MANAGEMENT DISCUSSION AND ANALYSIS
For the Three Months and Nine Months ended September 30, 2016
(including Subsequent Events to November 29, 2016)

The following discussion and analysis of the results of operations and financial condition of Strategic Metals Ltd. ("Strategic") for the three months and the nine months ended September 30, 2016 should be read in conjunction with Strategic's unaudited consolidated financial statements and the related notes for the three months and the nine months ended September 30, 2016 and its audited consolidated financial statements and related notes for the twelve months ended December 31, 2015, which are prepared in accordance with the International Financial Reporting Standards ("IFRS").

The financial statements include the accounts of Rockhaven Resources Ltd. ("Rockhaven") and Terra CO_2 Technologies Ltd. ("Terra"), the subsidiaries of Strategic (collectively, the "Subsidiary Companies"). The discussions that follow on overall performance, summary financial information, results of operations, liquidity and capital resources and related party transactions, include amounts for Strategic and the Subsidiary Companies, where appropriate.

As of June 30, 2016, Silver Range Resources Ltd. ("Silver Range Resources") was no longer a subsidiary of Strategic for accounting purposes. Future Strategic financial statements will not include the accounts of Silver Range Resources.

The discussion in this management discussion and analysis ("MD&A") related to mineral properties does not include the mineral properties owned by Rockhaven. Terra is not in the mineral exploration business. The amounts presented for options and warrants do not include options or warrants of the Subsidiary Companies. The value of Strategic's equity portfolio disclosed herein does not include the value of Strategic's shareholdings in the Subsidiary Companies.

The common shares of Rockhaven are listed on the TSX Venture Exchange (the "Exchange") and it files separate financial statements. Terra is a private British Columbia company of which Strategic is the sole shareholder.

Management is responsible for the preparation and integrity of Strategic's financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and the MD&A is complete and reliable.

Financial statements, MD&A and all other continuous disclosure documents pertaining to Strategic are filed with Canadian securities regulators and are available for review under the Strategic Metals Ltd. profile at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by Strategic's use of certain terminology, including "will", "may", "expects", "should", "anticipates" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Strategic's actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Strategic business model; future operations, products and services; the impact of regulatory initiatives on Strategic operations; the size of and opportunities related to the market for Strategic products; general industry and macroeconomic growth rates; expectations related to possible joint or strategic ventures; and statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of Strategic. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this MD&A are dependent upon future events or circumstances and those future events or circumstances may not occur. Given these uncertainties, the reader of the information included herein is cautioned not to place undue reliance on such forward-looking statements.

DESCRIPTION OF BUSINESS

Strategic is listed on the Exchange as a Tier 1 company. It is primarily in the business of exploring for metals and minerals but also makes selective investments in other resource companies. Strategic has no producing operations.

Strategic operates primarily under the project generative business model. It researches and acquires quality mineral exploration projects, advances those projects to a drill ready stage and then options or sells such projects to other parties when market conditions are suitable. By optioning or selling interests in its projects to third parties, Strategic recaptures some or all of its acquisition and early stage exploration expenditures and reduces its exposure to the costs and risks associated with drill stage mineral exploration. In consideration, Strategic receives cash payments and/or shares in the capital of the company acquiring the project. Strategic sometimes retains an equity interest in an optioned project but most often retains a royalty interest in any future production of minerals and metals from the project. Strategic occasionally drills a wholly-owned project at its own cost where the potential benefits of a mineral discovery appear to significantly outweigh the exploration risks.

As a project generator, Strategic has assembled over 100 wholly-owned mineral properties in Yukon Territory, British Columbia and western Northwest Territories. Nearly all of these properties have accumulated exploration assessment credits sufficient to keep them in good standing beyond the end of 2016 or significantly beyond that date. None of the properties are subject to any option or advance royalty payments to any party. The mineral properties collectively host a widely diverse suite of mineral exploration targets. See “Research, Property Transactions and Exploration” for additional information.

Strategic also actively manages an equity portfolio comprised of: (i) shares received as consideration under various property option and sale transactions; and (ii) shares purchased in other resources companies, based on internal market research. These equity investments are closely monitored and managed in accordance with internal investment policies. See “Financial Transaction Committee” and “Investment Committee” for additional information.

The Subsidiary Companies all operate independently of Strategic. Rockhaven is actively exploring its wholly-owned Klaza property, located in the central Yukon. Terra is researching patented technology related to CO_2 sequestration and the treatment of acid mine drainage. See “Terra CO_2 Technologies Ltd.” for additional information.

OVERALL PERFORMANCE

As of November 29, 2016, Strategic had no debt and had sufficient working capital to cover anticipated administrative overhead costs through 2017. Strategic also had sufficient funds to cover costs related to its generative research, property evaluation and acquisition, and property exploration through 2016. See “Risks and Uncertainties” and “Liquidity and Capital Resources” for additional information.

By agreement dated June 25, 2015, Strategic provided Rockhaven with a $2,000,000 credit facility. See “Credit Facility” for additional information. On November 7, 2016, Strategic exercised 10,000,000 share purchase warrants acquired as part of a November 26, 2015 private placement with Precipitate Gold Corp. (“Precipitate”). See “Major Shareholdings in Other Companies” for additional information.

During 2016, Strategic performed surface exploration, diamond drilling and heritage studies on some of its wholly-owned mineral projects. See “Research, Property Transactions and Exploration” for additional information.

During 2016, Strategic also continued to fund a small research project focused on acid mine drainage and carbon dioxide conversion through Terra. See “Terra CO_2 Technologies Ltd.” for additional information.

In recent years, international financial uncertainty and weak-to-flat metal demand have resulted in reduced share prices, lower trading volumes and diminished exploration activity for most junior mining companies. In recent months there has been some market improvement due to higher precious metals prices.

Strategic’s cash flow fluctuates in response to metal prices and equity market conditions. During the three months ended September 30, 2016, Strategic closed two flow-through private placements. See “Liquidity and Capital Resources” for additional information.

SELECTED ANNUAL INFORMATION

	December 31, 2015	December 31, 2014	December 31, 2013
Revenues	Nil	Nil	Nil
Net Loss attributable to owners	($11,232,628)	($3,573,098)	($18,900,313)
Net Loss per Share - Basic/Diluted	($0.13)	($0.04)	$(0.21)
Total Assets	$72,523,089	$95,306,465	$99,741,259
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared per Share	Nil	Nil	Nil

Total assets decreased by approximately $23,000,000, from $95,306,465 in 2014 to $72,523,089 in 2015. The decrease was mainly due to a write-down by Silver Range Resources of its mineral property interests by $28,000,000. In addition, there was a decrease in working capital of approximately $9,000,000 to fund operations and exploration programs by Strategic, Rockhaven and Silver Range Resources, and a decrease in the value of marketable securities by approximately $2,000,000. These decreases were offset by a change in the accounting for Rockhaven from equity accounting to consolidation, which increased mineral property interests by approximately $23,000,000, but removed the $7,000,000 investment in Rockhaven from Strategic's working capital.

SUMMARY FINANCIAL INFORMATION (for the eight quarters ended September 30, 2016)

The following table shows the results for the last quarter compared to those from the previous seven quarters.

Period Ending	**Revenues**	**Net Income (Loss) attributable to owners**	**Basic Net Income (Loss) per Share**
September 30, 2016	Nil	($3,757,606)	($0.04)
June 30, 2016	Nil	$1,379,377	$0.02
March 31, 2016	Nil	$2,401,723	$0.03
December 31, 2015	Nil	($1,777,087)	($0.02)
September 30, 2015	Nil	($6,977,283)	($0.08)
June 30, 2015	Nil	($878,768)	($0.01)

March 31, 2015	Nil	($1,599,490)	($0.02)
December 31, 2014	Nil	($2,404,144)	($0.03)

RESULTS OF OPERATIONS

Strategic is an exploration stage company. Most of its expenditures are exploration related and are capitalized (not accounted as operating expenses). The variations in income and losses from quarter to quarter over the previous eight financial quarters are attributable to variations in share-based compensation payments, the impairment of mineral property costs, the gains or losses on the sale or option of mineral properties and royalty interests and the gains or losses on marketable securities of other companies.

The net loss for the quarter ended September 30, 2016 decreased by approximately $24,700,000 compared to the loss for the quarter ended September 30, 2015, which was mainly due to a write-down in 2015 of $29,300,000 of mineral properties owned by Silver Range. This difference was offset in most by an increase in marketable security losses of $3,200,000 in 2016 compared to 2015, and a decrease in deferred income tax benefits of $1,400,000 in 2016 compared to 2015.

LIQUIDITY AND CAPITAL RESOURCES

Working capital totalled $32,799,034 at September 30, 2016 compared to $30,657,315 at the September 30, 2015. Working capital consists mainly of consolidated cash and cash equivalents and the value of securities owned by Strategic in a number of junior resource companies.

Strategic currently holds securities in approximately 40 other junior resource companies. Although most of the securities in Strategic's equity portfolio are not subject to any trading restriction, their values can fluctuate widely and at times market liquidity is limited. See "Risks and Uncertainties" for additional information.

Private Placements

(i) July 28, 2016

On July 28, 2016, Strategic closed a private placement consisting of the sale of 649,350 flow-through common shares at a price of $0.77 per share, for gross proceeds of $500,000. The proceeds from the private placement were used to fund a portion of Strategic's 2016 exploration program. All shares issued under the private placement were subject to a four-month hold period in Canada, which expired on November 29, 2016. A finder's fee of $30,000 was paid to Secutor Capital Management Corp. of Toronto, Ontario.

(ii) August 16, 2016

On August 16, 2016, Strategic Metals Ltd. closed a private placement consisting of the sale of 499,950 flow-through common shares at a price of $0.80 per share, for gross proceeds of $399,960. The proceeds from this private placement were used to fund a portion of Strategic's 2016 exploration program. All shares issued under the private placement are subject to a four-month hold period in Canada expiring on December 17, 2016. No finder's fee was paid in respect of this placement.

Credit Facility

By agreement dated June 25, 2015, Strategic provided Rockhaven with a credit facility of up to $2,000,000 (the "Credit Facility"). Funds under the Credit Facility may be drawn down at Rockhaven's sole discretion in one or more tranches at any time on or before December 31, 2016.

Any funds drawn down under the Credit Facility will bear interest at the rate of 10% per annum from the date of each drawdown. The principal amount of all drawdowns together with the applicable interest may be repaid to Strategic in either cash or in Rockhaven common shares at Rockhaven's sole election on or before December 31, 2016.

In the event Rockhaven elects to repay the principal amount of one or more drawdowns in shares, such shares will be issued at a deemed price per share equal to the volume-weighted average trading price of Rockhaven's shares for the ten trading days immediately prior to the date of each drawdown, subject to a minimum share price of $0.05 pursuant to Exchange Policy 4.3 ("Shares for Debt"). In the event Rockhaven elects to pay accrued interest through the issuance of shares, such shares will be issued in accordance with Exchange Policy 4.3.

As additional consideration for providing the Credit Facility, Rockhaven issued 200,000 bonus shares to Strategic on July 17, 2015, pursuant to Exchange Policy 5.1 ("Loans, Loan Bonuses, Finder's Fees and Commissions").

As of November 29, 2016, Rockhaven had drawn down an aggregate $850,000 from the Credit Facility, consisting of a $300,000 draw down on January 27, 2016, a $400,000 draw down on March 17, 2016 and a $150,000 draw down on November 7, 2016.

Major Shareholdings in Other Companies

Through direct investment or as a result of mineral property transactions, Strategic has acquired significant equity holdings in the following companies:

(a) ATAC Resources Ltd. ("ATAC")

As of November 29, 2016 Strategic held a total of 10,144,136 shares of ATAC, representing approximately 8.26% of the 122,822,077 issued and outstanding common shares of ATAC. These shares had a market value of approximately $3.35 million on November 29, 2016. All ATAC shares held by Strategic have been purchased for investment purposes.

Certain officers and directors of Strategic are also officers and directors of ATAC.

(b) Rockhaven

As of November 29, 2016, Strategic held a total of 49,047,500 shares of Rockhaven, representing approximately 41.42% of the 118,406,381 issued and outstanding common shares of Rockhaven. These shares had a market value of approximately $8.83 million. All Rockhaven securities are held by Strategic for investment purposes.

The total value of marketable securities shown in Strategic's financial statements excludes the value of its Rockhaven holdings. By agreement dated June 25, 2015, Strategic provide Rockhaven with a $2 million credit facility. See "Credit Facility" for additional information.

Certain officers and directors of Strategic are also officers and directors of Rockhaven.

(c) Silver Range Resources

As of November 29, 2016, Strategic held 9,480,340 Silver Range Resources shares representing 16.52% of the 57,401,707 outstanding shares of Silver Range Resources. These shares had a market value of approximately $1.04 million on that date. All Silver Range Resources securities are held by Strategic for investment purposes.

Although certain officers and directors are common to both companies, the majority of Silver Range Resources directors are independent of the Strategic board of directors. Silver Range Resources is no longer a subsidiary of Strategic.

(d) Precipitate

As of November 29, 2016, Strategic held 24,597,327 common shares of Precipitate, representing approximately 33.38% of the 73,692,575 issued and outstanding Precipitate common shares. The 24,597,327 Precipitate shares have a market value of approximately $3.94 million as of November 29, 2016. All Precipitate securities are held by Strategic for investment purposes.

Of the 24,597,327 Precipitate shares held by Strategic, 10,000,000 were acquired on November 7, 2016 through the exercise of 10,000,000 share purchase warrants. Each warrant entitled Strategic to purchase one additional Precipitate common share at a price of $0.12 prior to November 26, 2016.

Precipitate operates independently of Strategic and there are no common officers or directors between the two companies. Precipitate is not a subsidiary of Strategic.

OFF-BALANCE SHEET ARRANGEMENTS

Strategic does not utilize off-balance sheet arrangements.

ROYALTY INTERESTS

(a) Current Royalty Interests

Strategic currently holds royalty interests in six mineral properties, namely the Hyland Gold, REE, Cord, Has, Bloom and Reef properties. A detailed discussion of these royalty interests is not presented in this MD&A as these mineral projects are relatively inactive at the present time.

(b) Sale of Royalty Interests

By royalty sale agreement dated August 1, 2012, Strategic sold its royalty interests in three advanced projects to 8248567 Canada Ltd., an arm's length purchaser. The sale proceeds for the three royalties consisted of an initial cash payment of US$30 million received on August 9, 2012. An additional payment of US$6 million could be received by Strategic if Western Copper and Gold Corporation ("Western") obtains all necessary permits and authorizations to construct and operate its Casino project as a producing mine prior to December 31, 2016.

Management of Strategic does not believe that the additional US$6 million will be received as Western is unlikely to obtain the necessary permits by the end of 2016.

CORPORATE PLANS AND POLICIES

Share Buy-Back Plan

In January 2008, Strategic implemented the first of a series of Normal Course Issuer Bids (each a "Buy-back Plan") pursuant to the provisions of Exchange Policy 5.6. The next Buy-back Plan will start on or about November 30, 2016 and will expire on or about November 29, 2017. The most recent Buy-back Plan allowed Strategic to purchase up to 7,100,000 of its common shares which represent approximately 10% of the current "public float" (shares not held by insiders, associates or affiliates of Strategic). At management's discretion, unallocated working capital may be used to purchase Strategic shares.

No shares were purchased under the recently expired Buy-back Plan. Since January 2008, a total of 7,044,000 shares have been purchased under all Buy-back Plans.

Shareholder Rights Plan

At the July 11, 2014 annual general and special meeting, Strategic shareholders ratified a shareholder rights plan, designed to provide Strategic shareholders with full and fair value in the event of a possible take-over bid for its common shares. The full text of the rights plan is available under the Strategic profile at www.sedar.com.

Advance Notice Policy

On October 21, 2013, Strategic shareholders adopted an advance notice policy (the "Policy"), which among other things, requires advance notice to Strategic in circumstances where nominations of persons for election to the board of directors are made by shareholders of Strategic. The full text of the Policy is available under the Strategic profile at www.sedar.com.

Financial Transaction Committee

In July 2011, Strategic established a financial transaction committee (the "Transaction Committee") which is authorized to undertake transactions valued between $2 million and $10 million. Financial transactions with values of less than $2 million are dealt with by Strategic management in the ordinary course of business. Transactions with a value in excess of $10 million require formal approval by the board of directors.

The Transaction Committee consists of three board members appointed by the Strategic board of directors. Additional non-board members may also be appointed. Decision making authority is restricted to the three board members of the committee. Non-board members act in an advisory capacity only. In addition to the dollar value, all transactions undertaken by the Transaction Committee must comply with the specific parameters set out in the July 2011 mandate document.

Investment Committee

In November 2008, Strategic established an investment fund (the "Fund") through which it buys and sells the shares of other resource companies, based on Strategic's market research. The Fund is managed by a three member investment committee (the "Investment Committee"). The activities of the Investment Committee are carried out in accordance with a set of formal investment guidelines.

Although the Investment Committee is authorized to re-invest any gains made within the Fund, Strategic's original working capital exposure within the Fund may not exceed $2 million.

TRANSACTIONS WITH RELATED PARTIES

1. **Management**

The following figures are consolidated and include the accounts of Rockhaven, Terra and where applicable, Silver Range Resources. During the three months ended September 30, 2016, legal fees and disbursements totalling $33,552 were incurred with a personal law corporation controlled by Glenn R. Yeadon ("Yeadon"), the Secretary and a director of Strategic, compared to $38,491 incurred with Yeadon in the three months ended September 30, 2015. During the nine months ended September 30, 2016, legal fees and disbursements totalling $131,850 were incurred with Yeadon, compared to $78,358 incurred with Yeadon for the nine months ended September 30, 2015.

The following figures are consolidated and include the accounts of Rockhaven, Terra and where applicable, Silver Range Resources. During the three months ended September 30, 2016 accounting fees and disbursements totalling $40,300 were incurred with Donaldson Grassi, Professional Chartered Accountants ("Donaldson Grassi"), a firm in which Strategic's Chief Financial Officer Larry Donaldson is a partner, compared to $32,267 incurred with Donaldson Grassi for the three months ended September 30, 2015. During the nine months ended September 30, 2016, accounting fees and disbursements totalling $122,390 were incurred with Donaldson Grassi, compared to $99,167 incurred with Donaldson Grassi for the nine months ended September 30, 2015.

The following figures are consolidated and include the accounts of Rockhaven, Terra and where applicable, Silver Range Resources. During the three months ended September 30, 2016, management fees totalling $20,562 were incurred with Ian Talbot ("Talbot"), the Company's Chief Operating Officer, compared to $31,500 incurred with Talbot during the three months ended September 30, 2015. During the nine months ended September 30, 2016, management fees totalling $83,562 were paid to Talbot, compared to $82,687 paid to Talbot for the nine months ended September 30, 2015.

The following figures are consolidated and include the accounts of Rockhaven, Terra and where applicable, Silver Range Resources. During the three months ended September 30, 2016, consulting fees totalling $3,000 were incurred with Bruce Kenway ("Kenway") a director of the Company, compared to $3,000 incurred with Kenway during the three months ended September 30, 2015. During the nine months ended September 30, 2016, consulting fees totalling $9,000 were paid to Kenway, compared to $9,000 paid to Kenway for the nine months ended September 30, 2015.

2. Archer, Cathro & Associates (1981) Limited

The following figures are consolidated and include the accounts of Rockhaven, Terra and where applicable, Silver Range Resources. During the three months ended September 30, 2016, $1,539,775 in costs related to mineral property acquisition, exploration and evaluation, management, office rent and administration were paid to Archer Cathro compared to $1,712,075 paid to Archer Cathro during the three months ended September 30, 2015. During the nine months ended September 30, 2016, $2,879,257 in costs related to mineral property acquisition, exploration and evaluation, management, office rent and administration were paid to Archer Cathro compared to $3,232,641 paid to Archer Cathro during the nine months ended September 30, 2015.

Archer Cathro is a geological consulting firm with offices in Vancouver and Squamish, British Columbia and Whitehorse, Yukon. Douglas Eaton is the President of Archer Cathro, the President, Chief Executive Officer and a director of Strategic and the President, Chief Financial Officer and a director of Terra.

Douglas Eaton is not an employee of Strategic or the Subsidiary Companies and does not receive any salary, bonuses or benefits directly from Strategic or the Subsidiary Companies other than by way of incentive stock options. Mr. Eaton receives indirect compensation from Strategic and the Subsidiary Companies through his interest in Archer Cathro. This indirect compensation depends on Archer Cathro's profitability and is highly variable, because of the cyclical nature of the mineral exploration industry. Archer Cathro's profits are only partially derived from the exploration activities of Strategic and the Subsidiary Companies and are strongly influenced by the amount of work it does on behalf of other companies and capital outlays it must make to sustain its business. Mr. Eaton's interest in Archer Cathro has varied between 20 and 100% at various times since he became a partner in 1981 and currently stands at 49.5%.

Archer Cathro does not: (i) own any shares or warrants of Strategic or the Subsidiary Companies; or (ii) hold any interests or royalties relating to any of the mineral properties of Strategic or the Subsidiary Companies. The majority of the mineral properties owned by Strategic and the Subsidiary Companies are registered in the name of Archer Cathro and are held by Archer Cathro as bare trustee for the applicable company under the terms of various trust indentures. In addition to holding legal title to mineral properties for Strategic and the Subsidiary Companies, Archer Cathro provides the following administrative services related to the applicable mineral properties: (i) mineral tenure management; (ii) the filing of annual assessment reports; and (iii) the management of land use (exploration) permits.

None of Strategic or the Subsidiary Companies has any contractual obligation to use Archer Cathro's exploration or administrative services and Archer Cathro's continued engagement depends entirely upon the approval of the board of directors of Strategic, Rockhaven or Terra, as applicable. Exploration and administrative activities conducted by Archer Cathro are designed and monitored by the senior management of Strategic, Rockhaven or Terra, as applicable and are approved by the applicable company's board of directors (the majority of whom are independent of management). Formulation of exploration programs begins with a review of previous exploration results and assessment needs by management of the applicable company, who then instruct Archer Cathro geologists to prepare draft exploration programs and budgets, which are submitted to management for review and, where necessary, revised before final proposals are taken to the applicable company's board of directors for consideration and approval.

The exploration and administrative fees paid by Strategic to Archer Cathro are based on a schedule of fees prepared by Archer Cathro and agreed to in advance by Strategic. These fees are periodically reviewed by Archer Cathro and independent members of Strategic management to ensure that the fees are at or below industry standard rates.

Included in the fees paid to Archer Cathro for the period ended September 30, 2016 is rent for furnished space in Archer Cathro's Vancouver office. Office rental fees are charged on a month-to-month basis with no ongoing contractual obligation on the part of Strategic or either of the Subsidiary Companies to continue to occupy current office space. The monthly office rental individually paid by Strategic and each of the Subsidiary Companies amounts to less than 20% of Archer Cathro's monthly lease costs for its Vancouver office. The rental payments also entitle Strategic and the Subsidiary Companies to use space in Archer Cathro's Squamish office and its Whitehorse office, warehouse and storage compound, at no additional cost to any of the companies.

The ongoing relationship between Archer Cathro and Strategic includes access to Archer Cathro's proprietary exploration data base. This data base has been assembled by Archer Cathro over its 50 years of operation. Strategic does not pay Archer Cathro for access to the data base and such data is made available on a voluntary, goodwill basis by Archer Cathro. Archer Cathro is paid for the time its geologists spend researching the data, but it and its geologists do not receive any cash bonuses, shares or royalty interests as compensation for access to the data base or for the identification of attractive exploration targets that result from the data base research. Many of the current mineral properties held by Strategic were acquired on the basis of research done by Archer Cathro geologists.

Although much of the exploration work done by Strategic and the Subsidiary Companies is conducted by Archer Cathro, there is no contractual obligation that Archer Cathro be used. In many instances, Strategic, the Subsidiary Companies and companies that have optioned mineral properties from Strategic have used other consulting groups to conduct exploration on their behalf.

RISKS AND UNCERTAINTIES

In conducting its business, Strategic and the Subsidiary Companies face a number of risks and uncertainties related to the mineral exploration and technologies industries. Some of these risk factors include risks associated with land title, patents, research, exploration and development, government and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

(a) Title Risks

Although Strategic and each of Rockhaven and Silver Range Resources has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of property interests held by Strategic, Rockhaven or Silver Range Resources. Mineral claims, permits or tenures may be subject to prior unregistered agreements or transfers or to native land claims. Title to the claims, permits or tenures comprising the properties held by Strategic, Rockhaven or Silver Range Resources may also be affected by undetected defects. If a title defect exists, it is possible that Strategic, Rockhaven or Silver Range Resources, as applicable, may lose all or part of its interest in the property to which such defect relates.

(c) Technology Risks

Terra has been issued patents for its technology in Canada and the United States and has applied for patents in a number of other jurisdictions. It has also applied for additional patents related to modifications or enhancement to its currently patented technology. Although Terra conducts its research under conditions of strict confidentiality, there can be no assurances or guarantees that similar or comparable technologies will not be independently developed by third parties. In additions, patent protection cannot be guaranteed as certain international jurisdictions may not recognize or enforce Terra's intellectual property rights.

(d) Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

(e) Environmental Regulations, Permits and Licenses

The operations of Strategic, Rockhaven or Terra, as applicable, may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental and socio-economic impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent.

(f) Competition

The mineral exploration industry is intensely competitive in all its phases, and each of Strategic and Rockhaven competes with other companies, some of which have greater financial and technical resources. Competition could adversely affect the ability of Strategic or Rockhaven to acquire suitable properties or prospects in the future.

(g) Fluctuating Metal Prices

Factors beyond the control of Strategic and Rockhaven have a direct effect on global metal prices, which can fluctuate widely. Consequently, the economic viability of any of exploration projects held by Strategic or Rockhaven and that company's ability to finance the development of a project cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

(h) Future Financings

The continued operation of Strategic and the Subsidiary Companies will be dependent in part upon the ability of each to generate operating income and to procure additional financing. Historically, Strategic and the Subsidiary Companies have obtained much of their income through equity financing.

Fluctuations of global equity markets can have a direct effect on the ability of exploration companies to finance project acquisition and development through the equity markets. There can be no assurance that funds from Strategic's current, non-equity financing related revenue sources can be maintained or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause Strategic, Rockhaven or Terra to postpone exploration or development plans, forfeit rights in some or all of its properties or joint ventures, or reduce or terminate some or all of its operations.

(i) Price Volatility of Publicly Traded Securities

During recent months, global investors have shifted more attention to precious metals and the market prices of securities of some mineral exploration companies have risen. However, mineral exploration activities remain at low levels and share prices could fall again if metal demand decreases. There can be no assurance that market prices for securities of mineral exploration companies will continue to improve in the short or intermediate term.

CRITICAL ACCOUNTING ESTIMATES AND FINANCIAL INSTRUMENTS

Strategic prepares its financial statements in conformity with IFRS. Strategic lists its significant accounting policies and its financial instruments in Notes 2 and 16, respectively, to its annual audited consolidated financial statements for the twelve months ended December 31, 2015. Of the accounting policies, Strategic considers the following policy to be the most critical to the reader's full understanding and evaluation of Strategic's reported financial results.

Deferred Exploration Costs

Strategic is in the exploration stage with respect to its investment in natural resource properties and accordingly follows the practice of capitalizing all costs related to each exploration project, until such time as the project is put into commercial production, sold or abandoned. Management reviews capitalized costs on its mineral properties for signs of impairment both quarterly and annually and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from production on the mineral properties or proceeds from the sale or option of the mineral properties.

MANAGEMENT AND BOARD OF DIRECTORS

A general meeting of the Strategic shareholders was held on July 27, 2016 (the "Meeting"). At the Meeting, the following persons were re-elected to the Strategic board of directors for the ensuing year:

Gordon Davis
W. Douglas Eaton
Lee Groat
Bruce Kenway
Ryan Schedler
Glenn Yeadon
Bruce Youngman

There have been no changes to the Strategic board of directors or management since the Meeting.

INVESTOR RELATIONS

All investor relations activities are performed by Strategic management.

RESEARCH, PROPERTY TRANSACTIONS AND EXPLORATION

The following are summaries of Strategic's various property interests.

(1) Wholly-Owned Properties

As a project generator, Strategic has assembled a portfolio of over 100 wholly-owned mineral properties in Yukon Territory, British Columbia and western Northwest Territories. Field exploration activities by Strategic on its properties are conducted on a selective basis with priority given to: (i) claim blocks requiring assessment work; and (ii) properties that host commodities and deposit types which management believes are most attractive under the prevailing equity market conditions.

Strategic has received land use approvals that will permit advanced exploration activities at 16 of its mineral projects in Yukon. These approvals contemplate tens to hundreds of drill holes and other related work, at each project. The approvals will allow Strategic or optionees to rapidly advance promising discoveries.

2016 Exploration Program

During the 2016 field season, Strategic carried out exploration work at a number of its precious metal projects in Yukon Territory. Phase 1 of the 2016 program was budgeted at $820,000 and was primarily designed to systematically advance high grade discoveries made in 2015. Phase II of the 2016 program was budgeted at $1,000,000 and consisted largely of diamond drilling at the Hopper, Hartless Joe, Saloon and Mars properties.

The following summaries briefly describe the Strategic 2016 exploration programs:

(i) Hopper Property

The Hopper property is a copper-gold skarn and porphyry prospect located in southwestern Yukon Territory, 22 km north of the Otter Falls hydroelectric generator. This road accessible property is wholly-owned by Strategic and encompasses 365 mineral claims that cover a 74 km^2 area. The Hopper property forms part of a larger three property project area called the Hopkins project.

In 2015, the Hopper property was tested with 3,227 m of diamond drilling in widely spaced holes that stepped out from an area of mineralization defined by previous drilling (see Strategic news releases dated August 6, 2015 and September 15, 2015). Most of the 2015 drilling focussed on skarn potential within a thick section of carbonate-rich stratigraphy that has been intruded by a Late Cretaceous pluton.

The 2015 drilling substantially expanded a previously identified upper zone comprised of three or more, stacked copper-gold rich skarn horizons, with a highlight interval of 2.4 g/t gold and 1.03% copper over 4.48 m. Drill in 2015 also identified a lower zone containing gold-rich skarn horizons, with highlight intervals of 43.6 g/t gold over 1.0 m and 12.15 g/t gold over 2.65 m.

The 2015 program confirmed that the skarn mineralization flanks a porphyry copper system. This very large mineral complex is open to extension and contains numerous undrilled geochemical and geophysical anomalies.

The 2016 exploration program at the Hopper property included: (i) diamond drilling to test the up-dip and along strata projections of the gold-rich skarn horizon that was intercepted in two 2015 drill holes; (ii) heritage studies; and (iii) road construction along the up-dip projections of the gold-rich skarn horizons. The new road may allow for systematic drill testing of these targets with relatively short holes.

Drilling at the Hopper property was completed in late September and results are pending.

(ii) Hartless Joe Property

The Hartless Joe property is one of the most favorably located, high-grade gold prospects in southern Yukon. The property is situated 25 km east of Whitehorse, and covers an extensive gold and silver-rich vein system. The primary target at this property is an Eskay Creek type exhalative horizon.

The 2015 program discovered an isolated quartz-rich outcrop that partially exposes either an exhalite horizon or a flat-lying vein. The discovery outcrop is located in an otherwise overburden covered area where float samples have returned 73 and 28.9 g/t gold. A continuous chip sample across the outcrop graded 60 g/t gold, 554 g/t silver, 5.01% lead and 0.35% copper over 1.2 m.

The 2016 work on the Hartless Joe property targeted stratabound horizons that occur in localized intravolcanic basins. Exploration has identified three showings (Ace, King and Queen), all of which contain minor galena, sphalerite, chalcopyrite and pyrite occurring as bands and disseminations within quartz horizons. The mineralized horizons have bedded sediments in their hanging walls, and either altered volcanic flows or intrusive sills in their footwalls. The showings occur at different levels within the volcanic stratigraphy.

The geological setting at Hartless Joe is somewhat similar to that of Eskay Creek; however, the mineralization is not massive sulphide and has low levels of detrimental metals, such as arsenic and antimony. Individual mineral showings are described in the following paragraphs, and more complete assays from 2016 chip sampling are provided in the table below.

Ace Showing

The Ace showing is an historical occurrence that was identified by prospectors in the late 1960s. It lies 580 m east-southeast of the King showing and 320 m northwest of the Queen showing. It comprises a narrow quartz-rich horizon that has been traced in outcrop along a 90 m strike length. Historical sampling graded 27.4 g/t gold, 78.9 g/t silver, 2.2% lead and 1.9% zinc over 0.1 m. This showing remains open along strike in both directions beneath talus.

King Showing

The King showing was found in 2015 when a chip sample across an isolated outcrop returned 60 g/t gold, 554 g/t silver, 5.01% lead and 0.35% copper over 1.2 m (see news release dated Sept. 30, 2015). In 2016, a trench was dug to better expose the discovery outcrop and a second trench was dug 82 m along strike to the east. The trench at the discovery outcrop returned slightly lower values than the original sample, but the second trench produced better results. Two other trenches were attempted to the east and west along strike, but neither reached bedrock due to thick talus cover.

Queen Showing

The Queen showing was discovered in 2016 near a ridge top. This showing has been traced in outcrop for 25 m along strike. It projects under a talus chute to the southwest and appears to pinch out to the northeast.

2016 CHIP SAMPLE HIGHLIGHTS (Hartless Joe Property)

Zone	Length (m)	Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Copper (%)
Queen	0.40	462	79.6	1.02	0.12	0.28
King	2.10	44.3	375	2.04	1.31	0.14
King	0.50	22.7	195	2.02	4.45	0.22
Ace	0.10	16.9	1,420	0.44	0.50	0.19

On July 13, 2016, Strategic received a Class 3 land use approval for the Hartless Joe property, which allows advanced exploration. Six diamond drill holes were completed on the property as part of the 2016 program. Results are pending.

The Hartless Joe property lies within overlapping traditional territories of the Kwanlin Dun First Nation ("KDFN") and the Ta'an Kwach'an Council ("TKC"). In late June, 2016, a heritage resource impact assessment survey, KDFN and TKC elder property tour, and oral history recording were completed on the property in cooperation with Ecofor Consulting Ltd., KDFN and TKC.

(iii) The Saloon Property

The Saloon property is located 70 km northeast of Whitehorse at the southern end of the Livingstone Creek placer gold camp. The property hosts some of the earliest mineral occurrences discovered in Yukon.

The Main Showing on the Saloon property is marked by a large clearing centred on malachite and limonite stained, silica flooded outcrops. The occurrences were first staked in 1901 and by 1912 two adits, about 23 and 115 m long, had been cut to explore high grade copper-gold veins, located about 200 m north of the Main Showing. The best reported vein sample graded 44.6 g/t gold, 144 g/t silver and 10.37% copper over 0.5 m. Surprisingly, only two drill holes were completed on the property prior to 2016.

The Main Showing and historical adits lie within a 500 by 200 m copper-in-soil geochemical anomaly that coincides with scattered high gold values to a peak of 1,020 ppb. Smaller, linear copper-in-soil anomalies occur north and northwest of the main geochemical anomaly. In 1993, two short diamond drill holes were intended to test beneath the Main Showing, however it now appears they were drilled sub-parallel to mineralization. One of the holes cut 0.49% copper and 0.16 g/t gold across 24.06 m.

Drill hole SAR-16-01 scissored the historical drill holes. The results from the drill hole are set out below.

SAL-16-01 DIAMOND DRILL HIGHLIGHTS

SAL-16-01	FROM (m)	TO (m)	INTERVAL(m)[1]	Cu (%)	Ag (g/t)	Au (g/t)
	36.52	66.75[2]	30.23	0.40	128.46	0.05
including	39.76	50.29	10.53	1.01	81.87	0.123
and	54.86	66.75	11.89	0.07	253.70	0.015
	79.25	80.77	1.52	0.41	749	0.004
	99.06	110.64	11.58	0.39	2.51	0.08

(1) Interval thought to represent 95% true thickness.
(2) No recovery from 50.29 to 54.86 m, all elements assigned values of zero for interval average calculation.

The quality of the drill core ranged from highly fractured to fault gouge and core recovery was poor (averaging about 55%). The hole was mineralized almost to the bottom and was terminated at a depth of 113 m due to the difficult ground conditions. Much of the silver was recovered from the screened fraction, which indicates that it is occurring as native silver. Antimony, arsenic and lead values were low throughout the hole.

Two continuous chip samples were taken across the Main Showing in 2016. The weighted average grades of the chip samples returned much more gold and much less silver and copper than the corresponding intervals in the drill hole. The chip sample results averaged 0.565 g/t gold, 0.11% copper and 3.89 g/t silver over 20.0 m and 0.590 g/t gold, 0.08% copper and 2.71 g/t silver over 6.0 m. These intervals are separated by 5.5 m of weakly mineralized outcrop.

Analytical work was done by ALS Minerals, with sample preparation and geochemical analyses in North Vancouver, British Columbia. All rock samples were analyzed for gold by fire assay fusion and inductively coupled plasma-atomic emission spectrometry (Au-ICP21) and 48 other elements by four acid digestion and inductively coupled plasma-atomic emission spectroscopy (ME-MS61). Overlimit values were determined for copper and silver by four acid digestion and inductively coupled plasma-atomic emission spectroscopy (Cu- and Ag-OG62). Composite chip samples and diamond drill core were further analyzed by fire assay fusion and precious metal analysis – screen metallic gold and silver, double minus (Au- and Ag-SCR21). Certified assay standards, coarse reject duplicates, field duplicates and blanks were routinely inserted into the sample stream to ensure integrity of the assay process. All of the results reported have passed the QAQC screening.

(iv) Mars Property

The Mars property lies 110 km northeast of Whitehorse, Yukon in the Stikinia Terrane. The property covers a border phase of the Mount Johnson alkali pluton and adjacent metamorphosed sedimentary rocks.

2016 work program at the Mars property consisted of three diamond drill holes (totalling 393 m) and tested along strike and down dip of a 2004 drill intercept that averaged 6.44 grams per tonne gold over 4.57 m. 2016 drill results are pending.

(v) OOO Property

The OOO property is located in south-central Yukon, midway between the Goldcorp Inc. Coffee gold project and Rockhaven's Klaza gold-silver project. The OOO property hosts silver-and-or-gold-rich epithermal veins, which form a series of parallel recessive linear features that coincide with magnetic lows and strongly anomalous, multi-element soil geochemistry. The veins strike north-south and appear to dip steeply to the west. The mineralization has received little historical exploration and has never been drilled.

A hand trench (TR-16-01) completed as part of the 2016 work program was excavated across a strong linear feature where a 2015 rock sample had assayed 6,680 g/t silver, 30.22% lead and 0.8 g/t gold (see Strategic news release dated March 3, 2016). Chip sample results from the trench include 570 g/t silver, 2.76% lead, 0.08 g/t gold over 6.4 m, as well as 106 g/t silver, 0.84% lead and 0.03 g/t gold over 9.6 m. These highlight intervals are separated by 5.6 m of weakly mineralized wall rocks.

Aside from a few pods of anglesite-encapsulated galena, all of the mineralization in TR-16-01 is strongly oxidized. Historical drilling on the same ridge system about eight km to the southeast, indicating that similar mineralization is almost totally oxidized to depths of 100 m or more. TR-16-01 was the only trench that tested this mineralized linear.

Additional trenches were attempted on other linear features, but most were incomplete or stopped before reaching bedrock. Trenches TR-16-04 and TR-16-05 were dug 30 m apart across a second linear located 320 m east of TR-16-01. Highlights from these trenches were 60.5 g/t silver and 0.79% lead over 2.1 m (TR-16-04) and 375 g/t silver and 8.33% lead over 0.9 m (TR-16-05). Trench locations, soil geochemistry and geophysical data are available on the Strategic website (www.strategicmetalsldt.com).

Several rock samples collected by prospectors from linear features elsewhere on the OOO property have returned between one g/t and 6.54 g/t gold.

On July 15, 2016, Strategic received a Class 3 land use approval for the OOO property. Strategic has recently completed heritage resource overview assessment and heritage resource impact assessment surveys for the OOO property. These surveys are required before drilling can occur.

(vi) Rod Property

The Rod property is located within the western part of the Rackla trend where ATAC has made gold discoveries in recent years. In 2015, Strategic located a new showing along a creek cut in a heavily vegetated and overburden covered part of the Rod property. The showing consists of well-mineralized stockwork veins and veinlets that occur throughout a 50 x 20 m outcrop of limey andesite. The veins are between one cm and 25 cm in width and contain chalcopyrite and arsenopyrite with secondary malachite, azurite and scorodite coatings. A sample of vein material returned 9.75 g/t gold, 3,620 g/t silver, 15.75% copper and 0.9% zinc.

In 2016, the mineralized exposure was systematically sampled, but results were disappointing. Geological mapping identified promising stratigraphic targets in the area that will require further sampling and assessment.

(vii) Eureka Property

The Eureka property is a gold exploration target located 55 km southeast of Dawson City, Yukon. The property hosts orogenic gold bearing veins and breccia zones that are marked by a six km long and up to two km wide soil geochemical anomaly.

An April 19, 2016 agreement under which Strategic was to sell a 100% interest in the Eureka property to an arm's length company was terminated effective August 1, 2016. Strategic completed additional geochemical sampling on the property in late August. This sampling expanded the area of anomalous gold-in-soil geochemistry.

(viii) Kluane Property

The Kluane property is located 35 km north of Haines Junction in southwestern Yukon. Recent studies by the Yukon Geological Survey suggest that gold-rich quartz veins on the property were formed in the same metallogenic event as veins at the Kensington Mine in the Juneau Gold Belt, Alaska. Mineralized veins at the Kluane property are mostly hosted in metamorphic rocks. Chip samples taken across various veins exposed in trenches average 3.85 g/t gold over 2.76 m, with the best exposure returning 7.36 g/t gold over 9.5 m. The highest grade rock sample collected to date assayed 225 g/t gold.

During a short prospecting program in 2015, seven new veins were identified in the northern part of the property, which is underlain by granitic rocks. Rock samples from two of these veins returned 11.48 g/t and 9.85 g/t gold.

The scheduled 2016 work program at the Kluane property was deferred as the required land use approval was not received.

(ix) Recently Acquired Properties

Since June 1, 2016, Strategic has staked six new properties and added claims to three existing properties. Results from exploration carried out on these new claims will be reported once available.

(2) Properties Sold to Other Parties

(i) Li Property

Pursuant to the terms of a property purchase agreement dated July 25, 2016 (the "Purchase Agreement"), Strategic sold its 100% interest in the Li property to Equitorial Exploration Corp. ("Equitorial"). The Li property hosts the Little Nahanni pegmatite group lithium-cesium-tantalum pegmatite dikes and is located in the western Northwest Territories, adjacent to the Yukon border.

Under the terms of a Purchase Agreement, Equitorial will issue 7.5 million of its common shares and 2.5 million share purchase warrants to Strategic. Five million of the shares were issued to Strategic in late August 2016 following Exchange acceptance of the transaction on behalf of Equitorial. The remaining 2.5 million shares and the 2.5 million warrants will be issued to

Strategic on or before August 23, 2017. Each of the warrants will entitle Strategic to purchase one additional Equitorial common share at a price of $0.10 at any time within 24 months of the date upon which the warrants are issued.

Under the terms of the Purchase Agreement, Strategic has retained a 2% net smelter return royalty interest (the "NSR") in all future production from the property. Equitorial can, at any time, purchase one-half of the NSR from Strategic for $2,000,000.

The Little Nahanni pegmatite group consists of several dike swarms, each containing multiple closely spaced dikes. Spodumene is a major component of several of the dikes. Historical channel assay values from across outcrops assayed up to 1.59% lithium oxide (Li_2O) over 10 m. Two diamond drill holes in 2007 cut intervals grading 1.20 per cent Li_2O over 10.94 m and 0.92 per cent Li_2O over 18.27 m.

The sample results from historical channel and drill core samples were analyzed at ALS Chemex in North Vancouver, B.C. Samples were crushed and split before being sieved to minus 150 mesh. They were then analyzed using whole-rock and metaborate fusion (atomic absorption spectroscopy; neutron activation analysis). Diamond drill core samples were also analyzed at ALS Chemex using Li-OG63. Lithium was reported in percentage values and the conversion factor for Li to Li_2O is 2.153.

Results from the 2016 work program on the Li property were announced by Equitorial in early September (see Equitorial news release dated September 6, 2016).

(3) Properties under Option to Other Parties

Strategic currently has no mineral properties under option to third parties.

TECHNICAL REVIEW

Technical information disclosed in this MD&A has been reviewed by Matthew Dumala, B.A.Sc., P.Eng., a geological consultant to Strategic and a qualified person for the purposes of National Instrument 43-101.

TERRA CO_2 TECHNOLOGIES LTD.

Since 2013, Strategic has been working on a carbon dioxide (CO_2) conversion and mine waste remediation research project. Work to date has been carried out at the University of British Columbia ("UBC") and has been under the direction of Dr. Lee Groat, a UBC faculty member and a director of Strategic.

The process developed through the UBC research program has been formally named Sequestration, Mitigation, and Remediation Technology ("SMARTs"). To date, the process has been in laboratory scale development and is currently best described as being at a bench test stage. A limited capability laboratory prototype has successfully demonstrated concept viability. A more advanced prototype has recently been assembled, and is providing data needed to allow the SMARTs process to be integrated into a continuous flow operational unit.

The goal of SMARTs is twofold:

(i) to reduce the levels of heavy metal contamination and mine rock acid drainage present in groundwater at some producing and past producing metal mining operations; and

(ii) to permanently remove CO_2 discharged from industrial operations such as hydrocarbon fueled electrical generation plants, large scale heating units or cement furnaces.

In brief, SMARTs operates by mixing pyrite (FeS_2) from mine tailings or concentrates with an aqueous brine which is then passed through an electrolytic cell to force the separation of the iron and sulphur in the pyrite. The iron is then reacted with CO_2 from flue gases and an iron carbonate mineral called siderite ($FeCO_3$) is produced. Siderite is chemically stable under atmospheric conditions and can be stored as non-reactive treated tailings or used as back fill material in mining operations. The sulphur separated from the iron under the SMARTs process is used to produce sulphuric acid, which is potentially a marketable commercial product.

Patent protection for the initial technology concept has been obtained in both the United States and Canada and is pending in other jurisdictions including Australia, Europe and Japan. The patent is entitled "Processing of Sulphate and/or Sulphide-Rich Waste Using CO_2-Enriched Gases to Sequester CO_2, Reduce Environmental Impacts Including Acid Mine Drainage, And Produce Valuable Reaction Products".

By agreement dated September 23, 2016, Strategic completed the sale of SMARTs to Terra, a wholly-owned subsidiary. The purchase price paid by Terra for the technology was $1,000,000, and was paid through the issuance of 20,000,000 Terra units to Strategic at a deemed price of $0.05 per unit. Each unit consisted of one Terra common share and one-half (1/2) of a share purchase warrant. Each whole warrant entitles Strategic to purchase one additional Terra common share at a price of $0.25 for a period expiring on the earlier of:

(i) September 23, 2021; and

(ii) the date Terra completes an initial public offering of its securities, if applicable.

Current provincial and federal regulations and the financial climate around environmentally clean technological innovation are very favourable for accelerated development of applicable technologies. Terra has applied for and is preparing applications for several government and private research grants and awards.

Once the technology has advanced to a stage where the current facilities and researchers at UBC are no longer optimal, Terra will engage commercial researchers and fabricators with experience in the field to further develop the technology.

SUBSEQUENT EVENTS

On November 7, 2016, Strategic acquired 10,000,000 shares of Precipitate. See "Major Shareholdings in Other Companies" for additional information.

On October 12, 2016, Strategic reported exploration results from the Saloon property. See "Saloon Property" for additional information.

SHARE CAPITAL INFORMATION

Shares

The authorized share capital of Strategic consists of the following classes of shares:

(a) an unlimited number of common shares without par value;
(b) an unlimited number of Class A preferred shares without par value; and
(c) an unlimited number of Class B preferred shares with a par value of $10.00 each.

As of November 29, 2016, there were 89,155,151 common shares issued and outstanding and no outstanding Class A or Class B preferred shares.

Stock Options

As of November 29, 2016, Strategic had 4,347,500 outstanding stock options to acquire common shares. All outstanding options are summarized in the following table:

Number of Options Outstanding	Price	Expiry Date
40,000	$0.80	January 3, 2017
1,040,000	$1.45	January 3, 2017
960,000	$0.45	July 21, 2019
400,000	$0.35	May 11, 2020
1,907,500	$0.35	February 18, 2021
4,347,500		

Warrants

As of November 29, 2016, Strategic had no outstanding share purchase warrants.

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