



MANAGEMENT DISCUSSION AND ANALYSIS
For the Three Months and Twelve months ended December 31, 2016
(including Subsequent Events to April 28, 2017)

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

The financial statements include the accounts of Rockhaven Resources Ltd. (“Rockhaven”), Terra CO₂ Technologies Ltd. (“Terra”) and Trifecta Gold Ltd. (“Trifecta”), 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.

The discussion in this management discussion and analysis (“MD&A”) related to mineral properties does not include the mineral properties owned by Rockhaven. See “Overall Performance” for information related to the Trifecta mineral properties. 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 and Trifecta are both private British Columbia companies of which Strategic is the majority shareholder and sole shareholder, respectively.

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 significantly beyond the end of 2017. Only five of Strategic's mineral properties are

subject to underlying royalty interests and none 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 CO₂ sequestration and the treatment of acid mine drainage. See “Terra CO₂ Technologies Ltd.” for additional information.

Subject to the completion of the ongoing plan of arrangement, Trifecta common shares will be listed on the Exchange and it will actively explore its Yukon mineral properties. See “Plan of Arrangement and Trifecta Listing” for additional information.

OVERALL PERFORMANCE

As of April 28, 2017, 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 2017. See “Risks and Uncertainties” and “Liquidity and Capital Resources” for additional information.

(a) 2016 Activities

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 CO₂ Technologies Ltd.” for additional information.

(b) Plan of Arrangement and Trifecta Listing

(i) Summary of Transactions

On April 21, 2017, Strategic shareholders approved a proposal to undertake a plan of arrangement under which some of Strategic’s assets will be segregated into Trifecta, a wholly-owned private subsidiary company of Strategic (the “Plan of Arrangement”). On April 25, 2017, the Plan of Arrangement received final approval from the British Columbia Supreme Court. The final court order will be filed with the British Columbia Registrar of Companies in due course.

Under the terms of the Plan of Arrangement, Strategic will transfer its Eureka, Triple Crown (formerly called OOO) and Treble (formerly called LLL) projects in the Yukon Territory, and sufficient cash to qualify for a listing on the Exchange to Trifecta, in return for Trifecta shares, most of which will then be distributed to Strategic shareholders by way of the Plan of Arrangement.

The transaction is intended to increase value for Strategic shareholders by creating a new precious metal focused company that will explore highly prospective projects located in the Dawson Range Gold Belt of western Yukon. Trifecta will start with four projects, three wholly owned (Eureka, Triple Crown and Treble) and one (Trident) which consists of 195 wholly owned claims and two optioned properties totalling another 330 claims. All four projects host promising mineral occurrences and strong soil geochemical anomalies.

Information related to the properties is summarized on the Strategic website (www.strategicmetals.com) and more detailed information related to the Plan of Arrangement is set out in the Strategic information circular dated March 13, 2017 and filed on SEDAR under the Strategic profile (www.sedar.com).

Strategic shareholders were asked to vote on the Plan of Arrangement at the special meeting of shareholders held on April 21, 2017. The proposal as approved by Strategic shareholders will result in Strategic distributing in excess of 90 per cent of its Trifecta shares to the Strategic shareholders. Strategic shareholders as of the share distribution record date will be entitled to a pro rata distribution of Trifecta shares following the completion of both the Plan of Arrangement and the listing of Trifecta shares on the Exchange. As of April 28, 2017, the share distribution record date had not been established and will be communicated to Strategic shareholders once such date has been determined.

Upon completion of the Plan of Arrangement, Strategic would retain less than 10 per cent of the number of Trifecta shares then issued and outstanding. Notice of the effective date of the completion of the Plan of Arrangement and Trifecta listing will be provided in due course.

(ii) Management of Trifecta

Trifecta's management will include Dylan Arnold-Wallinger as president and chief executive officer, Larry B. Donaldson as chief financial officer, and Glenn R. Yeadon as corporate secretary. Trifecta's directors are Richard Drechsler, Graham N. Downs, Bruce J. Kenway, Rosie Moore and Bradley J. Shisler.

(iii) Conditions precedent

The Plan of Arrangement has received shareholder and court approval and remains subject to regulatory acceptance, including the listing of Trifecta shares on the Exchange.

(iv) Strategic following Plan of Arrangement

Following the completion of the Plan of Arrangement and Trifecta listing, Strategic will retain all of its other assets, including property and royalty interests, remaining working capital, and the

shares it holds in other publicly traded companies. The current board and management of Strategic remain unchanged as a result of the transaction.

(c) Restatement of Financial Statements

On March 6, 2017, Strategic restated and refiled its unaudited financial statements and management discussion and analysis for the quarters ended June 30, 2016 and September 30, 2016. During a review of its September 30, 2016 financial statements, it was discovered that the reported loss on the deconsolidation of former subsidiary Silver Range Resources Ltd. (“Silver Range”) was incorrect. On the deconsolidation, Strategic had inadvertently removed the pre-deconsolidation losses of Silver Range from equity and reported them as a current period loss.

The correction of the error reduced the reported loss from \$5,164,791 to a gain of \$828,008. In addition, a dilutive loss of \$480,000 was recorded on subsidiary Rockhaven shares, which has been recalculated to be a loss of only \$262,335. The loss was originally recorded as a current period loss, but generally, such dilutive losses are an adjustment to equity. As such, the reported loss of \$480,000 has been removed from income (loss), and the adjusted loss of \$262,335 has been recorded as a reduction of retained earnings and an increase in non-controlling interest.

Overall, the adjustments increased income (loss) for the period by \$6,472,799 and resulted in reallocations within equity only, with no effects on the amounts reported on the statement of changes in financial position. The adjustments increased the reported basic and diluted earnings per share from nil per share to \$0.07 per share for the nine months ended September 30, 2016 and from \$0.04 per share to \$0.12 per share for the six months ended June 30, 2016. The adjustments originated in the three months ended June 30, 2016, which resulted in changes to the reported amounts for the three and six months ended June 30, 2016 and for the nine months ended September 30, 2016, with no effect on the three months ended September 30, 2016.

These adjustments have no effect on the cash flows or working capital of Strategic and Strategic continues to have working capital in excess of \$30-million.

SELECTED ANNUAL INFORMATION

	December 31, 2016	December 31, 2015	December 31, 2014
Revenues	Nil	Nil	Nil
Net Income (Loss) attributable to owners	\$3,529,677	(\$11,232,628)	(\$3,573,098)
Net Income (Loss) per Share - Basic/Diluted	\$0.04	(\$0.13)	(\$0.04)
Total Assets	\$77,742,824	\$72,523,089	\$95,306,465
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividends Declared per Share	Nil	Nil	Nil

Total assets increased by approximately \$5,220,000 from \$72,523,000 in 2015 to \$77,743,000 in 2016. The increase was mainly due to an increase in the value of its marketable securities by \$6,300,000 and an increase in its mineral property interests by \$4,328,000, which was offset by a reduction in cash and cash equivalents and other assets by \$5,408,000.

SUMMARY FINANCIAL INFORMATION (for the eight quarters ended December 31, 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
December 31, 2016	Nil	(\$2,966,616)	(\$0.03)
September 30, 2016	Nil	(\$3,757,606)	(\$0.04)
June 30, 2016	Nil	\$7,852,176	\$0.09
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)

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.

Strategic's share of net loss increased for the quarter ended December 31, 2016 compared to the quarter ended December 31, 2015 by approximately \$1,190,000, due mainly to an increase in marketable security losses by \$1,391,000, which was offset by a reduction in property impairments by \$829,000 and an increase in operating expenses by \$174,000. Deferred income recoveries decreased by \$454,000 compared to 2015.

Strategic's share of income for the year ended December 31, 2016 was \$3,530,000 compared to the loss of \$11,233,000 for the year ended December 31, 2015 a change of approximately \$14,763,000, mainly due to a decrease in Strategic's share of subsidiary losses of \$5,700,000, a decrease in its marketable security losses by \$7,332,000 and a reduction of \$2,380,000 in the

losses from consolidating and deconsolidating Rockhaven and Silver Range. These were offset by a decrease in income tax recoveries of \$650,000.

LIQUIDITY AND CAPITAL RESOURCES

Working capital totalled \$29,396,509 at December 31, 2016 compared to \$28,246,124 at December 31, 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.

Credit Facility

By agreement dated June 25, 2015, Strategic provided Rockhaven with a credit facility of up to \$2,000,000 (the "Credit Facility"). As of December 29, 2016, Rockhaven had drawn down the full \$2,000,000 under the Credit Facility. Individual withdrawals from the Credit Facility consisted of: (i) \$300,000 on January 27, 2016; (ii) \$400,000 on March 17, 2016; (iii) \$150,000 on November 7, 2016; and (iv) \$1,150,000 on December 29, 2016.

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

The repayment of the \$2,000,000 principal amount was made by Rockhaven through the issuance of 11,346,712 common shares to Strategic at a deemed price of \$0.176 per share. This shares for debt transaction received TSX Venture Exchange acceptance on January 19, 2017. The regulatory hold period applicable to the 11,346,712 shares expires on May 24, 2017.

All accrued interest under the Credit Facility was paid to Strategic by way of a \$59,930 cash payment on April 20, 2017.

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 April 28, 2017 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 \$5.78 million on April 28, 2017. 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 April 28, 2017, Strategic held a total of 60,394,212 shares of Rockhaven, representing approximately 45.24% of the 133,503,093 issued and outstanding common shares of Rockhaven. These shares had a market value of approximately \$9.66 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. Certain officers and directors of Strategic are also officers and directors of Rockhaven.

(c) Silver Range Resources

As of April 28, 2017, Strategic held 9,480,340 Silver Range Resources shares representing 14.34% of the 66,089,207 outstanding shares of Silver Range Resources. These shares had a market value of approximately \$2.51 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 April 28, 2017, Strategic held 23,222,827 common shares of Precipitate, representing approximately 30.68% of the 75,692,575 issued and outstanding Precipitate common shares. The 23,222,827 Precipitate shares have a market value of approximately \$3.02 million as of April 28, 2017. All Precipitate securities are held by Strategic for investment purposes.

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 seven mineral properties, namely the Hyland Gold, REE, Cord, Has, Teach, Gram 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 was payable to Strategic in the event that Western Copper and Gold Corporation ("Western") obtained 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 necessary permits were received by Western as of December 31, 2016 and accordingly, does not anticipate receiving the additional US\$6 million royalty payment.

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 current Buy-back Plan commenced on November 30, 2016 and will expire on November 29, 2017. The current 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 have been purchased under the current 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, Trifecta and where applicable, Silver Range Resources. During the three months ended December 31, 2016, legal fees and disbursements totalling \$39,635 were incurred with a personal law corporation controlled by Glenn R. Yeadon (“Yeadon”), the Secretary and a director of Strategic, compared to \$26,460 incurred with Yeadon in the three months ended December 31, 2015. During the twelve months ended December 31, 2016, legal fees and disbursements totalling \$171,485 were incurred with Yeadon, compared to \$104,818 incurred with Yeadon for the twelve months ended December 31, 2015.

The following figures are consolidated and include the accounts of Rockhaven, Terra, Trifecta and where applicable, Silver Range Resources. During the three months ended December 31, 2016 accounting fees and disbursements totalling \$78,550 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 \$55,053 incurred with Donaldson Grassi for the three months ended December 31, 2015. During the twelve months ended December 31, 2016, accounting fees and disbursements totalling \$200,940 were incurred with Donaldson Grassi, compared to \$154,220 incurred with Donaldson Grassi for the twelve months ended December 31, 2015.

The following figures are consolidated and include the accounts of Rockhaven, Terra, Trifecta and where applicable, Silver Range Resources. During the three months ended December 31, 2016, management fees totalling \$19,251 were incurred with Ian Talbot (“Talbot”), Strategic’s Chief Operating Officer, compared to \$28,875 incurred with Talbot during the three months ended December 31, 2015. During the twelve months ended December 31, 2016, management

fees totalling \$102,813 were paid to Talbot, compared to \$111,562 paid to Talbot for the twelve months ended December 31, 2015.

The following figures are consolidated and include the accounts of Rockhaven, Terra, Trifecta and where applicable, Silver Range Resources. During the three months ended December 31, 2016, consulting fees totalling \$3,000 were incurred with Bruce Kenway (“Kenway”) a director of Strategic, compared to \$3,000 incurred with Kenway during the three months ended December 31, 2015. During the twelve months ended December 31, 2016, consulting fees totalling \$12,000 were paid to Kenway, compared to \$12,000 paid to Kenway for the twelve months ended December 31, 2015.

2. Archer, Cathro & Associates (1981) Limited

The following figures are consolidated and include the accounts of Rockhaven, Terra, Trifecta and where applicable, Silver Range Resources. During the three months ended December 31, 2016, \$416,531 in costs related to mineral property acquisition, exploration and evaluation, management, office rent and administration were paid to Archer Cathro compared to \$669,626 paid to Archer Cathro during the three months ended December 31, 2015. During the twelve months ended December 31, 2016, \$3,295,788 in costs related to mineral property acquisition, exploration and evaluation, management, office rent and administration were paid to Archer Cathro compared to \$3,902,267 paid to Archer Cathro during the twelve months ended December 31, 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 December 31, 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 Trifecta 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 Trifecta. 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 Trifecta, 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 addition, 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, Terra or Trifecta, 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, Rockhaven and Trifecta competes with other companies, some of which have greater financial and technical resources. Competition could adversely affect the ability of Strategic, Rockhaven or Trifecta to acquire suitable properties or prospects in the future.

(g) Fluctuating Metal Prices

Factors beyond the control of Strategic, Rockhaven and Trifecta have a direct effect on global metal prices, which can fluctuate widely. Consequently, the economic viability of any of exploration projects held by Strategic, Rockhaven or Trifecta 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, Terra or Trifecta 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 and base metals and the market prices of securities of some mineral exploration companies have risen. However, mineral exploration activities remain at relatively 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 15, respectively, to its annual audited consolidated financial statements for the twelve months ended December 31, 2016. 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

There were no changes to the Strategic board of directors or management during the three months ended December 31, 2016. There have been no changes subsequent to the December 31 year-end.

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 17 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 mineral 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, Salloon 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 km² 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 stratigraphic projections of the gold-rich skarn horizon that was intercepted in two 2015 drill holes; (ii) heritage studies; and (iii) road construction.

A total of 2,156.26 m of drilling was completed in 2016 in seven diamond drill holes. Drill results are summarized on the following table:

Significant 2016 Drill Intersections - Hopper Property

Hole ⁽¹⁾	From (m)	To (m)	Interval (m) ⁽²⁾	Copper (%)	Gold (g/t)
HOP-16-010	180.52	190.98	10.46	0.206	0.09
HOP-16-010	204.84	214.21	9.37	0.270	0.09
HOP-16-011	119.95	127.76	7.81	0.311	0.11
HOP-16-014	94.90	99.49	4.59	0.414	0.54
HOP-16-014	183.64	189.41	5.77	0.573	0.47
HOP-16-014	226.00	229.00	3.00	0.610	0.12
HOP-16-015	37.50	41.02	3.52	1.168	0.67
HOP-16-015	180.05	191.03	10.98	0.271	0.10
HOP-16-016	60.89	66.13	5.24	0.437	0.27
HOP-16-016	354.02	356.20	2.18	0.044	2.33

Hole ⁽¹⁾	From (m)	To (m)	Interval (m) ⁽²⁾	Copper (%)	Gold (g/t)
HOP-16-016	360.79	362.01	1.22	0.936	1.16

(1) Holes HOP-16-012 and HOP-16-013 did not return any significant intersections.

(2) True widths are estimated to be approximately 90-95% of the interval.

(ii) Hartless Joe Property

The Hartless Joe property is situated 25 km east of Whitehorse, and covers an extensive epithermal gold and silver-rich vein system and potential exhalative horizons.

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 primarily targeted stratabound horizons that occur in localized intravolcanic basins. Exploration has identified three main 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.

Diamond drilling at the Hartless Joe property in 2016 totalled 367.3 m, with five holes at the King Showing and one hole at the Queen Showing. Drill holes intersected weakly silicified sediments containing disseminated, banded and fracture filling sulphides, down-dip of mineralized exposures. However, gold assays yielded low values, with a maximum of 1.57 g/t over 2.78 m in hole HAR-16-001.

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, as set out in the table below. 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. Sampling results are set out in the following table.

2016 CHIP SAMPLE HIGHLIGHTS

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

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 Salloon Property

The Salloon 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 Salloon 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.

2016 drill hole SAR-16-01 scissored across 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.

The Salloon property was expanded from 52 to 267 claims in early 2017 in response to favourable 2016 drill results.

(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.

The 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. Results of the 2016 drilling are set out in the following table:

Significant 2016 Drill Intersections - Mars Property

Hole	From (m)	To (m)	Interval (m)⁽¹⁾	Gold (g/t) (Fire Assay)	Gold(g/t) (Cyanide Recoverable)	Gold Recovery⁽²⁾
MAR-16-001	0.00	17.37	17.37	0.65	0.52	80.0%
Incl.	0.00	3.05	3.05	2.24	1.65	73.7%
MAR-16-001	71.44	76.8	5.36	0.40	0.37	91.9%
MAR-16-003	27.47	32.46	4.99	0.87	0.72	82.4%
Incl.	31.46	32.46	1.00	2.27	1.84	81.1%
MAR-16-003	44.53	47.28	2.75	0.53	0.44	82.9%
MAR-16-003	120.43	122.22	1.79	0.98	0.81	82.7%

(1) True widths are uncertain because geological controls have not yet been established.

(2) Gold recovery is equal to the cyanide recoverable gold divided by the fire assay gold multiplied by 100.

(3) Hole MAR-16-002 did not return any significant results.

The Mars property covers the southern part of the Mary Johnson Pluton, a Mid-Jurassic alkaline intrusion located in the Stikinia Terrane. The drill core was unoxidized and contained minor pyrite, chalcopyrite and magnetite in quartz-carbonate veinlets, along fractures and as disseminations, within altered plutonic rocks. Cyanide solubility tests were conducted on mineralized intersections to determine gold recoverability. A total of 17 samples were analyzed for total cyanide soluble gold. Recoveries ranged from 73.7% to 97.7%, with a mean of 85.5%.

(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).

(ii) Eureka, Treble and Triple Crown Properties

By agreement dated December 9, 2016 and amended April 25, 2017 (the “Trifecta Agreement”), Strategic sold a 100% interest in each of the Eureka, Triple Crown (formerly known as the OOO) and Treble (formerly known as the LLL) properties to Trifecta. Consideration for the sale was 14,500,000 Trifecta shares at a deemed price of \$0.10 per share.

The sale of the properties under the Trifecta Agreement is subject to the completion of the Plan of Arrangement and listing of the Trifecta shares on the Exchange. See “Plan of Arrangement and Trifecta Listing” for additional information.

The Treble and Triple Crown properties are located in south-central Yukon, midway between the Goldcorp Inc. Coffee gold project and Rockhaven’s Klaza gold-silver project. The Triple Crown property lies 15 km southeast of the Treble property. Both are currently accessible by helicopter. Both properties have received multiple early staged exploration programs by various operators since the 1980’s.

A more detailed description of the Treble and Triple Crown properties and a summary of the geology and previous exploration work is contained in the Strategic information circular dated March 13, 2017 and filed on SEDAR under the Strategic profile (www.sedar.com).

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.

A more detailed description of the Eureka property and a summary of the geology and previous exploration work is contained in the Strategic information circular dated March 13, 2017 and filed on SEDAR under the Strategic profile (www.sedar.com).

(3) Properties under Option to Other Parties

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

(4) Recently Acquired Properties

Strategic staked 1,189 claims in various parts of the Yukon in earlier 2017. The staking was completed to acquire five new properties and significantly expand five of existing properties. All of the new and existing properties are owned 100 per cent by Strategic and are free of any underlying royalty interests.

Five of the properties are located near the Plateau project in central Yukon, which Newmont Mining Corp. recently optioned from Goldstrike Resources Ltd. The Lance property was expanded to 590 claims and the Lois property to 528 claims. Both of these properties have responded well to reconnaissance-scale prospecting and soil geochemical surveys and are underlain by the same geological units as the adjoining Plateau project.

The other three properties (News, Naws and Nels) cover the probable source areas for gold-rich stream sediment samples from creeks flanking the Plateau project area.

The road-accessible Magnum property, located northwest of Dawson City in the western Yukon, was increased to 186 claims in order to cover an area of elevated gold geochemical response. The geological setting of this property resembles the known deposits in the nearby White Gold District.

The Meloy property is located in southwestern Yukon and covers a large, very intense, multi-element soil geochemical anomaly, where cursory prospecting has yielded exceptional results (chip samples averaging 4.47 per cent copper and 296 g/t silver over a width of 10 metres). The new claims are mostly in low-lying areas that are logistically key to project development.

The Dabb and Queen properties are both situated in southern Yukon and cover underexplored geochemical targets identified through research of old data sets. The Dabb anomaly lies in the Yukon-Tanana Terrane and is prospective for volcanic-hosted mineralization. The Queen anomaly could be indicative of a glacial till-covered porphyry in the Stikinia Terrane.

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 CO₂ TECHNOLOGIES LTD.

Since 2013, Strategic has been working on a carbon dioxide (CO₂) 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 CO₂ 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 (FeS₂) 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 CO₂ from flue gases and an iron carbonate mineral called siderite (FeCO₃) 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 CO₂-Enriched Gases to Sequester CO₂, 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 received some grants from some government agencies and has applied for 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.

On January 16, 2017, Terra completed a \$585,000 private placement financing. The financing consisted of a unit offering with each unit consisting of one Terra share and one share purchase warrant. The warrants entitle the holder to purchase one additional Terra share at a price of \$0.50 at any time on or before January 16, 2022.

SUBSEQUENT EVENTS

On January 19, 2017, Strategic completed a shares for debt settlement with Rockhaven. See “Credit Facility” for additional information.

On March 6, 2017, Strategic announced the restating and refileing of its unaudited financial statements and management discussion and analysis for the quarters ended June 30, 2016, and Sept. 30, 2016. See “Overall Performance” for additional information.

On April 6, 2017, Strategic announced the staking of Yukon claims. See “Recently Acquired Properties” for additional information.

On April 21, 2017, the Strategic shareholders approved the proposed spinout of Trifecta. See “Overall Performance” for additional information.

On April 25, 2017, Strategic obtained final approval of the Plan of Arrangement from the Supreme Court of British Columbia. See “Plan of Arrangement and Trifecta Listing” 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 April 28, 2017, there were 89,370,151 common shares issued and outstanding and no outstanding Class A or Class B preferred shares.

Stock Options

As of April 28, 2017, Strategic had 3,015,000 outstanding stock options to acquire common shares. All outstanding options are summarized in the following table:

Number of Options Outstanding	Price	Expiry Date
940,000	\$0.45	July 21, 2019
400,000	\$0.35	May 11, 2020
1,675,000	\$0.35	February 18, 2021
3,015,000		

Warrants

As of April 28, 2017, Strategic had no outstanding share purchase warrants.

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Bruce A. Youngman, Powell River, B.C.	Director
Lee A. Groat, West Vancouver, B.C.	Independent Director
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