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TSX-V: SMD

Strategic Metals Ltd Advances its Division Mountain Project with a Scoping Study and a Preliminary Economic Assessment

Vancouver, B.C. – August 20, 2026 – Strategic Metals Ltd (TSX-V: SMD) ("Strategic") is pleased to release two reports concerning its wholly owned Division Mountain Coal Project ("Division Mountain"), located in south-central Yukon, 90 km north of Whitehorse. Division Mountain hosts a road-accessible, measured resource totalling 52.5 million tonnes of High Volatile "B" Bituminous coal and other unquantified, but drill confirmed coal occurrences. Strategic, through a wholly owned subsidiary – Yukon Energy Solutions ("YES") – is exploring the potential to develop one or more coal-fired power plant(s) using coal from an open pit mine at Division Mountain, to alleviate a growing shortage of electricity in Yukon.

Yukon has an isolated power grid that has traditionally been supplied by three hydroelectric facilities. However, in recent years these facilities have not been able to keep pace with growing residential, service and mining demand, especially in winter months. Some electricity is produced by solar and wind facilities, but these green energy sources have constraints due to Yukon's high latitude location and unreliable weather. Increasingly, the local utilities have had to use diesel and liquefied natural gas ("LNG") generators to make up the shortfall in electrical demand. The diesel and LNG used in these generators is purchased from outside the territory and trucked to Yukon, resulting in expensive electrical rates, outflow of capital and significant increases in truck traffic on highways. Yukon's small population and limited industrial base make construction of capitalintensive energy projects (such as large hydro projects or small modular reactors) impractical.

Realizing that Yukon is faced with using imported diesel and LNG to satisfy its growing electrical demand, Strategic and YES decided to evaluate the possibility of using locally sourced coal as an alternative fuel for generating electricity. Accordingly, it engaged Allnorth Consultants Limited, an independent engineering group based in Vancouver, BC, to prepare two reports: one - a scoping level evaluation looking at the viability of constructing one, 100 MW or two 50 MW power plants and the other - a Preliminary Economic Assessment ("PEA") to design and evaluate potential for an open pit coal mine to supply the power plant(s). The production rates of the power plant(s) and mine studied in the PEA were selected on a preliminary basis - sizing will be refined as discussions progress with utilities and mining companies, the end-users of electricity or coal.

The Division Mountain deposit contains enough measured resources to supply a 100 MW plant for about 105 years and could be scaled to provide larger annual production if necessary. Strategic and YES envision coal as a medium-term solution to Yukon electrical demand issues and as such asked that the power plant(s) be designed for a 30-year life.

The scoping study report is entitled *New Coal Fired Power Plant Concept Study Division Mountain* and is dated July 28, 2026. It looked at construction and operating costs of coal-fired power plant(s) located adjacent to an open pit mine and calculated a cost for electrical generation. It also compiled data concerning electrical generation in Yukon using diesel and LNG as fuels. The report concluded that a 100 MW coal fired plant could potentially produce commercially viable electricity at a cost of $0.20/kWh and that two 50 MW plants could produce electricity at a cost of $0.22/kWh. The projected rates are both lower than costs estimated for LNG ($0.23-0.26/kWh) and diesel ($0.33/kWh). Costing in the report utilized current pricing from North American suppliers and noted that significant reductions could result if equipment was purchased from European or Asian suppliers or if used equipment was obtained. The report also pointed out that a coal-fired plant could produce potentially valuable co-products, notably hot water for heating purposes and fly ash for use in the construction industry. Emissions of carbon dioxide (CO_2) from the designed coal-fired plant would be higher than those from LNG or diesel generation, but if the hot water was used to heat buildings, greenhouses or other structures, this use could result in significant carbon credits that could bring the effective coal-fired CO_2 emissions below those of LNG or diesel. Other emissions from the designed coal-fired plant are well below permissible discharge levels and compare favourably with those from LNG and diesel. The scoping report is available for viewing on YES's website www.yukonenergysolutions.com.

Carbon capture and sequestration technology offers potential for further very significant reductions in emissions from the proposed coal-fired power plant(s), but this technology was not included in the power plant study. Discussions are now underway regarding possible use of carbon capture and sequestration at Division Mountain.

The second report is entitled *NI 43-101 Preliminary Economic Assessment Technical Report – Division Mountain Property* with an effective date of August 17, 2026. This report calculated the coal resource, designed an open pit mine and processing plant capable of supplying 500,000 tonnes of clean coal/year for 30 years, and estimated capital and operating costs for such a mine. The mineral resource was estimated by Tom Becker as previously reported by Strategic on December 11, 2025. The PEA was authored by Michael Allen, P.Eng who is an independent Qualified Person as defined by National Instrument 43-101. The reader is cautioned that mineral resources are not mineral reserves and do not demonstrate economic viability.

The PEA report concluded that clean coal could be delivered to the power plant at an average operating cost of $52/tonne and that mining could be done with an average stripping ratio of 3.5:1 waste to run-of-mine coal. Capital cost for the mine is $122 M including a $20.3 M contingency. The 100 MW power plant has an estimated fixed cost of $11.2 M per year and a variable cost of $6.4 per MWh or $4.8 M per year, which together with the cost of the coal equates to an average total operating cost of $52/MWh. Capital cost for the power plant and related infrastructure, including construction of a camp and a transmission line connecting the power plant to the grid, is $856.6 M with a contingency of $113.6 M. Total capital cost is $978.6 M, including total contingencies of $133.9 M. The cash flow model also includes $20 M for a reclamation bond.

Analysis indicates that project economics are highly sensitive to both electrical sales price and the discount rate. For the Base Case capital cost scenario with a discount rate of 8%, the project achieves an after-tax IRR of approximately 8% at an electrical sales price of approximately \$194/MWh, excluding any applicable carbon taxes.

Carbon taxes have not been included in this base case calculation because there is uncertainty as to what the rates will be in the future and it is possible that CO_2 emissions from a plant at Division Mountain could be substantially reduced or eliminated through cogeneration off-set credits and/or use of carbon capture and sequestration technology. If the project were subject to full carbon taxes, the average electrical sales price would rise to \$292/MWh with an 8% IRR at a discount rate of 8%.

The National Instrument 43-101 Technical Report for the PEA has been filed on SEDAR+ at www.sedarplus.ca on the same day as this release and is also available for viewing on YES's web site www.yukonenergysolutions.com.

"Strategic and YES feel strongly that the Division Mountain Project offers Yukon an economically and environmentally viable alternative to expensive imported hydrocarbon fuels for electrical power generation", stated Doug Eaton, President and CEO of Strategic. "Electrical generation using Division Mountain coal could result in lower electrical bills for residential and industrial users, eliminate tenuous supply chains and outflow of capital related to importation of diesel and LNG, and lead to greater self-sufficiency for food supply if hot water from the coal-fired plant is used to heat greenhouses and other infrastructure. Strategic and YES look forward to establishing strong partnerships that will advance this vision and thus promote security and growth in Yukon."

Technical information in this news release has been reviewed and approved by Strategic's Vice President Exploration, Jackson Morton, P.Geo., a qualified person as defined under the terms of National Instrument 43-101.

About Strategic Metals Ltd.

Strategic is a project generator with 16 royalty interests, 14 projects under option to others, and a portfolio of approximately 80 wholly owned projects that are the product of over 50 years of focussed exploration and research by a team with a track record of major discoveries. Projects available for option, joint venture or sale include drill-confirmed prospects and drill-ready targets with high-grade surface showings and/or geochemical anomalies and geophysical features that resemble those at nearby deposits

Strategic has a current cash position of approximately \$5 million and large shareholdings in several active mineral exploration companies including 32% of Broden Mining Ltd., 30.4% of GGL Resources Corp., 28% of Rockhaven Resources Ltd., 15.5% of Silver Range Resources Ltd., and 4.3% of Trifecta Gold Ltd. All these companies are engaged in promising exploration projects. Strategic also owns 15 million shares of Terra CO2 Technologies Holdings Inc. ("Terra"), a private Delaware corporation developing a cost-effective alternative to Portland cement, which recently broke ground on its first low-carbon cementitious materials facility in Cleburne Texas following the closing of a US\$124.5M financing.

ON BEHALF OF THE BOARD

"W. Douglas Eaton"

President and Chief Executive Officer

For further information concerning Strategic or its various exploration projects please visit our website at www.strategicmetalsltd.com or contact:

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