TECHNICAL REPORT

DIAMOND MOUNTAIN PHOSPHATE PROJECT

UINTAH COUNTY, UTAH

Submitted to:
STRATA MINERALS INC.

Report Date:
October 14, 2014

Report Effective Date:
September 11, 2014

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CERTIFICATE OF QUALIFICATIONS

I, Lawrence D. Henchel do hereby certify that:

1. I am currently employed as Vice President Geologic Services by Norwest Corporation at 136 East South Temple, 12th Floor, Salt Lake City, Utah 84111.
2. I graduated with a Bachelor of Science Degree in Geology from Saint Lawrence University, Canton, NY, USA in 1978.
3. I am a licensed Professional Geoscientist in the province of Alberta, Canada, #159013. I am a licensed Professional Geologist in the State of Utah, #6087593-2250 and I am a Registered Member of The Society for Mining, Metallurgy and Exploration, Inc., #4150015RM.
4. I have worked as a geologist for a total of thirty-three years since my graduation from university, both for mining and exploration companies and as a consultant specializing in coal and industrial minerals. I have worked with industrial minerals such as phosphate, potash, trona, nahcolite and gypsum over the past 21 years of my career in the United States, Mongolia, Africa and the Middle East. My experience with phosphate includes exploration, geological modeling and resource estimation for bedded deposits in both the northwestern and southeastern United States and the Middle East.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the preparation of all Sections of the report titled "Technical Report, Diamond Mountain Phosphate Project, Uintah County, Utah" (the "Technical Report"), with an **effective date of September 11, 2014**.
7. I have visited the Diamond Mountain Project site several times, beginning with my first visit on June 2, 2014. My most current visit was on June 23 and 24, 2014.
8. As of the date of this certificate, to the best of my knowledge, information and belief, the parts of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
9. I am independent of Strata Minerals Inc., according to the criteria stated in Section 1.5 of NI 43101.
10. I have read NI 43-101 and Form NI 43-101F1, and the portions of the Technical Report for which I am responsible have been prepared in compliance with that instrument and form.

Dated this 14th day of October, 2014.

ORIGINAL SIGNED AND SEALED BY AUTHOR

Lawrence D. Henchel, P.Geo., PG
Vice President Geologic Services
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1 SUMMARY

The following report was prepared by Norwest Corporation (Norwest) for Strata Minerals, Inc. (Strata), a publically traded agricultural nutrient company exploring for commercial scale phosphate rock mineralization. Strata's main corporate office is located in Vancouver, British Columbia, Canada. This Technical Report outlines phosphate exploration history and resource estimates for Strata's Diamond Mountain Phosphate Exploration (DM) Project located nearby Vernal, Utah, USA. The intent of this Technical Report is to summarize the mineral exploration activities to date on the DM property and present a current estimate of phosphate resources.

1.1 LOCATION AND TENURE

Strata's DM Project consists of approximately 2,431 acres (ac) (984 hectares (ha)) of State phosphate leases, 7,722ac (3,125ha) under Federal Prospecting Permit Applications (PPAs) and 244ac (99ha) of private lease. The State leases and Federal PPA's are registered with Utah Mineral Resources LLC (UMR). The State lease is under the control of the State of Utah School and Institutional Trust Lands Administration (SITLA). The Federal PPA's are controlled by the Bureau of Land Management (BLM). Strata's Federal PPA's are non-competitive applications. The private lease is an agreement between UMR and the Siddoway Family Trusts which controls the phosphate mineral title of the fee parcel. Strata has earned a 51% interest UMR's leases and PPA's in accordance with the option agreement between UMR and Strata.

The areas covered by Strata's three State leases, five Federal PPA's and single private lease are listed in Table 1.1 and shown in Figure 1.1.

TABLE 1.1 STRATA PHOSPHATE TENURE SUMMARY

Type	Designation	Acres	Hectares
State Lease	52439	640	259
State Lease	52440	439	178
State Lease	52441	1,352	547
Total State Leases	-	**2,431**	**984**
Federal PPA	UTU89372	1,195	484
Federal PPA	UTU89373	1,211	490
Federal PPA	UTU89683	1,259	509
Federal PPA	UTU89684	1,685	682
Federal PPA	UTU89845	2,372	960
Total Federal PPA	**-**	**7,722**	**3,125**
Private (Fee Simple)	**Siddoway**	**244**	**99**
Total UMR Mineral Control		**10,397**	**4,208**

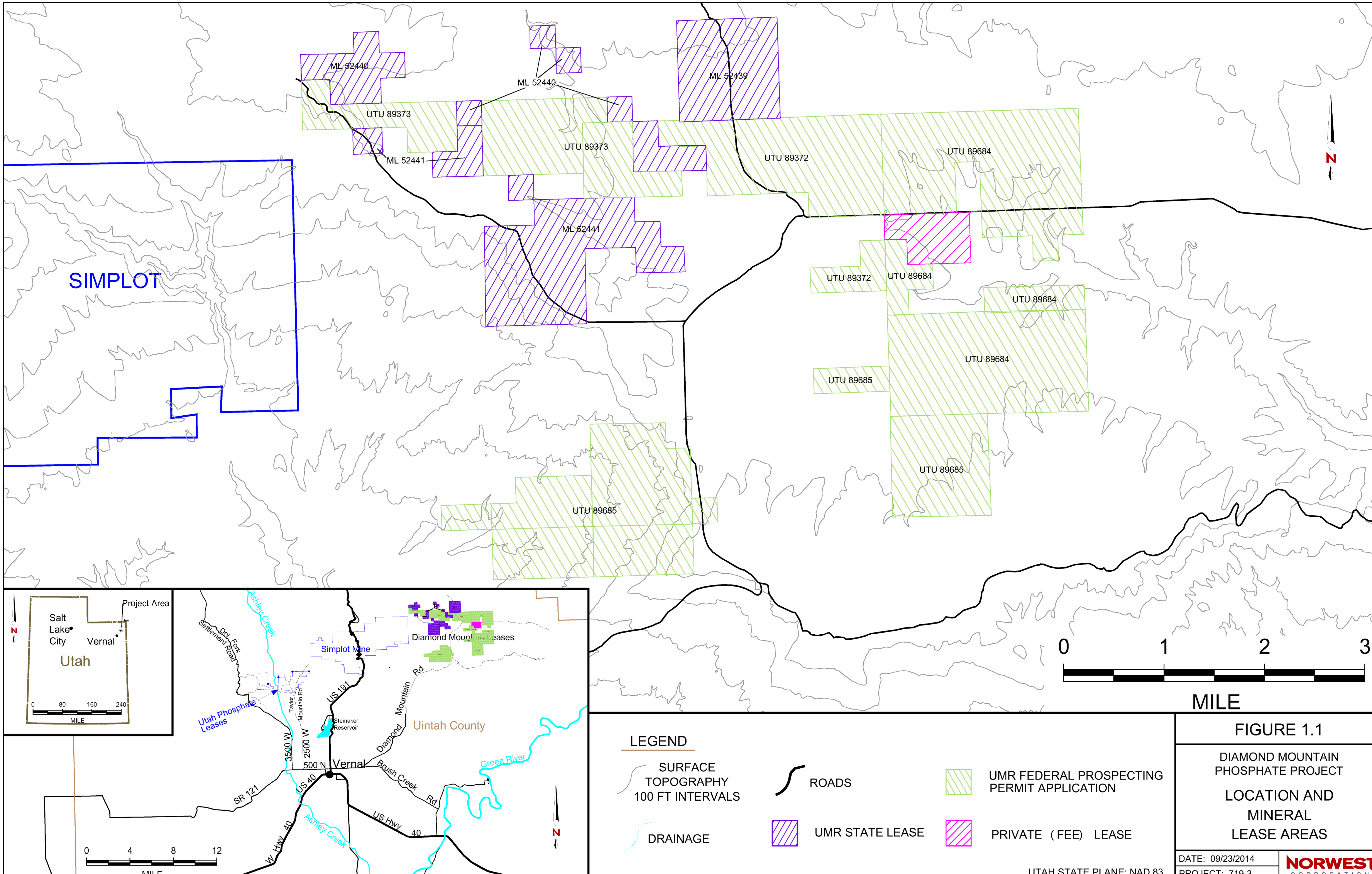


FIGURE 1.1
DIAMOND MOUNTAIN PHOSPHATE PROJECT
LOCATION AND MINERAL LEASE AREAS

The surface control of Strata's State leases is under both private and State (SITLA) ownership. The surface control for Strata's Federal PPA areas is under private and Federal (BLM) ownership. There is no Federal or State surface ownership within the private mineral lease areas. The plateau surface area is primarily used for grazing and agriculture.

The property is located approximately 28 air kilometers (km) northeast of the city of Vernal, Utah and 22km (air) from the Colorado state border, as shown in Figure 1.1. Traveling by road, the property is approximately 35km northeast of Vernal.

Strata has access to the property using local public roads, private roads, and surface use access agreements with local landowners. Access to the project area is shown in the inset of Figure 1.1. Access to the site itself can be obtained by traveling east in Vernal on city street 500N, which turns into Diamond Mountain Road (County Road 1410) just east of town. Diamond Mountain Road is a paved two-lane road which can be accessed from both town and State Highway 191 north of the Simplot Mine. After traveling 24km from Vernal, Diamond Mountain Road starts to ascend the southern escarpment of Diamond Mountain Plateau. The ascent gains 500 meters (m) of altitude over the 8km of the climb. The most southern block of the project's tenure, PPA UTU 89685, is entered another 1.5km after cresting onto the plateau.

Much of the project tenure is further accessed from paved or improved gravel secondary roads. The large expanse of the plateau is further covered by a network of smaller, unimproved roads and trails. Overland vehicle travel is also possible in many areas.

1.2 HISTORY

The occurrence of phosphate ore in the region has been known since the early 1900's. Exploration in the area has been ongoing since 1955 when the first technical research was completed. The work performed at this time was primarily field mapping surveys and measured sections of the Park City formation and surrounding units. It was not until 1960 when exploration specific to phosphate ore was commenced in the area. The first exploration took place west of the property on the Ashley Creek property and on what is now land actively mined by JR Simplot Company (Simplot). The first drilling in the Strata tenure area was performed by U.S. Steel Corp. (US Steel) commencing in 1967. Over the next five years a total of 23 exploration holes were drilled, sampled and tested by US Steel on or near the Strata lease and application areas, confirming the presence of phosphatic ore. Portions of the western area drilled by US Steel are now under Simplot control, but no further significant attempts at exploration or extraction occurred surrounding the current Strata tenure areas. Additional phosphate exploration has been performed west of the Simplot mine and most recently Agrium Inc. (Agrium) has been involved in a multi-year exploration project in the Ashley Creek area.

A slurry pipeline, owned and operated by a subsidiary of Simplot, is used to transport raw ore from their Vernal mining operations to their processing facility near Rock Springs, Wyoming. Previous rights and tariffs for common use have been established by the Surface Transportation Board and Interstate Commerce Commission during the 1990's and usage rights granted to SITLA for their phosphate leases in the area. The pipeline is significant as an option for potential transportation of concentrated phosphate rock slurry to a major rail line.

1.3 GEOLOGIC SETTING AND MINERALIZATION

The DM Project is located on the southern flanks of the Uinta Mountains. These east-west trending mountains formed roughly 70 million years ago, during the Laramide orogeny, when compressive forces produced steeply dipping reverse faults to the north and south of the present range. Permian through Triassic-age strata dip predominantly to the south and eventually become covered by Tertiary and Quaternary deposits of the Uinta Basin.

The phosphatic ore targeted by the DM Project is contained within the Meade Peak Shale member of the Permian Park City Formation, known elsewhere as the Phosphoria Formation. This unit is widespread in the western Rocky Mountains, also occurring in the nearby states of Idaho, Montana and Wyoming. It varies in thickness up to 40m in the west and pinches out to nil along the Utah-Colorado border. It is recognizable by its greenish-grey color and by the presence of frequent to abundant zones of phosphatic oolites observable in outcrop or core. The base of the ore zone occurs directly above the massive cliff-forming Weber Sandstone formation, which can be readily traced throughout the region.

Where the ore deposit is present, the mean thickness of the zone is 4.45m varying from 3.51m to 5.43m at an average grade of 19.67% P_2O_5. The ore zone contains several thin (0.10m to 0.75m) partings, or lean zones, where P_2O_5 content drops below 10%. These partings appear to be fairly consistent and can be generally correlated across the property. Current resource modeling includes these partings for both grade and thickness statistics and does not make any assumptions regarding the potential for selective removal of lower-grade horizons.

The east-west striking mineralized zone dips towards the south at approximately 6 to 10 degrees and subcrops on the property underneath poorly consolidated conglomerates up to 120m in thickness. Structural alteration of the ore zone due to faulting and erosion has been observed on the property. Two southeast trending high angle normal faults run through the center of the property bounding a central graben that is interpreted as being downthrown approximately 40m. Areas of paleo-erosion have been identified by recent drilling along the northern and western margins of the project area. The mineralized zone's maximum depth from surface is approximately 380m in the most southern State lease area and projected to continue to depths approaching 600m outside of Strata's current mineral tenure.

1.4 Exploration and Drilling

The DM Project area was first officially explored in 1955 by the United States Geologic Survey (USGS) as a field mapping project. Later, US Steel reported a 1966 initiative by stating "the Western District was assigned to investigate available lands containing phosphate in the western phosphate field, known for its economic deposits of sedimentary phosphate rock of Permian age," (US Steel, 1974). The Diamond Mountain Plateau was a recommended target for exploration given the goals of producing a long-term source of phosphate rock. Leases were first obtained on June 13, 1966 for State lands and November 1, 1966 for Federal lands. US Steel drilled 23 holes in the area on approximately one-mile center between the years of 1967 and 1970, using a combination of rotary drilling to the top of the Meade Peak and coring through the ore zone.

State leases for the DM area were acquired by UMR in 2013 and permitted for a potential 32 drill sites. Strata initiated the current drilling project in June of 2014 after completing a purchase option agreement with UMR. The program operated from June 2 through July 23, 2014 and completed 17 drillholes on the State leases. The drilling consisted of HQ gauge core from surface to total depth. Two existing US Steel drillholes were twinned during the program to validate their use in the current geologic model and resource estimates.

Table 1.2 summarizes the drilling performed to date in the DM area.

Table 1.2 Exploration Drilling History

Owner	Year	Drilling Method	Mineral Ownership		Total
			Federal	State	
US Steel	1967	Spot Core	9		9
US Steel	1969 to 1970	Spot Core	13	1	14
Strata/UMR	2014	HQ Core		17	17
Totals for Current Resource Model			**22**	**18**	**40**

1.5 Sampling and Analysis

1.5.1 Sampling Method and Approach

Sampling and analysis of the DM Project phosphate ore was performed in all drilling programs, selecting samples of approximately 0.5m during the US Steel programs and samples averaging approximately 0.3m during Strata's 2014 program. Five metal oxide analytes were reported in the 1967-70 programs where the 2014 program reported over a dozen chemical and physical properties for each sample. P_2O_5 assays are consistent and detailed across all drilling programs.

Table 1.3 shows the number of samples collected by drilling campaign and the suite of analyses performed.

TABLE 1.3 DM PROJECT SAMPLING PROGRAMS

Drilling Program	No. Core Holes	Samples Collected	
		Assay	Overburden
1967	9	112	-
1969-70	14	195	-
2014	17	248	239
Total	**40**	**555**	**239**

1.5.2 Sample Preparation, Analyses and Security

Strata collected samples on a nominal 0.3m interval, with variation being allowed for observable lithologic changes such as fluctuations in oolite density. Sampling began at least 1.5m above and below the observed ore zone in order to bracket the zone and support top and bottom picks with empirical data.

Norwest managed the field program of the Strata drilling campaigns. Norwest was in charge of photographing and logging the core and was responsible for sample selection and preparation. Core samples were taken into the custody of a Norwest geologist at the drill rig and stored securely until transported to the laboratory facility. A large proportion of the samples were transported to the laboratory facility by Norwest personnel with direct chain-of-custody (COC) to the laboratory. Those shipped by commercial carrier departed directly from the DM project site, with chain-of-custody (COC) forms signed by the carrier and when received at the laboratory.

The Strata drilling programs performed a suite of analyses for key metal oxides and other compounds of concern to phosphate processing. The sample suite included parameters basic to ore assessment and detection of contaminants, including P_2O_5, MgO, Al_2O_3, Fe_2O_3, SiO_2, CaO, TiO_2, K_2O, Na_2O, SO_3, SrO, and MnO_2. Physical property measurements included bulk density and loss-on-ignition (LOI). Assays for the Strata program was performed by SGS North America Inc. Mineral Services (SGS) using X-ray fluorescence (XRF) techniques. Loss on Ignition was tested using standard methods for solid combustion residues and density was tested using a standard cone procedure for an uncompacted mass.

Additional overburden testing was performed on three of Strata's core holes utilizing a portable X-ray Fluorescence meter. The holes DM-14-6C, DM-14-9C, and DM-14-12C were selected based on completeness of the sections represented and spatial distribution across the project area. The goal of this program was to identify any indications of anomalous mineral compositions or "Chemicals of Concern" that could present challenges in the handling and storage of mine waste. XRF readings were taken at approximate 3 m spacing through the overburden and floor rock, and at 0.3m spacing through the mineralized rock.

1.5.3 Result of the Analytical Programs

The historical US Steel exploration programs were found to provide results that are within expected limits as verified by a twin hole sampling of US Steel holes DM-7 and DM-12. Additional blind sample analyses were performed on the current exploration program to verify results. Blind sample results were found to be within expected tolerances and serve to validate the analytical data used in the resource model. The current model uses assays from the Strata drilling programs which were drilled on the lands leased by Strata; however, data from US Steel holes was used to extrapolate grade data across fringe areas of the tenure areas. No deleterious elements were reported in concerning quantity in the overburden geochemical analyses.

1.6 MINERAL RESOURCES AND RESERVES

For the purposes of estimating mineral resources on the Strata tenure areas, Norwest constructed a geologic model covering the extents of both State and Federal Strata-controlled tracts where drilling data was present. The geologic model is comprised of grid estimates of surface topography, depth to base of surface weathering, depth to the roof and floor of the ore zone, plus assay and density data. Data from the Strata exploration program and 22 US Steel core holes, plus the surface topography Digital Elevations Models (DEM) survey data acquired from public sources, were used in construction of the structural components of the geologic model. Grade data from both Strata and US Steel holes were used in the geologic model after successful validation of US Steel grade values.

Using Norwest's understanding of the mineralization trends observed in the field, model data and statistical analysis, the following classification methods were applied to areas surrounding valid drillhole intercepts of the ore zone in the East Block:

- Measured resources – up to 200m (0.125 miles) radius
- Indicated resources – up to 400m (0.25 miles) radius
- Inferred resources – up to 1200m (0.75 miles) radius.

Using the above classification scheme, resources and average grade data for the DM tenure areas are reported in Table 1.4, with an effective date of September 11, 2014.

TABLE 1.4 DM PROJECT PHOSPHATE RESOURCES – SEPTEMBER 11, 2014

Lease	Resource Classification	Ore Tonnes (Mt)	Area (ha)	Ore Thickness (m)	Density (g/cm^3)	P_2O_5 (wt %)	MgO (wt %)	Fe_2O_3 (wt%)	Al_2O_3 (wt %)
State	Measured	9.2	76.4	4.44	2.70	19.76	3.69	1.42	3.21
	Indicated	17.6	148.1	4.41	2.70	19.62	3.66	1.37	3.21
	Measured+Indicated	**26.8**	**224.5**	**4.42**	**2.70**	**19.67**	**3.67**	**1.39**	**3.21**
	Inferred	23.1	194.6	4.39	2.70	19.67	3.49	1.32	3.21
Federal	Measured	2.1	17.0	4.71	2.65	20.10	3.06	1.46	3.26
	Indicated	5.0	40.3	4.61	2.66	20.04	3.32	1.43	3.25
	Measured+Indicated	**7.1**	**57.3**	**4.64**	**2.66**	**20.06**	**3.24**	**1.44**	**3.25**
	Inferred	4.0	33.0	4.50	2.68	19.99	3.58	1.41	3.24
Total	Measured	11.3	93.4	4.49	2.69	19.82	3.58	1.43	3.22
	Indicated	22.6	188.4	4.45	2.69	19.71	3.59	1.39	3.22
	Measured+Indicated	**33.9**	**281.8**	**4.46**	**2.69**	**19.75**	**3.59**	**1.40**	**3.22**
	Inferred	27.1	227.6	4.41	2.70	19.72	3.51	1.34	3.21

The State leases are estimated to have combined total measured plus indicated resource of 26.8 million tonnes (Mt) averaging 19.67% P_2O_5. The Federal PPA's are estimated to have a total inferred resource of 7.1Mt with an average P_2O_5 grade of 20.06%. Observations of the gridded model indicate that the deposit grade is very uniform. Thickness is also uniform varying from 3.50m to 5.43m but most commonly ranging between 4.0m to 5.0m. The general strike of the ore zone is east-west with an inclination of approximately 8 degrees dipping to the south.

The accuracy of resource and reserve estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available subsequent to the date of the estimates may necessitate revision. These revisions may be material. There is no guarantee that all or any part of the estimated resources or reserves will be recoverable.

2 INTRODUCTION

Norwest Corporation (Norwest) has prepared this report on the Diamond Mountain (DM) Phosphate Project. This report presents information on the phosphate exploration and development history of the DM project at the request of Strata Minerals, Inc. (Strata). The purpose of this report is to summarize the phosphate exploration within Strata's State and private leases and Federal Prospecting Permit Applications (PPA's) and to report current mineral resource estimates for these properties.

The source of information used to compile this report includes the following:

- Surface geologic maps sourced from the Utah Geological Survey (UGS).
- Historical phosphate exploration records received from Strata (U.S. Steel Corp., 1974)
- Strata's phosphate exploration on the properties.

The author of this Technical report has visited the project site on several occasions over the past year. The author certifies that he has supervised the work as described in this report. The report is based on and limited by circumstances and conditions referred to throughout the report and on information at the time of this investigation. The author has exercised reasonable skill, care and diligence to assess the information acquired during the preparation of this report.

The accuracy of resource and reserve estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available subsequent to the date of the estimates may necessitate revision. These revisions may be material. There is no guarantee that all or any part of the estimated resources or reserves will be recoverable.

3 RELIANCE ON OTHER EXPERTS

Norwest has prepared this report specifically for Strata. The findings and conclusions are based on information developed by Norwest and others available at the time of preparation and data supplied by outside sources. Strata has supplied the appropriate documentation that supports the phosphate mineral leases it holds with the State and private parties, Federal Prospecting Permit Applications (PPA's) to be in good standing. The existence of encumbrances to the tenure parcels has not been investigated nor a legal due diligence performed.

The findings and conclusions in this technical report are based on information developed by Norwest from data provided by Strata. It includes data provided by third parties, specifically analytical data developed by SGS North America Inc. Mineral Services (SGS). This data has been reviewed and deemed acceptable for determination of a current mineral resource estimate.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 PROPERTY DESCRIPTION AND LOCATION

The DM Project is located in Uintah County, Utah, approximately 28km northeast of the town of Vernal, as illustrated in Figure 4.1. It is situated on the southern flank of the Uinta Mountain Range where the foothills, underlain by Paleozoic strata, slope and transition into the younger, flat-lying sediments of the Uinta Basin. Vernal is located approximately 270km east-southeast of Salt Lake City via Interstate 80 and U.S. Route 40. The geographic center of the property is at latitude 40°39'6" N and longitude 109°17'14" W, or at 4501525N, 644800E, Zone 12 using UTM WGS84 coordinates. The modeling and resource work has been performed using UTM WGS84 Zone 12 coordinate system.

4.2 PROPERTY MINERAL CONTROL

Strata's DM Project consists of approximately 10,397ac (4,208ha) of phosphate mineral control held under State phosphate leases, Federal Prospecting Permits Applications (PPA's) and private lease agreements.

The State leases occupy portions of Township 2 South, Range 23 East, Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, and 16, totaling 2,431ac (984ha).

The PPA's occupy portions of Township 2 South, Range 23 East, Sections 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 24, 26, 27, 28, 29, 33, 34 and Township 2 South, Range 24 East, Sections 7, 8, 17, 18, 19, 20, 30 totaling 7,722ac (3,125ha).

The private lease areas occupies portions of Township 2 South, Range 24 East, Section 18 totaling 244ac (99ha).

4.2.1 Option Agreement

Strata's mineral control is registered under the name of Utah Mineral Resources LLC (UMR). Strata has earned a controlling share (51%) of UMR's mineral tenure following completion of the Phase I exploration obligations under the Option Agreement entered into between Strata and UMR dated November 12, 2013 (the "Agreement"). Strata, in satisfying these obligations that include an exploration expenditure of $1M, has earned an initial 51% interest in the DM Project mineral control during 2014. Under the Agreement, following completion of Phase I Strata can elect to proceed to Phase II which includes the commitment of $1.5 million in exploration and development activities.

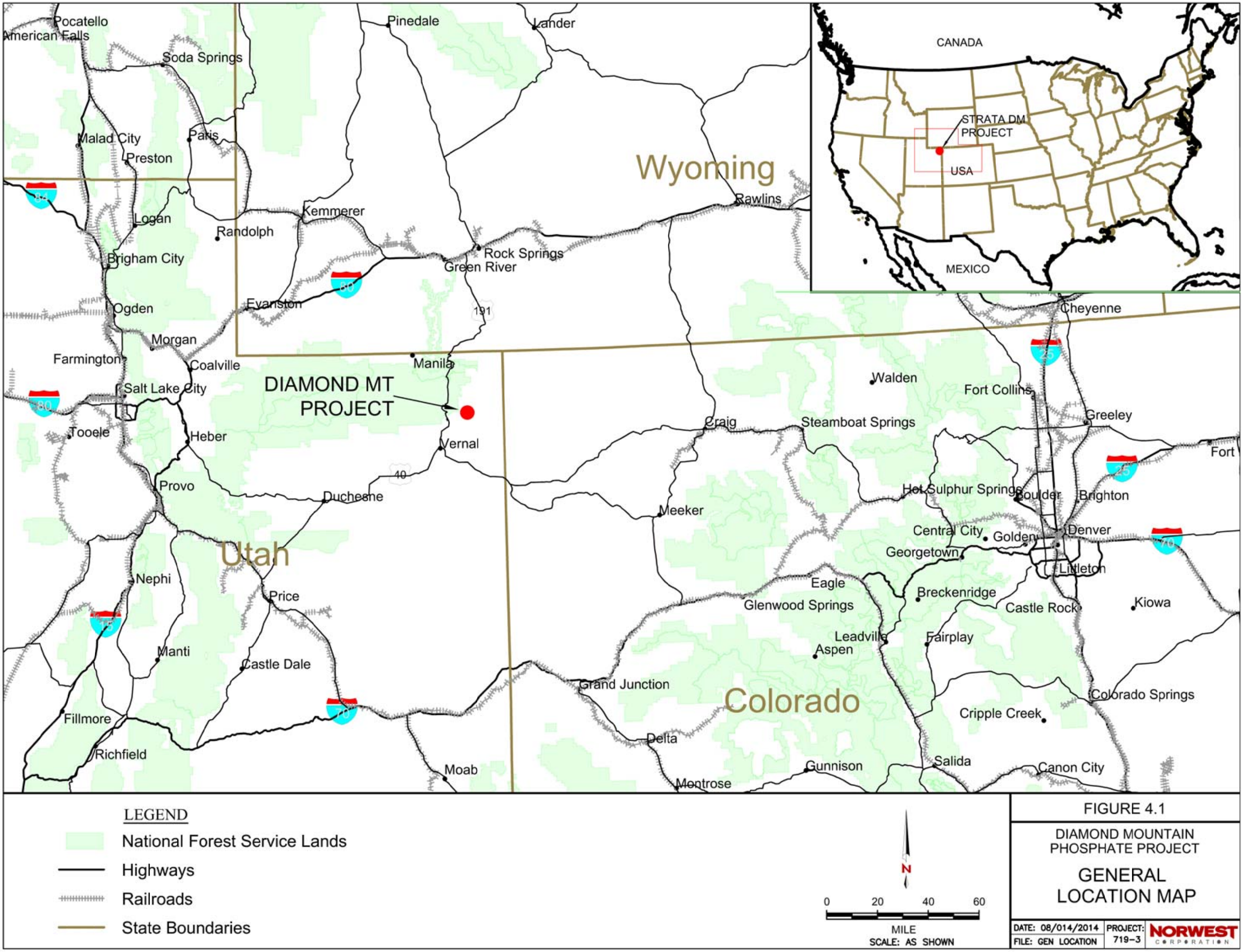


FIGURE 4.1

DIAMOND MOUNTAIN PHOSPHATE PROJECT

GENERAL LOCATION MAP

4.2.2 State Phosphate Leases

Strata's State phosphate leases are under the control of the State of Utah School and Institutional Trust Lands Administration (SITLA). Table 4.1 provides the legal description of each SITLA lease and Figure 4.2 illustrates the locations of the SITLA leases within the US Public Land Survey System (PLSS).

TABLE 4.1 LEGAL DESCRIPTION OF SITLA PROPERTY

T2S R23E (STATE LEASE 52439)	
SEC 2	LOTS 1, 2, 3, 4, S 1/2 OF N 1/2, S 1/2 (ALL)
Area	640ac (259ha)
T2S R23E (STATE LEASE 52440)	
SEC 3	SE 1/4 OF SW 1/4
SEC 4	LOT 2, SE 1/4 OF NE 1/4
SEC 5	SW 1/4 OF NW 1/4, SE1/4 OF SE 1/4
SEC 6	LOTS 1 AND 4, S 1/2 OF N 1/2, N 1/2 OF SE 1/4
Area	439ac (178ha)
T2S R23E (STATE LEASE 52441)	
SEC 7	NE 1/4 OF NE 1/4
SEC 8	NE 1/4 OF NE 1.4, S 1/2 OF NE 1/4,
SEC 9	NE 1/4 OF SW 1/4,S 1/2 OF SE 1/4
SEC 10	LOT 2, W 1/2 OF NE 1/4, S 1/2 OF SW 1/4
SEC 11	SW 1/4 OF NW 1/4
SEC 15	LOT 2, W 1/2 OF NE 1/4, N 1/2 OF NW 1/4
SEC 16	ALL
Area	1352ac (547ha)
Total Area	**2,431ac (984ha)**

Strata's SITLA leases grant full rights of access and rights to use the state-owned surface for leasehold exploration and mining of phosphate. Strata's three SITLA leases were issued on February 11, 2013 and expire on February 11, 2023. Annual advanced royalties have been triggered for all three leases.

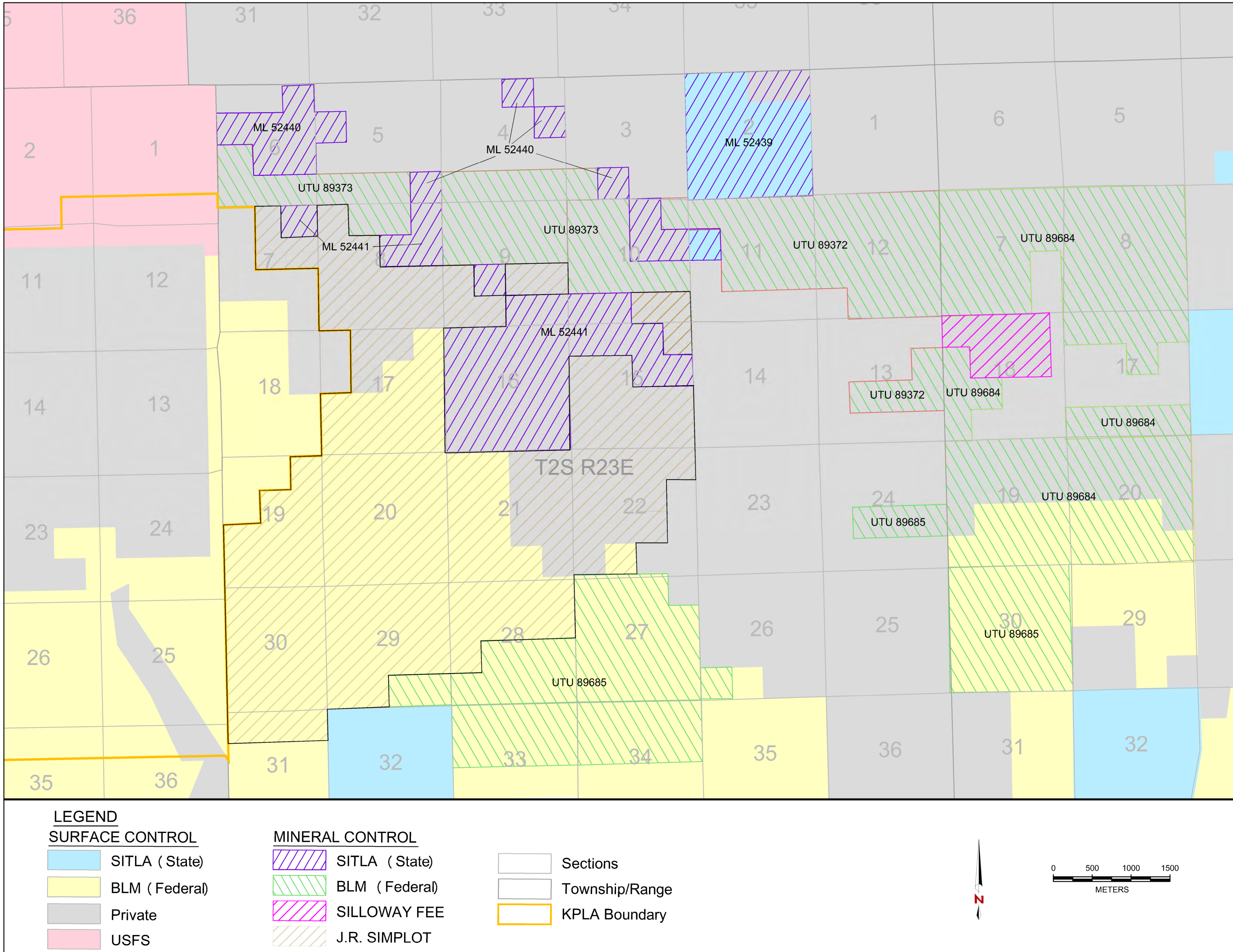


FIGURE 4.2

DIAMOND MOUNTAIN PHOSPHATE PROJECT

SURFACE AND MINERAL TENURE

Terms, rents and royalties for the SITLA leases are described as follows:

- Term – 10 years, renewable with diligent development
- Annual rent of $1 per acre with $500 minimum
  - Lease 52439 - $640
  - Lease 52440 - $439
  - Lease 52441 - $1,352
- Annual Advanced Royalty of $3 per acre
  - Lease 52439 - $1,920
  - Lease 52440 - $1,317
  - Lease 52441 - $4,056
- Production royalty, greater of:
  - 5% market price, FOB mine.

Norwest has reviewed the SITLA mineral lease documents and finds that they appear valid and reasonable for the operation of phosphate mining within lease boundaries. No formal legal review or further due diligence has been performed.

4.2.3 Federal PPA

Strata's Federal PPA's are under the under the control of the Bureau of Land Management (BLM). Table 4.2 provides legal description of Strata's BLM Prospecting Permit Applications (PPA) and Figure 4.2 illustrates their location within the US Public Land Survey System (PLSS).

Strata's BLM PPA's are non-competitive permit applications since they do not fall within the Known Phosphate Lease Area (KPLA) boundary. The KPLA boundary in relation to the Federal Permit Application area is illustrated in Figure 4.2. Should the PPA's be approved, it will be subject to the following terms, and rents:

- Primary term – 2 years
- Extensions – may be extended for up to an additional 4 years
- Annual rent of $0.50 per acre
  - PPA UTU89372 - $598
  - PPA UTU89373 - $606
  - PPA UTU89683 - $630
  - PPA UTU89684 - $843
  - PPA UTU89845 - $1,186.

Norwest has reviewed the BLM PPA documents and finds that they appear valid and reasonable for the operation of phosphate exploration within permit application boundaries. No formal legal review or further due diligence has been performed.

TABLE 4.2 LEGAL DESCRIPTION OF BLM PPA AREAS

T2S R23E SLB&M (BLM PROSPECTING PERMIT APPLICATION UTU89372)	
SEC 10	Lot 1
SEC 11	NE 1/4,E1/2 OF NW 1/4, NW1/4 OF NW 1/4,NE 1/4 OF SW 1/4, N 1/2 OF SE 1/4
SEC 12	N 1/2,N 1/2 of S 1/2, SE 1/4 OF SW 1/4, S 1/2 OF SE 1/4
SEC 13	SE1/4 OF NE1/4, NE1/4 OF SW1/4, N1/2 OF SE1/4
Area	1,195ac (484ha)
T2S R23E SLB&M (BLM PROSPECTING PERMIT APPLICATION UTU89373)	
SEC 10	LOT3, NW1/4 OF SE1/4, NW1/4, NE1/4 OF SW1/4, NW1/4 OF SW1/4
SEC 9	N1/2
SEC 4	S1/2 OF SW1/4, SW1/4 OF SE1/4, SE1/4 OF SE1/4
SEC 3	SW1/4 OF SW1/4
SEC 8	NE1/4 OF NW1/4, NW1/4 OF NE1/4
SEC 5	S1/2 OF SW1/4, SW1/4 OF SE1/4
SEC 6	LOT5 AND LOT 6, S1/2 OF SE1/4
Area	1,211ac (490ha)
T2S R24E SLM&M (BLM PROSPECTING PERMIT APPLICATION UTU89683)	
SEC 19	LOTS 1-4, E 1/2 OF W 1/2, E 1/2
SEC 20	ALL
Area	1,259ac (509ha)
T2S R24E (BLM PROSPECTING PERMIT APPLICATION UTU89684)	
SEC 7	LOTS 1-4, E1/2 OF W1/2, W1/2 OF W1/2
SEC 8	ALL
SEC 17	N1/2 OF N/12, SW1/4 OF NE1/4, S1/2 OF S/12
SEC 18	LOTS 1-4,NE1/4 OF SW/1/4
Area	1,685ac (682ha)
T2S R24E, T2S R23E (BLM PROSPECTING PERMIT APPLICATION UTU89845)	
R23E SEC 24	N/12 OF SE1/4, NE1/4 OF SW1/4
R23E SEC 26	SW1/4 OF SW1/4
R23E SEC 27	LOT 2-4, W1/2 OF NE1/4, W1/2, W1/2 OF SE1/4
R23E SEC 28	E1/2 OF SW1/4, SW1/4 OF SW1/4, SE1/4
R23E SEC 29	S1/2 OF SE1/4
R23E SEC 33	N1/2
R23E SEC 34	LOTS 1-8
R24E SEC 30	LOTS 1-4, E1/2, E1/2 OF W1/2
Area	**2,372ac (960 ha)**
Total Area	**7,722 (3,125 ha)**

4.2.4 Private Leases

A total of 244ac (99ha) of Strata's mineral control is held under a private lease agreement between UMR and the Siddoway Trust. Table 4.3 provides the legal description of the private lease area and Figure 4.2 illustrates the location of the area within the US Public Land Survey System (PLSS).

TABLE 4.3 LEGAL DESCRIPTION OF PRIVATE LEASE AREA

T2S R24E (SIDDOWAY TRUST PRIVATE LEASE)	
SEC 18	N1/2 OF NW1/4, SE1/4 OF NW1/4, E1/2 OF NE1/4, E1/2 OF W1/2 OF NE1/2
Area	**244ac (99ha)**

The Siddoway Trust lease grants Strata full rights of access and rights to use their surface for leasehold exploration and mining of phosphate. Strata's private lease was issued on September 3, 2014 and expires on September 4, 2024. Annual advanced royalties have been triggered for the lease.

Terms, rents and royalties for the private lease are described as follows:

- Term – 10 years, renewable with diligent development and bonus payment of $40 per acre
- Annual rent of $5 per acre totaling $1,220.
- Annual Advanced Royalty of $10 per acre totaling $2,440.
- Production royalty, greater of:
    - 2.5% market price, FOB mine.

Norwest has reviewed the private mineral lease documents and finds that they appear valid and reasonable for the operation of phosphate exploration and mining within lease boundaries. No formal legal review or further due diligence has been performed.

4.3 ACCESS AND RIGHTS TO PERFORM WORK

4.3.1 DOGM NOI

Strata, through UMR, has an approved Exploration Permit after successfully submitting a Notice of Intent (NOI) to explore for phosphate with Utah Department of Natural Resources Division of Oil Gas and Mining (DOGM). The NOI is valid for a period of two years and may be amended to include additional drilling and exploration activities.

4.3.2 Surface Access

The surface ownership covering Stata's DM Project area is illustrated in Figure 4.2 tenure plan. Agreements are in place for the Phase 1 exploration areas that includes the aerial extent of the estimated phosphate resources outlined in this report. Additional agreements will need to be acquired for the Phase 2 exploration areas east of the current Strata phosphate resource areas.

4.3.3 Existing Environmental Liability

There are no known environmental liabilities impacting Strata's phosphate mineral control. The Federal PPA's will require an Environmental Assessment (EA) prior to the commencement of exploration activities.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

The property is located approximately 28km by air northeast of the city of Vernal, Utah and 22km by air from the Colorado state border, as shown in Figure 5.1. Traveling by road, the property is approximately 35km northeast of Vernal.

Strata has access to the property through local public roads, private roads, and surface use access agreements with local landowners. Access to the site itself can be obtained by traveling east in Vernal on the city street 500 N, which turns into Diamond Mountain Road (County Road 1410) just east of town. Diamond Mountain Road is a paved two-lane road which can be accessed from both town and State Highway 191 north of the Simplot Mine. After traveling 24km from Vernal, Diamond Mountain Road starts to ascend the southern escarpment of Diamond Mountain Plateau. The ascent gains 500m of altitude over the 8km of climb. The most southern block of the project’s tenure, PPA UTU 89685, is entered another 1.5km after cresting onto the plateau.

Much of the project tenure is further accessed from paved or improved gravel secondary roads that are maintained, some seasonally, by Uintah County. The large expanse of the plateau is further covered by a network of smaller, unimproved and unmaintained County roads and private trails. Overland vehicle travel is also possible in many areas.

5.2 CLIMATE

The climate at the property is classified as BSk, using the Köppen climate classification, which is considered a cold semi-arid climate. Like typical BSk climate regions, Vernal experiences hot, dry summers and moderate snowfall in the winter. Unlike typical BSk climate regions, Vernal also experiences periphery effects of the North American monsoon, which brings frequent rain storms in late summer and occasional lightning.

The closest weather monitoring station is located at Diamond Rim (40.617N,-109.243E) at 2,356 meters above sea level, this is approximately 5 air miles ESE from the center of the largest SITLA lease. This station is relatively new so climate history is limited; however, the National Oceanic and Atmospheric Administration possess historic weather data for the Vernal Airport, which is approximately 17 air miles SSW of the lease. The average temperature for summer is 68.9°F and 22.5°F for winter. The area gets an average of approximately 9 inches (in) (229mm) of rain annually, with the most rain occurring in September and October. The area receives an average of approximately 18in (457mm) of snowfall in a given year.

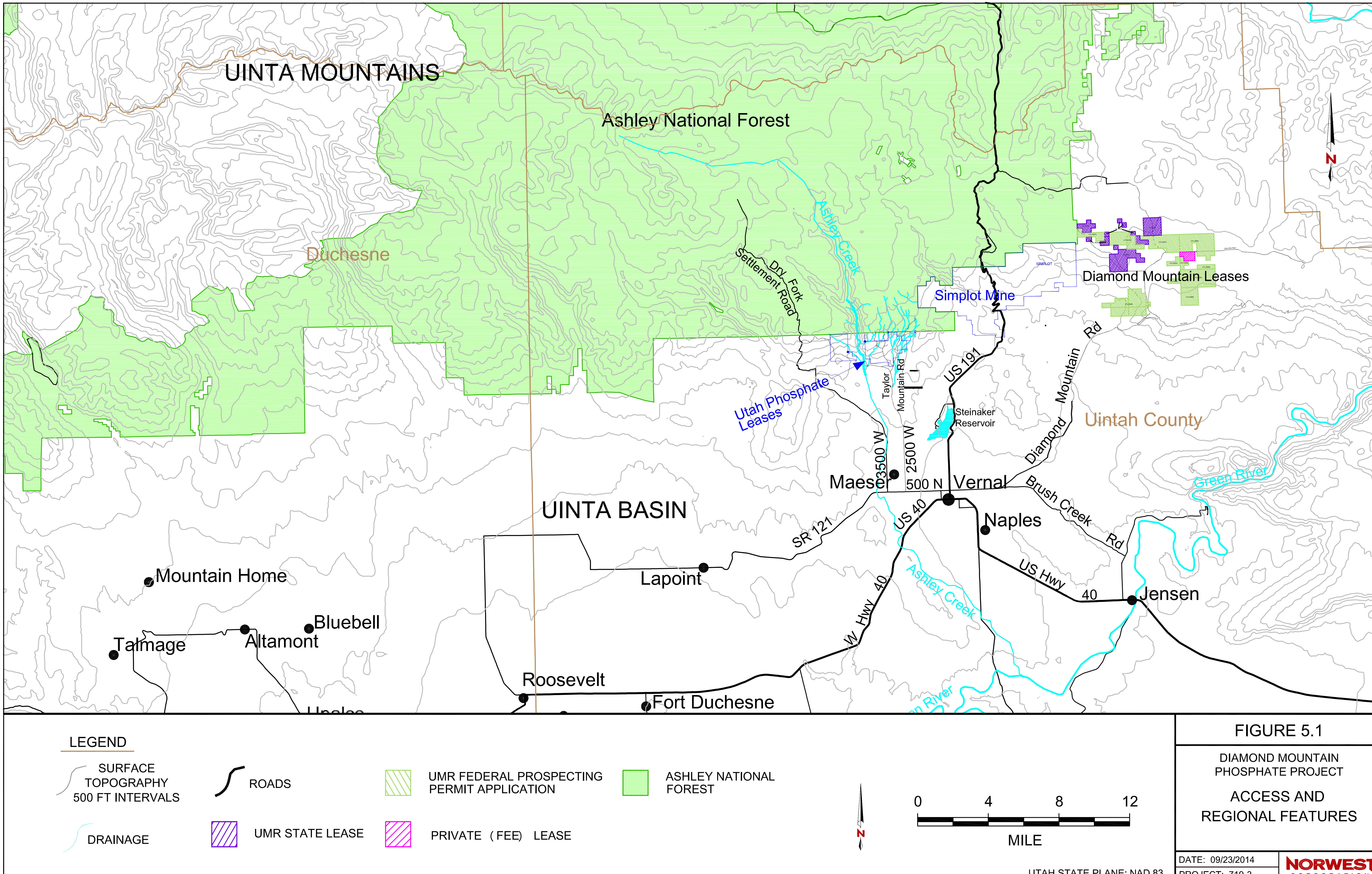


FIGURE 5.1

DIAMOND MOUNTAIN PHOSPHATE PROJECT

ACCESS AND REGIONAL FEATURES

DATE: 09/23/2014
PROJECT: 719-3

NORWEST CORPORATION

This is based on the temperature, precipitation, and snowfall records at the Vernal Regional Airport from 1981 to 2010. Greater precipitation and cooler temperatures should be anticipated at the Diamond Mountain property, but the overall climatic conditions are mild and would not interfere with year-round mining activities.

5.3 PHYSIOGRAPHY

Key physiographic features pertinent to the DM project are illustrated in Figures 5.1. The Strata leases are primarily located on the Diamond Mountain Plateau which is in southern foothills of the Uinta Mountains. Just to the south of the plateau is a transition into the Uinta Basin, which is part of the Green River drainage and is considered the northern most extent of the Colorado Plateau physiographic province. The sloping terrain that is found within, and to the south of, the DM property gives way in the north to thick sequences of recent unconsolidated pediment deposits which has buried the older, flanking sedimentary sequences to significant depths.

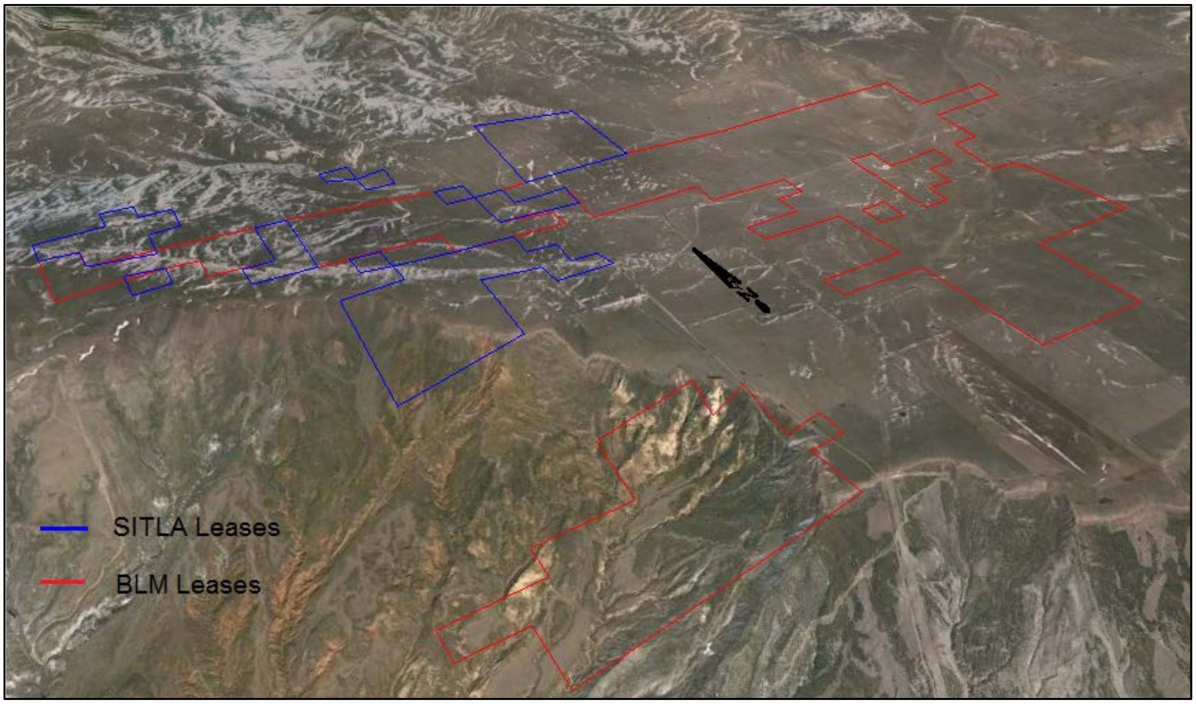
The Ashley National Forest lies to the north. To the west are mine leases owned and operated by the J.R. Simplot Company (Simplot). The communities of Vernal, Maeser, and Naples lie to the south in the Uinta Basin. The area is characterized by moderate to steeply-dipping slopes that transition into tablelands and benches of the basin. The slopes are commonly dissected by steep-sided ravines of varying depths. The elevations within the lease area range from 2,100m to 2,430m above sea level.

The DM leases are scattered, but primarily exist atop the Diamond Mountain Plateau where topographic relief is minimal, surface elevation is relatively constant near 2,350m, as indicated in Figure 5.2, which shows a 3D perspective satellite image of the surface. Topographically, the southernmost SITLA and Federal blocks lie on a ridge, which slopes down in elevation to the southwest. The outcrop changes from Tertiary-aged conglomerates to Triassic and Permian bedrock as we move to the southwestern portions and off the leases. The sloped parts of these leases also contain Quaternary-aged landslides and flow formations.

5.4 VEGETATION

The Strata leases are located within the Upper Sonoran vegetation life zone. The vegetation falls into one of two plant communities: riparian vegetation or cold desert shrubs. Within the riparian community, vegetation includes willows, cottonwood, box elders, rushes, buffalo berry, rose, rabbitbrush, and various grasses and forbs. Within the cold desert shrubs, vegetation includes junipers, cheatgrass, rabbitbrush, saltbrush, prickly pear cactus, big sagebrush, and black sage brush. There are also several non-native species within the area, including Russian Olive, Elm, tamarisk, alfalfa, and various grasses. The riparian communities are located primarily along the base of the drainages and shallow slot canyons that cover the lease areas. The cold desert shrub plant communities are located throughout most of the lease areas.

FIGURE 5.2 PERSPECTIVE VIEW OF DM PROJECT PHYSIOGRAPHY



5.5 LOCAL RESOURCES

Vernal is a supply center for goods and services supporting oil and gas development and oil shale projects in the region. The area has been subject to "boom and bust" cycles of economic swings due to its heavy reliance on the oil and gas industry. Much of the local supply is targeted at the oil and gas industry and must be trucked in as Vernal is relatively distant from rail lines. Greenfield development of oil shale and oil sand prospects lying 40-50 miles south of Vernal present the possibility of future infrastructure development in the area.

5.6 INFRASTRUCTURE

Regional infrastructure is shown in Figure 5.3. Currently the leases are undeveloped, with no mining or processing infrastructure in place. Simplot, a phosphate mining company operating west of the lease areas, operates a common carrier concentrate slurry line from their Vernal, Utah operations to a processing facility in Rock Springs, Wyoming. Use of the existing common carrier line associated with the Simplot Vernal Operation is available through a Pipeline Agreement between SF Pipeline Limited Company (a predecessor company to the Simplot operation) and SITLA.

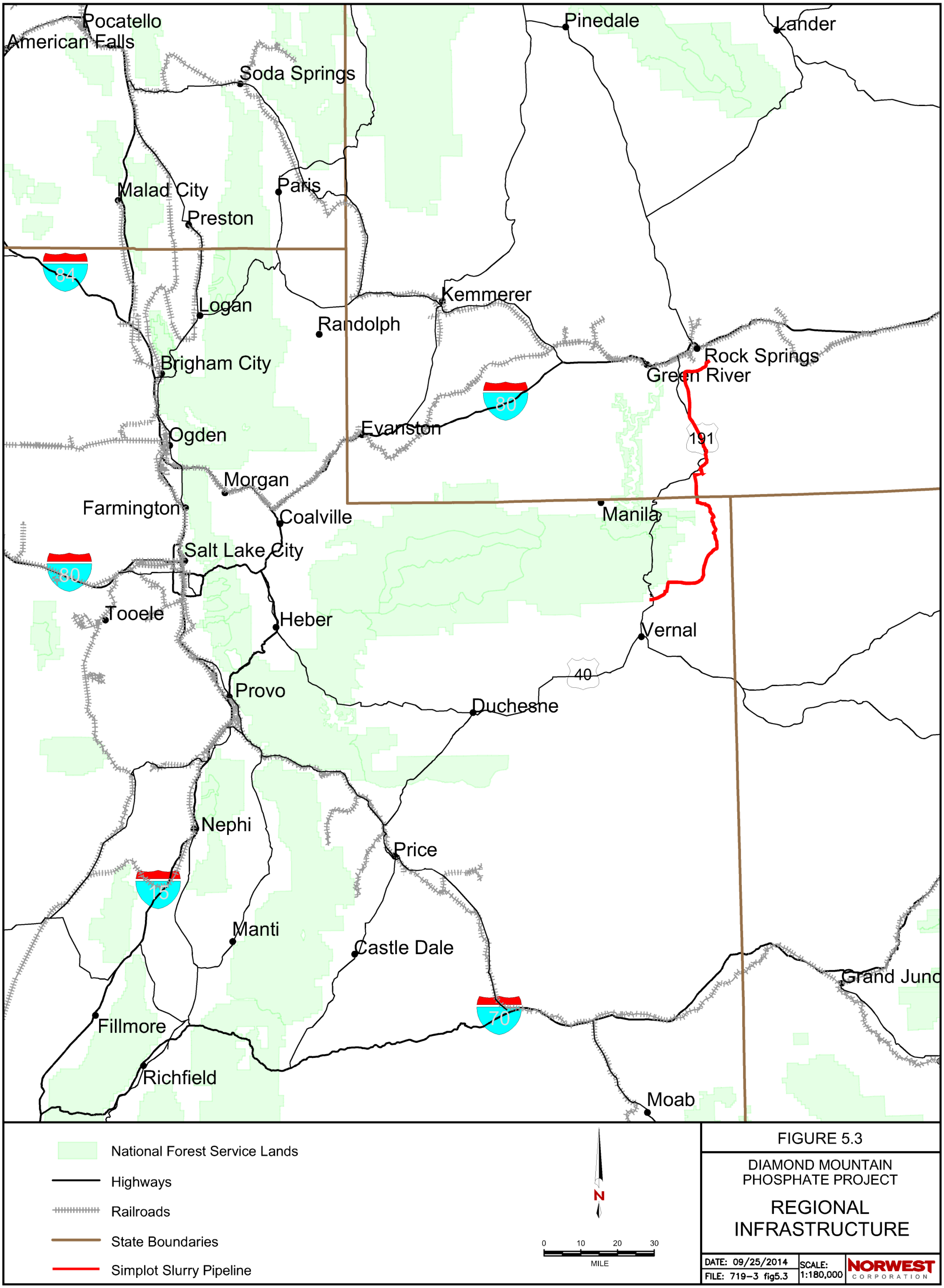


FIGURE 5.3

DIAMOND MOUNTAIN PHOSPHATE PROJECT

REGIONAL INFRASTRUCTURE

DATE: 09/25/2014
FILE: 719-3 fig5.3
SCALE: 1:180,000
NORWEST CORPORATION

The agreement, still in effect, provides for a lessee of the State Leases, such as Strata, to have access to the pipeline and to increase the capacity of the pipeline if necessary. Rates are defined as a “reasonable tariff” and governed by the Surface Transportation Board (STB).

The pipeline terminates at Simplot’s processing facility several miles south of Rock Springs. The nearby Union Pacific railhead, in Rock Springs, could be accessed by Strata for transportation of the ore slurry to a suitable processing site, likely the existing facilities located in Soda Springs, Idaho.

5.6.1 Truck Routes

Road infrastructure is in place nearby the Strata leases for over-the-road truck hauling of ore if required. There is extensive hauling of industrial supplies and products in and out of the Vernal area. The leases are located approximately 28km from the center of the city of Vernal, the closest city. The leases are located approximately 190km (air) from the center of Salt Lake City, Utah, the largest city in Utah. The largest road running near the area is State Highway 40, a two lane road that runs through the center of Vernal. Highway 40 runs west-northwest to Heber, Utah where it meets Highway 189. Highway 40 then continues north until it meets with I-80, an Interstate Freeway, while Highway 189 may be taken southwest into Provo, Utah where it connects to I-15.

I-80 runs west into Salt Lake City, where it meets with I-15, a major interstate freeway that runs south through Las Vegas, Nevada and into California and north through Idaho and into Montana. I-15 connects to numerous other interstates throughout its north-south corridor. Highway 40 also connects to I-70 in Colorado, a major east-west interstate freeway, through State Highways 64 and 139. I-70 runs east to Denver, Colorado, where it connects to numerous other interstate freeways, and west through Utah and connects to I-15 approximately 100 air kilometers north of Cedar City, Utah.

5.6.2 Rail Lines

There are no nearby rail lines that could be used to move ore. The closest rail lines to the DM Project are located north of the project in Green River or Rock Springs, Wyoming, south of the leases in Helper, Utah, or west of the leases, either in Echo Junction, Utah or Salt Lake City. Restoration of a defunct rail line between Grand Junction, Colorado and east-central Utah has been considered by Utah oil shale and tar sand projects and could potentially place a rail line within 80km of the DM Project, but is only speculative at this point.

5.6.3 Power and Natural Gas

Power and gas availability is also crucial to the development of a mining project on the Strata leases. A new power substation may be needed to provide enough power to the mining operations. The closest existing substation to the leases is in Vernal. An assessment of power requirements for mining and plant operations will be required prior to determining whether the current power supply is sufficient for the project. Natural gas is available approximately 30km from the site. To provide natural gas to the leases a new, approximately four mile long, high-pressure gas pipeline and pressure regulator station would need to be constructed.

5.6.4 Water

Industrial water supply is available through the Uintah Water Conservancy District, which has ample excess capacity to support a mining project on the leases. Uintah Water Conservancy District's water supply is established by contract and decrees with the U.S. Bureau of Reclamation, related to Flaming Gorge Reservoir on the Green River. It also holds Green River water rights and other rights in Uintah County for future water development. The Uintah Water Conservancy District manages and stores water in the Steinaker and Red Fleet Reservoirs. District and U.S. Bureau of Reclamation policies govern the operation of these reservoirs.

Red Fleet Reservoir is closest to the lease at approximately ten kilometers west of the State leases. There has been no significant oil shale development in the area, leaving much of the Red Fleet Reservoir's active storage water unsubscribed. The reservoir has an active storage of 24,015 acre feet per year (AFY) with annual consumption of 10,600AF. Water stored in the Steinaker Reservoir, further to the west, has entitlement rights to 21,483AFY of water. Historical use of this allotment is at 99%; there is no excess water available from this reservoir. The Red Fleet Reservoir was constructed in anticipation of accelerated population growth and industrial development associated with oil shale development. Construction was completed in 1980. In addition to water from Red Fleet Reservoir, water is available from Flaming Gorge Reservoir north of the State Leases. The U.S. Bureau of Reclamation filed water rights to appropriate 4,000,000AFY of water from the Green River for storage in Flaming Gorge Reservoir, north of Vernal. Of this appropriation, 51,800AFY is available for future water development in Uintah County (Uintah Water Conservancy District Water Conservation Plan).

Water potentially used to transport concentrate as slurry will have to be carefully considered as to destination. It will be easiest to get water rights for transport if the water stays in state (first choice) or in basin (second choice). Transport out of state and out of basin will be more challenging to gain approval than for water used exclusively within the Uintah Basin. Water disposal at the end of the transportation system must be carefully evaluated.

5.6.5 Personnel

The city of Vernal is the closest city to the leases. Vernal is part of the vernal, UT Micropolitan Statistical Area. Vernal has a total area of approximately 4.6 square miles. The economy is based on the extraction of natural resources, including petroleum, natural gas, phosphate, and gilsonite. Vernal's 2012 census (most recent available) puts the population of Vernal at 9,817 people. Of this population, approximately 5,500 people, or 56% of the population are within the working age range of 20-64. There is an experienced workforce for mining and transportation as 7.0% of all occupations held by residents in Vernal were driver related and 6.1% are extraction related.[1] The unemployment rate in Vernal Utah as of July 2014 is 3.3%.

There is the potential for personnel to come from nearby towns for work as well. For personnel moving to the area, a July 2014 figure[2] lists a housing vacancy rate of 7.68% within Vernal's metro area. This is lower than national average (12.47%) and can be attributed to a currently healthy economy in the Uintah Basin.

The region surrounding Vernal, including southwestern Wyoming and southeastern Idaho, supports numerous surface mining operations for coal and phosphate. A labor pool is skilled in the use of equipment in these environments would be readily available for a surface mining operation on the Strata leases.

[1] "Vernal, Utah." *City-Data.* Advameg, Inc., 2013. Web. Accessed 05 Sept. 2014. <http://www.bestplaces.net/housing/metro/utah/vernal>.
[2]Sperling, Bert. "Housing in Vernal Metro Area, Utah." *Best Places.* Bert Sperling, June 2014. Web. Accessed 05 Sept. 2014. <http://www.bestplaces.net/housing/metro/utah/vernal>.

6 HISTORY

The DM Project is located overlying phosphate-bearing shale comprising the Meade Peak Member of the Permian Park City Formation (aka Phosphoria). This same unit is found in phosphate occurrences along the southern edge of the Uinta Mountains in Utah and to the north in neighboring states of Idaho, Wyoming and Montana. This area is collectively are known as the Northwestern U.S. Phosphate District.

The occurrence of the Park City Formation and its phosphatic unit in the western states has been recognized for many years, with documentation beginning around the turn of the 20th century. The first detailed studies in the northern Utah area culminated in the USGS Bulletin 1007, by Douglas Kinney, 1955. This work was predominantly composed of field mapping and limited outcrop sampling, however measured sections of the Meade Peak phosphate zone were compiled and “order of magnitude” exploration target results were made for areas along the southern Uintas.

USGS field surveys in 1955 were followed by phosphate exploration drilling and sampling programs that by 1960 culminated in the development of a phosphate surface mine located approximately 15km by air from the DM project site. The mine was originally developed by San Francisco Chemical Company and later bought in 1981 by Chevron Resources Company (Chevron). By May 1986 Chevron had constructed a concentrating plant at the mine site as well as a 10-inch, 96-mile phosphate concentrate pipeline from Vernal to their Rock Springs fertilizer plant. This pipeline runs over lands owned by the United States, including environmentally sensitive lands, pursuant to a right-of-way issued by the Bureau of Land Management. Chevron’s interest was eventually bought out by Simplot in 1992, who now controls the mine, the pipeline and the plant.

Ashley Creek Phosphate Company (ACPC), former developers of the property west of Simplot’s operations, was involved in a legal battle with Chevron through the late 1980's and the majority of the 1990’s after Simplot’s 1992 acquisition of the mine and pipeline. ACPC petitioned unsuccessfully to acquire rights and a reasonable tariff for use of the common carrier pipeline. After lengthy consideration by the Surface Transportation Board (STB) and Interstate Commerce Commission (ICC), an agreement between the Simplot pipeline subsidiary and SITLA was executed in 1997, guaranteeing lessees of the area’s State minerals right for use of the pipeline at a reasonable tariff approved by the STB. This is significant for the DM project as use of the pipeline could be a potential method of transport of concentrated ore slurry from the property to a major rail line or Simplot’s processing plant in Rock Springs, Wyoming.

In the mid 1960’s US Steel became interested in exploring the area south and east of Simplot’s properties that included the DM project area. US Steel completed a total of 23 exploration drillholes between 1967 and 1970, of which two occur within the southern portions of current Strata tenure and another six within one mile of the controlled DM property. US Steel was focused on developing the significant underground mineable resource, and although they were successful in identifying phosphate mineralization south of the DM Project area, no further development efforts were pursued.

UMR identified the potential of the DM area and began planning the acquisition of mineral rights in 2010. The Federal PPA's and SITLA leases were acquired by UMR during 2012 and 2013. Shortly thereafter UMR and Strata executed a Purchase Option Agreement with interest in the project available to Strata given certain investment requirements, one of which was the funding of the Phase 1 exploration program or 2014. This report outlines the results of the exploration drilling programs to date and uses this data to estimate phosphate resources within the DM Project area.

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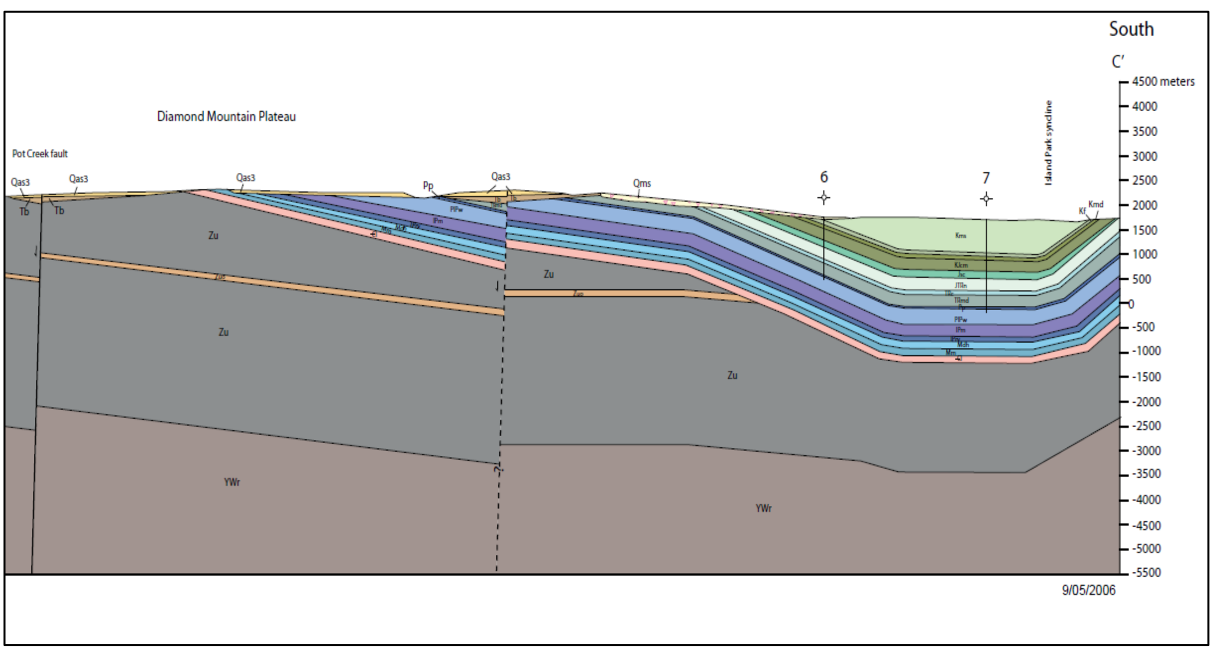
7 GEOLOGICAL SETTING AND MINERALIZATION

The DM Project area is located on the Diamond Mountain Plateau which occurs along the southern flanks of the Uinta Mountains in northeastern Utah. The project tenure areas largely overly the Permian Park City formation (also known as the Phosphoria formation), which includes a mineralized zone of phosphatic shales.

The Uinta Mountains are an east-west trending range that form part of the Rocky Mountain chain extending from the western United States into Canada. The mountains were formed during the Laramide orogeny approximately 70-50 million years ago, resulting from a period of compression and uplift associated with subduction of oceanic crust below the North American plate. The dome-like uplift has exposed Precambrian meta-sedimentary rocks near surface throughout the center of the Uinta range with overlying Paleozoic sediments draped along both northern and southern flanks. The Uintas have experienced substantial erosion plus more recent cycles of glaciation, which are responsible for widespread Tertiary and Quaternary cover over the Paleozoic units.

Figure 7.1 illustrates the regional setting of Paleozoic sediments flanking the Plateau. The figure presents a close representation of the property's structural setting, as the Park City Formation (Pp) subcrops near surface, dips to the south where it contacts a near-vertical fault uplifting the southern block, and continues to dip southward into the Uinta Basin.

FIGURE 7.1 REGIONAL CROSS-SECTION OF UINTA MOUNTAINS



Modified from UGS Open File Report 491DM, 2006

The cross-section represents an area approximately 4km east of the easternmost Strata PPA and private lease areas. It demonstrates that there are potential near-surface occurrences of the Park City Formation that may become an asset to the project through lease acquisition in this area.

7.1 REGIONAL STRATIGRAPHY

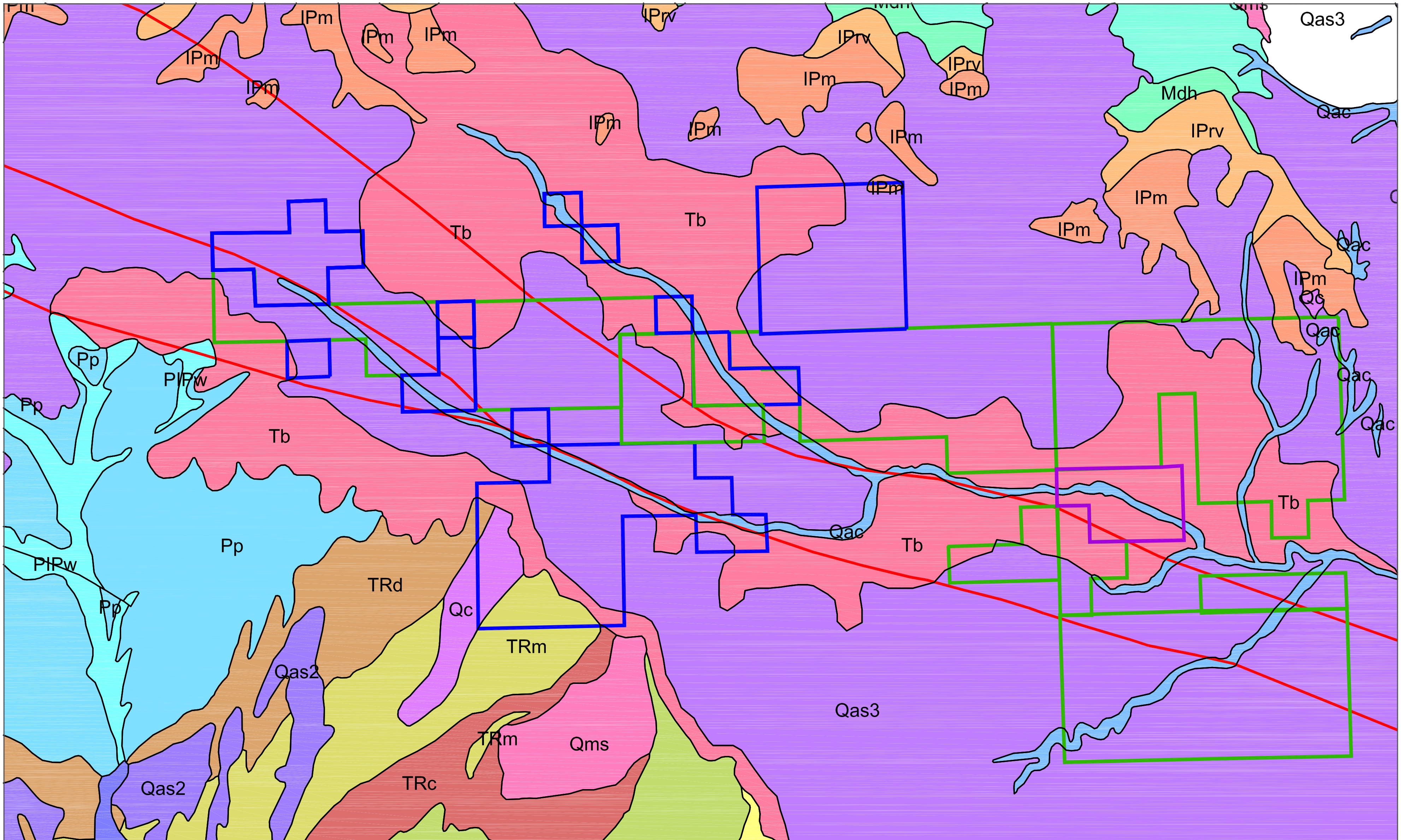
The ore-bearing unit occurring along the southern flank of the Uintas and comprising the phosphatic ore bed of interest is contained within the Meade Peak Member of the Permian Park City Formation. The same unit is found in the phosphate occurrences of Idaho, Wyoming and Montana, loosely referred to as the "Northwest U.S. Phosphate Province" to distinguish it from the phosphate areas of the southeastern U.S. The Meade Peak Member increases gradually in thickness to the west of the property, reaching over 35m in thickness in the western Uinta Mountains, and thins to extinction to the east near the Colorado-Utah border. Because of the significant numbers of drainages coming from the Uinta Mountains, frequent outcrops of the Meade Peak Member occur in valleys and gorges along the southern flank of the Uintas.

Figure 7.2 shows the surface geology within the project area, being comprised predominantly of the Tertiary erosional pediment cover of the Bishop Conglomerate and Quarternary alluvium and colluvium. Paleozoic carbonate sediments underlying the Weber Sandstone are exposed to the north of the project area and clastic sediments of the regionally significant Chinle and Nugget Sandstone Formations in the southwest. Table 7.1 shows the stratigraphic relationship of these regional units. The Park City Formation is overlain by the distinctive Triassic red-beds of the Dinwoody and Moenkopi Formations.

7.2 PROJECT STRATIGRAPHY

The local stratigraphic column is illustrated in Figure 7.3. The phosphatic zone of the Meade Peak ranges from 3.5m to 5.4m in thickness within the DM property and typically occurs at the base of the Park City Formation. The ore appears as dark greenish-gray shale with phosphatic grains occurring as oolites or small irregular masses.

The Meade Peak is underlain by the cliff-forming Weber Sandstone, with the base of the ore zone lying on or within a half-metre of the formation contact. The Grandeur Member of the Park City, commonly underlying the phosphatic zones in Idaho, is for the most part absent in the project area. The uppermost 1m to 3m of the Meade Peak Member is also comprised of phosphatic shale, but phosphate grades are significantly lower. This is observed in both US Steel and Strata assay results.



- UMR Federal Prospecting Permit Application
- UMR State Lease
- Private (Fee) Lease
- Faults

- Qac - Mixed Alluvium and Colluvium
- Qas2/Qas3 - South Flank Piedmont Alluvium
- Qc - Colluvium
- Qms - Slides, Slumps and Flows
- Tb - Bishop Conglomerate
- Trc - Chinle Formation
- Trm - Moenkopi Formation
- Trd - Dinwoody Formation
- Pp - Park City and Phosphoria
- PiPw - Weber Sandstone
- IPm - Morgan Formation
- Mdh - Doughnut Shale

SOURCE: UGS OPEN FILE REPORT 491DM, 2006

N

0 500 1000 1500 2000
METERS
SCALE: 1" = 1,500m

FIGURE 7.2

DIAMOND MOUNTAIN PHOSPHATE PROJECT

SURFACE GEOLOGY

DATE: 09/24/2014 | PROJECT: 719-3
FILE: T:\strata\report

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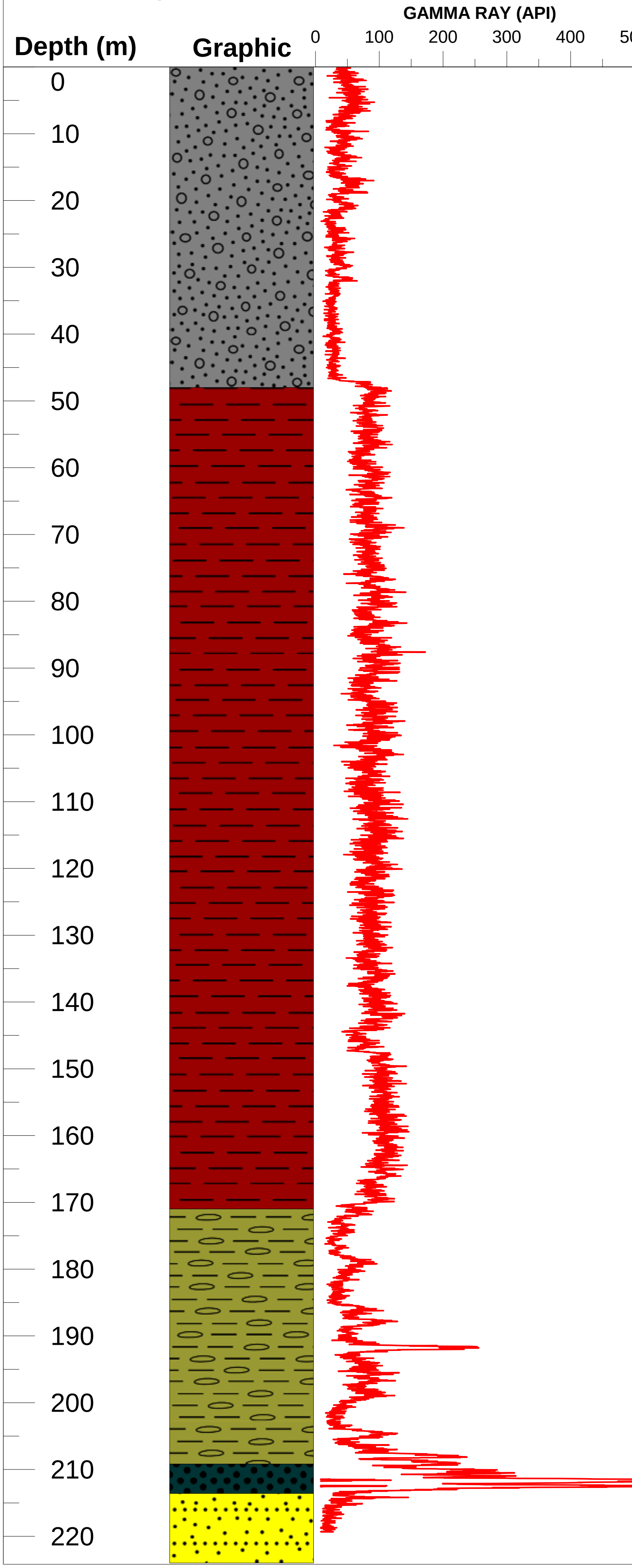
TABLE 7.1 REGIONAL STRATIGRAPHY UINTA MOUNTAINS AREA

Formation	Age	Thickness (ft)	Description
Unconsolidated Sediments	Quatenary	<30m	Unconsolidated mud, silt, sand and gravel
Bishop	Oligocene	<10-180+m	Boulder to pebble conglomerate and poorly sorted sandstone
Nugget	Lower Jurassic to Upper Triassic	200m to 315m	Large-scale cross-bedded sandstone; locally contains carbonate and fluvial lenses
Chinle	Upper Triassic	40-140m	Siltstone, sandstone, claystone, shale, and conglomerate; abundant petrified wood
Moenkopi/Dinwoody	Lower Triassic	<160m	Shale, siltstone, and sandstone with minor amounts of limestone
Park City and Phosphoria	Lower Permian	20m to 130m	Franson Member of Park City Formation - cherty limestone and dolomite interbedded with sandstone and shale
		0m to 120m	Meade Peak Phosphatic Shale Member of the Phosphoria Formation - phosphatic shale with interbeds of sandstone and limestone
		<30m	Grandeur Member of Park City Formation - sandstone, dolomite, and limestone; generally resistant and forms ledges and cliffs.
Weber Sandstone	Lower Permian to Middle Pennsylvanian	186m to 472m	Sandstone with interbeds of limestone in the lower part; highly cross-bedded sandstone in the upper part
Morgan	Middle Pennsylvanian	11m to 290m	Shale and siltstone, fossiliferous and red cherty limestone, and locally cross-bedded sandstone

The Meade Peak Member is overlain by the Franson Member of the Park City Formation. The lowest portion of the Franson Member is a marlstone that contains occasional low grade phosphatic zones. Below the ore-bearing section of the Meade Peak Member is a 0.2m thick dolomitic shale or sometimes dolomitic sandstone. The Weber Sandstone lies unconformably below this.

Figure 7.3 illustrates the typical stratigraphy penetrated on the property. It presents a graphic lithologic column, gamma ray geophysical log signature and litho-stratigraphic descriptions of the intercepted strata. The data is taken from drillhole DM-14-01C, one of the deeper holes drilled during the 2014 program.

Figure 7.3: Diamond Mountain Generalized Stratigraphy



Unit	Lithologic Description
Undifferentiated Conglomerates (CG)	Bishop and/or Browns Park conglomerate. Light gray, pinkish gray and light brown poorly sorted conglomerates. Intermittent packages of Sandstone present.
Moenkopi Fm (MO)	Medium to dark red and reddish brown, ripple marked siltstone. Fine grained sandstone and shale with gypsum and limestone beds.
Park City Fm (PC)	Gray thick to thin bedded cherty limestone, dolomited interbedded with brownish-gray sandstone and red to ochre shale.
Phosphatic Ore (OR)	Dark green to gray, oolitic, phosphatic shale. Oolites vary - very fine to medium grained.
Weber SS (WSS)	Sandstone unit with abundant lithics. Medium gray to yellow gray. Cross-bedded.

7.3 STRUCTURAL GEOLOGY

The strata of interest on the property (Meade Peak phosphatic shales) strike west-east and dip towards the south at between 6 and 10 degrees. Dip of the phosphatic shales generally increases in the south where it is closer to 10 degrees and decreases towards the north to approximately 6 degrees. Figure 7.4 shows the structural elevation contours of the roof of the phosphatic shales of the mineralized zone.

The phosphatic shales subcrop below poorly consolidated conglomerates up to 120m in thickness that are developed below the surface soils or colluvium. Two prominent southeast-trending, high angle normal faults have been identified on the property based on projections from public domain USGS surface mapping, air photo interpretations and exploration drilling. The locations of these faults and their relative displacements are illustrated in Figure 7.4.

These faults form the boundary of a southeast trending graben north of which the phosphatic shales are displaced above the weathering surface. South of the graben the phosphatic shales are upthrown by approximately 40m. The southern graben fault splits into two separate faults in the west. Exploration drilling between these two split faults has shown this region of the property to be deeply weathered and filled with a thick conglomerate layer. The ore zone was not intercepted in this fault–bounded wedge and drilling in this area was terminated in the conglomerate.

The subsurface trends and structural nature of the DM property is best illustrated in Figure 7.5, Cross-sections A-A' and B-B'. The plan view locations of the cross-sections are illustrated in Figure 7.4. These cross-sections show representative profiles along strike of the graben (A-A') and perpendicular to its strike (B-B'), which illustrates the extent of fault displacement along the southern fault. The thickness of the conglomerate as illustrated in Cross-section B-B' can be seen thinning from the Diamond Mountain Plateau towards the south in the direction of the Uinta Basin.

The relative displacement across the projected fault traces is only estimated for the southernmost fault due to the penetration of stratigraphic markers on both sides of the fault in the exploration drillhole records. Where the southern fault splits in the east of the property the fault displacement cannot be determined from drillhole records. The lack of penetration of phosphatic shales between these split faults and thick accumulations of younger conglomerates near surface indicate this area to be down-thrown. Similarly, displacement in meters for the northernmost fault cannot be determined due to absence of stratigraphic markers north of the fault. However, the penetration of Weber Sandstone in exploration drillholes north of the fault indicate that this fault forms the northern limit of the phosphatic shales within Strata's current mineral control areas.

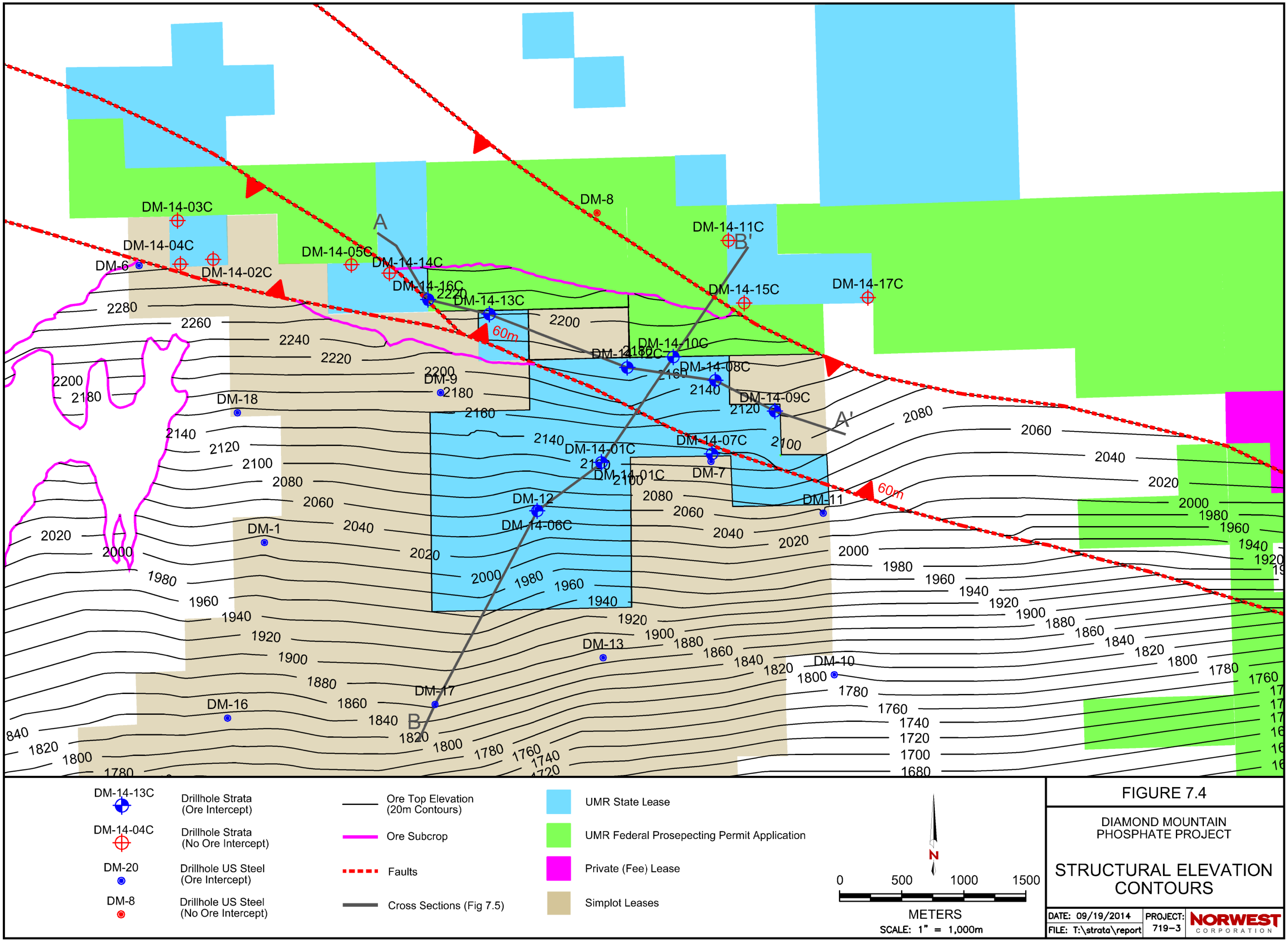
The relationship of topography, overburden, and faulting to the phosphatic shale horizon is illustrated in Figure 7.6. Overburden depth within Strata's mineral control reaches a maximum of approximately 370m below the Diamond Mountain Plateau to 120m on the southwestern slopes of the escarpment and less than 90m along subcrop in the north.

7.4 MINERALIZATION

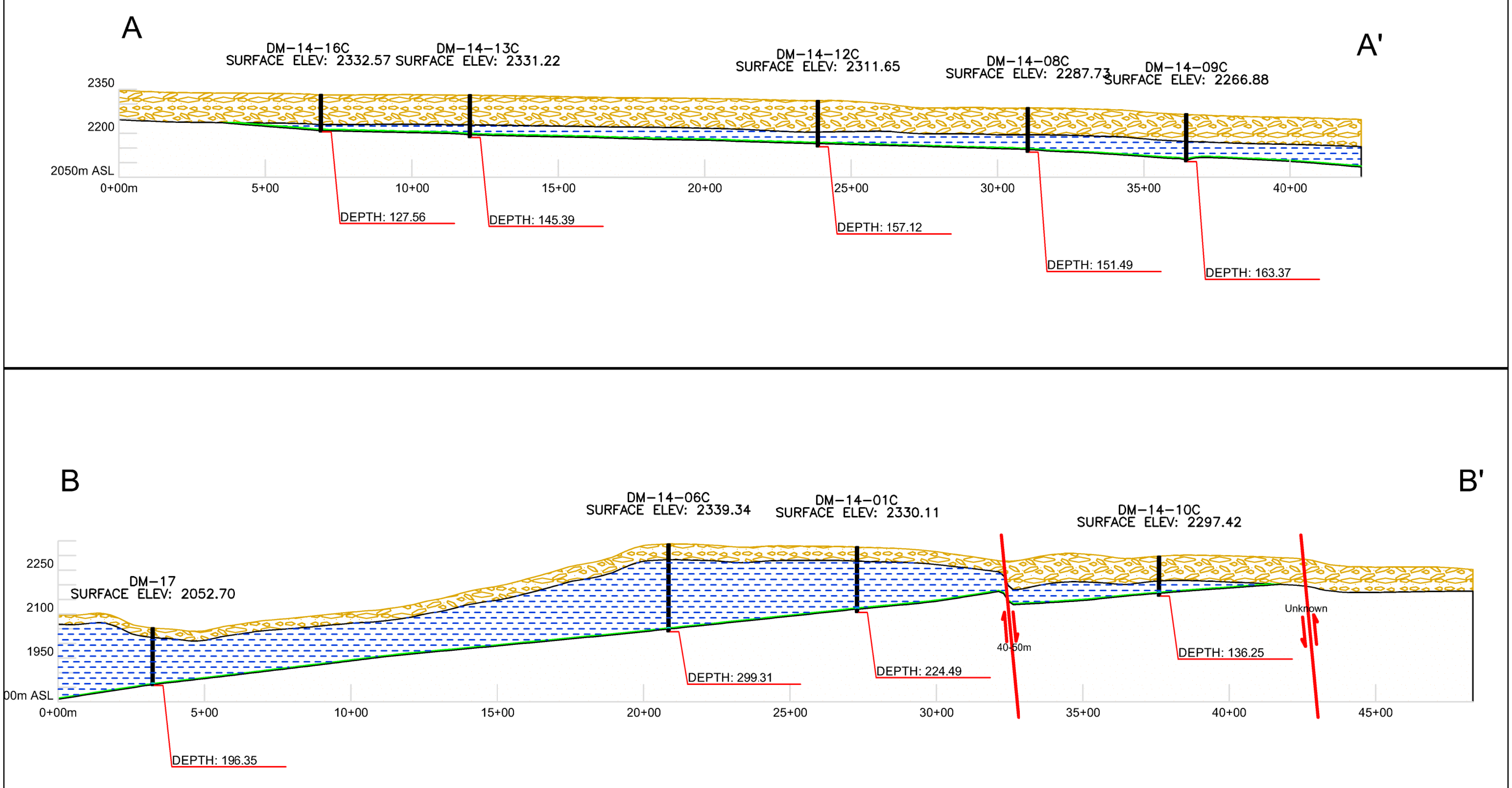
The phosphatic shale mineralization that is the subject of this Technical Report occurs as one stratiform bedded horizon within other sedimentary strata of the Meade Peak Member of the Park City Formation. It is referred to in the area simply as the “ore zone”, as multiple mineralized horizons are not present as commonly occurs elsewhere in the Northwestern U.S. Phosphate Province. The primary mineral of potential economic interest is the phosphate, quantified as percent phosphorus pentoxide (P_2O_5).

The ore zone occurs as a faulted horizon ranging from a minimum of 3.51m to a maximum thickness of 5.43m, averaging approximately 4.4m. There is no apparent zone of thicker or thinner ore and overall it tends to remain very uniform. The ore zone can be readily discerned in core by the observation of the first zone of abundant oolites occurring approximately 1.5m into the Meade Peak Member from the Franson Member contact. The top of the Meade Peak Member is also classified as a phosphatic shale, however it contains a significantly lower P_2O_5 content when compared to the more enriched ore zone below. The base or the phosphatic shale portion of the ore is sometimes marked by a thin (0.1m to 0.5m) thick dolomitic zone. This can be seen in the assays by an increase in magnesium oxide (MgO) grade. Below this dolomitic zone is a phosphatic sandstone, which is part of the Weber Sandstone unit. This is also included in the ore zone based on P_2O_5 grades that are similar to or higher than the shale portion of the ore zone above. Only the top 0.5m to 1.5m of the Weber Sandstone contains ore grade suitable for economic recovery.

P_2O_5 grades within the ore zone vary and there are commonly two low grade ore partings occurring within the zone. Grades as high as 30% P_2O_5 occur occasionally, most often found in the top of the Weber Sandstone. The low grade partings are typically in the range of 6% to 10% P_2O_5. Other metal oxides within the ore zone that have an impact on ore processing include magnesium oxide (MgO), aluminum oxide (Al_2O_3), iron oxide (Fe_2O_3) and silica dioxide (SiO_2). Figure 7.7 illustrates a profile of phosphate mineralization for three of Strata’s exploration drillholes. The relative concentrations of P_2O_5 grade in weight percent, together with percentages of MgO and SiO_2 from sampling, can be observed within and surrounding the mineralized horizon.



DM-14-03C
DM-14-04C
DM-14-02C
DM-14-05C
DM-14-14C
DM-14-16C
DM-14-13C
DM-14-11C
DM-14-15C
DM-14-17C
DM-14-10C
DM-14-08C
DM-14-09C
DM-14-07C
DM-14-01C
DM-14-06C
DM-6
DM-8
DM-9
DM-18
DM-1
DM-7
DM-11
DM-12
DM-13
DM-10
DM-16
DM-17
A
A'
B
B'
60m
DM-14-13C Drillhole Strata (Ore Intercept)
DM-14-04C Drillhole Strata (No Ore Intercept)
DM-20 Drillhole US Steel (Ore Intercept)
DM-8 Drillhole US Steel (No Ore Intercept)
Ore Top Elevation (20m Contours)
Ore Subcrop
Faults
Cross Sections (Fig 7.5)
UMR State Lease
UMR Federal Prosepecting Permit Application
Private (Fee) Lease
Simplot Leases
N
0 500 1000 1500
METERS
SCALE: 1" = 1,000m
FIGURE 7.4
DIAMOND MOUNTAIN PHOSPHATE PROJECT
STRUCTURAL ELEVATION CONTOURS
DATE: 09/19/2014
FILE: T:\strata\report
PROJECT: 719-3
NORWEST CORPORATION



Bishop Conglomerate

Moenkopi and Park City Formations

Phosphatic Ore Zone

Weber Sandstone

Drillhole in Section (Ore in Blue)

Fault (With Displacement)

*Section locations can be seen in plan on Figure 7.4

SCALE: 1" = 500m
NO VERTICAL EXAGGERATION

FIGURE 7.5

DIAMOND MOUNTAIN PHOSPHATE PROJECT

CROSS SECTIONS A-A' & B-B'

DATE: 09/19/2014 | PROJECT: 719−3
FILE: T:\REPORT\FIGS

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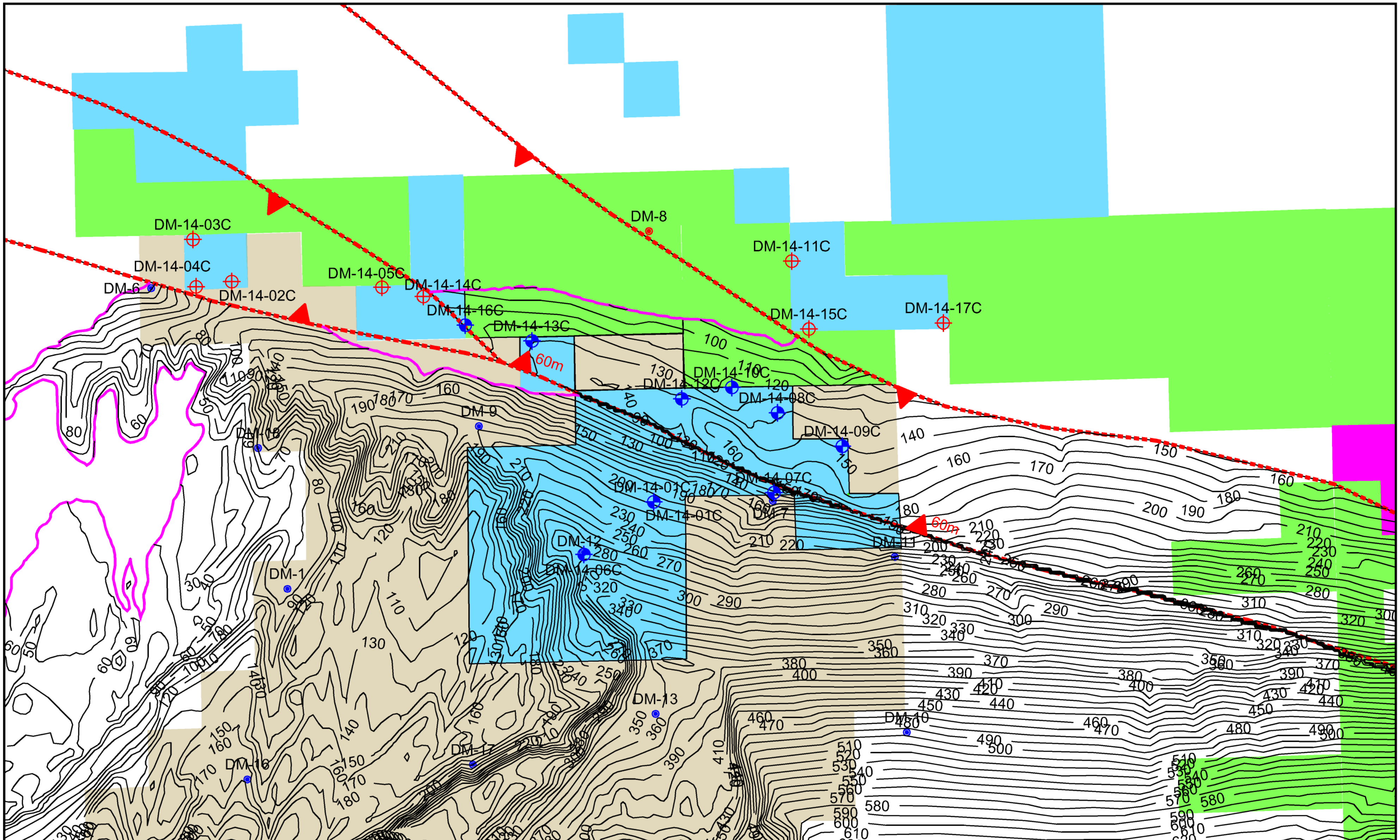


DM-14-13C	Drillhole Strata (Ore Intercept)	Overburden Thickness (20m Contours)	UMR State Lease
DM-14-04C	Drillhole Strata (No Ore Intercept)	Ore Subcrop	UMR Federal Prosepecting Permit Application
DM-20	Drillhole US Steel (Ore Intercept)	Faults	Private (Fee) Lease
DM-8	Drillhole US Steel (No Ore Intercept)		Simplot Leases

N

0 500 1000 1500

METERS

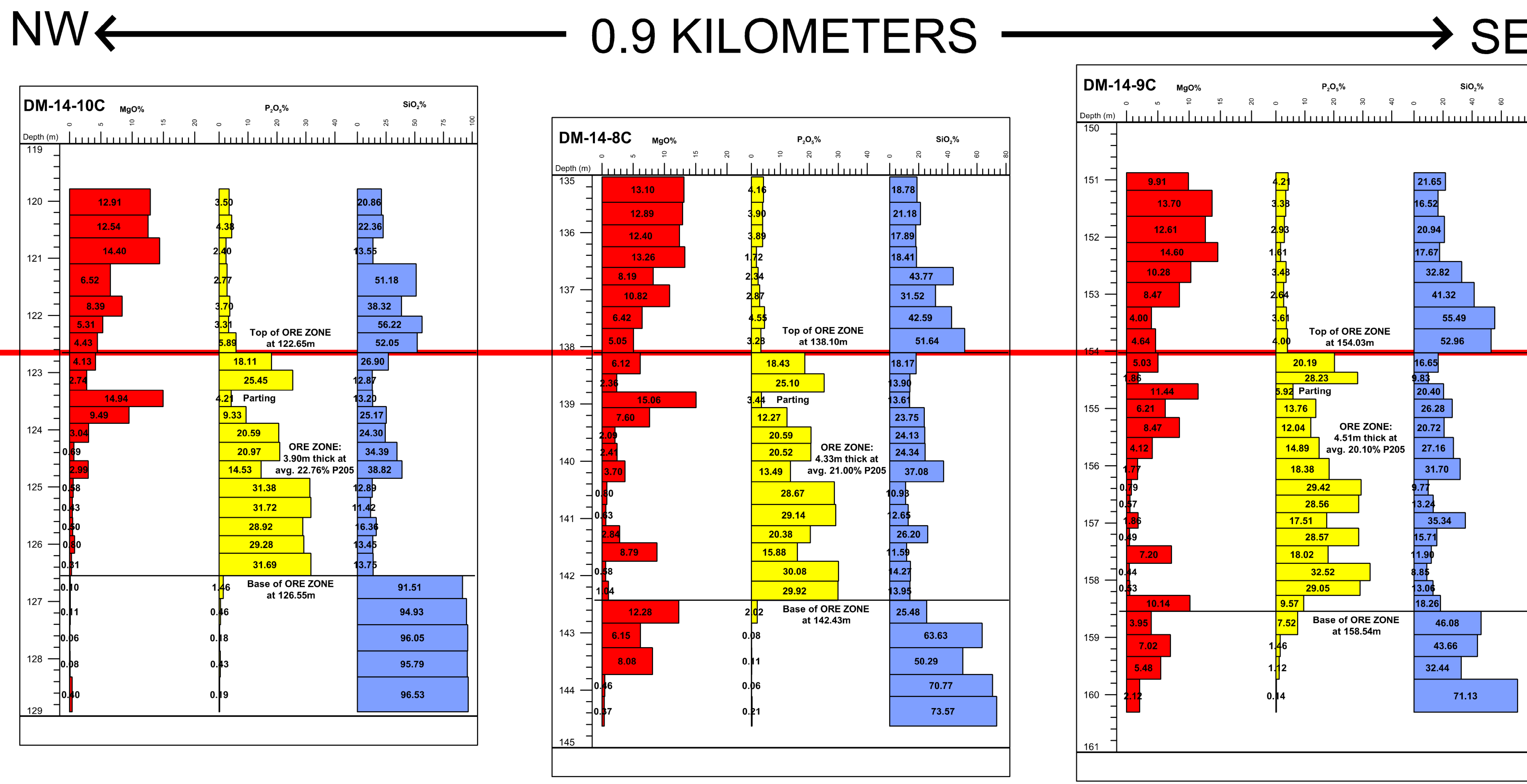
SCALE: 1" = 1,000m

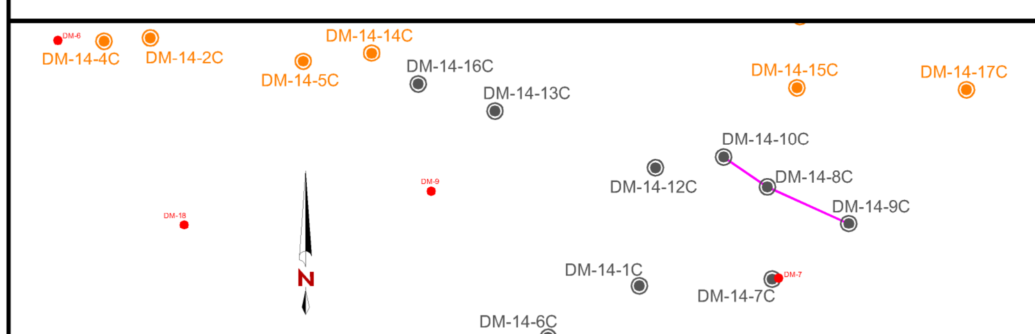
FIGURE 7.6

DIAMOND MOUNTAIN PHOSPHATE PROJECT

OVERBURDEN CONTOURS

DATE: 09/24/2014
FILE: T:\strata\report
PROJECT: 719-3
NORWEST CORPORATION





LEGEND

DM-14-3C — COMPLETED 2014 COREHOLE

DM-14-14C — HOLE WITH ORE ZONE NOT PRESENT-ERODED AWAY

DM-9 — HISTORIC US STEEL COREHOLE

STRATIGRAPHIC DATUM -- ORE ZONE TOP

FIGURE 7.7

DIAMOND MOUNTAIN PHOSPHATE PROJECT

PHOSPHATE MINERALIZATION PROFILE

DATE: 10/01/2014 SCALE: 1:1,250
FILE: 719-3 FIGS

NORWEST CORPORATION

8 DEPOSIT TYPES

Deposition of phosphate rock in the Northwest U.S. Phosphate Province occurred in a shallow marine basin named the Phosphoria Sea approximately 250 million years ago. The sea extended an estimated 700km southwestward from its core area in southeastern Idaho. Along its eastern edge the shallowest portions of the sea existed at what is now the Utah/Colorado border (Kenter, 2009). The basin was restricted between the then continent of Pangea and offshore island arcs to the west. Deposition of phosphorite occurred in an environment that prohibited the typical formation of carbonates and only permitted the influx of very fine-grained sediment to form the shale (mudstone) matrix of the Meade Peak Member.

There are a number of mechanisms postulated for the deposition of phosphate-enriched strata, including the accumulation of organic detritus rich in phosphorus (certain fish teeth and skeletons), enrichment of depositional waters by micro-organisms and precipitation of phosphate around “seed” particles to form oolites.

These depositional environments are thought to be common to phosphate deposits worldwide, and the model of broad basins explains the vast extents of most deposits. The Meade Peak member extends from Soda Springs, Idaho to just east of Vernal, Utah. Due to the extensive size of this basin, a distance of approximately 300km, there are notable variations between the deposit in northeastern Utah and the deposit seen near Soda Springs. Locally, however, the characteristics of the deposits are stratigraphically uniform.

The Meade Peak ore zone is being mined in the Vernal area by Simplot using surface mining techniques. The current phosphate resource area described in this report is considered to be a deposit that is amenable to underground extraction techniques.

9 EXPLORATION

Phosphate exploration within and surrounding Strata's leases and Federal PPA's is comprised of two drilling programs, an earlier program undertaken by US Steel and the current Strata program. Prior to the US Steel program, exploration in the vicinity of the DM Project area was limited to regional USGS field surveys. This field mapping identified the occurrence of phosphate mineralization and allowed a high-level characterization of the deposit from outcrop sample assays. Further development efforts by commercial enterprises utilized this data and led to the establishment of the Simplot surface mine located 15km west of the DM Project area.

No other significant exploration work other than drilling was performed within or near the DM Project area.

10 DRILLING

The DM Project area was first drilled by US Steel in a multi-phase program between the years 1967 and 1970. The combined US Steel drill programs completed a total of 23 exploration holes using combination rotary and core drilling (spot coring), 22 of which penetrated the phosphate horizon and recovered core samples through the phosphate horizons. The Strata 2014 drill program has completed a total of 17 HQ-gauge core holes, 9 of which penetrated the phosphatic zone. Drilling activity in the area is summarized in Table 10.1.

TABLE 10.1 DRILLING HISTORY AS OF JULY 22, 2014

Owner	Year	Drilling Method	Mineral Ownership		
			Federal	State	Yearly Totals
USS	1967	Spot Core	9		9
USS	1969 to 1970	Spot Core	13	1	14
UMR	2014	HQ Core		17	17
Totals for Current Resource Model			**22**	**18**	**40**

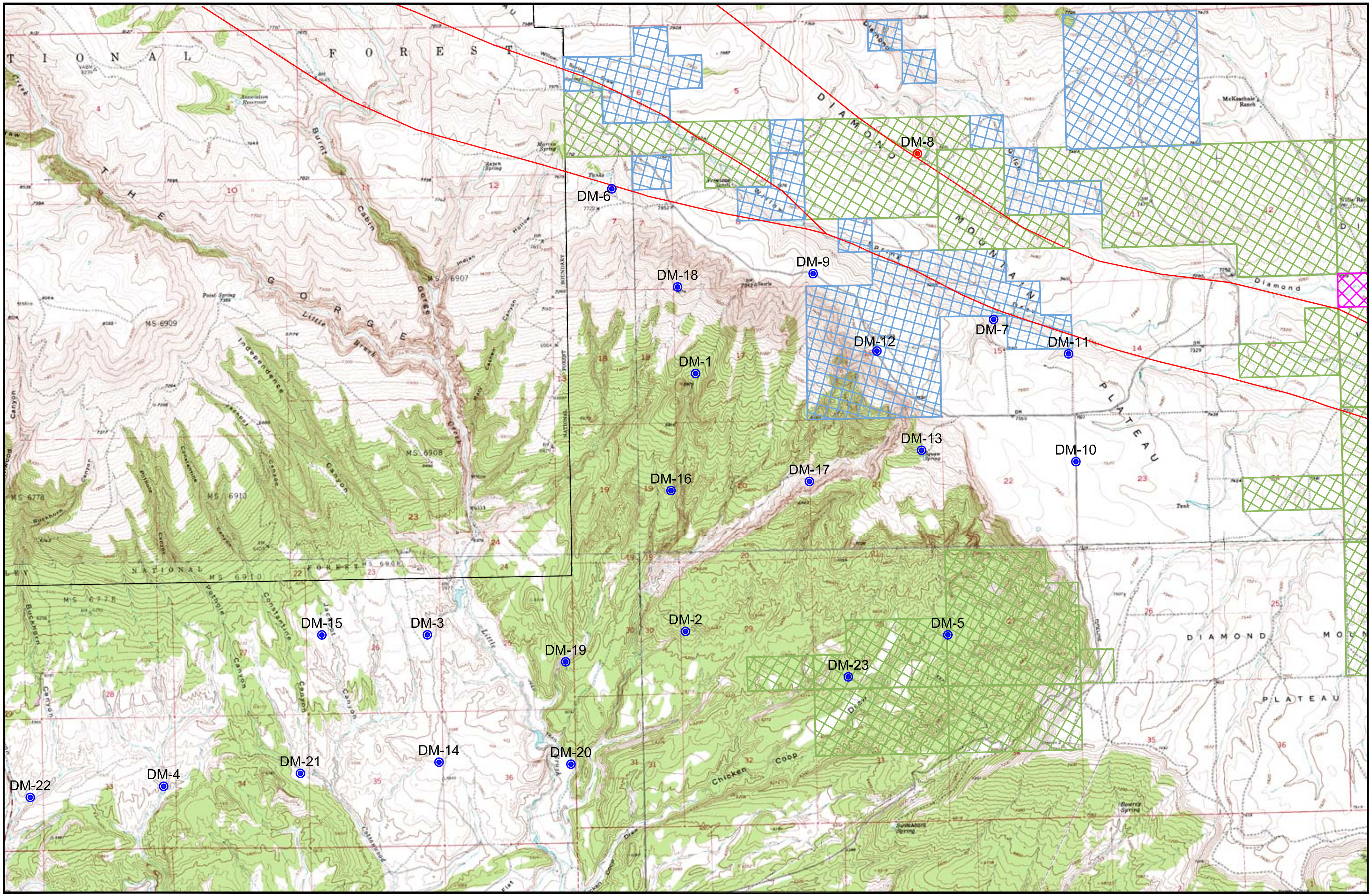
10.1 US Steel Historic Drill Program

In 1966 US Steel acquired 13,877ac of Federal prospecting permits and 1,916ac of State leases for the purpose of phosphate exploration. US Steel was exploring for potential phosphate mineralization along strike and 5km east of the Simplot phosphate surface mine operations. Between 1966 and 1970 a total of 23 drillholes were completed, shown in Figure 10.1.

The US Steel drilling was performed in two phases. The first phase was used to evaluate the overall potential of the DM area by drilling on approximate 3.25km (2 mile) centers. Following the confirmation of phosphate mineralization, a second program was designed for the following year to bring the drilling density to 0.6km (1 mile) centers. Due to budget constraints this program was put off until 1969 and completed in February, 1970.

Overall core recovery for the US Steel holes was good, with 15 of the holes achieving 100% recovery at an average of 98% for all 23 holes combined. The lowest recovery noted for a phosphate section was 84% for hole DM-15, which was cored with a conventional rotary rig as opposed to the diamond wireline rig used for the majority of the coring. The generally very good recoveries add confidence to the assay intervals and potential ore zones defined by US Steel. No downhole geophysical logging was done to confirm ore zone thickness.

Drilling methodology included a combination of rotary and core drilling. Rotary drilling was used to penetrate the thick overburden sections into the Park City Formation. In most cases temporary casing was installed and a core drill moved over the hole and used to recover the phosphate horizon, excepting several holes that were completed with a conventional rig as mentioned above.



Ore Subcrop

Faults

DM-20 Drillhole US Steel (Ore Intercept)

DM-8 Drillhole US Steel (No Ore Intercept)

UMR State Lease

UMR Federal Prospecting Permit Appl's

Private (Fee) Lease

0 500 1000 1500 2000

METERS

SCALE: 1" = 1600m

N

FIGURE 10.1

DIAMOND MOUNTAIN PHOSPHATE PROJECT

US STEEL DRILLHOLE LOCATIONS

DATE: 09/24/2014

PROJECT: 719-3

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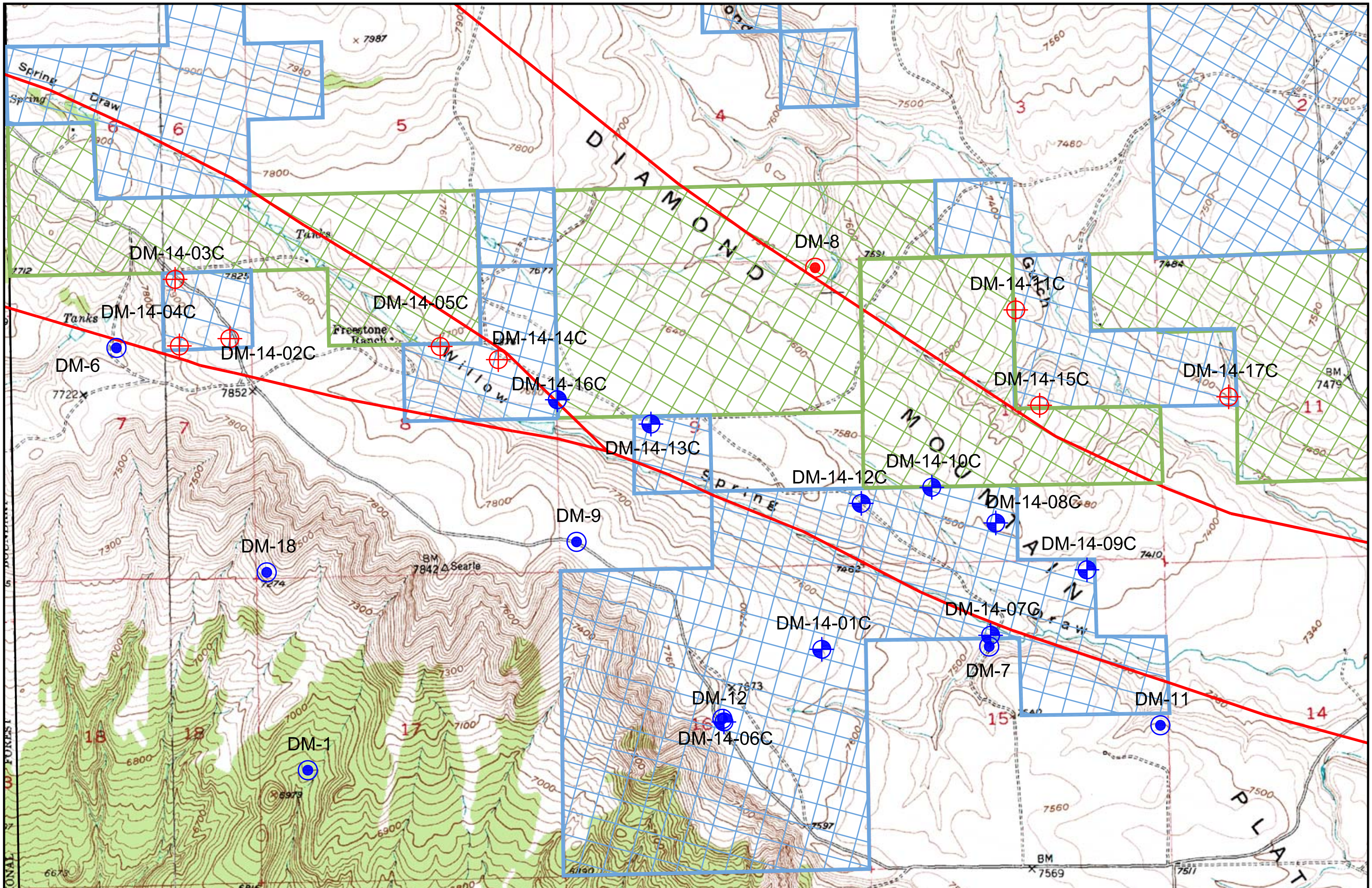
Several of the shallower holes were cored from surface. A high gel strength mud was reported as being effective in coring through the conglomerates. Specific drilling contractors and other program details were not documented in the US Steel drill report. Three of the exploration holes, DM-4, DM-21, and DM-22 (Figure 10.1) encountered artesian groundwater flow. These holes were cemented by Haliburton Oil Well Cementing Co.

10.2 Strata Exploration Program

Strata conducted a 17-hole drilling program during the summer of 2014 in order to meet obligations of their Purchase Option Agreement with UMR. The drill program was designed to both confirm the presence and characteristics of phosphate mineralization reported by US Steel, perform a program with sufficient documentation of procedures and protocols to report a current mineral resource estimate, and to better define the boundaries of the mineral occurrence. Location of Strata's 2014 holes can be observed in Figure 10.2, as well as the US Steel holes in proximity to the current DM Project area.

All drilling was performed by Major Drilling North America Inc. (Major). Drill program logistics were managed by North American Exploration (NAE). All drilling activities were directly supervised by Norwest, including all core logging and sample interval identification. Each hole but one was cored from the surface with HQ gauge drilling tools producing 63.5mm diameter core. The only non-core hole was an experiment with a rotary bit on the upper section of DM-14-5C which reverted back to coring due to slow penetration rates. DM-14-6C reached the limit of HQ coring depth when the tools became stuck at 286m below surface. The hole was completed using NQ size core barrel and the mineralized zone successfully recovered.

Drilling targeted the phosphate mineralization zone of the Meade Peak Member of the Park City Formation previously identified by US Steel. Once penetrated, drilling continued far enough into the underlying Weber Sandstone to allow for the gamma logging of the hole through the entire mineralized zone. Geophysical logging was done by Norwest using a Mt. Sopris Instruments 2PGA-1000 gamma probe and mini winch. Additionally, Major performed numerous single shot surveys on each hole to determine hole deviation. The single shot surveys all showed less than one degree of hole deviation from vertical. Following logging and surveying, holes were abandoned with bentonite slurry and a 1.5m (5ft) cement surface seal with a steel bolt and aluminum tag installed as a location monument.



DM-14-13C	Drillhole Strata (Ore Intercept)		Ore Subcrop		UMR State Lease
DM-14-04C	Drillhole Strata (No Ore Intercept)		Faults		UMR Federal Prospecting Permit Appl's
DM-20	Drillhole US Steel (Ore Intercept)				
DM-8	Drillhole US Steel (No Ore Intercept)				

N

0 200 400 600 800

METERS

SCALE: 1" = 700m

FIGURE 10.2

DIAMOND MOUNTAIN
PHOSPHATE PROJECT

DRILLHOLE LOCALITY PLAN

DATE: 09/24/2014 PROJECT: 719-3
FILE: T:\REPORT\FIGS

NORWEST CORPORATION

Eight of the nine holes that intercepted the ore zone were logged with the gamma probe. The gamma log was used to confirm mineralization depths and thickness and to assist in sample identification. All logging was performed inside the drill pipe, for simplicity and safety reasons, and log signatures proved acceptable for verification of the stated goals. The holes that did not intercept mineralization were not geophysically logged. Drillhole DM-14-6C, which did penetrate ore, was not logged due to logging equipment malfunction.

A ten-foot wireline solid, or double tube style, core barrel was used and the samples were slid out into plastic trays under supervision of NAE and/or Norwest geologists. The core samples were carried to a table where they were re-oriented as needed, washed, marked, measured, photographed and boxed. RQD and cored interval versus core recovered measurements were taken. Core recoveries were good. Some of the softer, poorly cemented zones in the conglomerate were washed away, but recoveries were very good in the Park City Formation and effectively 100% in the mineralized zone. Once boxed, the core was transported to a temporary core shed for detailed logging and identification of sample intervals. All core logging and sample identification was performed by Norwest.

A summary of the Strata drill holes is provided in Table 10.2.

TABLE 10.2 DRILL HOLE SUMMARY - 2014 STRATA DRILLING PROGRAM

Drill Hole ID	Utah State Plane Central Zone (ft)			Total Depth (ft)	Phosphate Interval		Comments
	Northing NAD 83	Easting NAD 83	Ground Elevation NAVD 88		From (ft)	To (ft)	
DM-14-01c	640769	4501201	2330.1	224.5	209.2	213.6	
DM-14-02c	637646	4502840	2403.9	138.8	Not Found		Btm in CG
DM-14-03c	637356	4503153	2410.2	108.8	Not Found		Btm in CG
DM-14-04c	637379	4502801	2388.4	96.9	Not Found		Btm in CG
DM-14-05c	638755	4502798	2343.3	106.7	Not Found		Btm in CG
DM-14-06c	640253	4500818	2339.3	299.3	286.6	290.7	Twin DM-12. No gamma log.
DM-14-07c	641660	4501222	2263.5	151.5	137.2	141.9	Twin DM-7
DM-14-08c	641687	4501868	2287.7	151.5	138.1	142.4	
DM-14-09c	642169	4501620	2266.9	163.4	154.0	158.5	
DM-14-10c	641349	4502056	2297.4	136.2	122.7	126.6	PC Fm eroded
DM-14-11c	641792	4502992	2267.3	78.3	Not Found		
DM-14-12c	640977	4501971	2311.6	157.1	142.7	147.5	
DM-14-13c	639867	4502400	2331.2	145.4	132.3	137.3	PC Fm eroded
DM-14-14c	639062	4502729	2341.2	145.4	Not Found		PC Fm eroded
DM-14-15c	641919	4502488	2284.1	102.4	Not Found		Very oxidized
DM-14-16c	639374	4502518	2332.6	127.6	118.8	124.2	PC Fm eroded
DM-14-17C	642916	4502533	2256.2	63.1	Not Found		

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 SAMPLING METHOD AND APPROACH

11.1.1 US Steel Programs

Samples were grouped by visual observation and separated at an upper and lower bench. No documentation is known for the laboratory or security measures taken with the US Steel samples, but based on observations of similar quality assay and no major disagreements in twinned holes we feel they can be deemed accurate. Testing likely conformed to industry standards of the time and there is no information suggesting any sample contamination or alteration.

11.1.2 Strata Program

A draft Standard Operating Procedure (SOP) reflecting Norwest protocols and industry best practices was provided to Strata and field personnel prior to the initiation of the core program to provide guidance on the core handling and sampling. This SOP was updated during the program to reflect some minor adjustments to procedures necessitated by local ground conditions. Samples were taken from both the phosphate zones and waste rock overburden.

Table 11.1 lists the total number and type of core samples taken for Strata 2014 drilling program.

TABLE 11.1 STRATA DRILLING SAMPLING SUMMARY

Drilling Program	No. Core Holes	Samples Collected	
		Assay	Overburden
2014	17	248	239

11.2 PHOSPHATE ZONE SAMPLING

The rig geologist provided the initial core measurements, photographs, placed the core in the boxes, and was responsible for delivering the core to the on-site core shed maintaining chain of custody protocols. At the core shed, the core boxes were laid out in sequence, and a geologic log of the core was compiled by the Norwest site geologist. Once the log was completed, the mineralized zone was examined in greater detail, and the sample intervals were chosen and marked.

For the mineralized zone, samples were chosen based primarily on visual abundance of the phosphate particles, and compared to the gamma logs and core measurements for accuracy. Sample intervals in all cases were targeted at approximate 0.3m (1ft) intervals, but were adjusted to reflect lithologic breaks. The shortest intervals tested were 0.2m (0.6ft) in richly mineralized phosphate, and the longest was 0.65m (2.1ft) in barren floor rock. Core was sampled 3.3m (10ft) above the top of the recognized mineralization, as well as 3m below the bottom of the recognized mineralization.

Core samples were split on location using a diamond blade wet saw. The core itself was marked and numbered with a blue pen, and the sample intervals and sequence numbers recorded on the geologic log. In addition, documentation of the sample depths was provided to the personnel in charge of the sample splitting. A numbered sampling system was used, whereby a ticket book of sequential numbers was utilized to track the samples. For each sample, the core was cut in half with the saw. One half of the core was bagged and labeled for assay and the other half retained in the original core box. One of the tickets with the unique identification number was placed in the sample bag with the core sample for laboratory analysis, while an identical ticket was retained in the core box with the sampled interval for reference. Additional tickets for the sampled interval were kept in the original ticket book, and were recorded in a sample tracking spreadsheet maintained by Norwest. The unique sample numbers are used to track the samples through the laboratory assay and reporting process.

The assay samples were shipped to SGS Laboratories in Denver Colorado in two separate shipments. The first shipment was delivered directly to the laboratory by Norwest on July 2, 2014. A second shipment was delivered by Norwest to Old Dominion Freight Lines, who subsequently delivered the samples to SGS in Denver on July 23, 2014. Chain of custody protocols where maintained for both shipments up to the point of receipt at the SGS Laboratory.

Security was maintained by placing the core and the samples in a locked, 8x40ft shipping container while on site. The site was monitored 24 hours a day by project personnel. Retained core including all of the sampled intervals and was placed in a secure storage facility in Vernal, Utah, at the end of the drill program. The entire top to bottom sequence of core was retained for the three overburden holes described in Section 11.1.2 below. The remainder of the core was disposed of following completion of the program.

11.3 OVERBURDEN SAMPLING

Additional overburden testing was performed on three of the Strata core holes utilizing a portable X-ray Fluorescence (XRF) meter. The holes DM-14-6C, DM-14-9C, and DM-14-12C were chosen based on completeness of the sections drilled and spatial distribution. The goal of this program was to make a first pass at identification of any anomalous mineralogy or “Chemicals of Concern” that could present challenges in the handling and storage of mine waste material.

The XRF readings were performed by the NAE and supervised by Norwest. XRF readings were taken at approximate 3.3m (10ft) spacing through the overburden and floor rock, and at 0.3m (1ft) spacing through the mineralized rock. Particular emphasis was placed on intervals of unusual looking mineralization and to obtaining readings from all representative lithologies.

A Niton XL3t 950 portable XRF unit was used for the analyses. Once chosen sample intervals were placed in a shielded XRF stand, and a two minute scan completed. Each XRF reading was recorded in a spreadsheet with the core depth and hole number recorded as a unique identifier. The interval where the reading was taken was marked on the core, and the sample returned to the core box for long-term storage. The entire core from surface to total depth for the three holes has been retained and placed in a secure storage facility in Vernal, Utah.

The purpose for the XRF field testing was to identify any potentially hazardous elements in the overburden, which could later pose a problem for mine blasting, specifically selenium, vanadium and radioactive lanthanides, actinides or transition metals. Selenium and vanadium were known by Norwest geologists to be a potential concern as they have been observed in similar deposits; however, XRF testing of the three overburden holes resulted in no elevated results which could become an issue. Further study of the overburden would be recommended in a mining operation, but the XRF field testing showed no unexpected results.

11.4 LABORATORY QUALITY ASSURANCE/QUALITY CONTROL PROGRAM

Phosphate zone drill core samples from Strata's 2014 drilling project were assayed on a percent dry basis, using XRF for Al_2O_3, CaO, Fe_2O_3, MgO and P_2O_5 and a number of other metal oxides. Thermogravimetric analysis was performed to allow for the determination of Loss on ignition (LOI).

All first pass sample assays were performed by SGS Mineral Services (SGS) in Denver, Colorado using industry standard analysis. Quality control performed by SGS was completed using blank sample pulps and internal standard procedures as specific to the analytic laboratory. Additional quality control was done in the form of blind duplicate samples which were repackaged, relabeled and reanalyzed by SGS.

11.4.1 Laboratory Certifications

SGS Laboratories in Denver Colorado is an ISO/IEC 17025 accredited labs. ISO/IEC 17025 accreditation is a globally recognized standard that covers the general requirements for competence to carry out testing and calibration. SGS uses all industry standard practices to meet NI 43-101 requirements.

12 DATA VERIFICATION

The following data verification programs have been conducted by Norwest:

- 2014 Verification Drilling
- Field exploration Procedures
- Historic drillhole locations
- Blind assay analysis
- "Standard" western potash sample with known values
- Public geologic map data compared against drillhole observations.

12.1 2014 Verification Drilling Program

In 2014 Strata completed a 17-hole drilling program on the property for the purposes of confirming the existence and continuity of ore resource and validate ore assay values from historic drilling. Two drillholes were twinned against historic US Steel holes. These drillholes were DM-14-07C and DM-14-06C. DM-14-06C confirmed phosphate ore in DM-12 with a 3m difference in elevation and confirmed thickness at just 15cm less in the Strata hole. DM-14-07C confirmed ore elevation in DM-7 within 1m with a thickness variation of 50cm greater in the Strata hole. A lack of samples of Weber Sandstone in DM-7 explains this variation. DM-14-07C contains two ~30cm Weber Sandstone samples with elevated P_2O_5 values.

12.2 Field Exploration Procedures

The author and QP of this Technical Report made frequent field visits during the Strata drilling programs in the capacity as the project director of the Norwest staff conducting the field services. The author was able to observe and verify the following exploration procedures:

- Removal and handing of core from the core barrel
- Hole depth and core loss measurements
- Description of core samples
- Selection of sample intervals
- Bagging and storage of core samples.

The author can confirm that the field operational procedures conducted during the 2014 program meet or exceed industry standards for the exploration of phosphatic ore deposits.

12.3 Historic Drillhole Locations

The author was able to locate four of the US Steel drillholes locations in the field, marked with a short length of damaged drill steel cemented in the ground. Aerial photo interpretations and field observations were used to verify other US Steel drilling locations. Clearings in vegetation for drill pads and access roads were identified from field observations. The observation of abandoned core left behind in the field by previous operators was used as further proof of previous exploration activity on the property prior to the Strata programs. The historic drillhole data was primarily used in structural interpretation of the property. These observations were compared against township and range maps of previous drilling activity to place drillholes in the most accurate positions possible.

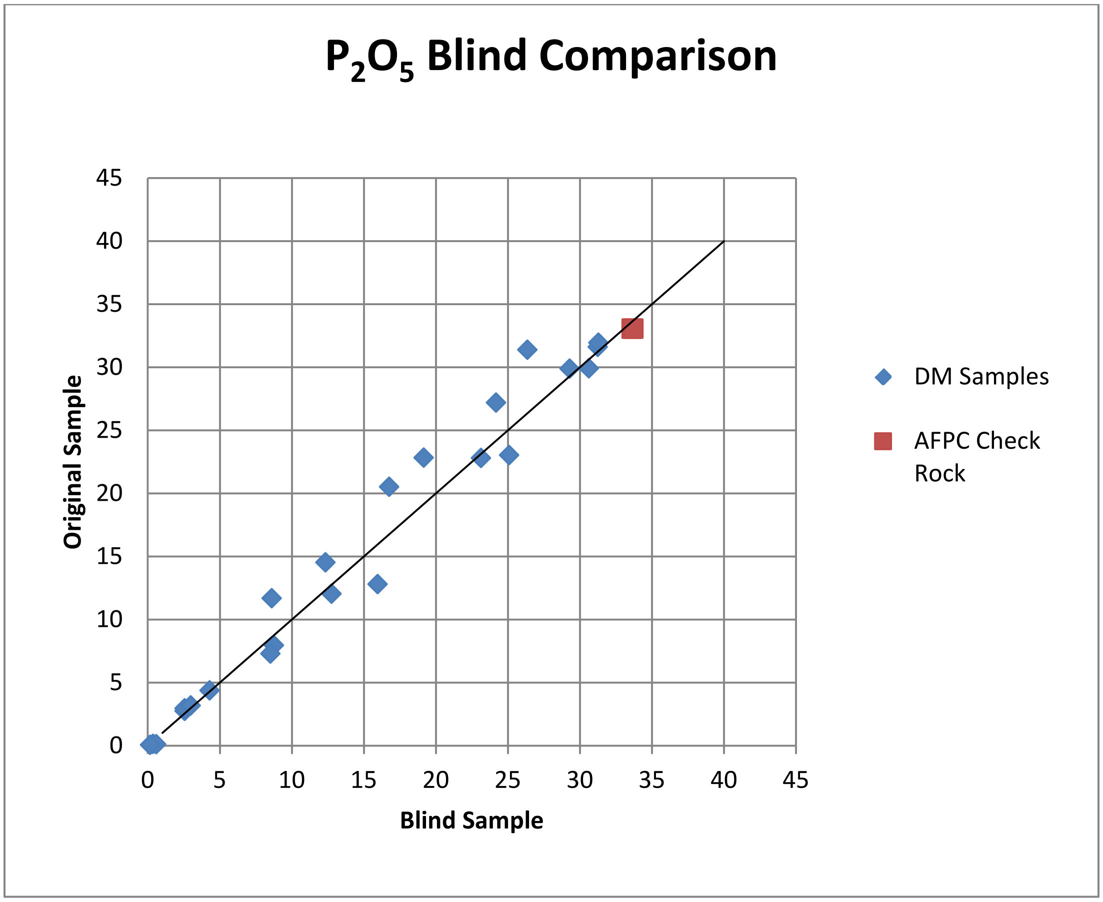
12.4 BLIND ASSAY AND STANDARD SAMPLE ANALYSES

For additional quality assurance a total of 23 blind samples were selected over the course of the 2014 drilling project for blind reanalysis by SGS. These were all selected from the three Strata drilling programs. The samples were selected by a Norwest geologist to test high, average and low grades as well as overburden and Weber Sandstone samples. These sample pulps were noted, repackaged, renamed, and sent back to SGS for reanalysis. A known standard sample named "AFPC Standard Check Sample No.22" was also used in verifying the results by the laboratory. This standard sample was introduced during regular testing at about once per two drillholes and was also introduced twice into the blind sample selection. Norwest compared sample results upon receipt of blind results and found that there was a high level of correlation between original results and the blind results. Comparison of the standard sample with known values likewise showed very high correlation in both known testing and in blind testing.

12.4.1 2014 Blind Sample Results

During the 2014 program 23 samples were selected for blind reanalysis. The blind duplicates were selected such that they represented a reasonable geographic spread and included a range of grades within the mineralized zones. The scatter plot in Figure 12.1 compares the original P_2O_5 grade with the blind duplicate results. A total of 6 of the 23 samples showed a marginally elevated level of P_2O_5 when compared to the blind samples, but the amount never exceeded 5.0% Norwest requested the reanalyses of the sample pulps for both the original and duplicate samples of these ten samples and three additional samples where non-phosphate grades showed a high enough level of variation to warrant further verification. A linear trendline is also shown displaying an ideal 1:1 ratio. The linear R^2 of all Diamond Mountain Samples is 0.971, which is statistically accepted as a very good relationship. A perfect relationship would be 1.0.

FIGURE 12.1 P_2O_5 ORIGINAL VERSUS BLIND DUPLICATES - 2014



Reanalysis of the outliers had varying results, when compared to the originals. All four sets of results were looked at in depth on a case by case basis using P_2O_5, Mg_2O_3, CaO, Al_2O_3, SiO_2 and LOI results to determine which sample set would be used for resource estimation. Results were compared against similar depth samples in nearby drillholes, with the aid of core photos, core log descriptions and geophysical log interpretation. It was determined that for each of the 13 blind outliers that the initial test results from the original samples were the correct result.

12.4.2 Standard Sample Results

Both known and blind samples of the standard sample, AFPC Standard Check Sample No.22, were introduced into the various sample shipments to SGS. AFPC Check Sample No.22 is a blended and well defined industry standard sample. Norwest obtained 96 grams of the sample from LGC Standards for the purpose of establishing a baseline calibration for samples as tested by SGS. The results show that SGS is consistent in their analyses, returning values with a high level of precision and an acceptable level of accuracy. Overall their results run somewhat high for all parameters, but values returned were consistently high. Known Test #6 was an exception to this as it returned low values for P_2O_5, Fe_2O_3, CaO and Al_2O_3.Table 12.1 displays the results of the known values for the submitted sample versus its assay values from SGS.

TABLE 12.1 AFPC STANDARD CHECK SAMPLE NO.22 TESTING RESULTS

Test	P_2O_5 %	MgO %	Al_2O_3 %	CaO %	Fe_2O_3 %
Industry Defined Value	**33.06**	**0.35**	**1.42**	**47.74**	**1.10**
Known Test 1	33.69	0.44	1.73	49.40	1.21
Known Test 2	33.80	0.41	1.73	49.43	1.21
Known Test 3	33.66	0.41	1.76	49.08	1.20
Known Test 4	33.66	0.42	1.76	49.12	1.20
Known Test 5	33.61	0.41	1.77	49.08	1.21
Known Test 6	29.55	0.47	1.59	43.59	1.09
Known Test 7	33.50	0.46	1.76	49.26	1.22
Known Test 8	33.56	0.44	1.75	49.25	1.22
Blind Test 1	33.61	0.46	1.84	48.78	1.21
Blind Test 2	33.71	0.32	1.83	49.17	1.21

12.5 FIELD MAPPING VERSUS DRILLHOLE OBSERVATIONS

Comparisons between the Park City Formation outcrop seen on the UGS Geologic Map of Dutch John and projected outcrop of the ore zone were compared with the projected crop of the ore zone using only drillhole records. No significant discrepancies were observed and any departures were due to lack of adequate surface exposure or drillhole coverage in the immediate vicinity.

12.6 STATISTICAL DATABASE VERIFICATION

The lithologic drillhole database was merged with the assay data and collar location files. The combined data set was screened for data entry and transcription errors, overlapping or missing intervals and correct assignment of assay data to drilled intervals. The data was evaluated using statistical routines to identify any outliers and general errata.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

There are no significant processing studies relevant to this report. Additional testing and recovery method analysis will be required and the current metallurgical work is not applicable to this report of in-place mineral resources.

14 MINERAL RESOURCE ESTIMATES

Strata's DM project phosphate mineral resources were estimated using Carlson™ grid modeling software and MineSight™ 3D software. The geologic model from which the phosphate resources are reported includes Carlson grid estimates of the phosphatic shale ore zone roof and floor, as well as topography, base of surface weathering, and ore zone grade.

14.1 SOURCE DATA

The following phosphate exploration data has been identified by Norwest to be valid and accurate for the purposes of geologic modeling for the reporting of phosphate mineral resources within the DM property:

- Surface topography from public domain[3] DEM's
- Aerial photos from public domain sources
- 23 exploration core holes completed by US Steel.
- 17 exploration core holes completed by Strata
- Geologic surface mapping provided by the UGS Dutch John Quadrangle.

14.2 APPROACH

A gridded modeling method was selected for the resource model of the phosphatic ore zone. This method of modeling for defining resources was selected as the most appropriate due to the bedded and conformable nature of the ore zone.

Prior to modeling, the source data was subject to the following basic checks:

- Drillhole collar elevations were checked against surface topography.
- Inconsistencies in the depth and interval thickness in drillhole records.
- Inconsistencies in core descriptions with sample grade data and depth records.
- Historical US Steel drill data was checked and compared against Strata drill data.
- UGS mapping checked against drillhole records.

14.3 ORE ZONE IDENTIFICATION

The ore zone was identified from grade data and correlated core descriptions within the phosphatic shale unit such that the total composite P_2O_5 percent by weight was between 18% and

[3] Utah AGRC. http://gis.utah.gov/data/

20% in each drillhole. By adopting this approach some minor intervals of low P_2O_5 grade (<10%) were included as part of the overall ore zone. The top (roof) of the ore zone was selected where the top most 0.6m (2ft) assay interval reported a P_2O_5 content greater than 10% by weight. The base (floor) of the phosphatic ore was marked by a dolomitic shale or dolomitic sandstone plus an additional 1.5m on average of Weber Sandstone, below which there was a significant drop off in grade of less than 10 percent P_2O_5.

Table 14.1 outlines key ore zone parameters and depth of weathering data used in the geological model from drillhole exploration records. Included in Table 14.1 is ore zone grade data that includes phosphorus pentoxide (P_2O_5) and the suite of major contaminants, including magnesium oxide (MgO), iron oxide (Fe_2O_3), aluminum oxide (Al_2O_3), calcium oxide (CaO) and silica dioxide (SiO_2).

TABLE 14.1 ORE ZONE STATISTICS FROM DRILLHOLE DATA

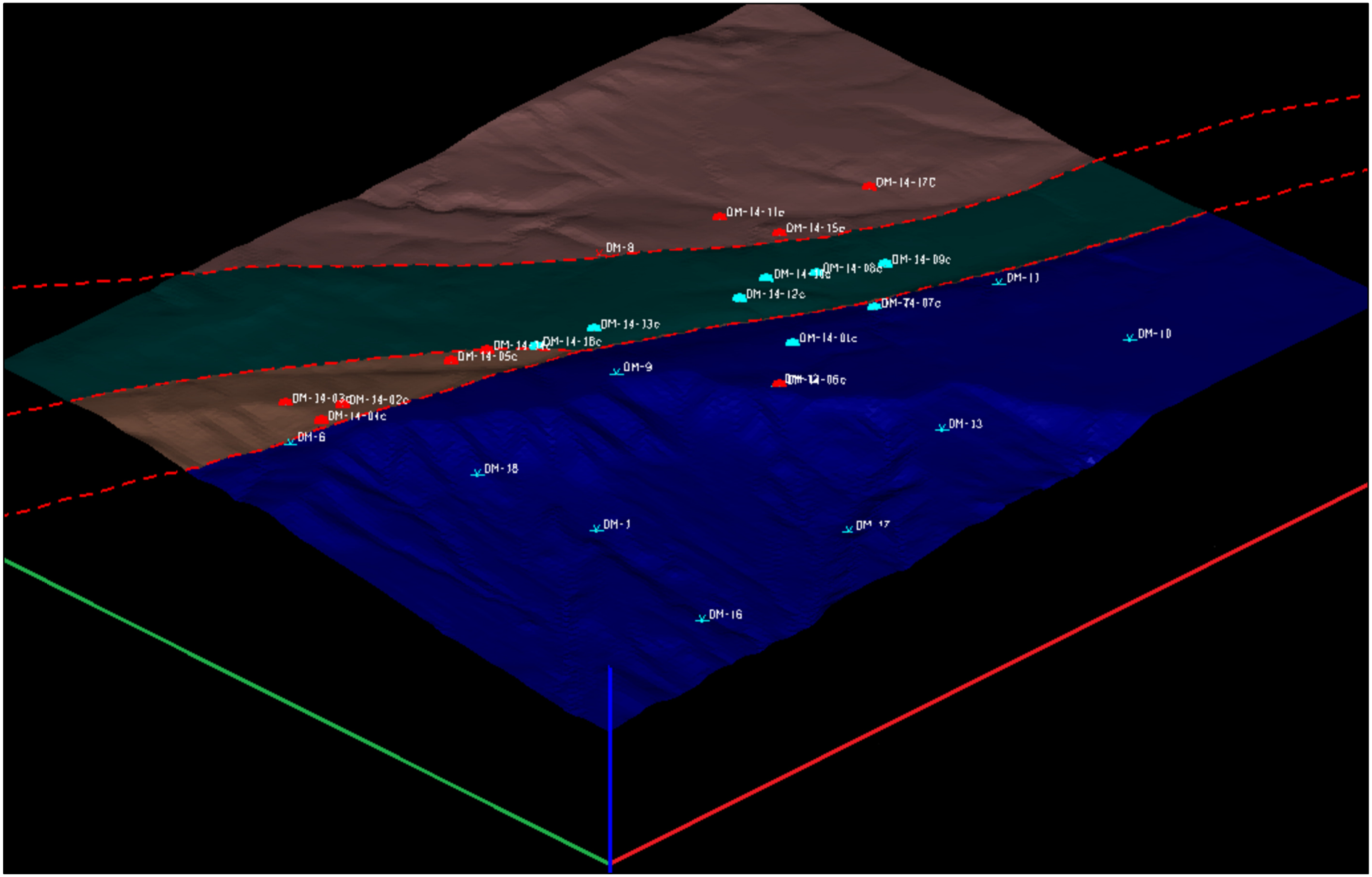
Item	Count	Minimum	Maximum	Average
Ore Zone Thickness (ft)	31	3.50	5.64	4.62
Depth to roof from surface (ft)	31	19.05	544.10	109.23
P_2O_5 %	31	17.18	22.72	19.90
MgO %	31	1.85	4.65	3.24
CaO %	31	33.12	37.28	34.83
Fe_2O_3 %	18	0.51	1.58	1.16
Al_2O_3 %	9	2.86	3.47	3.20
SiO_2 %	9	18.75	29.28	22.94

14.4 SURFACE WEATHERING

The depth of surface weathering was determined from drill log descriptions that recorded the depth at which unconsolidated weathered rock transitions into solid unweathered rock. The depth of weathering zone was used to define a base of weathering elevation (BHWE) surface, above which no resources are reported from the model. The BHWE is variable where in some areas it is less than 5m from surface and others in excess of 120m.

14.5 FAULT MODELING

The geologic model has been separated into four fault blocks based on observation of drillhole records, UGS surface geologic maps and air photo interpretations. These faults blocks can be seen in Figure 14.1. Block 3 is down thrown from Block 1 by a distance of approximately 60m. Block 2 in the west is interpreted to be a down throw graben-like structure. Displacement of Block 2 relative to Block 1 and Block 3 cannot be determined with any accuracy due to exploration drilling within this block not penetrating stratigraphic markers and terminating in conglomerate.



DM-14-13C — Drillhole Strata (Ore intercept)

DM-14-04C — Drillhole Strata (No Ore intercept)

DM-20 — Drillhole US Steel (Ore intercept)

DM-8 — Drillhole US Steel (No Ore intercept)

Faults

Block 1 (Ore Occurrence)

Block 2 (No Ore Occurrence)

Block 3 (Ore Occurrence)

Block 4 (No Ore Occurrence - Paleo Erosion)

N

SCALE: NTS–ORTHOGRAPHIC PROJECTION

FIGURE 14.1

DIAMOND MOUNTAIN PHOSPHATE PROJECT

STRUCTURAL DOMAINS

DATE: 09/24/2014

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PROJECT: 719–3

NORWEST CORPORATION

Block 4 is up thrown relative to Block 3 in the south, however displacement between these two blocks also cannot be determined with any accuracy due to lack of drillhole penetration of stratigraphic markers within Block 4. All faulting is interpreted to be high angle (>80 degrees) normal displacement type faulting. Phosphate ore is interpreted to be present only in Block 1 and Block 3 where it has been penetrated by US Steel and Strata drillholes.

14.6 Geologic Modeling Process

The gridded modeling method used the following sequential process:

1. A standard template grid node spacing of 25m (X) and 25m (Y) was setup covering the extent of the property.
2. DEM surface topography survey points were estimated into the base grid using a triangulation algorithm.
3. A roof of ore (roof) grid was created using a triangulation algorithm and source data from drillhole records.
4. The roof of ore grid was then extended using understanding of regional geology.
5. Grids of ore thickness, surface weathering thickness, formation (rock-type) thickness, assay grade and density (g/cm^3) data were estimated from drillhole records using an inverse distance-power 2 (ID2), algorithm.
6. A Carlson™ macro was used to mathematically create an elevation grid for the ore zone floor by subtracting the ore zone thickness from the ore zone roof grid.
7. A BHWE grid was created by subtracting an ID2 interpolated weathered surface thickness, as observed in drillholes, from the topographic surface grid.
8. Carlson™ software macros were used to report resources and average grades between ore floor and ore roof grids, which were limited to below the BHWE grid.
9. The completed model was validated by comparing drillhole data and surface mapping against grid model data.

14.7 Model Overview

Observations of the gridded model indicate that the ore zone thickness is very uniform and varies from 3.5m to 5.6m in thickness. This can be observed in Figure 14.2 ore zone isopach map derived from the geologic model data. The percentage P_2O_5 for the ore zone within the geologic model areas varies from 17% to 22% as shown in Figure 14.3 and reflects the same ranges as observed in the exploration drillhole records in Table 14.1.

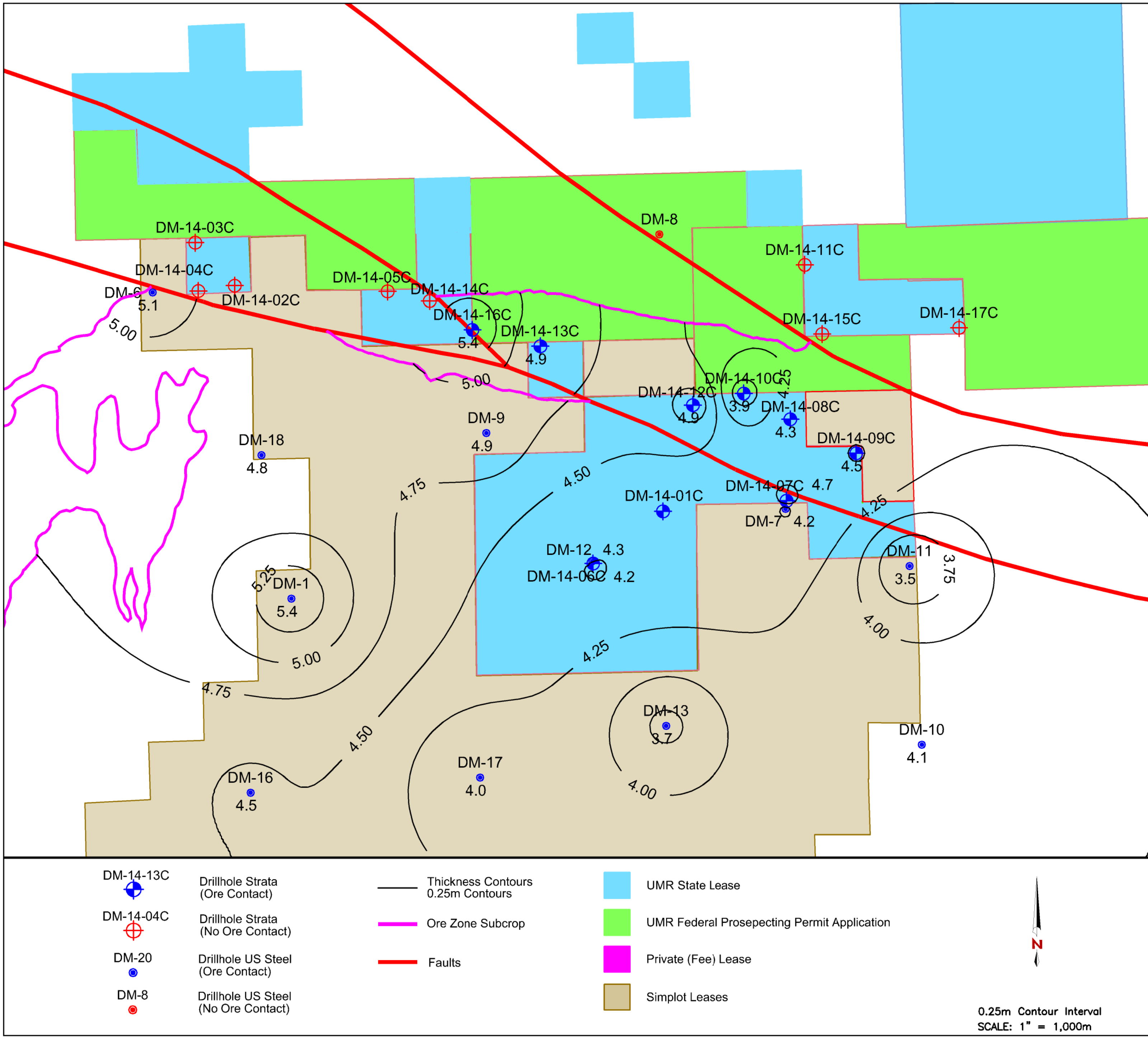
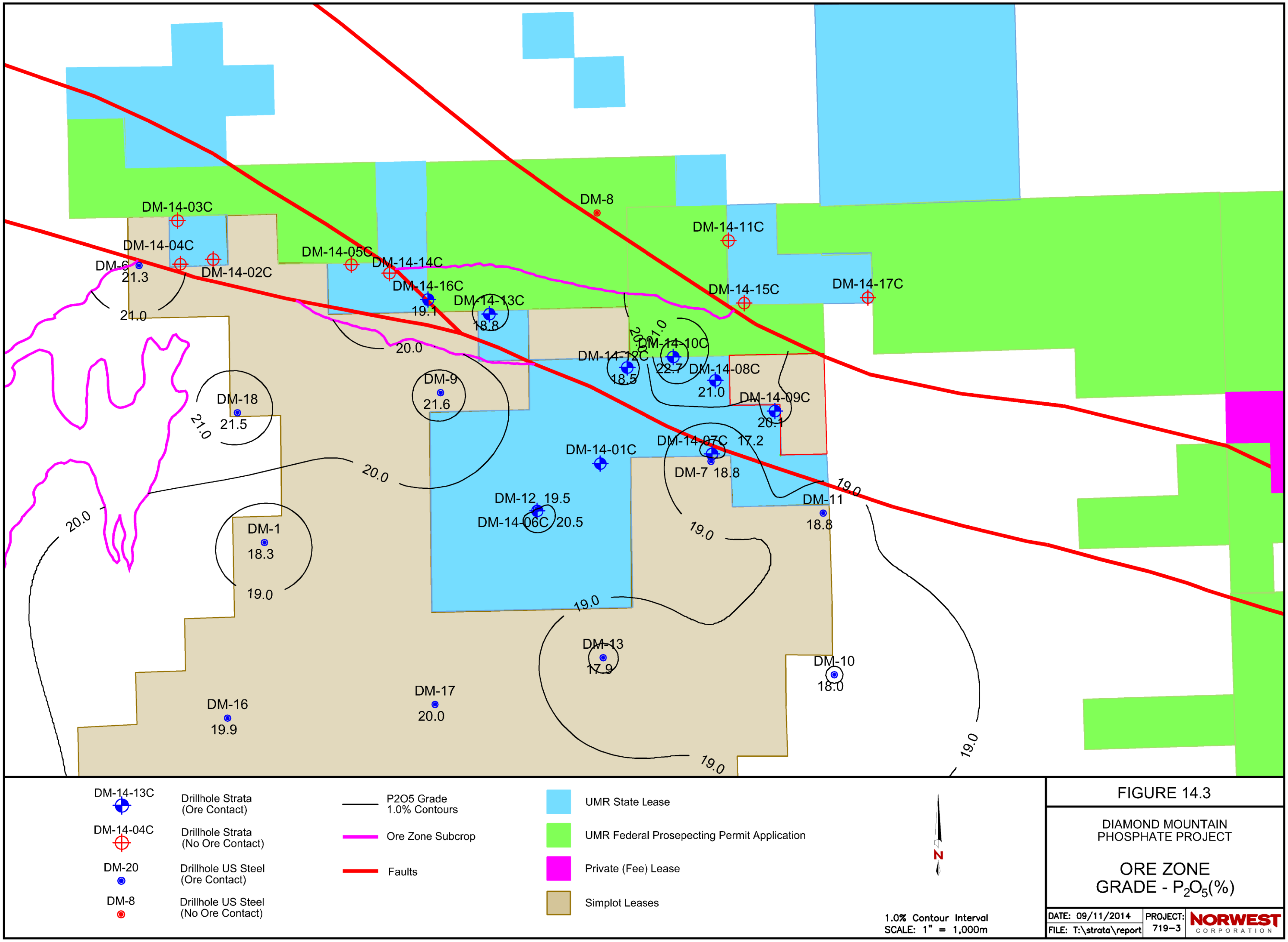


FIGURE 14.2

DIAMOND MOUNTAIN PHOSPHATE PROJECT

ORE ZONE THICKNESS ISOPACH

DATE: 09/24/2014 | PROJECT: 719-3 | FILE: T:\strata\report | NORWEST CORPORATION


DM-14-03C
DM-14-04C
DM-6 21.3
DM-14-02C
DM-14-05C
DM-14-14C
DM-14-16C 19.1
DM-14-13C 18.8
DM-8
DM-14-11C
DM-14-15C
DM-14-17C
DM-14-12C 18.5
DM-14-10C 22.7
DM-14-08C 21.0
DM-14-09C 20.1
DM-9 21.6
DM-18 21.5
DM-14-01C
DM-14-07C 17.2
DM-7 18.8
DM-11 18.8
DM-12 19.5
DM-14-06C 20.5
DM-1 18.3
DM-13 17.9
DM-10 18.0
DM-16 19.9
DM-17 20.0
21.0
20.0
19.0
DM-14-13C Drillhole Strata (Ore Contact)
DM-14-04C Drillhole Strata (No Ore Contact)
DM-20 Drillhole US Steel (Ore Contact)
DM-8 Drillhole US Steel (No Ore Contact)
P2O5 Grade 1.0% Contours
Ore Zone Subcrop
Faults
UMR State Lease
UMR Federal Prosepecting Permit Application
Private (Fee) Lease
Simplot Leases
N
1.0% Contour Interval
SCALE: 1" = 1,000m
FIGURE 14.3
DIAMOND MOUNTAIN PHOSPHATE PROJECT
ORE ZONE GRADE - P2O5(%)
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PROJECT: 719-3
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The modeled ore zone is south-dipping at a shallow angle of approximately 6 to 10 degrees as previously illustrated in Figures 7.4, 7.5 and 7.6. The dip angle decreases from south to north. The two ore-bearing faults blocks (Block 1 and Block 3) offset the ore zone by distance of approximately 60m, with the northern Block 3 downthrown. Surface weathering is deepest in Block 3 at between 90m and 100m from surface, whereas in Block 1 the surface weathering decreases to less than 50m towards the south along the Diamond Mountain plateau escarpment.

14.8 PHOSPHATE RESOURCES

The estimated phosphate resources for the DM project are outlined in Table 14.2. The distribution of the classified resource is outlined in Figure 14.4 resource plan. Resources are separated by State lease areas and Federal PPA areas. The private lease area is located east of the geologic model area and too far removed from valid drillhole intercepts to assign phosphate resources.

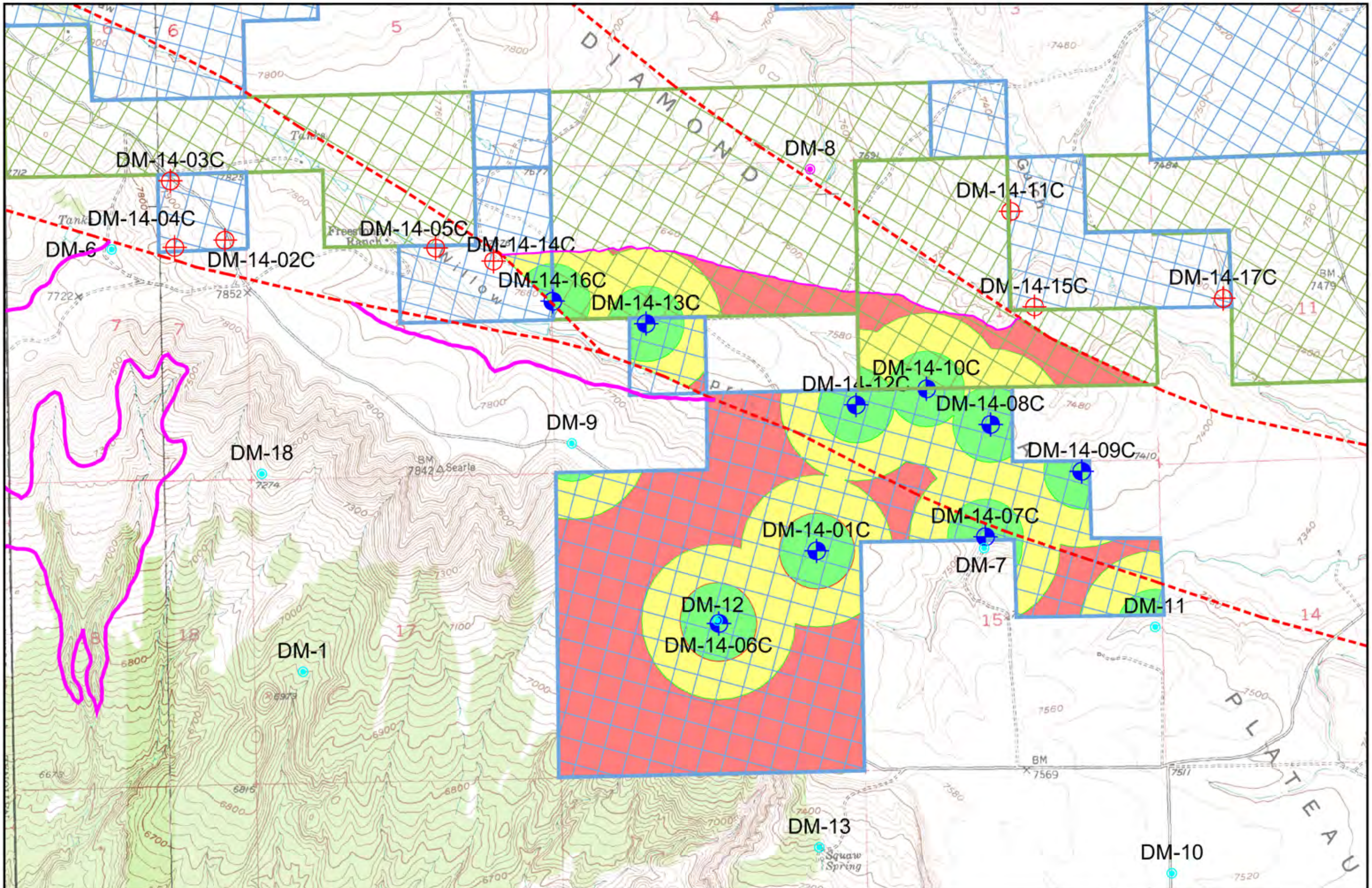
The effective date of resource is September 11, 2014.

TABLE 14.2 DM PROJECT PHOSPHATE RESOURCES – SEPTEMBER 11, 2014

Lease	Resource Classification	Ore Tonnes (Mt)	Area (ha)	Ore Thickness (m)	Density (g/cm^3)	P_2O_5 (wt %)	MgO (wt %)	Fe_2O_3 (wt%)	Al_2O_3 (wt %)
State	Measured	9.2	76.4	4.44	2.70	19.76	3.69	1.42	3.21
	Indicated	17.6	148.1	4.41	2.70	19.62	3.66	1.37	3.21
	Measured+Indicated	**26.8**	**224.5**	**4.42**	**2.70**	**19.67**	**3.67**	**1.39**	**3.21**
	Inferred	23.1	194.6	4.39	2.70	19.67	3.49	1.32	3.21
Federal	Measured	2.1	17.0	4.71	2.65	20.10	3.06	1.46	3.26
	Indicated	5.0	40.3	4.61	2.66	20.04	3.32	1.43	3.25
	Measured+Indicated	**7.1**	**57.3**	**4.64**	**2.66**	**20.06**	**3.24**	**1.44**	**3.25**
	Inferred	4.0	33.0	4.50	2.68	19.99	3.58	1.41	3.24
Total	Measured	11.3	93.4	4.49	2.69	19.82	3.58	1.43	3.22
	Indicated	22.6	188.4	4.45	2.69	19.71	3.59	1.39	3.22
	Measured+Indicated	**33.9**	**281.8**	**4.46**	**2.69**	**19.75**	**3.59**	**1.40**	**3.22**
	Inferred	27.1	227.6	4.41	2.70	19.72	3.51	1.34	3.21

Using Norwest's understanding of the mineralization trends observed in the field, model data and statistical analysis, the following resource classification was applied to areas surrounding valid drillhole intercepts of the ore zone:

- Measured resources – up to 200m (0.125 miles) radius.
- Indicated resources – up to 400m (0.25 miles) radius.
- Inferred resources – up to 1200m (0.75 miles) radius.



DM-14-13C	Drillhole Strata (Ore Contact)	Measured		UMR State Lease Area	
DM-14-04C	Drillhole Strata (No Ore Contact)	Indicated		UMR Federal Prospecting Permit Application	
DM-20	Drillhole US Steel (Ore Contact)	Inferred		Ore Zone Subcrop	
DM-8	Drillhole US Steel (No Ore Contact)	Faults			

N

SCALE: 1" = 700m

FIGURE 14.4

DIAMOND MOUNTAIN PHOSPHATE PROJECT

RESOURCE CLASSIFICATION PHOSPHATE ORE ZONE

DATE: 09/24/2014 PROJECT: 719-3

FILE: Classification

NORWEST CORPORATION

The accuracy of resource and reserve estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available subsequent to the date of the estimates may necessitate revision. These revisions may be material. There is no guarantee that all or any part of the estimated resources or reserves will be recoverable.

15 MINERAL RESERVE ESTIMATES

There are no mineral reserve estimates associated with this report.

16 MINING METHODS

A mining study has not been completed for the DM property. It can be logically assumed that the majority of the phosphate ore would be removed using underground mining techniques.

17 RECOVERY METHODS

There are no significant processing studies or metallurgical test work relevant to this report. Additional testing and recovery method analysis will be required to estimate achievable quantities of marketable product.

18 PROJECT INFRASTRUCTURE

Infrastructure and logistical requirements for the project, which include roads, rail, dams, dumps, stockpiles, tailings disposal, power, and pipelines, have not been fully determined and designed.

19 MARKETS AND CONTRACTS

No specific marketing studies were available at the time of this report.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

No current studies are available at the time of this report.

21 CAPITAL AND OPERATING COSTS

Capital and operating costs have not been prepared or reviewed by the author for this report.

22 ECONOMIC ANALYSIS

This report is reporting only the resource estimate for this project and as such does not include any economic analysis. This report does not purport to represent any future economic viability of mining the estimated resource.

23 ADJACENT PROPERTIES

There is no data or information available for adjacent properties that are pertinent to this report.

24 OTHER RELEVANT DATA AND INFORMATION

There are no relevant data and information applicable to this report, other than sources referenced in Section 27.

25 INTERPRETATION AND CONCLUSIONS

The property has undergone sufficient exploration to classify the phosphate resource in portions of both SITLA leases and BLM PPA's to a Measured plus Indicated level of geologic assurance, allowing further and more detailed mining studies and economic analysis. Additional drilling would be required to reclassify additional resource to a higher assurance level. The drilling and field mapping conducted by Strata in 2014 has identified a predominantly uniform deposit of phosphatic shale that has undergone minor structural deformation. Normal faulting with an estimated 60m of displacement occurs within the resource area. Paleo-erosion and the subsequent deposition of conglomerates has replaced the ore zone in the northern and western margins of the current tenure area. The current data shows an ore zone ranging between 3.5m and 5.64m thick, averaging 4.45m for the DM property.

Much of the interpretation and mineral resource estimations were derived through a gridded seam model that was built using data from current and historical drill programs. Rigorous checks of input data, model construct, model outputs, and sample data integrity show that the information underlying the resource estimates are of sufficient accuracy to warrant the classification as a mineral resource.

The mineral resource has been estimated and reported for the DM mineral tenure areas. Measured plus Indicated in situ resources for the SITLA leases total 26.8 Mt (million tonnes) at an average grade of 19.67% P_2O_5. Measured plus Indicated in situ resources for the BLM PPA's total 7.1Mt at an average grade of 20.06% P_2O_5. Inferred resources are currently estimated at 23.1Mt and 4.0Mt for SITLA and BLM lands, respectively, at an average grade of 19.67% and 19.99 $P_2O_{5,}$ also respective. Additional study involving the selective removal of lower grade horizons may prove to increase the run-of-mine grade at the sake of reducing the overall tonnage.

The current mineral resources are believed to be best suited for underground mining methods and do exhibit potential for economic extraction. No current feasibility studies that include detailed mine planning, geotechnical and hydrologic evaluations, full market studies and economic evaluations have been performed. As this is the case, the viability of the deposit for demonstrated economic feasibility has yet to be determined.

26 RECOMMENDATIONS

Under the Agreement between Strata and UMR, Strata can elect to a commitment US$1.5 million for a Phase II development program that will increase Strata's earned share of UMR's mineral tenure from 51% to 80%. Norwest recommends that Strata commit the additional investment for a Phase II exploration and development program that will include the following:

- Convert the Federal PPA's to approved Prospecting Permits. The approval process will entail completion of an exploration plan and National Environmental Policy Act (NEPA) analysis.
- Acquire additional private leases to consolidate tenure area.
- Expand the resources confidence and extent by completing a 25-hole exploration program. The exploration program will include geotechnical and hydrologic studies necessary for follow-up phosphate mining studies pending the positive results of the Phase II program.

The recommended Phase II development program budget is outlined in Table 26.1.

TABLE 26.1 PHASE II EXPLORATION ESTIMATED COSTS

Federal Prospecting Permit Acquisition	150,000
Private Lease Acquisitions	50,000
Exploration Drilling Operations	630,000
Exploration Sample Analyses	200,000
Down hole geophysical logging	60,000
Field personnel	240,000
Geotechnical Studies	60,000
Hydrologic Studies	60,000
Technical Report Update	50,000
Total	**1,500,000**

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