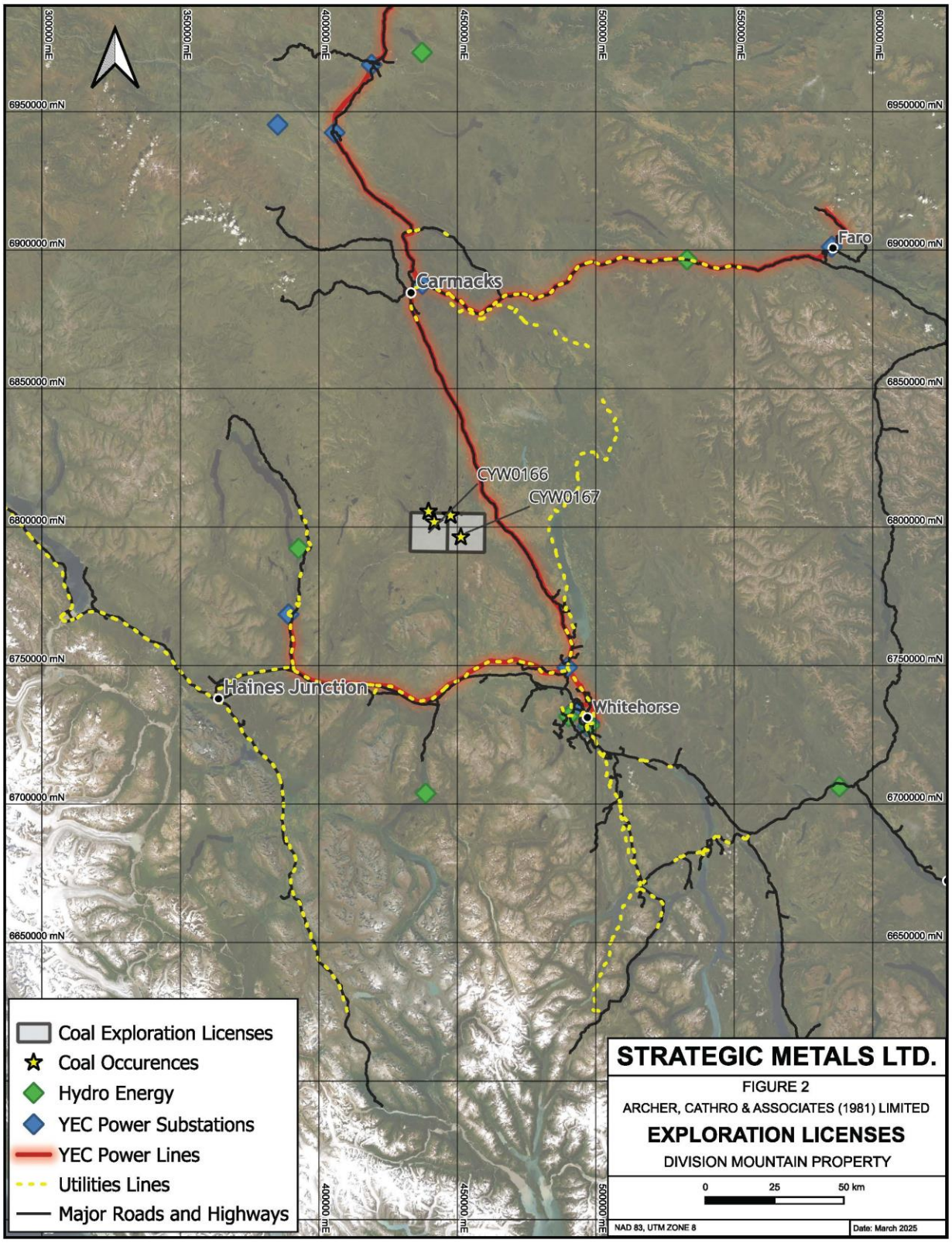


Figure 2 Exploration Licenses



5.0 ACCESS, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access is by 85 km of paved highway from Whitehorse to Braeburn and 31 km all-season four-wheel drive road from Braeburn to Division Mountain, as shown on Figure 2.

Approximately 1 km north of Braeburn Lodge the four-wheel drive road turns into a residential area. The northernmost portion of Braeburn Lake must be forded, and this crossing is generally 50 m wide and approximately 0.5-0.75 m deep. The trail continues to the northwest and eventually joins the historic Dawson Trail stage route, which then extends southward and westward for approximately 22.5 km to a point opposite the northwest end of Corduroy Mountain and approximately due east of the coal occurrences at Division Mountain. From this point, a variety of exploration trails have been constructed over the decades of activity in the area.

The main Property trail extends another 8.5 km westward across Klusha Creek Valley and then climbs up the slopes of Division Mountain to the southernmost portion of the deposit area. There are several short, steep grades (7-15% slope) along the stretch just prior to the trail descending into the Nordenskiold valley.

The nearest permanent buildings are at Braeburn Lake just off the Klondike Highway. The Whitehorse-Aishihik-Faro electrical transmission line parallels the Klondike Highway, 20 km east of the main coal reserves.

The area has a continental climate with low levels of precipitation and a wide temperature range. Temperatures range from - 40°C in the winter to 30°C in the summer. Summers are typically pleasant with extended daylight hours, whereas winters are long and cold. Lakes in the area are suitable for float plane use during the ice-free period of early June to late September. Exploration programs are usually conducted between late-May and mid-October, but winter drill programs have been conducted on the Property to take advantage of easier access over frozen ground, which also limits the environmental impact associated with construction of temporary drill access roads.

Topography in the Division Mountain region is characterized by rolling hills and broad river valleys with local areas of moderate to steep relief along northerly-trending ridges. Elevations range between 670 and 1680 m. Most of the area is mantled by glacial till and outwash between 1 and 60 m thick. Permafrost is generally restricted to poorly drained areas of moderate to dense vegetation. Natural bedrock exposure is less than 5%, especially within the generally recessive coal measures. Creeks flowing to the north and west off the Property are tributaries of the Nordenskiold River, which is part of the Yukon River watershed, while creeks draining to the south and east flow into Klusha Creek, which joins the Nordenskiold River further to the north.

Tree line in the area is approximately 1300 m on south-facing slopes with willow, alder and black spruce at lower elevations giving way to dwarf birch, alder and stunted spruce at tree

line, and finally to grass and lichen at elevations above 1500m. Stands of heavy timber occur at lower elevations near Braeburn Lake.

6.0 HISTORY

There has been over a century of exploration activity in the Division Mountain area, see Table 3 after Brewer (2017) and Allen (2000). In 1903, J. Quinn and H.E. Porter staked coal near Division Mountain. In 1907, D. Cairnes of the Geological Survey of Canada ("GSC") mapped and sampled three coal seams in Teslin Creek Canyon, north of Division Mountain. An additional coal occurrence was located by Cairnes near the base of Red Ridge, approximately 5 km northwest of the Teslin Creek showings.

In April of 1970, Arjay Kirker Resources Ltd. ("Arjay Kirker"), apparently acting on behalf of Teslin Exploration Ltd., acquired 3 coal exploration licences covering Mount Vowels and Division Mountain areas (Hunt and Hart, 1994). In 1970-1972, they completed geological mapping, bulldozer trenching and diamond drilling. They excavated seven bulldozer pits near the Teslin Creek coal outcrop. Eight seams were exposed ranging in thickness from 0.6 to 4.4 m. A 1047 m, six-hole diamond drill program was conducted in the Teslin Creek area. This work outlined a geological resource of 2.5 Mt (resource estimate was not completed to the standards of NI 43-101). In December 1973, Arjay Kirker staked two coal mining leases covering the thickest coal seams on Division Mountain and one lease covering an exposure on Red Ridge (Hunt and Hart, 1994). These three leases were transferred to Braeburn Coal Ltd. in 1976.

In September of 1970, Norman H. Ursel Associates Ltd. conducted geological mapping of the Cub Mountain area, approximately 4.5 km northeast of Division Mountain (Hunt and Hart, 1994). In 1975, Allen Resource Consultants Ltd. ("Resourcex Ltd.") located coal float in gopher holes on Cub Mountain.

In August 1977, R. Hill visited coal occurrences in the area for Cyprus Anvil Mining and again in August 1978, for Utah Mines (Hunt and Hart, 1994). Apparently, several coal samples were collected for analysis.

Manalta Coal Ltd. acquired two coal exploration licences in 1978 but failed to locate any additional coal seams.

In 1990, one bulldozer trench was remapped and sampled by A.R. Cameron of the GSC (Carne, 1992). Detailed analysis of the trench was carried out in 1991 by the GSC (Beaton et al., 1992).

All-North Resources Ltd. restaked the areas as coal leases in April 1989 (Hunt and Hart, 1994). The W4 Joint Venture restaked the area in April 1990. W4 Joint Venture carried out surface mapping and minor trenching in 1990 and 1991 (Carne, 1992). In August 1992, W4 transferred the two licences to Cash Resources Ltd. ("Cash Resources;" Hunt and Hart, 1994).

In October 1992, Cash Resources purchased four Territorial Coal Exploration Licences enclosing the Division Mountain coal occurrences and later applied for others covering extensions of the favourable rocks to the north. During the 1993 field season, 16 holes totalling 1810 m were drilled to test the Teslin Creek area (Wengzynowski and Carne, 1994). This diamond drilling program defined four seams with an average raw coal aggregate thickness of 10 m over a 1 km strike length forming the eastern limb of the Cairnes Syncline. Measured near-surface resources were calculated at 2.6 Mt to a depth of 200 m, confirming the Arjay Kirker estimate (resource estimate was not completed to the standards of NI 43-101). Hand trenching at Red Ridge 5 km to the north exposed a total thickness of 11.4 m of raw coal in three seams and demonstrated lateral continuity of the coal measures.

In 1994 and 1995, an exploration program consisting of 5.9 km of excavator trenching and 6034 m of HQ-size diamond drilling in 32 holes was carried out to explore a 5 km long southeasterly extension of previously known coal-bearing strata along the limbs of a northerly-plunging syncline-anticline pair (Gish, 1995 and Gish, 1996). This work was successful in discovering a new area of coal deposition with thicker seams than the Teslin Creek area and a dramatically lower strip ratio.

All coal drill intersections greater than 1 m thick were submitted for proximate analysis, generally in samples composed of the entire seam core intersection. In conjunction with the 1994 and 1995 programs, environmental surveys including biological and botanical inventories and water quality assessment were carried out (Gish, 1995 and Gish, 1996) and representative intersections of coal from the 1993 drill program was composited for secondary tests such as grindability, washability, ash chemistry and Ultimate Analysis. The results of the coal quality tests were summarized in an earlier report by the Author (Geologic Evaluation and Resources Calculation on the Division Mountain Property, Yukon Territory, Canada, Becker, March 9, 2005).

Exploration during 1997 consisted of 1667 m of HQ-size diamond drilling in ten holes and twenty-one excavator trenches totalling 2695 m (Gish et al., 1998). The diamond drilling focussed on further delineating west-dipping coal-bearing strata discovered during the 1994-1995 exploration season. More than 900 m of strike length was added to the southwest, while the average aggregate raw coal thickness increased to 24.7 m. The trenching program explored both the Division Mountain Project and Corduroy Mountain, 7 km east of Division Mountain, where an aggregate coal thickness of 23 m was intersected although the most favourable part of the stratigraphy was not tested due to thick overburden cover.

A short excavator trenching program was conducted in early fall 1998 by Cash Resources (Gish, 1998). The work consisted of six excavator trenches totalling 1329 m and was designed to test favourable Tanglefoot Formation stratigraphy in the vicinity of Cub Mountain. No significant coal seams were exposed in any of the trenches.

In November 1998, the Division Mountain Property was optioned to Usibelli Coal Mine, Inc. (“Usibelli;” Sedar, 1998). Exploration in the spring of 1999 consisted of 20 reverse

circulation percussion drill holes totalling 1869 m and 4 excavator trenches totalling 315 m (Gish, 2000). The excavator trenches and three of the drill holes were designed as a check of geologic data that formed the basis of the 1998 resource estimate. The bulk of the reverse circulation drilling was carried out to explore the Hull Mountain, Cub Mountain and Cordory Mountain target areas, all outside the more defined Division Mountain deposit. The program confirmed the results of earlier drilling and outlined several new coal seams on Corduroy Mountain, but Usibelli dropped its option on the Property in May 1999 (Sedar, 1999).

On March 13, 2001, Cash Resources announced a share consolidation and shortly thereafter changed its name to Cash Minerals Ltd. (“Cash Minerals;” Sedar, 2001).

In the spring of 2005, Norwest Corporation (“Norwest”) of Salt Lake City, Utah, was contracted by Cash Minerals to complete an initial resource estimate to NI 43-101 standards. A review of all previous assessment work, coal quality tests and a site visit were completed and a report entitled "Geologic Evaluation and Resources Calculation on the Division Mountain Property, Yukon Territory, Canada" was prepared by Becker, T.C. and published on March 9, 2005.

Later in 2005, Cash Minerals completed four diamond drill holes for a total of 886.57 m on the Division Mountain Property.

The initial 2005 report by Norwest was followed up with a series of reports between 2006 and 2008, all for Cash Minerals, including:

- Norwest Corporation, 2008a. NI 43-101 Technical Report on Coal Resources and Reserves of the Division Mountain Property, Yukon Territory, Canada
- Norwest Corporation, 2008b. Division Mountain Project Pre-Feasibility Study
- SNC-LAVALIN Thermal Power, 2006 Division Mountain Power Project
- The McCloskey Group, Ltd., 2008. The Markets for Division Mountain Steam and PCI

In 2006, Cash Minerals completed 666.9 m of reverse circulation drilling in 7 holes on the Hull Mountain and Cub Mountain areas, located 1 km southeast and 4.5 km northeast, respectively, of the Division Mountain coal deposit (Carne, 2006a).

Also in 2006, Cash Minerals completed 805.9 m of diamond drilling in 4 holes on the Corduroy Ridge prospect (Carne, 2006b).

After 2006, Cash Minerals underwent various changes in management. Then on June 24, 2010, Cash Minerals announced a share consolidation and name change to Pitchblack Resources Inc. (Brewer, 2017).

In 2017, 2560344 Ontario Inc. acquired the Division Mountain Property and related exploration licences. In 2018, they completed 124.7 m of RAB drilling in 4 holes.

In the spring of 2025, Strategic re-staked the Division Mountain Property.

Table 3 Exploration Activity in the Division Mountain Area

Date	Company	Work Performed and Highlights	Reference
1903	John Quinn and H.E. porter	• staked coal near Division Mountain	Yukon Minfile, 1997
1970	Norman H, Ursel Associates Ltd.	• Cub Mountain area; geological mapping, no coal found (NW comer of NTS block 105E/5)	Hunt and Hart, 1994
1970, 1971	Arjay Kirker Resources Ltd. for Teslin Exploration Ltd.	• Division and Vowel mountains-bulldozer trenching (7 trenches totalling 167 m near Teslin Creek), mapping, sampling and test LP. survey one coal outcrop near Teslin Creek • reconnaissance geological mapping, road building, estimated reserves at 41 Mt • exposed aggregate thickness of 18.6 m of coal over an interval approximately 305 m • explored Corduroy Mountain, no coal located	Kirker, 1971 Craig and Laporte, 1972
1972	Arjay Kirker Resources Ltd.	• drilled 6 diamond drill holes in Teslin Creek area, totalling 1047 m • coal seams intersected vary from 4.6 to 5.9 m • 24.8 m aggregate thickness of coal seams > 0.5 m • reserves calculated as 2.8 Mt	Phillips, 1973
1975	Allen Resource Consultants Ltd. (Resourcex Ltd.)	• located coal float on Cub Mountain in gopher holes, believed to be within the Tantalus formation	Allen, 1975
1977	Hill for Cyprus Anvil Mining Corp.	• collected coal samples for analysis	Hunt and Hart, 1994
1978	Hill for Utah Mines Ltd.	• collected coal samples for analysis	Hunt and Hart, 1994
1978	Manalta Coal Ltd.	• failed to locate any additional coal seams	Hunt and Hart, 1994
1990-1991	All-North Resources Ltd. and W4 Join Venture	• trenching and mapping near Teslin Creek	Yukon Minfile, 1997
1990	Geological Survey of Canada	• one 1972 bulldozer trench was remapped and carefully sampled in the Teslin Creek area for Beaton et al. report	Beaton et al., 1992
1992	Beaton et al, (University of Western Ontario)	• petrography, geochemistry and utilisation potential of the Division Mountain coal occurrence (Cairnes Seam)	Beaton et al., 1992
1993	Cash Resources Ltd.	• drilled 16 holes totalling 1810 m near Teslin Creek • intersected over 28 coal seams > 0.5 m thick • total in situ reserves estimated at 11,139,920 tonnes • hand trenching at Red Ridge exposed 11.4 m coal	Peach, 1993 Wengzynowski and Carne, 1993, 1994
1994-1995	Cash Resources Ltd.	• 5.9 km of excavator trenching • 6034 m of HQ-size diamond drilling in 32 holes • aggregate coal thickness 10 to 32 m • estimated open pit reserves of 31.7 Mt	Carne and Gish, 1996

Date	Company	Work Performed and Highlights	Reference
1996-1997	Cash Resources Ltd.	• 1667 m of HQ-size diamond drilling in 10 holes • 21 excavator trenches totalling 2695 m at Division and Corduroy mountains • hand trenches southwest of Cub Mountain • raw coal reserves estimated at 54.7 million tonnes	Burke, 1998 Gish and Carne, 1998
1998	Cash Resources Ltd.	• 1329 m of excavator trenching at Cub Mountain • Property optioned to Usibelli Coal Mine Inc.	Burke, 1999
1999	Cash Resources Ltd.	• 1869 m of RC drilling in 20 holes and 4 excavator trenches totalling 315 m at Division Mountain	Gish, 2000
2000	Usibelli Coal Mine Inc.	• Usibelli released option agreement for Division Mountain Property	
2001	Cash Minerals Ltd.	• Cash Resources Ltd. changes name to Cash Minerals Ltd.	SEDAR, 2001
2005	Cash Minerals Ltd.	• Norwest Corporation Ltd. contracted to complete a NI 43-101 Resource Estimate • Cash Minerals completes 866.6 m of diamond drill in 4 holes at Division Mountain	Norwest, 2005
2006	Cash Minerals Ltd.	• SNC Lavalin Ltd. completes a study on thermal power • Norwest completes geotechnical stability analysis of pit walls • Cash Minerals completes 666.9 m of reverse circulation drilling in 7 holes in the Hull Mountain and Cub Mountain areas • Cash Minerals completed 805.9 m of diamond drilling in 4 holes on the Corduroy Ridge coal prospect.	Brewer, 2017 Carne, 2006a Carne, 2006b
2008	Cash Minerals Ltd.	• Norwest completes an updated NI 43-101 Resource and Reserve report • Norwest completes a prefeasibility study for Division Mountain • Mcleskey Group Ltd. completes a market study on steam and pulverized coal injection (“PCI”) coals	Norwest, 2008a and b SEDAR, 2008
2010	Pitchblack Resources Ltd.	• Cash Minerals Ltd. changes its name to Pitchblack Resources Ltd.	SEDAR, 2010
2017	2560344 Ontario Inc.	• Pitchblack Resources Ltd sells the Division Mountain Property • 2560344 Ontario Inc. acquires the Division Mountain Property and related Exploration Licences, on February 8, 2017 • 2560344 Ontario Inc. changes its name to Yukoterre Resources Inc	SEDAR, 2017 SEDAR, 2019A
2018	2560344 Ontario Inc.	• 2560344 Ontario Inc. (Yukoterre Resources Inc) completes 124.7 m of RAB drilling in 4 holes on Division Mountain	Brewer, 2018
2019	Yukoterre Resources Inc	• Yukoterre Resources Inc. completes a NI 43-101 report on February 28, 2019, and an updated NI 43-101 on June 4, 2019	Brewer, 2019A and B SEDAR, 2019B
2024	Yukoterre Resources Inc.	• On August 31, 2024, the 5 coal leases covering the Division Mountain Property expired. The last owner was listed as Yukoterre Resources Inc.	GeoYukon, 2025
2025	Strategic Metals Ltd	• On May 7, 2025, Strategic announced it had acquired two coal licences covering the Division Mountain thermal coal deposit	SEDAR, 2025

7.0 GEOLOGICAL SETTING AND MINERALIZATION

This section describes regional geology, stratigraphy and structural geology of the Division Mountain Property.

7.1 REGIONAL GEOLOGY

The Division Mountain area lies within the Whitehorse Trough, a northwest-trending, fore-arc basin comprising Mesozoic volcanic and sedimentary rocks. The Whitehorse Trough constitutes the northern end of the Intermontane Belt and is considered part of the Stikinia Terrane. It is bounded by the Yukon-Tanana Terrane to the east and west and by the Cache Creek Terrane to the southeast as shown on Figure 3, and Figure 4, after Hart (1997) and Allen (2000).

During Late Triassic time, an island arc assemblage consisting of a 7000 m thick succession of Lewes River Group aphyric to augite-phyric basaltic andesite flows, breccias and tuff, conglomerate, wacke, limestone and shale was deposited within the Whitehorse Trough. Succeeding Jurassic basin-fill stratigraphy is more complex due to disconformities and hiatus in sedimentation and to diachronous or interfingering relationships in the shallow water and nearshore facies. In general, two sequences are present in the Division Mountain area: 1) Lower to Upper Jurassic conglomerate and sandstone turbidites of the marine to deltaic Laberge Group; and 2) Upper Jurassic to Cretaceous conglomerate, sandstone, mudstone and coal of the largely alluvial Tantalus Formation.

7.2 STRATIGRAPHY

Figure 5 shows a stratigraphic representation of the Whitehorse Trough (Hart, 1997 and Allen, 2000). Figure 6 illustrates regional geology of the Division Mountain area. Figure 7 shows geology with showings (Allen 2000 and Allen et al 2001). Figure 8 shows detailed geology with drill holes, section lines and resource blocks.

Legacy geological mapping (Carne and Gish, 1996) in the Division Mountain area had included the coal measures in the Tanglefoot formation, while assigning strata directly underlying the coal measures to the Richthofen formation. However, this interpretation is inconsistent with other reports regarding the Whitehorse Trough (Tempelman-Kluit, 1984; Hart, 1997; and Allen, 2000). The current interpretation is that the coal measures are included in the upper member of the Tanglefoot formation. The underlying strata are included in the lower member of the Tanglefoot formation.

Figure 3 Tectonic Setting

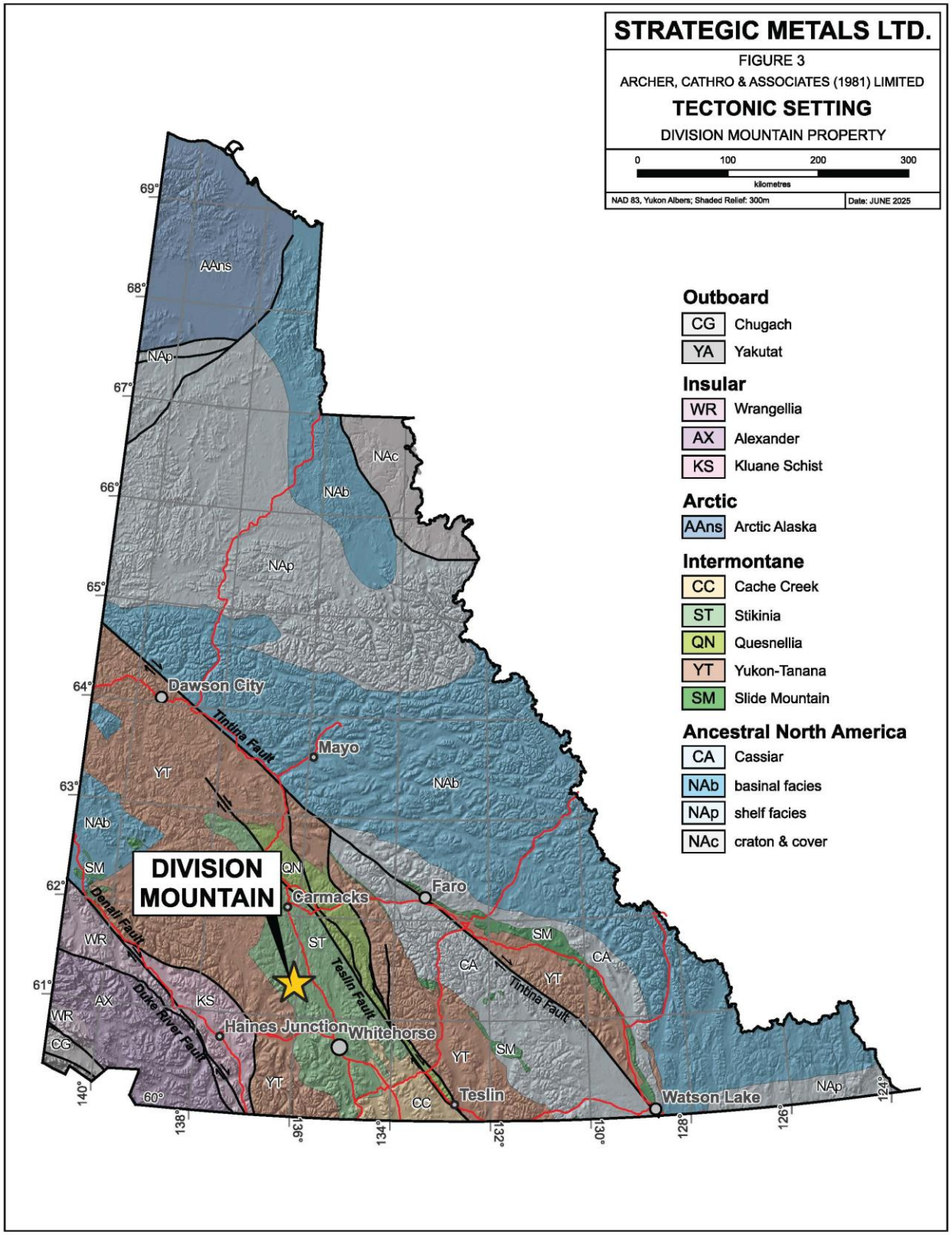


Figure 4 Location of the Whitehorse Trough

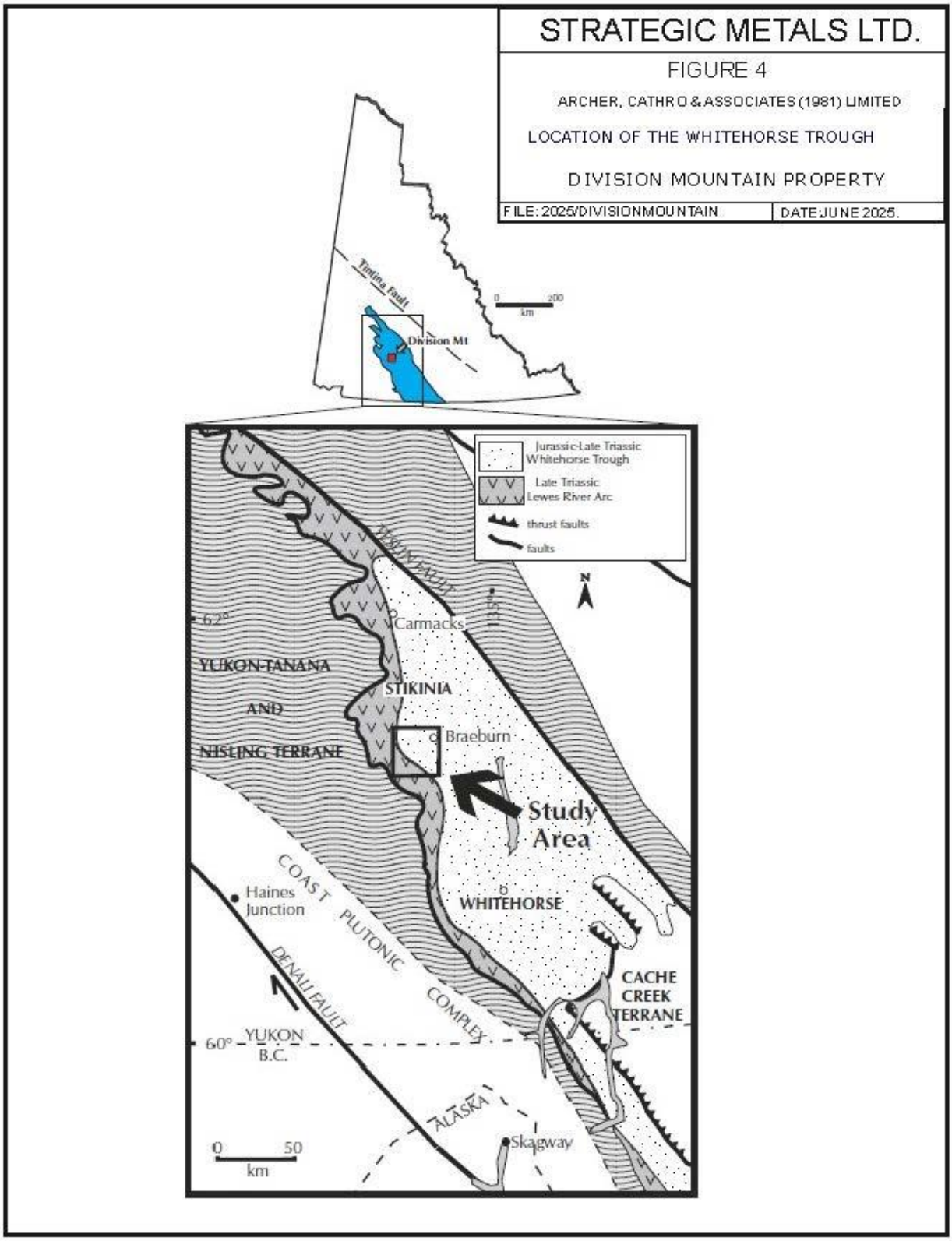


Figure 5 Stratigraphy of the Whitehorse Trough

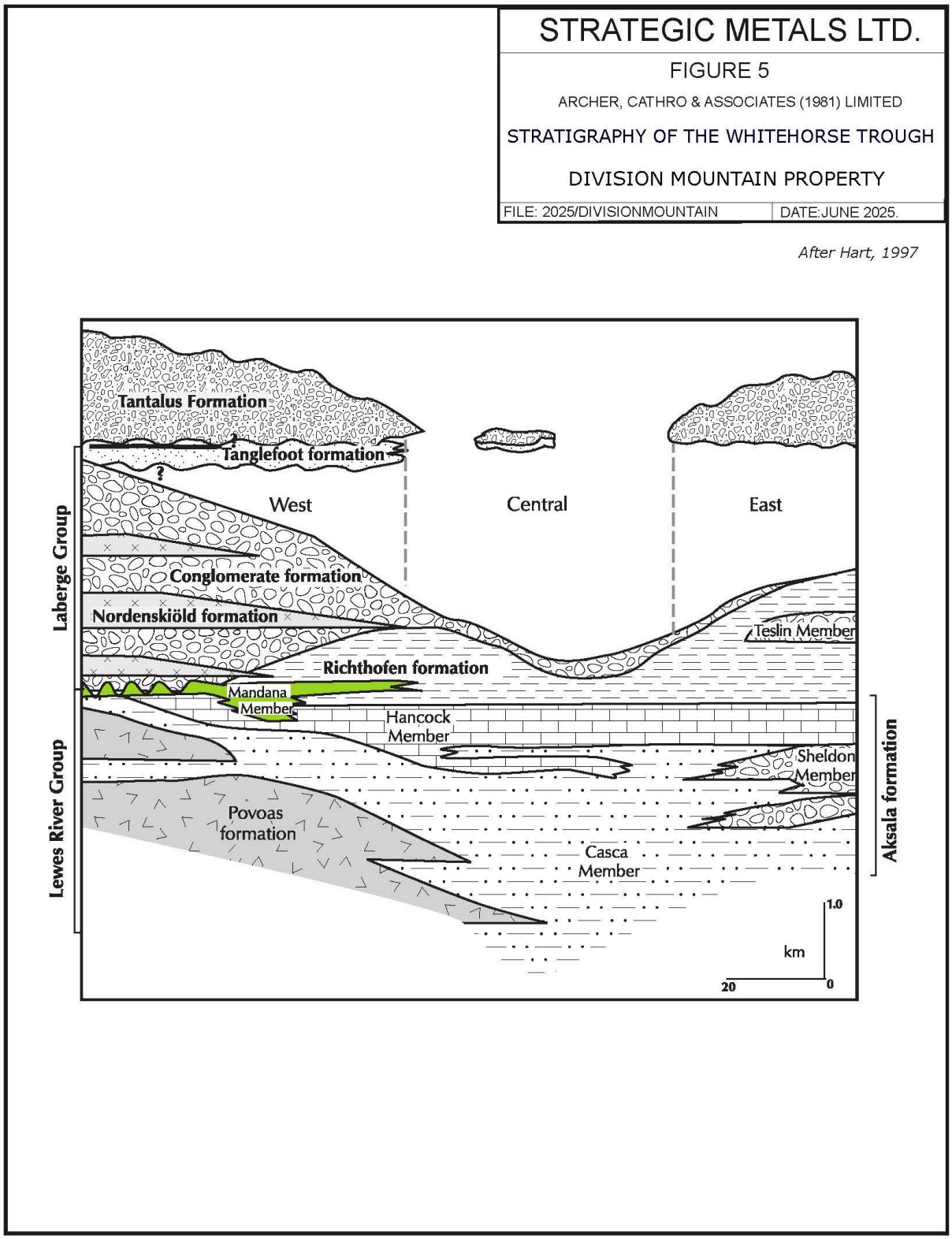
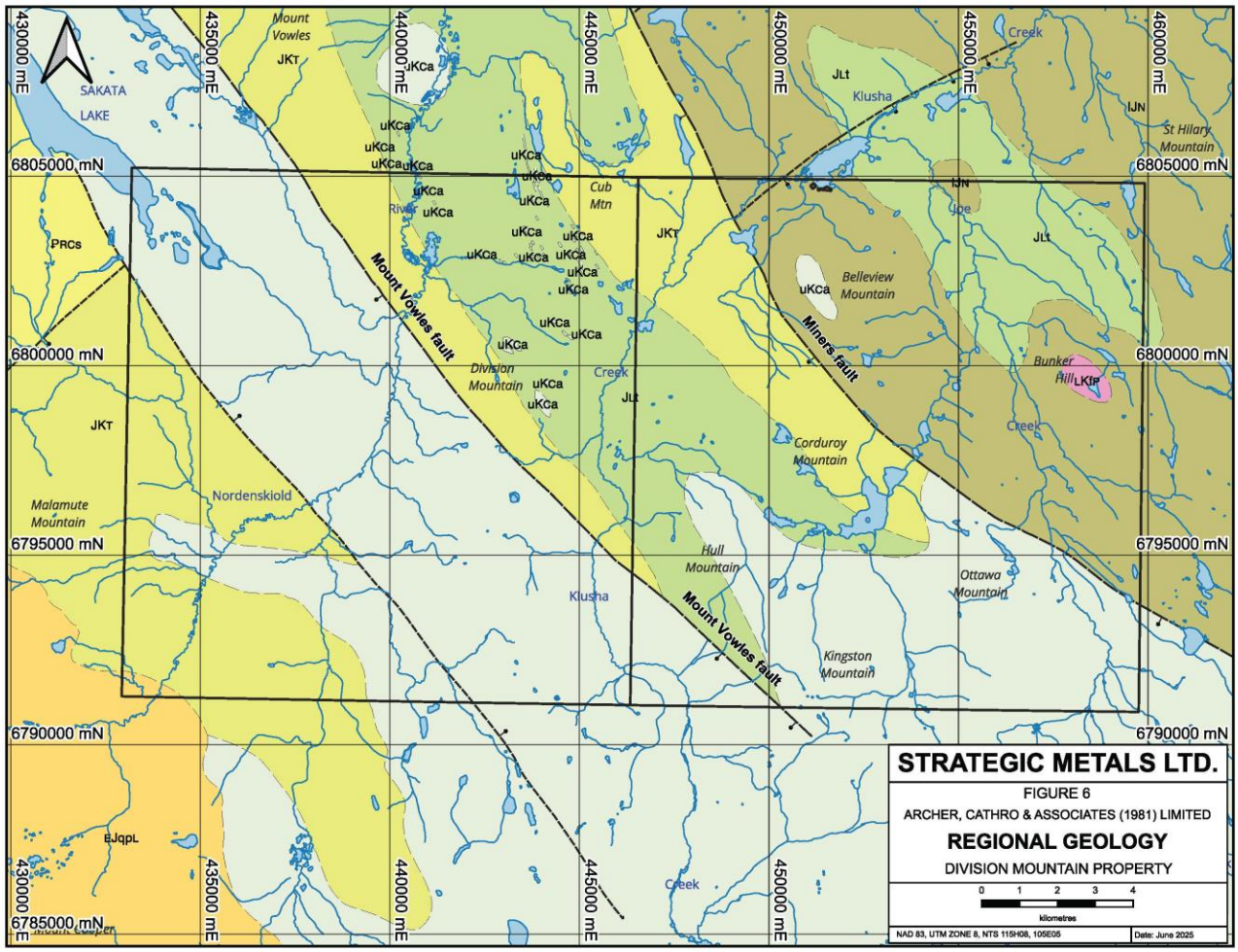


Figure 6 Stratigraphy of the Whitehorse Trough



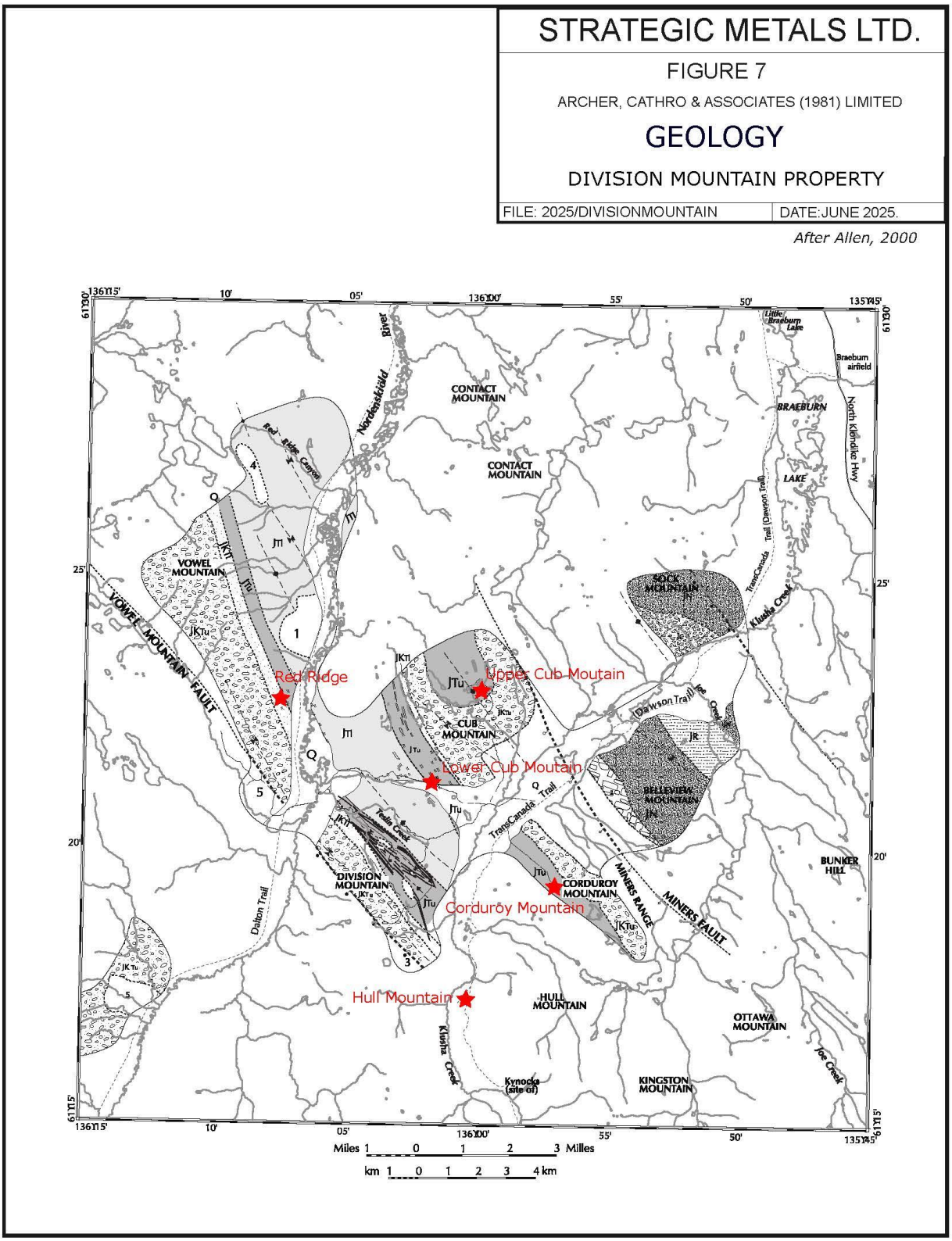
coal exploration licenses

normal, , inferred

Bedrock Geology

PRC	PRC5: RHYOLITE CREEK: basal conglomerate/breccia
LKP	LKgP: PROSPECTOR MOUNTAIN SUITE: Hbl-Bt granodiorite, Hbl diorite, quartz diorite
uKC	uKC2: CARMACKS: andesite, porphyry
uKC	uKC1: CARMACKS: augite-olivine basalt and breccia
JKT	JKT: TANTALUS: chert pebble conglomerate and gritty quartz-chert-feldspar sandstone
JL	JL2: TANGLEFOOT: arkosic sandstone and minor shale, pebble and boulder conglomerate
IJN	IJN: NORDENSKIOLD: khaki-green dacite crystal tuff and volcaniclastic sandstone
EJL	EJqL: LONG LAKE: Bt, Bt-Ms and Bt-Hbl quartz monzonite to granite

Figure 7 Geology



LEGEND

QUATERNARY

Q — unconsolidated sand, silt and gravel

UPPER CRETACEOUS(?) CARMACKS GROUP(?)

1 — green to light greyish-red feldspar- and hornblende-porphyry sills, dykes, and flows

2 — maroon feldspar porphyry

3 — greyish-red feldspar porphyry and breccia

4 — greenish-black monzodiorite

5 — amygdaloidal to vesicular basalt and extrusive flows

UPPER JURASSIC to LOWER CRETACEOUS TANTALUS FORMATION

JKTu — Upper Member - Clast-supported chert-pebble conglomerate, resistant and thickly bedded, with intercalated medium- to coarse-grained sandstone beds made up of quartz, feldspar, and chert grains. Clasts are typically 1 to 3 cm across, subrounded to well-rounded and moderately to well sorted.

JKTl — Lower Member - Matrix-supported chert-pebble conglomerate, made up predominantly of coarse- to very coarse-grained sandstone composed of quartz, feldspar, and chert grains.This member is recessive. Also contains subordinate fine-grained, grey to brown weathered, laminated, plant-rich sandstone.

LOWER to MIDDLE JURASSIC LABERGE GROUP

Tanglefoot formation

JTu — Upper Member - Yellowish grey to bleached white, coarse- to very coarse-grained sandstone, grit, and pebbly grit with conspicuous quartz and feldspar granules within a white to buff chalky cement. Other lithologies include grey interlaminated siltstone and very fine-grained sandstone, carbonaceous shale, and coal seams.

JTl — Lower Member - Light olive grey, fine- to very coarse-grained quartz-rich sandstone, grit, heterolithic conglomerate, and laminated siltstone. Fining-up packages commonly include the above lithologies. Macerated plant debris is common at the top of sequences. The conglomerate is matrix- to clast-supported with clasts ranging from pebbles to boulders, subangular to rounded, and include vein quartz, felsic granite and porphyry.

Nordenskiöld / Conglomerate formations

JC JN — JN - Steel grey to medium greenish grey tuff, weathers dark brown, medium- to coarsely crystalline, well indurated, massive, locally calcareous.

JC - Olive grey, heterolithic conglomerate, clasts range from pebbles to boulders including predominantly granitic rocks up to 30 cm across and subrounded to well-rounded.

Richthofen formation

JR — Fine-grained grey sandstone, weathered buff, parallel- to cross-laminated, dark grey siltstone, recessive, platy to flaggy beds.

SYMBOLS

Geological contact (defined, approximate, assumed).....

Fault, displacement unknown (defined, approximate, covered).....

Fold axis (anticline, syncline).....

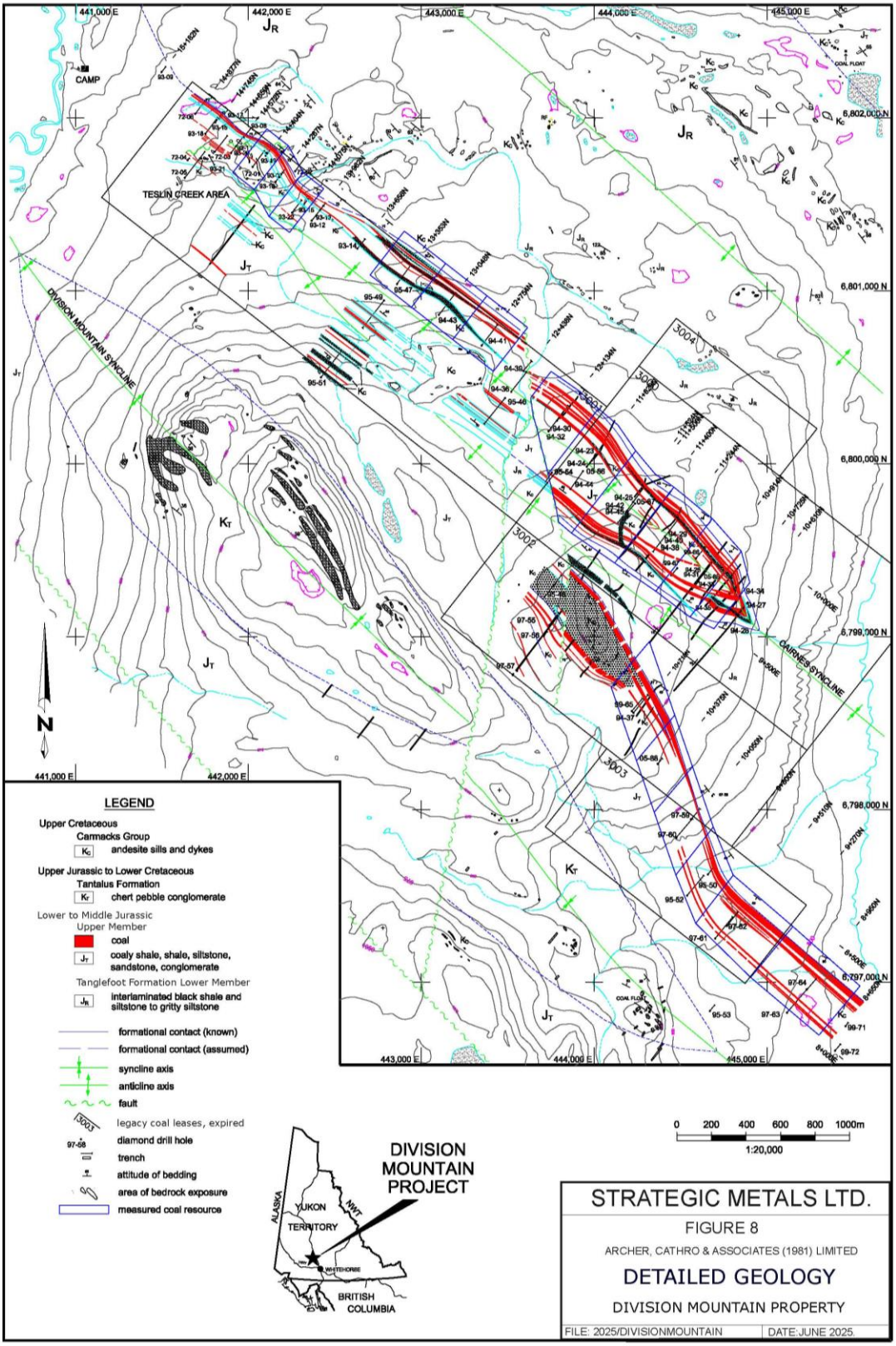
Coal seam.....

Limit of mapping.....

Roads.....

After Allen, 2000

Figure 8 Detailed Geology



The Laberge Group in the Division Mountain area is represented by the shallow marine Lower Member of the Tanglefoot Formation and the fluvial-deltaic, coal-bearing Upper Member of the Tanglefoot Formation (Carne, 2006B). The lithologically distinctive Lower Member serves as an easily recognizable base for the overlying coal measures. Brown weathering black mudstone, with wispy siltstone to fine sandstone laminae in the form of low amplitude cross-stratification, alternates with thick (>l0 m) intervals of massive brown weathering calcareous sandstone. A Lower to Middle Jurassic depositional span is recorded elsewhere in the Whitehorse Trough for the unit but since this sequence is likely diachronous, being a record of a nearshore facies that migrated with basin fill, the precise age of the Lower Member in this area will remain unknown until it can be locally constrained by paleontological data.

Middle to Upper Jurassic Tanglefoot Formation Upper Member strata in the Division Mountain area records a complex fluvial-deltaic depositional environment. In general, the unit consists of upwardly fining sequences of alternating sandstone-conglomerate beds and black shale or shaly mudstone, the latter commonly associated with coaly shale or coal seams. A section measured at Red Ridge, northwest of Division Mountain, consists of 15 sedimentary cycles, each on the order of approximately 10 m thick. A typical cycle consists of:

- A scour-based arkosic pebble conglomerate containing fossils, twigs and branches lying transverse to paleoflow along 1 to 2 m trough foresets;
- Conglomerate lags infilling troughs as lenticular beds;
- A fining-upward zone of medium- to fine-grained arkose containing trough cross-beds which exhibit an upward decrease in set size;
- Grey organic rich shale or shaly mudstone containing leaves, grasses and *Metasequoia* needles and twigs;
- Coaly shale to shaly coal, commonly rich in coalified twigs and branches;
- Banded coal; and,
- Either a transition back to grey shale or an abrupt termination by the basal pebbly conglomerate bed of the next cycle.

The depositional environment was one of a rapidly aggrading flood-dominated delta. Cross-bedded conglomerate-sandstone cycles represent point-bar deposits from a high energy fluvial system. Paleocurrent variance supports a meandering river interpretation. Of particular interest is that, despite the generally coarse-grained nature of the channel sandstones and conglomerates, the overbank deposits and related coals are relatively thick and demonstrate remarkable lateral continuity. The coal seams were deposited in long-lived delta plain swamps that served as collection sites for transported organic material and for generation of peat bogs. Closer to the Tanglefoot-Tantalus contact, coal becomes less abundant. Instead, grey shale and coaly shale predominates as much thinner beds than the coal seams lower in the succession.

Resistant beds of thick-bedded chert pebble conglomerate of the Upper Jurassic to Lower Cretaceous Tantalus Formation cap the Tanglefoot Formation Upper Member coal-bearing sequence, forming prominent topographic highs in the region. Depositional environment of the Tantalus Formation appears to be one of an active flood plain. Coal has previously been mined within the Tantalus conglomerates 100 km to the north of Division Mountain in the Carmacks region. Coal float has been found in the vicinity of gopher holes in areas underlain by the Tantalus Formation at Division Mountain and Red Ridge but to date none has been found in bedrock.

Small stocks, dykes and sills of porphyritic basalt, andesite and dacite intrude the Tanglefoot Formation coal measures. The presence of glassy chill zones and rare amygdaloidal textures are indicative of emplacement in a near-surface setting. Age of the intrusions is unknown, but they are probably related to regionally extensive volcanic rocks of the Upper Cretaceous Carmacks Group, which unconformably overlie the Laberge and Tantalus stratigraphy in the Division Mountain area.

7.3 STRUCTURAL GEOLOGY

Deformation in the Whitehorse Trough occurred primarily as flexural slip folding during the Middle Cretaceous. Synclinal and anticlinal axes trend north-northwest, parallel to the trough axis. Fold wavelengths are generally between 500 m and 2 km, although complex tight folds with wavelengths less than 3 m have been noted. The coal-bearing Cairnes Syncline, outlined by 1994-95 exploration, trends 310° and plunges 9° to the northwest. The limbs dip between 25 and 72°. Drilling in 1997 and 1999 concentrated on the coal rich east limb of the Division Mountain Syncline about 2 km south of the Cairnes Syncline. This syncline also trends approximately 310° with the east limb dipping 45 to 55° to the southwest. Exploration to date has not yet defined either the fold nose or the western limb of the Division Mountain Syncline.

The folded stratigraphy has only been slightly modified by northwest- and northeast-trending normal faults with minor dip-slip displacements.

7.4 MINERALIZATION

There are no natural exposures of coal in the Division Mountain area. Bedrock occurrences have either been located by hand or machine trenching through glacial till cover in areas of coal float or where coal-bearing stratigraphy has been projected to be present. Coal seams occur throughout the Tanglefoot Formation Upper Member, but the thickest and most continuous accumulations of coal are present near the base of the member.

The Division Mountain coal deposit has been explored over a 6.5 by 1.5 km southeast trending area. Internal stratigraphy and structure of the recessive coal measures is best illustrated on the detailed geology map shown on Figure 8 and on cross sections showing drill hole data in Norwest (2008a). The area of coal resources is discussed in more detail in

Sections 9, 10, 13 and 14.

The coal measures have also been identified at the Red Ridge, Upper and Lower Cub Mountain, Corduroy Mountain and Hull Mountain occurrences, all within 7.5 km of Division Mountain.

The Red Ridge coal occurrence was first discovered in 1907 by D.C. Cairnes of the GSC. It lies approximately 5 km along strike to the northwest of the Teslin Creek discovery area. In 1972, Arjay Kirker relocated the coal showing and measured a section from the top of Red Ridge northeast to the Nordenskiold River, which defines approximately 245 m of Tantalus conglomerate overlying finer-grained Tanglefoot sedimentary rocks containing coal and carbonaceous shale. In 1993, a 25 m hand trench was cut near the break-in-slope to the Nordenskiold River valley. A further 15 m was added to this trench in 1997. The trench profile consists of a blanket of glacial soil overlying a series of sub-horizontal layers of arkose-sandstone grit, sand lenses and coal fragment horizons varying in thickness from 20 to 70 cm. Structures within the coal fragment horizon are virtually non-existent. The nature of the stratigraphy in the trench is most likely attributed to downhill creep of a coal horizon uphill at least 10 m from the initial exposure. The probable aggregate true width of bedrock coal may be in the range of 12 to 15 m.

At the Lower Cub Mountain occurrence, the combination of bedrock exposure afforded by the steep southwestern slope of Cub Mountain, results of 1997 and 1998 excavator trenching and the 2006 reverse circulation drill program have provided a reasonably accurate evaluation of the area for its coal potential. A relatively small number of thin coal seams are present within the Upper Member of the Tanglefoot Formation, the host of the nearby Division Mountain coal resource. The only significant intersection is a 1.6 m coal seam with low to moderate apparent ash content and a 20 cm interval (Carne, 2006a).

At the Upper Cub Mountain occurrence favourable stratigraphy was identified but drilling in 1999 suggests that the area lies near the contact of the Tanglefoot and Tantalus formations and maybe higher in the stratigraphy than where coal was found elsewhere. The Upper Cub Mountain occurrence lies north of coal licenses held by Strategic.

At Corduroy Mountain the Tanglefoot Formation Upper Member stratigraphy was explored with a 360 m long trench in 1997. This area is 5 km along strike to the southeast of the same stratigraphy exposed at Lower Cub Mountain. Drilling in 1999 below the excavator trench exposed several additional coal seams, with one hole returning an aggregate thickness of 17.96 m of coal. The four 2006 diamond drill holes provide a complete stratigraphic section across the upper 580 m of the Upper Member of the Tanglefoot Formation (Carne, 2006b). The base of the Upper Member of the Tanglefoot Formation, where the bulk of the Division Mountain reserves are located, was not tested by excavator trenches or drill holes.

The Hull Mountain area has coal exploration potential, but no coal has been identified to date. In 1999 and 2006, the area was selected as a target for reverse circulation drilling to assess whether the relatively abundant and thick coal seams that form the Division

Mountain coal resource continue beneath the Klusha Creek valley, a distance of 1400 m (Carne, 2006a). Six holes were drilled on the very northern slopes of Hull Mountain, but all ended in overburden that exceeds 20 m depth.

8.0 DEPOSIT TYPE

As specified in GSC Paper 88-21 (Hughes et al., 1989) coal deposits are commonly classified with respect to their "Geology Type." Coal "Geology Type" is a definition of the amount of geological complexity, usually imposed by the structural complexity of the area. The classification of a coal deposit by "Geology Type" determines the approach to be used for the resource/reserve estimation procedures and the limits to be applied to certain key estimation criteria. The identification of a particular "Geology Type" for a coal property defines the confidence that can be placed in the extrapolation of data values away from a particular point of reference such as a drill hole.

The classification scheme of GSC Paper 88-21 is like many other international coal reserve classification systems but it has one significant difference. This system is designed to accommodate differences in the degree of tectonic deformation of different coal deposits in Canada. Four classes of "Geology Type" are provided for that range from the first, "low," which is for Plains type deposits with low tectonic disturbance; to the fourth, "severe," which is for Rocky Mountains type deposits.

The Division Mountain Property falls within the "moderate" category based on broad open folds (wavelengths from 400 m to well over 1.5 km), relatively uncommon faults (displacements ranging from 10s of metres up to 100 m) and average bedding inclinations of approximately 50º (range from 25 to 72º).

Coal deposits are further classified on the basis "Deposit Type," as defined in GSC Paper 88-21, which refers to the extraction method most suited to the coal deposit. There are four categories, which are:

- Surface
- Underground
- Non-conventional
- Sterilized

The Division Mountain deposit is considered to be a "Surface" mineable deposit.

9.0 EXPLORATION

This section summarizes excavator trenching, geophysical surveys and environmental surveys performed on the Division Mountain Property during the period 1993 to 2018. The work is described by Wengzynowski and Carne (1994), Gish (1995, 1996and 2000), Gish

and Carne (1998), Carne (2006a and 2006b), and Brewer (2018). The 1994 to 2006 work was completed by Cash Minerals, the 1999 program was funded by Usibelli and the 2018 program was completed by 2560344 Ontario Inc. Diamond drilling and borehole geophysical surveys are discussed in Section 10.

The 1994 and 1995 excavator trenching programs utilized a Caterpillar 235 operated under contract by 10983 Yukon Ltd. of Whitehorse. The programs consisted of 30 trenches totalling 5.9 km in length and required 928 hours of excavator time. The 1997 excavator trenching program required 569 hours of Hitachi UH09 excavator time to complete 21 trenches totalling 2695 m in length. The excavator was operated under contract by 15317 Yukon Inc. of Whitehorse. Trenching in 1998 consisted of six trenches totalling 1329 m completed with 116.5 hours of excavator time. In 1999, four excavator trenches totalling 315 m were completed with a Caterpillar 235 excavator operated by Caron Diamond Drilling Ltd. of Whitehorse.

In 1993, VLF-EM, EM-31 and total magnetic field surveys were conducted over 16.5 km on grid crosslines between 10+000N and 15+182N. The readings were taken at 10 m stations by Amerok Geophysics of Whitehorse (Wengzynowski and Carne, 1994).

Geophysical surveys during the 1994 exploration program included 36.9 km of VLF-EM at 10 m intervals on 300 m lines spacing and 576 m of reflection seismic surveys with a constant 4 m geophone interval on selected VLF-EM lines (Gish, 1995). VLF-EM lines were run with 27.4 km orientated at 130° and 9.5 km orientated at 040°. The lines orientated at 130° were intended to test the eastern limb of the Division Mountain Syncline while those orientated at 040° were used to better delineate the nose of the Cairnes Syncline.

Down-hole geophysical logging was performed in 1999 on all reverse circulation drill holes by Amerok Geoscience Ltd. of Whitehorse (Gish, 2000). Resistivity was measured using an IFG BMP-04 galvanic Resistivity tool with 16 inch and 48 inch electrode spacing. Natural radioactivity was quantified with an IFG BSG-01 four channel gamma probe with windows in the 100 KeV to 3 MeV range. Measurement time was constant at one second. The results of these surveys were inconclusive and failed to accurately define the coal seams.

Environmental studies were conducted in 1993, 1994 and 1995. These surveys included a log of wildlife observations made by personnel on the Property and basic meteorological readings recorded when personnel were present on the Property. Hydrology surveys were contracted to J. Gibson & Associates of Whitehorse (Wengzynowski and Carne, 1994 and Gish, 1995). Water samples and flow measurements were taken at five sites located at upper Klusha Creek, upper Nordenskiold River and Teslin Creek.

10.0 DRILLING

A total of 72 diamond drill holes totalling 12,230 m, 27 reverse circulation percussion drill holes totalling 2536 m and 4 rotary air blast drill holes totalling 124.7 m have been completed on the Division Mountain Property. Of these, 68 diamond drill holes (11,425 m), 5 reverse circulation percussion (477 m) and 4 RAB drill holes (125 m) were drilled in a 6.5 by 1.5 km southeast trending area covering the Division Mountain deposit. The work is described by Wengzynowski and Carne (1994), Gish (1995, 1996 and 2000), Gish and Carne (1998), Norwest (2008a), and Brewer (2018). A list of drill hole location data is provided in Table 4. The location of all drill holes is shown in Figure 9. Cross sections through the coal measures are shown in Norwest 2008a.

Table 4 Drill Hole Survey Data

Drill	UTM Coordinates*		Elevation	Grid Coordinates		Depth	Azimuth	Surface	Final
Hole	x_NAD83	y_NAD83	m	Northing	Easting	m	degrees	Dip	Dip
72-01	441923	6801891	780	14+422	9872	182.88	40	50	-
72-02	442168	6801864	795	14+223	10014	182.88	40	50	-
72-03	441705	6801978	757	14+648	9803	182.88	40	50	-
72-04	441547	6801930	732	14+739	9665	24.99	40	50	-
72-05	441531	6801828	749	14+692	9585	306.33	40	50	-
72-06	441592	6802197	726	14+877	9908	167.03	40	50	-
93-07	442076	6801830	792	14+267	9927	97.84	40	50	-
93-08	441872	6802061	772	14+572	9970	108.50	40	50	-
93-09	441394	6802435	723	15+182	9970	73.46	40	50	-
93-10	442056	6801805	792	14+267	9895	157.30	40	63	60
93-11	441829	6802009	765	14+572	9910	92.66	40	50	55
93-12	442266	6801579	850	13+962	9852	169.16	40	50	57
93-13	442316	6801642	810	13+962	9932	74.37	40	50	54
93-14[1]	442522	6801426	810	13+658	9894	148.13	35	58	62
93-15	442217	6801668	795	14+060	9887	82.60	34	50	54
93-16	441707	6802147	734	14+747	9942	86.56	40	50	54
93-17	441729	6802167	733	14+745	9972	48.77	46	50	53
93-18	441649	6802082	739	14+745	9855	170.38	40	50	56
93-19	441997	6801951	785	14+404	9968	84.10	40	50	-
93-20	441798	6801970	750	14+572	9862	166.12	38	50	58
93-21	441672	6801956	758	14+660	9764	61.87	154	75	78
93-22	442152	6801625	777	14+087	9816	187.50	40	60	65

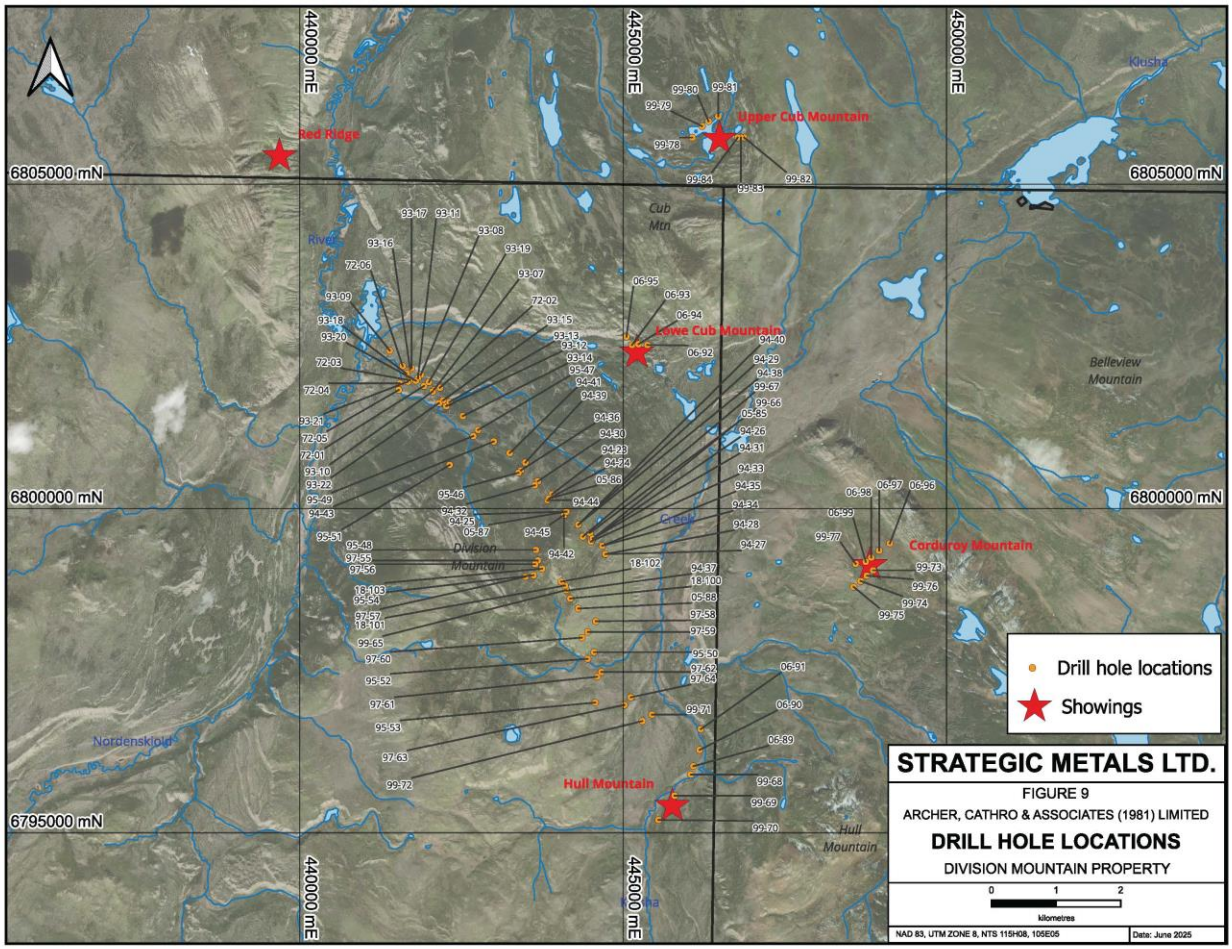
Drill	UTM Coordinates*		Elevation	Grid Coordinates		Depth	Azimuth	Surface	Final
Hole	x_NAD83	y_NAD83	m	Northing	Easting	m	degrees	Dip	Dip
94-23	443903	6800220	914	11+833	9820	160.02	40	50	46
94-24[2]	443856	6800155	916	11+829	9740	133.81	40	50	48
94-25	444124	6799952	937	11+496	9750	163.98	40	50	45
94-26	444531	6799535	935	10+914	9675	164.90	40	50	50
94-27[2]	444726	6799295	925	10+612	9620	26.52	40	50	-
94-28	444728	6799297	925	10+609	9620	78.03	40	50	50
94-29	444310	6799749	939	11+219	9710	188.37	40	50	49
94-30	443684	6800422	906	12+134	9845	178.61	40	50	46
94-31	444534	6799538	934	10+914	9680	178.92	40	70	72
94-32	443635	6800359	898	12+134	9760	252.07	40	60	56
94-33	444503	6799491	935	10+914	9630	109.73	220	50	52
94-34	444678	6799426	930	10+725	9690	145.39	40	70	70
94-35	444678	6799425	930	10+725	9690	129.23	220	50	51
94-36	443419	6800589	887	12+438	9800	229.81	40	50	49
94-37	444126	6798732	958	10+710	8800	206.04	40	50	53
94-38	444308	6799752	940	11+219	9710	178.61	220	50	51
94-39	443489	6800710	877	12+438	9920	117.95	40	50	50
94-40	444307	6799751	940	11+219	9710	268.22	-	90	89
94-41	443248	6800856	890	12+754	9920	239.88	40	50	52
94-42	444087	6799898	948	11+500	9680	273.10	40	70	69
94-43	443000	6801034	876	13+048	9887	252.07	40	50	48
94-44	443834	6800130	918	11+840	9706	215.49	220	50	48
94-45	444088	6799900	947	11+500	9680	163.37	220	60	58
95-46	443383	6800552	895	12+438	9750	306.32	220	50	53
95-47	442758	6801212	883	13+353	9875	224.03	40	50	50
95-48	443653	6799362	992	11+524	9000	274.32	40	50	53
95-49	442683	6801117	840	13+353	9750	325.05	220	50	57
95-50	444551	6797786	845	10+000	8400	100.58	40	50	53
95-51	442318	6800672	929	13+353	9175	315.77	40	50	53
95-52	444452	6797682	841	10+000	8250	245.67	40	50	53
95-53[2]	444568	6797007		9+300	7725	68.28	40	50	-
95-54	443618	6798972	918	12+025	9625	117.65	220	50	48
97-55[1]	443682	6799198	1,002	11+400	8892	175.26	40	55	54

Drill	UTM Coordinates*		Elevation	Grid Coordinates		Depth	Azimuth	Surface	Final
Hole	x_NAD83	y_NAD83	m	Northing	Easting	m	degrees	Dip	Dip
97-56[1]	443642	6799142	1,000	11+400	8824	76.20	40	60	60
97-57[1]	443490	6798947	965	11+400	8570	182.88	40	55	55
97-58	444579	6798261	903	10+305	8876	30.48	40	50	-
97-59	444454	6798097	903	10+050	8580	128.63	40	50	50
97-60	444365	6798009	900	10+050	8460	215.49	40	50	51
97-61	444601	6797405	840	9+510	8141	255.73	40	50	50
97-62	444664	6797479	838	9+510	8240	159.10	40	50	50
97-63	445019	6796970	825	8+950	8040	293.22	40	50	50
97-64[1]	445119	6797088	825	8+950	8220	149.96	40	50	50
99-65[1,3]	444117	6798741	958	10+710	8800	148.13	40	50	-
99-66[1,3]	444487	6799625	935	10+954	9700	129.54	40	50	-
99-67[1,3]	444378	6799567	940	10+979	9620	86.87	220	50	-
99-68[1,2]	446047	6795897		Hull Mountain		44.20	-	90	-
99-69[1,2]	445797	6795572		Hull Mountain		38.10	-	90	-
99-70[1,2]	445547	6795197		Hull Mountain		54.86	-	90	-
99-71[1,2,3]	445447	6796822		8+650	8200	38.10	40	50	-
99-72[1,2,3]	445297	6796722		8+650	8030	74.68	40	50	-
99-73[1]	448867	6799047		Corduroy Mountain		152.40	230	50	-
99-74[1]	448672	6798882		Corduroy Mountain		152.40	230	50	-
99-75[1]	448564	6798792		Corduroy Mountain		91.44	230	50	-
99-76[1]	448769	6798964		Corduroy Mountain		137.16	230	50	-
99-77[1]	448597	6799147		Corduroy Mountain		128.02	230	50	-
99-78[1,4]	446072	6805722		Upper Cub Mountain		91.44	220	50	-
99-79[1,4]	446222	6805897		Upper Cub Mountain		128.02	-	90	-
99-80[1,4]	446322	6805972		Upper Cub Mountain		73.15	-	90	-
99-81[1,4]	446472	6806047		Upper Cub Mountain		60.96	-	90	-
99-82[1,4]	446872	6805722		Upper Cub Mountain		42.67	270	50	-
99-83[1,4]	446822	6805722		Upper Cub Mountain		97.54	270	50	-
99-84[1,4]	446772	6805722		Upper Cub Mountain		99.06	270	50	-
05-85[1,3,5]	444531	6799535		10+914	9676	154.5	040	90	-
05-86[1,3,5]	443856	6800155		11+829	9740	280.0	040	90	-
05-87[1,3,5]	444124	6799952		11+500	9750	218.2	230	70	-
05-88[1,3,5]	444307	6798457		10+375	8650	231.0	040	90	-

Drill	UTM Coordinates*		Elevation	Grid Coordinates		Depth	Azimuth	Surface	Final
Hole	x_NAD83	y_NAD83	m	Northing	Easting	m	degrees	Dip	Dip
06-89[1,2]	446086	6796026		Hull Mountain		30.5	040	60	-
06-90[1,2]	446183	6796277		Hull Mountain		32.0	040	60	-
06-91[1,2]	446202	6796598		Hull Mountain		22.9	040	60	-
06-92[1,4]	445376	6802522		Lower Cub Mountain		142.3	230	60	-
06-93[1,4]	445137	6802522		Lower Cub Mountain		145.4	230	60	-
06-94[1,4]	445239	6802535		Lower Cub Mountain		102.7	230	60	-
06-95[1,4]	445052	6802649		Lower Cub Mountain		191.1	230	60	-
06-96	449125	6799463	1,039.4	Corduroy Mountain		228.6	230	50	-
06-97	448960	6799350	1,015.9	Corduroy Mountain		196.3	230	50	-
06-98	448837	6799244	996.7	Corduroy Mountain		228.6	230	50	-
06-99	448752	6799179	939.4	Corduroy Mountain		152.4	230	50	-
18-100[2,3]	444183	6798612				37.19	040	50	-
18-101[2,3]	444101	6798811				36.58	040	45	-
18-102[2,3]	444045	6798872				35.05	040	45	-
18-103[2,3]	443748	6799072				15.85	040	45	-

* Datum: NAD 1983
[1] approximate UTM coordinates
[2] abandoned in bad ground
[3] approximate grid coordinates
[4] drill hole located outside of coal licenses owned by Strategic Metals Ltd.
[5] estimated drill hole total depth

Figure 9 Drill Hole Locations



The 1993, 1994, 1995 and 1997 diamond drilling programs were contracted to E. Caron Diamond Drilling of Whitehorse and all holes were drilled in the area of the Division Mountain deposit. The drilling was done with one or two skid-mounted Longyear 38 wire-line equipped drills. All holes were drilled with HQ (6.25 cm diameter) equipment; however, badly broken ground necessitated reducing to NQ (4.75 cm diameter) equipment in some holes. Core recovery of the coal intersections averaged about 96%.

In 1999, reverse circulation percussion drilling was carried out by Midnight Sun Drilling Co. Ltd. using a track-mounted Schramm T6585WS drill supported with a Clark skidder. Five of the holes were drilled in the area of the Division Mountain deposit, 3 at Hull Mountain, 5 at Corduroy Mountain and 7 at Upper Cub Mountain.

Three of the 1999 reverse circulation percussion drill holes and 4 excavator trenches were completed in the area of the Division Mountain resource estimate. As part of Usibelli's quality control measures, they selected 5 samples from Trench 04 and sent these for analysis at both the Usibelli Coal Mine, Inc. in Healy, Alaska and the Commercial Testing and Engineering Company in Denver, Colorado.

Down-hole geophysical logging was performed in 1999 on all reverse circulation drill holes by Amerok Geoscience Ltd. of Whitehorse (Gish, 2000). Resistivity was measured using an IFG BMP-04 galvanic resistivity tool, with 16 inch and 48 inch electrode spacing. Natural radioactivity was quantified with an IFG BSG-01 four channel gamma probe with windows in the 100 KeV to 3 MeV range. Measurement time was constant at one second. The results of these surveys were inconclusive and failed to accurately define the coal seams.

In 2005, a total of four diamond drill holes (886.57 m) were completed on the Property. Diamond drilling and bulldozer support was contracted to E. Caron Diamond Drilling. The drilling was done with one skid-mounted Val d'Or wire-line equipped drill and a D7E bulldozer for drill pad construction and drill moves. Holes 05-85, 05-86 and 05-87 were completed with standard HQ equipment while the bottom of holes 05-87 and all of 05-88 were drilled with HQ3 bits and a split core tube

PVC tubing with an inside diameter of 5.08 cm was inserted into drill holes 05-86, 05-87 and 05-88. For each of these holes electrical heat tape was suspended inside the PVC tubing from surface to a depth of 60 m. The completion of these drill holes with PVC tubing and heat tape may enable the permafrost to be thawed when access to the hole is required. Aurora Geosciences Ltd. of Whitehorse was retained to perform down-hole geophysical logging. They attempted to record natural gamma, self-potential ("SP") and resistivity logs in hole 05-85 but due to excessive caving they were not able to log this hole and abandoned any additional surveys. Roke Oil Enterprises Ltd. ("Roke") of Calgary, Alberta was then asked to perform additional logging. Roke arrived on the Property as the final hole of the 2005 program was completed. Roke was unable to perform SP and resistivity surveys since the logging sonde was damaged in transit. They were able to log holes 05-86, -87 and -88 with gamma ray, neutron and electron bulk density equipment. For each of these holes, the HQ rods were lowered to the bottom of the hole then logging

was performed through the rods. The rods were then pulled from the hole and the holes logged with a caliper sonde. The results were plotted on strip logs and provided in digital format.

The 2005 drilling program provided large diameter drill core that was used for geotechnical studies. The geotechnical logging of all drill holes was performed by Archer, Cathro & Associates (1981) Limited ("Archer Cathro") of Whitehorse, under instructions and supervision by EBA Engineering Consultants Ltd. of Whitehorse.

In 2006, 3 holes were drilled on Hull Mountain and 4 on Lower Cub Mountain with a Prospector self-propelled, track mounted drill, contracted to Derex Drilling Services Ltd. of Armstrong, BC. Roke was retained to perform down-hole geophysical logging. All drill cutting, sampling and logging was done on site. Drill cutting materials were collected in whole and a 2 kg portion was archived in sample bags that are stored on the Property at the camp.

In 2006, 6 diamond drill holes were completed at Corduroy Mountain. Drilling was contracted to Superior Diamond Drilling Inc. of Peachland, B.C. using a Mandrill 1200 wireline-equipped diamond drill. The holes were drilled with NTW and BTW tools. Helicopter support was provided by Trans North Helicopters and Capital Helicopters from their bases at Whitehorse using a combination of Bell 206, Bell 205 and AStar 350B2 helicopters. All core sampling and core logging was done on site.

In 2018, 4 RAB drill holes were completed on the Division Mountain deposit. The drilling was contracted to Ground Truth Exploration of Dawson City, Yukon.

All drill holes are marked with a 1.5 m long wooden plug bearing an aluminum tag inscribed with hole number, date drilled, azimuth, dip and total depth. Surface inclination of the diamond drill holes was determined using a Brunton compass with downhole inclination determined by acid tests. Results from the downhole surveys show little or no change from surface inclinations.

11.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

11.1 SAMPLING METHOD

This section describes the sampling method followed during the 1993 to 2006 coal quality testing programs. The 2005 and 2006 exploration and sampling programs were carried out under the supervision of a qualified person (Mr. R.C. Carne, M.Sc., P.Geo.).

The following drill core sampling protocol is reported to have been used during the drilling programs:

1. Core was lightly washed and measured.

2. In 2005, the core was geotechnically logged using a standardized technique defined by EBA Engineering Consultants Ltd.
3. Core was geologically logged using a standardized technique defined by Archer Cathro.
4. Sample intervals were selected based on coal and parting lithological breaks selected by using geological logs. Top and bottom coal samples for each coal seam were sampled individually with a maximum interval of 30 cm. The minimum coal sample interval for the remainder of the coal seam was approximately 30 cm. Internal partings were sampled separately, with a minimum interval of 10 cm. Roof and floor materials for each coal seam were sampled at approximate 15 to 30 cm intervals, based on lithologic and natural breaks.
5. Sample intervals were marked in the wooden core boxes and all core boxes were stored in a secure manner on the Property.
6. For each sample interval all the cored material was sent for analysis.
7. Sample material was double bagged in 6 mm plastic bags with a sample tag placed between the two sample bags. Two or three samples were placed in a fiberglass bag, sealed with a metal clasp and sample numbers were marked on the outside of the bag with felt pen.

11.2 SAMPLE SECURITY, PREPARATION AND ANALYSIS

As coal samples are a relatively low-value bulk commodity, no extraordinary security procedures were followed. Samples were collected from exploration efforts and submitted for analysis using methods that are consistent with typical industry practices. This section describes the sample handling procedures followed during the 1993 to 1998, 2005 and 2006 exploration programs. The author cannot comment on the procedures followed during the 1972 exploration program but can comment on the 1999 program conducted by Usibelli coal based on the documents provided in an assessment report (Gish 2000).

During the 1993 to 1998 programs, conducted on behalf of Cash Resources Ltd, all samples were transported from the property to Whitehorse by truck, escorted by the geological crew, and then shipped via Canadian Airlines or a local trucking company to either Chemex Labs Ltd. in North Vancouver, B.C. in 1993, 1994 and 1995 or to Loring Laboratories Ltd. of Calgary, Alberta in 1997. Chemex Labs provided proximate analyses as both air dried and dry and for the most part this report was based on the air-dried results.

During the 1999 program Usibelli sent the bulk of their samples to the Usibelli Coal Mine, Inc. in Healy, Alaska but five samples were also sent for check analysis to the Commercial Testing and Engineering Company (CT&E) in Denver, Colorado. The Usibelli lab provided proximate analysis in as received values and dry values. CT&E provided both proximate and ultimate analysis in as received values and dry values plus analysis of ash.

During the 2005 program, conducted on behalf of Cash Minerals, all samples were transported from the Property to Whitehorse by truck, escorted by the geological crew, and then shipped via Greyhound Courier Express to SGS Canada Inc. (“SGS”) in Delta, B.C. SGS provided proximate analyses on air-dried, as received and dry bases. The SGS facilities are accredited according to the International Standardization Organization 9001 requirements (“ISO 9001”). For the most part this report was based on proximate analysis as received and air-dried bases.

The 2006 program on Corduroy Mountain was carried out under the supervision of the same qualified person, as was the 2005 program. It is assumed that a similar sample transportation process was followed. The assessment report details that coal intervals were collected in whole and sent to the SGS Mineral Services laboratory in Delta for coal quality analyses.

12.0 DATA VERIFICATION

The sample data described in this report was collected by Archer Cathro, which conducted the exploration programs on the Division Mountain Property between 1993 and 2008.

In examining and verifying the sample data in this report, the Author performed the following tasks:

- Original assay certificates were reviewed.
- Reported drill core analyses were checked against sample numbers in the drill logs and the original assay certificates to ensure accurate reporting.
- The range of reported results and their geographic distribution were checked against similar ranges and distributions from properties containing similar mineralization.
- The Author personally logged some of the core from the 1994 and 1995 programs and mapped most of the excavator trenches.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The equivalent terminology, which will be used in this report on coal, is “Coal Quality and Processing”.

Prior to 2005, limited studies had been conducted with regards to washability analysis and estimating the potential of the coalbed methane resources. These studies were presented in the earlier report but may not be indicative of the results of more comprehensive and detailed studies. No coking test, long proximate or rank analysis has been performed on samples from the Property.

Calculated average analysis for the Division Mountain raw coal, on an air dried basis, is 2.8% residual moisture, 27.6% ash content, 26.3% volatile matter, 43.7% fixed carbon, 0.45% sulphur and a calorific value of 5159 cal/g as shown in Table 5. The average analysis corresponds to an ASTM rank of High Volatile “B” Bituminous coal.

Table 5 Coal Quality Analyses

Seam	Thickness metres	Calorific Value cal/g	Residual Matter %	Ash %	Volatile Matter %	Fixed Carbon %	Sulphur %	Bulk Density g/cc
5	3.1	4252	2	37.6	16.6	44	0.34	1.59
4	6.2	5390	3.6	24.8	26.7	45.3	0.41	1.5
3e	3.9	5207	3	27.3	24.8	45	0.43	1.52
3d	3.1	5806	2.6	21.3	29.7	46.5	0.48	1.46
3c	3.7	5280	2.6	26.9	27.4	43.1	0.51	1.5
3b	3.4	5006	3.5	29	23.9	44.4	0.47	1.54
3a	4.5	5043	2.9	29.2	26.6	41.7	0.47	1.53
2d	7.7	5310	1.9	25.5	29.7	43	0.39	1.5
2c	2.2	5880	3.2	19.8	29.6	48.1	0.54	1.47
2b	5.4	4852	2.6	29.9	24.3	43.3	0.43	1.54
2a	3.6	5385	3.5	30.2	27.4	40.3	0.53	1.55
1c	1.3	4364	2.1	32.3	26.9	38.7	0.43	1.56
1b	3.3	5422	2.7	22.9	29.3	45.7	0.5	1.49
1a	10.1	5023	3.5	29.8	25.7	43.2	0.44	1.57
Average	**4.4**	**5159**	**2.8**	**27.6**	**26.3**	**43.7**	**0.45**	**1.52**

14.0 MINERAL RESOURCE ESTIMATES

A resource estimate for the Division Mountain deposit was provided in 2005 (Norwest, 2005) and an updated estimate was provided in 2008 (Norwest, 2008a). This report should not be considered a revision of the previous mineral resources work. This report merely provides a summary of the previous work.

The Author has not conducted sufficient work to classify the historical mineral reserve as current mineral reserves, and the Author is not including an estimate of mineral reserves in this report.

Based on exploration programs conducted between 1993 and 2005, resources were estimated to comply with standards prescribed in NI 43-101. For the classification, estimation and reporting of coal resources for the Division Mountain Property and in accordance with NI 43-101, the Author used the Canadian Institute of Mining ("CIM"), Metallurgy and Petroleum's CIM "Definition Standards on Mineral Resources and Reserves" adopted by CIM Council on November 14, 2004 and referenced the GSC Paper 88-21 "A Standardized Coal Resource/Reserve Reporting System for Canada" (Hughes et al., 1989).

The resource calculation methodology used in the 2005 and 2008 reports approximates that used in 1998 by Mr. R.C. Carne, M.Sc., P.Geo. All resources fall into the Measured category based on the criteria provided in GSC Paper 88-21 and the results of the 2005 drilling, which indicates that seam continuity and geological correlations can be made for distances of over 500 m. The following paragraphs outline the methods used for the resource estimation.

1. Reviewed Exploration Data: Verified data as outlined earlier in this report and checked synoptic logs, drill hole locations, geologic model and coal rank.
2. Geology Type: Falls within "moderate" category based on broad open folds (wavelengths from 500 to well over 1.5 km), relatively uncommon faults (displacements from 10s m up to 200 m) and average bedding inclinations of 50º (range from 25 to 72º).
3. Data Points: Only diamond drill hole data was used. The drill sections are spaced approximately 300 m apart. For coal seams with multiple analyses a weighted average of all samples was taken to represent the seam. For intervals with no analyses due to core loss the interval was assigned a value equal to the arithmetic average of the adjacent intervals.
4. Seam Thickness: Seam thicknesses were calculated using trigonometry and confirmed by measurements from drill sections. Minimum allowable coal bed thickness was 0.5 meters. Only five resource blocks were less than 1.0 m thick and the average for all blocks was 4.4 meters.
5. Definition of Resource Block: Length defined as horizontal distance, width measured

in plan of section and thickness measured as true width. The coal bulk density for work prior to 2005 was based on the rank of coal, ash content and extrapolated from a table provided in GSC Paper 88-21, for the 2005 work this data was provided by SGS.

6. Criteria of a Resource: All resources are of immediate interest and fall into the measured categories. Measured resources require the distance from nearest data point to be between 0 and 450 m.
7. Method of Estimating Resources:
    a. On the horizontal plane the length of the measured resource blocks was projected to half the distance between adjacent drill sections. For section 8+950N where there was no adjacent drill section to the southeast the length was projected 225 m from the drill section.
    b. On the plane of the drill section the width of the measured resource blocks were measured from surface to the first drill hole, this distance never exceeded 225 m. If two or more drill holes existed on the same section then the width was extended down dip to half the distance between the next drill hole, again this distance never exceeded 225 m. The resource block width was then extended down dip to a distance, which represented a 'reasonable' resource depth (see below).
    c. For this deposit type the maximum depth from surface, as defined in GSC Paper 88-21, is when the ratio of 'bank' cubic meters/tonne of the last tonne exceeds 20:1. This ratio was not approached in these resource calculations instead the bottom of the resource was taken to be a 'reasonable' depth. Along the east limb of the Division Mountain Syncline the depth of the resources ranged from 270 m at the south (8+950N) to 290 m in the middle and 270 m at the north (10+710N). In the area of the Cairnes Syncline it ranged from surface at the south (10+610N) to 300 m at the north (12+124N). In the Teslin Creek area the reasonable depth was taken as 200 m for section line 12+754N to 13+353N and 150 m for section line 14+075N to 14+404N.

A total near-surface resource of 52.5 Mt has been defined (Table 6).

Table 6 Coal Resource Summary

Resource Area	ATM Coal Rang	In-Place Resources (Tonnes in Millions)		
		Measured	Indicated	Inferred
Division Mtn.	High Volatile "B" Bituminous	52.493	0	0
	Total			52.493

23.0 ADJACENT PROPERTIES

This technical report does not utilize any data and/or interpretations from adjacent properties.

24.0 OTHER RELEVANT DATA AND INFORMATION

There are no other relevant data and information applicable to this report.

25.0 INTERPRETATIONS AND CONCLUSIONS

The Division Mountain Property hosts significant tonnage of High Volatile “B” Bituminous coal. Most of the coal occurs in the Middle to Upper Jurassic Tanglefoot Formation Upper Member, which was deposited in a complex fluvial-deltaic depositional environment. The geology type is “moderate” according to the guidelines set forth in GSC Paper 88-21.

Exploration has focused on a 6.5 by 1.5 km southeast trending area immediately adjacent to Division Mountain. Drilling has outlined a 52.5 Mt resource of High Volatile “B” Bituminous coal.

26.0 RECOMMENDATIONS

The favourable results from past exploration, resource estimates, and engineering studies warrant consideration of a three-phase program. The three proposed phases are independent of each other and could be completed concurrently. Phase 1 would be a preliminary economic assessment ("PEA") to determine the best path forward for development of an open pit coal mining operation and thermal power plant. The study should consider cogeneration and CO_2 reduction technologies. Phase 2 would be geotechnical and coal quality studies, with diamond drilling. Phase 3 would be continued exploration at two showings, each of which has the potential to increase the coal resources.

The cost estimate for Phase 1 is $750,000, Phase 2 $840,000 and Phase 3 $300,000 for a total of $1,890,000 as shown in Table 7.

Table 7 Cost Estimate for Recommendations

Phase 1	Task	Estimated Cost
1 Preliminary Economic Assessment	Preliminary Economic Assessment	750,000
	Total Phase 1	**750,000**
2 Engineering Studies	Engineering Studies	160,000
	Lab Analysis	30,000
	Drilling, Coring	500,000
	Geophysical Logging	100,000
	Geomatics Survey	20,000
	Consumables	20,000
	Contingency	10,000
	Total Phase 2	**840,000**
3 Exploration	Bedrock mapping	100,000
	Excavator Trenching	130,000
	Lab Analysis	50,000
	Consumables	10,000
	Contingency	10,000
	Total Phase 3	**300,000**
	Total	**1,890,000**

Phase 1: preliminary economic assessment. The PEA should consider scenarios where coal is produced at the Division Mountain mine but the thermal power plant is located both at the mine and remote from the mine.

With respect to the mine the PEA should provide different tonnage values of coal produced per year and a cost to produce coal, suitable for a thermal power generation facility, at each of these tonnage values. It should be assumed that the mine is a standalone operation with a product of stockpiled coal on site.

With respect to the thermal power plant, when it is located at the Division Mountain mine a power line connecting the plant to the electrical grid must be included. When located remote from the mine it should be assumed that the power plant is both a standalone facility and a facility connected to the electrical grid. Trucking from the Division Mountain mine must be included in the analysis.

Scenarios should also consider that a power plant cogeneration unit is both present and not present. Scenarios should also consider that the Yukon's electrical grid is both isolated from and connected to the British Columbia electric grid. It should be assumed that the territory is not able to service all its electrical demands, and that significant new industrial/mining demand will be added to the territory.

The cost estimate for Phase 1 would be $750,000.

Phase 2: geotechnical and coal quality studies. The work should include four diamond drill holes. Two should be completed on both of section lines 10+080 and 12+134. The primary purpose of these holes is for geotechnical engineering and collecting coal for environmental analysis.

Detailed engineering studies should be completed during and after the four holes are completed with the primary focus being geotechnical stability analysis of the pit walls. Coal and wall rocks collected during the coring operations should be submitted for detailed environmental studies, including potential for acid generation and selenium content. This work will support future waste rock profiles. Consideration should be given to completion of the holes as ground water monitoring wells; however, costs for this work are not included in this recommendation. Geological information collected during this work would support future resources modeling.

All four holes should be logged with downhole geophysical instruments. Some of the preexisting holes and all new holes should be surveyed. All legacy and new drill hole geological should be reviewed and entered in an industry standard modeling software.

The cost estimate for Phase 2 would be $840,000.

Phase 3: additional exploration at the Corduroy Mountain and Hull Mountain showings. The exploration methodology developed at Division Mountain is bedrock mapping to define areas of interest, followed by excavator trenching to reveal structural geology and the presence or absence of potentially economic thicknesses of coal, and ultimately diamond drilling with geophysical logging to recover uncontaminated samples of coal for coal quality analyses (Carne, 2006a). Bedrock mapping and excavator trenching is included in this recommendation.

At Corduroy Mountain, the initial phase of exploration should be detailed geological mapping of the Corduroy ridge area to identify specific areas that are potentially underlain by strata of the Tanglefoot Formation Upper Member. This should be followed up with excavator trenching on section lines spaced initially at 300 m with infill at 150 m, as required to establish continuity (Carne, 2006a). Once the distribution of coal-bearing stratigraphy is outlined and once the structural fabric has been identified, diamond drilling can be efficiently employed to recover coal samples for analysis.

At Hull Mountain, further exploration in the form of geological mapping and excavator trenching is recommended on the northwest slopes, where overburden depths may be thinner (Carne, 2006a). Depending on the results of this work diamond drilling might be warranted.

The cost estimate for Phase 3 would be $300,000

REFERENCES

Allen, G.E., 1975. Yukon Coal Exploration Licence No. 35. Prospecting Report. Unpublished assessment report #061356, Allen Resource Consultants Ltd., 3 p.

Allen, T.L., 2000. An evaluation of coal-bearing strata at Division Mountain (115H/8 east-half, 105 E/5 west half), south-central Yukon. In Yukon Exploration and Geology, 1999, D.S. Edmond and L.H. Weston (eds.) Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada, pp. 177-198.

Allen, T.L. and Weston, L.H., 2001. Preliminary Geological Map of Division Mountain Area (105E/5-West Half and 115 H/8 East Half), Central Yukon (1:50 000 scale). Indian & Northern Affairs Canada/Department of Indian & Northern Development: Exploration & Geological Services Division, Open File 2001-3

Beaton, A.P., Cameron, A.R., and Goodarzi, F., 1992. Petrography, geochemistry and utilization potential of the Division Mountain coal occurrence, Yukon Territory. In: Current Research, Part E, Geological Survey of Canada, Paper 92-lE, pp 23-32.

Brewer, K., 2017. NI 43-101 Technical Report on the Division Mountain Property and related Exploration Licences, Yukon Territory, Canada, for 2560344 Ontario Inc.

Brewer, K., 2018. Report on 2018 Drill Program Completed on the Division Mountain Coal Property, Yukon Territory, Canada, for 2560344 Ontario Inc.

Brewer, K., 2019A. NI 43-101 Technical Report on the Division Mountain Coal Property, Yukon Territory, Canada, for Yukoterre Resources Inc.

Brewer, K., 2019B. NI 43-101 Technical Report on the Division Mountain Coal Property, Yukon Territory, Canada, for Yukoterre Resources Inc.

Burke, M., 1998. Yukon mining and exploration overview 1997. In: Yukon Exploration and Geology 1997, Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada, p. 3-38.

Burke, M., 1999. Yukon mining and exploration overview 1998. In: Yukon Exploration and Geology 1998, C.F. Roots and D.S. Emond (eds.), Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada, p. 2-30.

Carne, R.C. 1992. Summary Report on the Division Mountain Coal Project, Southern Yukon for W4 Joint Venture.

Carne, R.C. and Gish, R.F., 1996. Geology of the Division Mountain coal deposit of Cash Resources Ltd. In: Yukon Exploration and Geology, 1995, Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada, p. 37-42.

Carne, R.C., 2006a. 2006 Reverse Circulation Drilling on the Division Mountain Coal

Prospect. Coal Exploration License YW 0073 for Cash Minerals Ltd.

Carne, R.C., 2006b. 2006 Diamond Drilling on the Corduroy Ridge Coal Prospect Coal Exploration License CYW 0069 for Cash Minerals Ltd.

Craig, D.B. and Laporte, P., 1972. Mineral Industry Report 1969 and 1970, Volume 1, Yukon Territory and southwestern sector District of Mackenzie. Geology Section, Yukon, Indian and Northern Affairs Canada, 188 p.

GeoYukon, 2025. Map-Data Service Yukon, https://map-data.service.yukon.ca/GeoYukon/Mining/Historical_Mineral_Claims_50k/

Gish, R.F., 1995. 1994 Final Report Division Mountain Coal Project, Southern Yukon Territory for Cash Resources Ltd.

Gish, R.F., 1996. Assessment Report 1995 Field Work Division Mountain Project, Southern Yukon Territory for Cash Resources Ltd.

Gish, R.F. and Carne, R.C., 1998. 1997 Final Report Division Mountain Project, Southern Yukon Territory for Cash Resources Ltd.

Gish, R.F., 2000. 1999 Final Report Division Mountain Project, Southern Yukon Territory for Cash Resources Ltd.

Hart, C.J.R., 1997. A transect across northern Stikinia: Geology of the northern Whitehorse map area, southern Yukon Territory (105D/13-16). Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada, Bulletin 8, 112 p.

Hughes, J.D., Klatzel-Mudry, L. and Nikols, D.J., 1989. A Standardized Coal Resource/Reserve Reporting System for Canada, Geological Survey of Canada, Paper 88-21

Hunt, J.A., and Hart, C.J.R., 1994. Thermal Maturation and Hydrocarbon Source Rock Potential of Tantalus Formation Coals in the Whitehorse Area, Yukon Territory. In: Yukon Exploration and Geology, 1993, Exploration and Geology Services Division, Yukon Indian and Northern Affairs Canada, pp. 67-77.

Kirker, R.J., 1971. Preliminary geological report, Nordenskiold coal area, Yukon Territory. Territorial Coal Exploration Licences #10, #11, and #12, 17 p.

Norwest, 2005. Geologic Evaluation and Resource Calculation on the Division Mountain Property, Yukon Territory, Canada. Becker, T.C. for Cash Minerals Ltd

Norwest, 2008a. NI 43-101 Technical Report on the Coal Resources and Reserves of the Division Mountain Property, Yukon Territory, Canada. Becker, T.C. and Stubblefield, G.M., for Cash Minerals Ltd.

Norwest, 2008b. Division Mountain Project Pre-Feasibility Study for Cash Minerals Ltd.

Peach, A., 1993. An exploration proposal for the Division Mountain Coal Project C.L. Y-434, Y-435, Y-441, Y-442, Whitehorse Mining District, Yukon. Prepared for Cash Resources Ltd. by Allister Peach Geo-Consulting Limited

Phillips, M.P., 1973. Report on 1972 Diamond Drilling and Trenching program, Nordenskiöld coal area, Yukon. Prepared for Arjay Kirker Resources Ltd., 10 p.

SEDAR, 1998. Press Release. Cash Resources Ltd. Press Release filed with SEDAR November 20, 1998. http://www.sedar.com.

SEDAR, 1999. Press Release. Cash Resources Ltd. Press Release filed with SEDAR May 13, 1999. http://www.sedar.com.

SEDAR, 2001. Press Release. Cash Resources Ltd. Press Release filed with SEDAR March 13, 2001. http://www.sedar.com.

SEDAR, 2008. Press Release. Cash Minerals Ltd. Press Release filed with SEDAR November 17, 2008. http://www.sedar.com.

SEDAR, 2010. Press Release. Pitchblack Resources Ltd. Press Release filed with SEDAR July 16, 2010. http://www.sedar.com.

SEDAR, 2017. Press Release. Pitchblack Resources Ltd. Press Release filed with SEDAR August 21, 2019. http://www.sedar.com.

SEDAR, 2019A. Preliminary Long Form Prospectus. Yukoterre Resources Inc. Prospectus filed with SEDAR March 27, 2019. http://www.sedar.com.

SEDAR, 2019B. Technical report (NI 43-101). Yukoterre Resources Inc. Technical Report filed with SEDAR June 26, 2019. http://www.sedar.com.

SEDAR, 2025. Press Release. Strategic Metals Ltd. Strategic Metals Acquires the Division Mountain Thermal Coal Deposit, Yukon Press Release filed with SEDAR May 7, 2025. http://www.sedar.com.

Wengzynowski, W.A. and Carne, R.C., 1993. Summary report on the Division Mountain coal property, southern Yukon. Prepared for Cash Resources Ltd., 10 p.

Wengzynowski, W.A and Carne, R.C., 1994. 1993 Final Report on the Division Mountain Coal Property, Southern Yukon for Cash Resources Ltd.

Yukon Minfile, 1997. Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada. Also available from Hyperborean Productions, Whitehorse, Yukon

DATE AND SIGNATURE

The effective date of publication of this Technical Report is July 14, 2025.

Dated this 14th day of July, 2025.

"ORIGINAL SIGNED AND SEALED BY AUTHOR"

_____

Tom C. Becker, B.Sc, P. Geo
Geologist

Following are signed and dated Certificates of Qualifications of the persons involved in preparing this report.

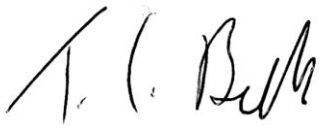
STATEMENT OF QUALIFICATIONS

I, Thomas C. Becker, of Calgary, Alberta, do hereby certify that:

1. I am a geologist living at 135 Edforth Crescent NW, Calgary, Alberta, T3A 3X5.
2. I graduated from the University of Alberta in 1989 with a B.Sc. (Honours) in Geological Sciences.
3. I am a member of the Association of Professional Engineers and Geoscientists of Alberta (registration number 50701).
4. From 1984 to 2001 and from 2004 to present I was actively engaged in mine exploration and development in Alberta, Yukon, China and Mexico.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the preparation of all sections of the report titled *NI 43-101 Technical Report on the Division Mountain Property, Yukon Territory, Canada* dated June 25, 2025 (the "Technical Report").
7. I am familiar with the belt of rocks within which the Property lies and the exploration model. I have worked on various aspects of the geology of this Property since 1994 and have contributed to the preparation of geological reports. My last visit to the site was in 2005.
8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the report, non-disclosure of which would make the report misleading.
9. I am independent of the issuer applying all of the tests in Section 1.5 of NI 43-101.
10. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated at Calgary, Alberta, this 14th day of July 2025.

Respectively submitted,



Thomas C. Becker, B.Sc., P.Geo.

CONSENT OF AUTHOR

TO: Commission des Valeurs Mobilieres du Quebec
Ontario Securities Commission
Manitoba Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Alberta Securities Commission
British Columbia Securities Commission

I, Thomas C. Becker, do hereby consent to the filing, with the regulatory authorities referred to above, as the technical report titled *NI 43-101 Technical Report on Coal Resources and Reserves of the Division Mountain Property, Yukon Territory, Canada* dated June 25th, 2025 (the "Technical Report") and to the written disclosure of the Technical Report and of extracts from or a summary of the Technical Report by Strategic Metals Ltd.

Dated this 14th day of July, 2025

"ORIGINAL SIGNED AND SEALED BY AUTHOR"

_____
Thomas C. Becker, B.Sc, P. Geo

Thomas C. Becker, P. Geo.

_____
Print name of Qualified Person