

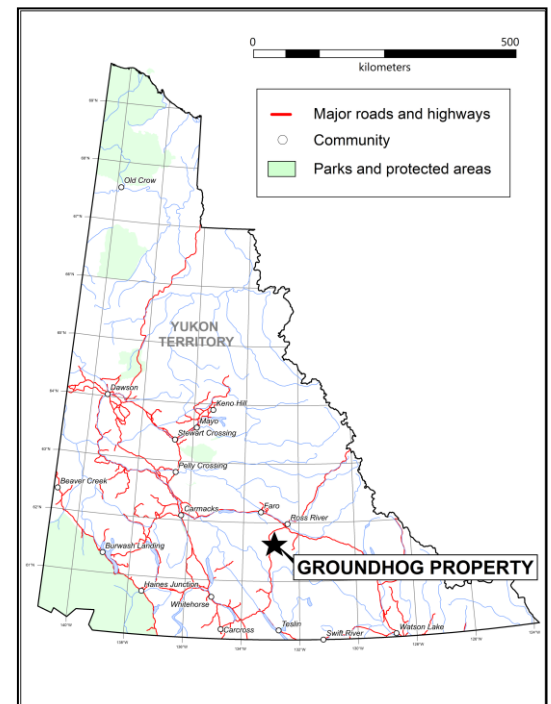
# GROUNDHOG PROPERTY

Undrilled Silver-Lead-Zinc Showings and Excellent Gold Potential

- Good infrastructure in a prolific, but inactive, silver-lead-zinc district
- Eighteen undrilled mineral occurrences along a six kilometre trend
- Rock samples have returned up to 13,028 g/ton silver (380 oz/ton), 85% lead, 4.46% zinc and 1.18 g/t gold
- Recently identified gold targets with strong alteration and well defined soil geochemistry

Strategic Metals' wholly-owned Groundhog property covers multiple silver-lead-zinc±gold showings in south-central Yukon. The project is accessed via a 10 km seasonal road, which connects to the South Canol Highway at Lapie Lakes, 50 km south of Ross River (Figure 1). Historical work on the property includes prospecting and geochemical sampling but no drilling has ever been performed.

Silver-lead-zinc mineralization was first discovered in the Groundhog area in 1956. Since that time, over 100 showings have been discovered in the district by various operators. Eighteen of these occurrences are located in the western half of the Groundhog property, along the crest of a six kilometre long, northwesterly-trending ridge (Figure 2). Three additional showings lie within a single claim located in the centre of the property, which is owned by an independent prospector. Exploration efforts at Groundhog to date have focused almost exclusively within this area, and a large portion of the property remains unexplored.



**FIGURE 1: PROPERTY LOCATION**

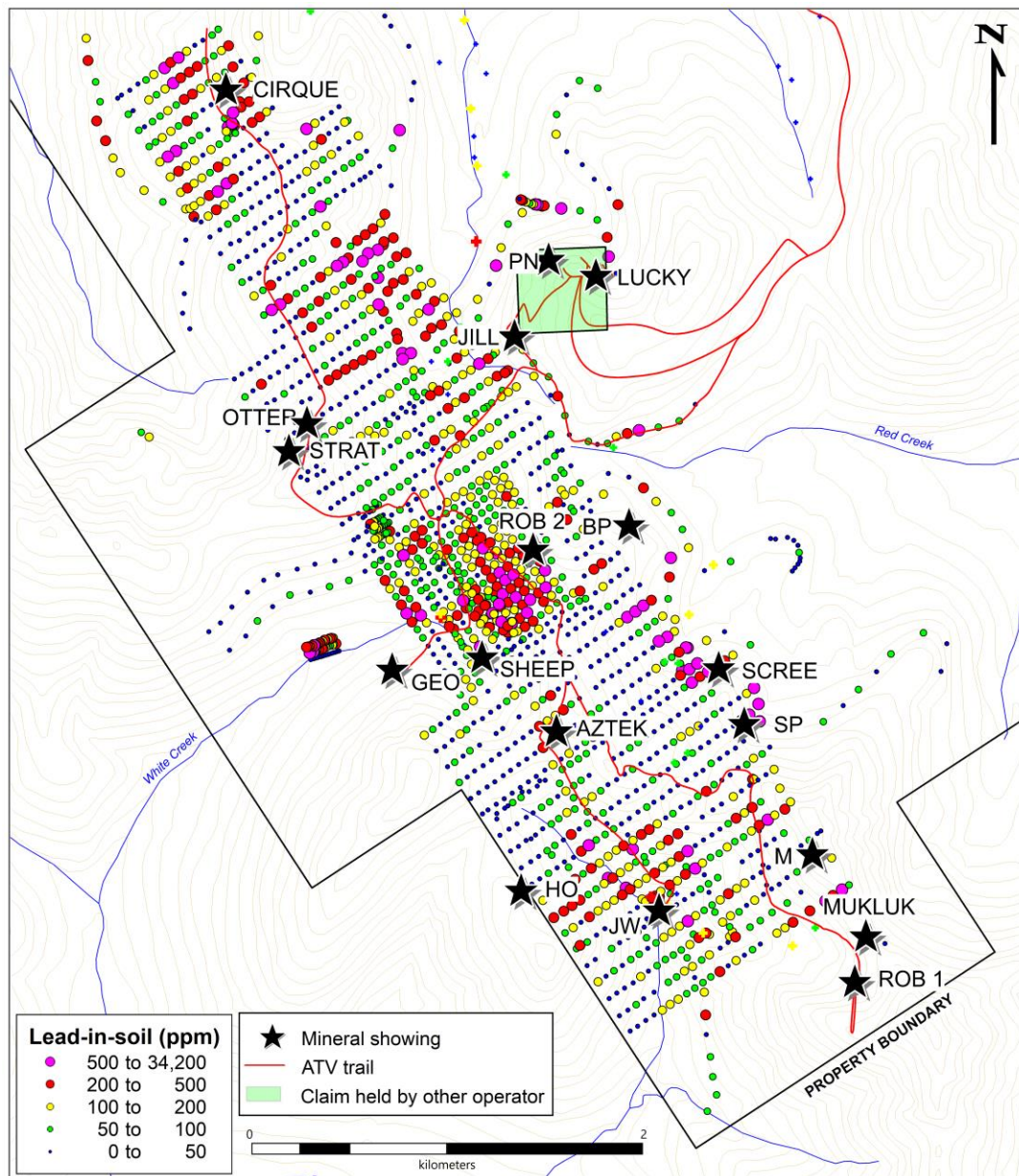


**LOOKING NORTH FROM THE CENTRE OF THE PROPERTY**

The property is situated within the Seagull Creek Uplift, a domed assemblage of Paleozoic sedimentary rocks comprised of Silurian to Devonian Askin Group and Upper Devonian Earn Group, which are deformed above an unroofed Mid-Cretaceous intrusion. The Askin Group forms a 1500 m thick assemblage of resistant, thick bedded dolomite and limestone with lesser quartzite, which are capped by Earn Group shales and fine grained clastics.

The silver-lead-zinc showings dominantly consist of massive galena lenses, pods and veins within north-northwest trending fault zones. The main economic minerals are silver-rich galena and tetrahedrite (freibergite), and the mineralized fault zones are often flanked by zones of brecciation and silification that contain disseminated and stringer argentiferous galena and sphalerite.

Nearly all of the known mineralization and soil geochemical anomalies occur near the top of the Askin Group, immediately below the contact with the Earn Group. This is significant because the Earn Group is relatively competent and non-reactive, thus acting as a physical and chemical barrier that localizes mineralization. There is strong potential for a Carbonate Replacement Deposit (CRD) on the property, formed by the interaction of metal-bearing fluids, originating from a buried intrusion, with Askin Group carbonate rock.



**FIGURE 2: LEAD-IN-SOIL GEOCHEMISTRY AND SHOWING LOCATIONS**

Highlights from some of the 18 mineral showings on the property are listed in Table 1 below. Three additional showings fall within the single claim owned by the independent prospector. One of these three showings was bulk sampled in 1988 and 1995. This work resulted in the removal of 52.5 tonnes grading 119.8 oz/ton silver, 72.7% lead, 0.56% zinc and 1.16% copper and 12 tonnes grading 109.0 oz/ton silver, 66.9% lead, 0.48% zinc and 1.25% copper, respectively.

**TABLE 1: SELECTED HIGHLIGHTS FROM THE GROUNDHOG PROPERTY**

Showing	Sample	Silver (oz/ton)	Silver g/t	Lead (%)	Zinc (%)	Ag:Pb (oz/ton:%)
<b>Vein Occurrences</b>						
Cirque	grab	380.0	13,028	23.4		16.2
Cirque	grab	340.2	11,664	19.8		
Rob 2	grab	50.7	1,738	18.9	4.46	2.7
Rob 2	grab	181.0	6,206	48.0		3.8
Rob 2	grab	138.5	4,750	20.5		6.8
BP	grab	50.0	1,715	20.5	9.97	5.0
Scree	grab	28.9	983	45.8	0.90	0.6
Otter	1.5 m chip	2.8	96	16.5	0.99	0.2
Zone 2	grab	10.5	360	3.4		3.1
SP	grab	50.0	1,714	NA		
M	grab	32.1	1,101	47.7		0.7
Ho	2.5 m chip	74.4	2,551	85.0		0.9
Mukluk	grab	5.6	192	7.5		0.7
Zone 5	grab	14.1	483	14.7		1.0
Rob 1	grab	71.2	2,440	58.6	2.99	1.2
<b>Stratiform Occurrences</b>						
Strat	grab	0.5	17	2.76	7.50	0.2
Geo	0.5 m chip	0.3	10	0.36	5.62	0.8

The strongest silver results are from the **Cirque** Showing, where mineralization consists of three parallel quartz-siderite veins and stockworks bearing galena, tetrahedrite, azurite and sphalerite. The veins have been exposed in trenches over a length of 400 m and are open along strike in both directions. Rock samples representing the strongest vein mineralization have returned up to 13,028 g/t silver, while a 1 m chip sample across wallrock directly adjacent to that vein yielded 388 g/t silver.

Two occurrences, the **Strat** and **Geo**, are unlike any of the other occurrences in the district. They hosted by a Lower Cambrian or older tuffaceous phyllite unit, about 1500 m apart. The two metre thick Strat Showing consists of laminated and disseminated galena and sphalerite within a siliceous, baritic unit. It was traced for 200 m before disappearing under talus cover. The Geo Showing consists of similar mineralization in a quartz-carbonate phyllite. Grab samples assayed up to 14% combined lead-zinc with 34 g/t silver. The potential for significant sedimentary exhalative mineralization in these rocks, which largely lie at lower elevations in the district, has never been evaluated.



**ATV ACCESS ON THE PROPERTY**

Reconnaissance contour and grid soil sampling on the property has returned peak values of 1650 ppb gold, 72.2 g/t silver, 34,200 ppm lead, 13,900 ppm zinc, and 1940 ppm arsenic (Figure 2). The first exploration program that specifically targeted gold was performed in 2018 and consisted of two soil grids located about 800 m apart. This soil sampling identified strongly anomalous gold values (>100 ppb) which are open in some directions.

In 2019, cursory prospecting in an area of elevated gold-in-soil geochemistry lead to the discovery of oxidized breccia at the JW Showing that assayed 5.91 g/t gold. Most of the historical exploration programs did not evaluate the gold potential for the project, which is surprising given its proximity to the past-producing Ketz Mine, located 30 km to the east. At the Aztek showing, located one kilometre to the northwest, rock samples of silicified dolomite have returned up to 1.81 g/t gold and 486 g/t silver. The various silver-rich showings that occur peripheral to the Aztek and JW Showings are analogous to veins, breccias and replacement zones developed peripheral to replacement style gold showings in other parts of Yukon, such as the Ketz Mine.

Previous exploration on the Groundhog property focused on discovery and development of high grade galena veins for direct shipment of hand sorted ore. The potential for larger scale gold-silver-lead-zinc mineralization in replacement-type, fractured and silicified wallrocks and/or stratabound manto type horizons has not been evaluated. Widely spaced soil sampling has produced strongly anomalous values across much of the property, but has seen little systematic follow up. Despite a good system of roads, there has been no ground geophysics and no diamond drilling performed.

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### **FOR MORE INFORMATION OF THIS PROPERTY**



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