



***Strategic
Minerals
Corporation N.L.***

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ASX Code: SMC

30 July 2014

ASX Release

**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDED
30th June 2014**

WOOLGAR GOLD PROJECT QUEENSLAND
(Strategic Minerals Corporation NL (Strategic) 100%)

2014 Exploration Program Update

The second quarter has been dedicated to the analysis of the significant results of the 2013 campaign and in designing and preparing a follow-up program based on these. The first drilling program of 2014 commenced shortly after this reporting period and is still underway. Results from this will be announced in due course and it is intended to produce an updated resource estimate incorporating the recent advances.

The current program consists of 14 holes, comprising approximately 3,600 metres. The drilling is focussed on the Big Vein South prospect and will concentrate on infilling between the existing deeper intersections, and then stepping-back and stepping-out along strike from these. The drilling will be both deeper and at a shallower angle than previously in order to improve the quality of the intersections.

To date, 9 holes have been completed for a total of 2,400 metres. The remaining holes are the deepest in the program and thus the slowest. Drilling is expected to take up to three weeks to be completed.

2014 Drilling Program

This program follows-up on the 2013 drill program, which was prospective in nature, testing the previously identified near-surface mineralisation further to depth and along strike. The 2013 drilling was highly successful, cutting multiple intersections that were on average both wider and higher grade than the previous shallow drilling and appears to indicate that the mineralisation improves with depth.

The previous drilling has significantly improved the understanding of the geology and controls on the mineralisation. This first phase of reverse circulation (RC) drilling is intended to both infill between the wider-spaced existing holes to test the continuity and geometry of the mineralisation, testing these ideas.

Further phases of RC and diamond drilling are proposed to continue the expansion of Big Vein South and neighbouring prospects pending these results.

This first phase of drilling at Woolgar this year will concentrate on the Big Vein South (BVS) prospect in the Lower Camp. It is planned to consist of approximately 3,600 metres of reverse circulation drilling to infill and extend around the significant intersections discovered during the previous drill program in late 2013. These included:¹

Big Vein South Prospect

LR0185	50m at 4.09g/t gold from 156m, including 4m at 8.22g/t; and 4m at 10.33g/t.
LR0189	35m at 2.87g/t gold from 89m, including 9m at 6.75g/t.
LR0190	26m at 10.44g/t gold from 102m, including 1m at 21.9g/t.
LR0193	16m at 6.49g/t gold from 124m, including 10m at 9.03g/t.
LRD0203	49m at 4.39g/t gold from 165m, including 14m at 8.51g/t and 4m at 9.63g/t.
LR0231	32m at 4.79g/t gold from 168m, including 4m at 17.5g/t.
LD0234	15.4m at 4.44g/t gold from 19.5m, including 3.7m at 15.41g/t.
LD0235	21.4m at 8.74g/t gold from 54m, including 9.24m at 17.39g/t.

Big Vein Central Prospect

LR0209	28m at 4.35g/t gold from 94m, including 3m at 15.97g/t.
LR0219	4m at 2.35g/t gold from 38m, 10m at 5.74g/t gold from 55m and 35m at 1.15g/t gold from 92m.

All of the currently planned holes will be located in the Big Vein South prospect in the Lower Camp of the historic Woolgar goldfield. This is the southernmost prospect of the mesothermal gold mineralization that occurs along and adjacent to the Woolgar Fault Zone (WFZ), which is located approximately 8 kilometres to the west of the existing resources in the Sandy Creek epithermal vein system.

The mesothermal-style mineralisation consists of shear-hosted veins, breccias and disseminated mineralisation hosted within the WFZ, apparently associated to localised flexure of this regional scale structure within the Woolgar project. The veins are texturally similar to those at Charters Towers. The WFZ is a splay and the southernmost occurrence of the Gilberton Fault system, which is spatially related to the Kidston and Mt Hogan gold deposits. The Woolgar district is an inlier of the Proterozoic-age Etheridge metamorphism within the locally dominant Jurassic sedimentary cover. The country rock that hosts the mineralization consists of gneisses, schists and granodioritic intrusions. These are overlain by Jurassic sediments that wrap around BVS, which is the southernmost limit of the inlier. The 2013 drill program confirmed that the mineralisation extended beneath the Jurassic sediments.

¹ Summary results from 2013 drilling presented herein. For full JORC-compliant results refer to: **QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st DECEMBER 2013** issued 30th January 2014, available at www.stratmin.com.au

CORPORATE

Board Changes

On 30 May 2014 Strategic Minerals Corporation NL ('SMC' or 'Company') released the results of the Annual General Meeting. At this meeting the re-election of Mr Claude Guerre as a Non-Executive Director of the Company was not passed.

On 3 June 2014 the Company announced the appointment of Mr Laif McLoughlin as a Non-Executive Director of the Company effective 1 June 2014. Mr McLoughlin was then appointed as Chairman of SMC effective 4 June 2014.

Takeover Bid

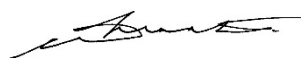
On 18 June 2014 QGold Pty Ltd (**QGold**) announced an on market takeover for SMC. QGold is offering to acquire the fully paid ordinary shares in the Company for \$0.035 cash per share. The formal Offer was made in QGold Original Bidder's Statement dated 18 June 2014 and supplemented by QGold's First Supplementary Bidder's Statement dated 20 June 2014.

On 2 July 2014 SMC announced its Target's Statement and accompanying Independent Expert Report and Technical Expert Report in response to the on-market bid by QGold. The Independent Expert concluded that QGold's offer is fair and reasonable. The Independent Directors unanimously recommended that Strategic Shareholders accept the Offer in the absence of a superior proposal. The Directors recommendation and intentions are included in Section 3 of the Target's Statement.

On the 14 July 2014, QGold announced that it would not increase the offer price or extend the offer period beyond 4:00 pm 22 August 2014 (AEST).

On 25 July 2014 QGold lodged a Change of Interest of Substantial Holder form on the ASX which advised that their current number of securities held in SMC was 486,005,200 fully paid ordinary shares representing 58.90% of the voting power in the Company.

Further information regarding the Bidder's Statement, Target Statement and other announcements concerning the on market takeover can be accessed via the SMC or ASX SMC announcement Webpage.



Wally Martin
MANAGING DIRECTOR

IMPORTANT: Summary results of the 2013 exploration program presented herein.

COMPETENT PERSON STATEMENT

The information in the report to which this statement is attached that relates to exploration targets or Exploration Results is based on information compiled by Alistair Grahame, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Grahame is a full-time employee of Strategic Mineral Corporation NL. Mr Grahame has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grahame consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

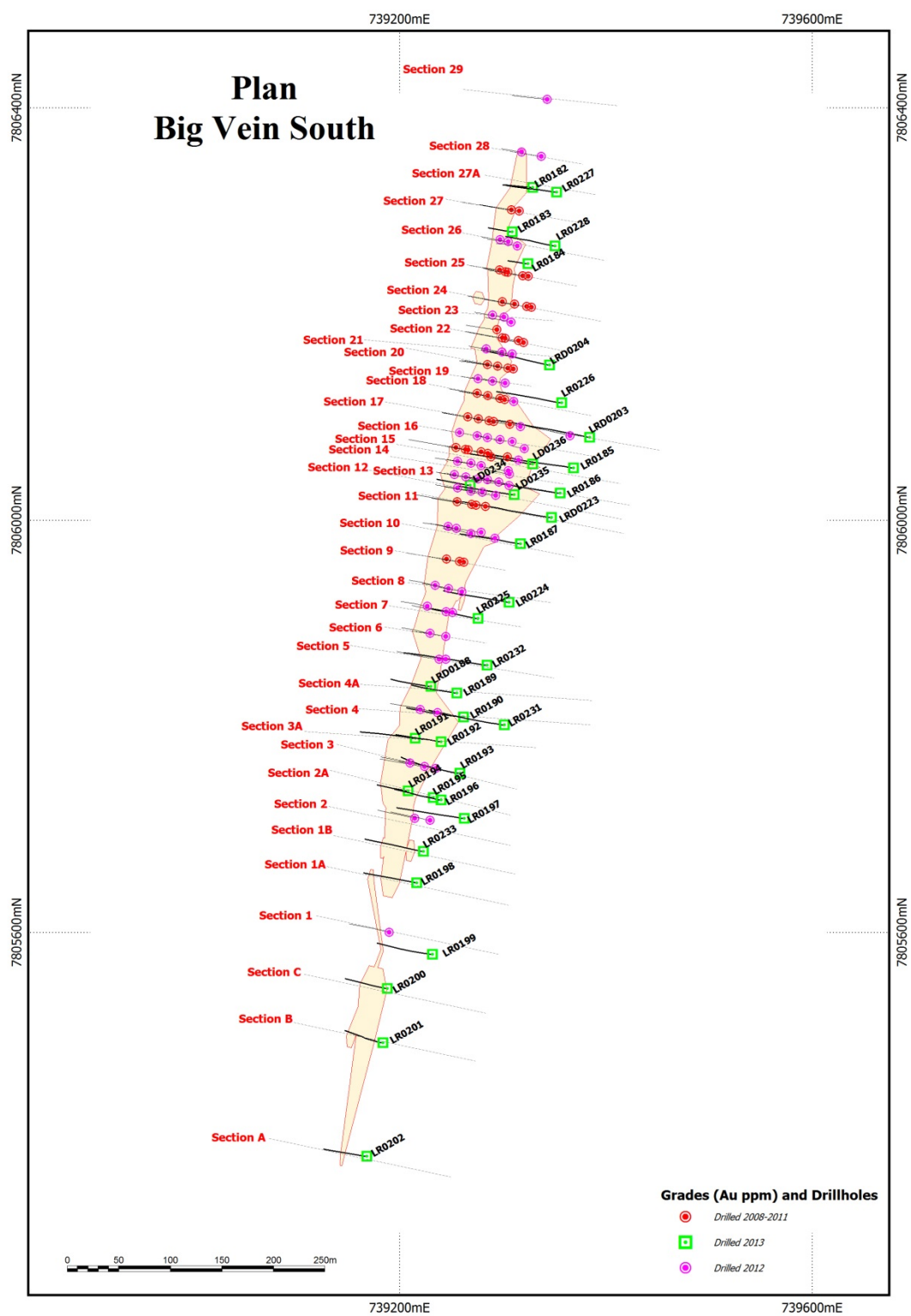


Figure 1: Plan of BVS showing the proposed drillholes and a simple outline of mineralization to date.

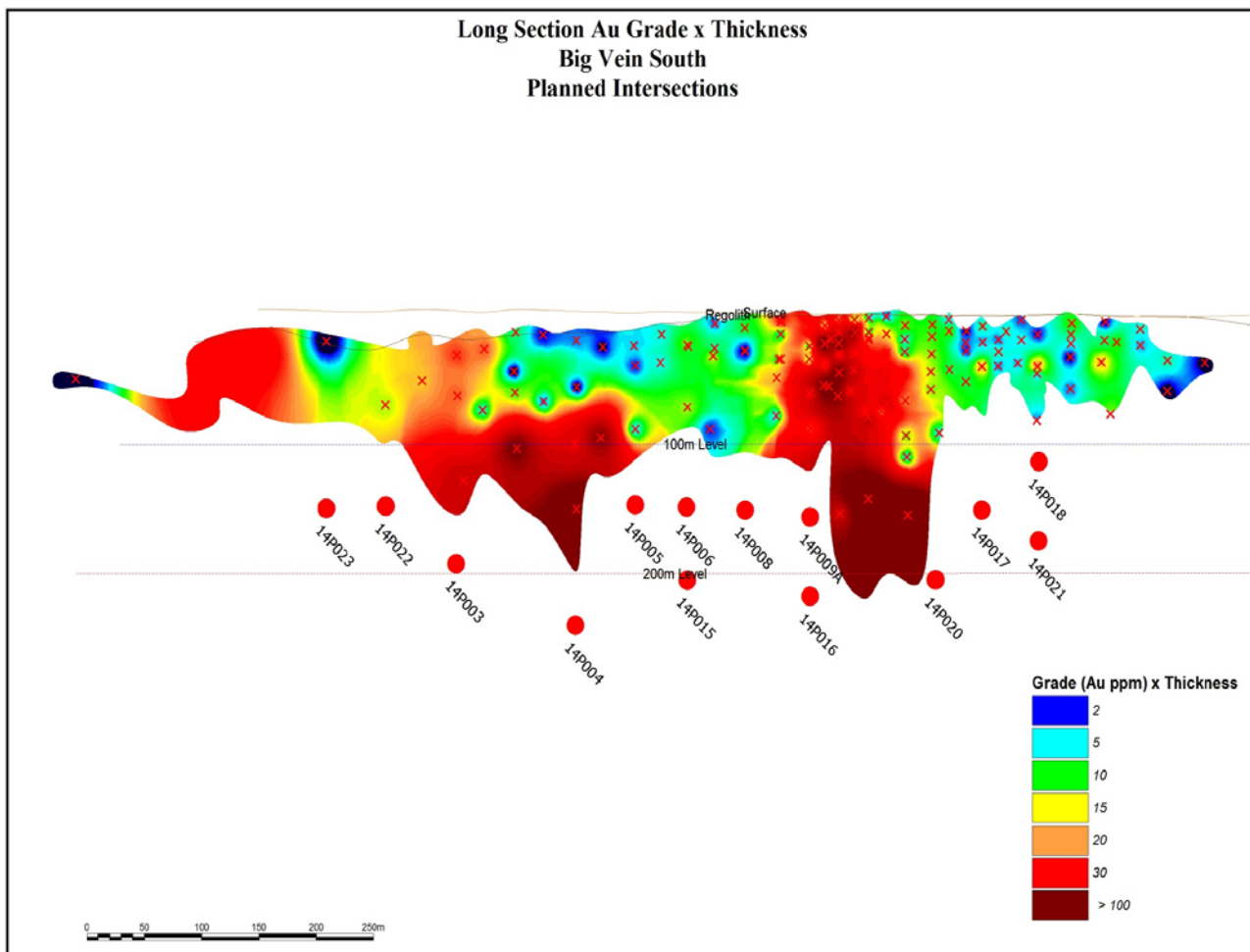


Figure 2: Long Section of BVS showing the gold grade x thickness (g/t x m), previous drill intersections (red crosses) and the proposed drillhole intersections from the current program (red dots).

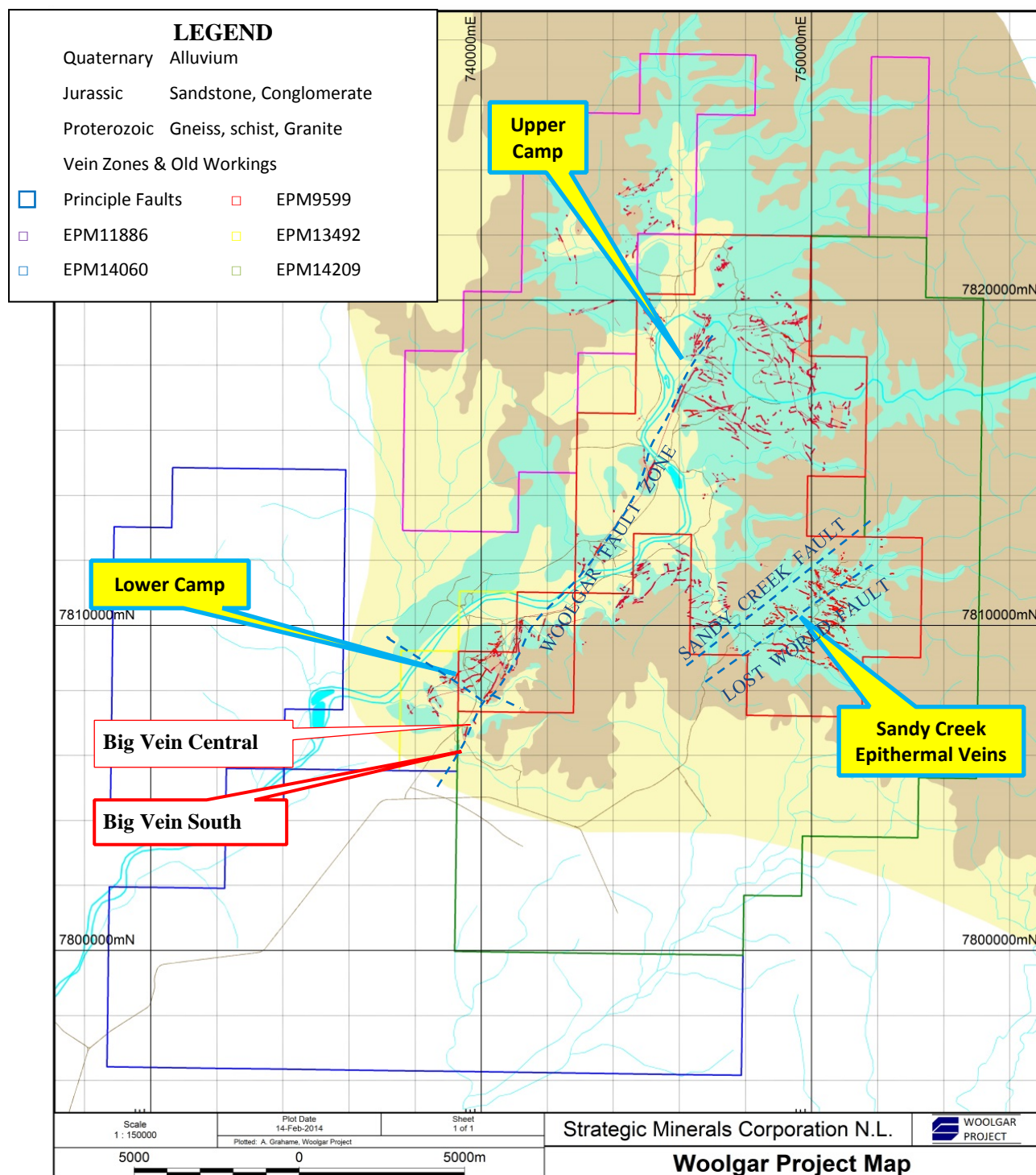


Figure 3: Simplified geological map of principle prospects in the Woolgar Project, highlighting the five main sectors and the target prospect in the proposed 2014 Phase1 drilling.

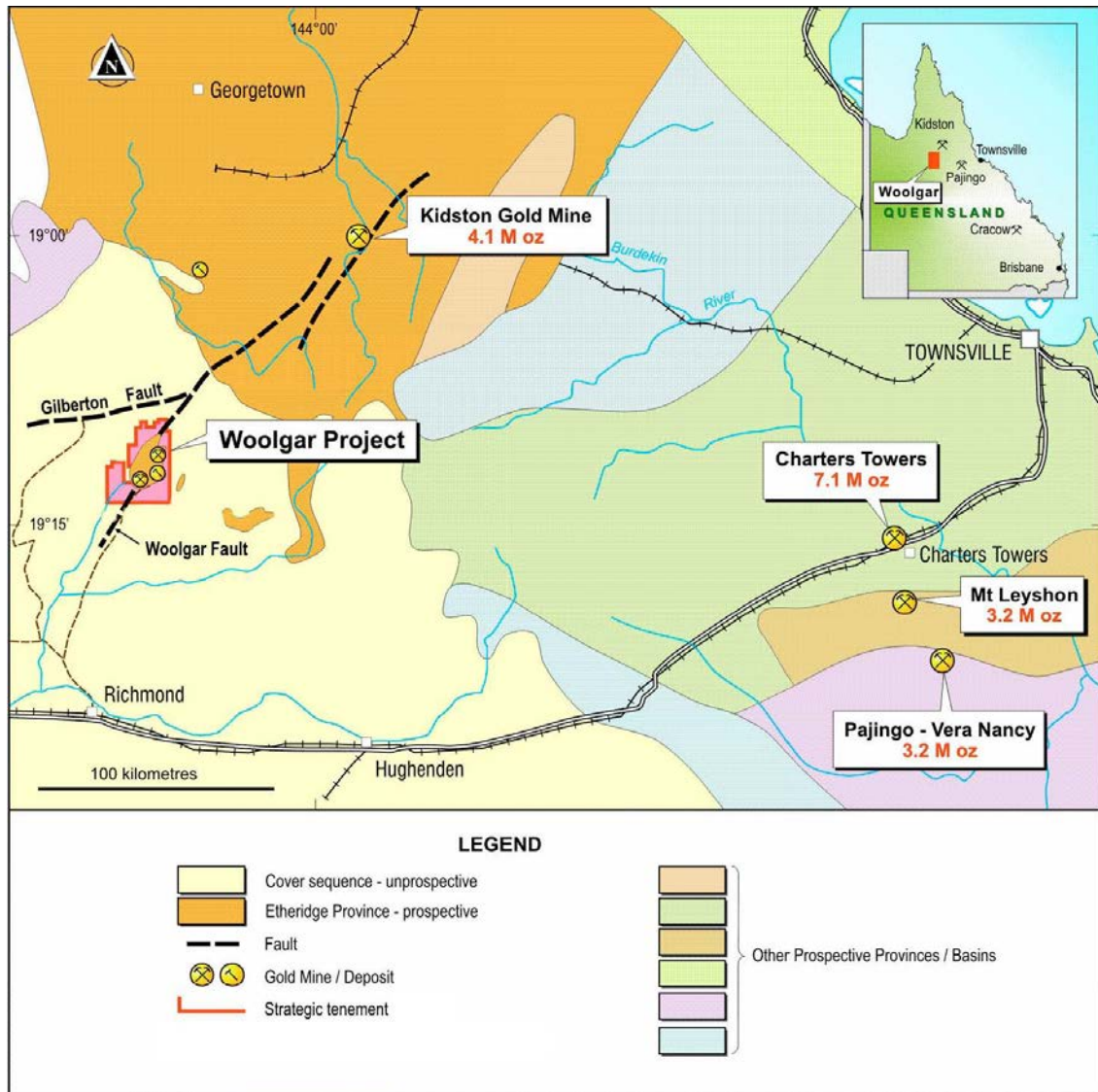


Figure 4: Location map of Woolgar, showing the regional provinces of northeast Queensland and significant gold deposits.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

STRATEGIC MINERALS CORPORATION NL (SMC)

ABN

35 008 901 380

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration & evaluation	(99)	(269)
(b) development	-	-
(c) production	-	-
(d) administration	(325)	(476)
(e) project development costs	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(411)	(730)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	18	18
Net Investing Cash Flows	18	18
1.13 Total operating and investing cash flows (carried forward)	(393)	(712)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(393)	(712)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	3,730	3,730
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	3,730	3,730
	Net increase (decrease) in cash held	3,337	3,018
1.20	Cash at beginning of quarter/year to date	637	956
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,974	3,974

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	192
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors payments, Back-pay of director remuneration rate increases, Corporate Management Fees paid to associated Company

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-
3.2	Credit standby arrangements	-

Estimated cash outflows for next quarter



	\$A'000
4.1 Exploration and evaluation	901
4.2 Development	-
4.3 Production	-
4.4 Administration	226
Total	1,127

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	173	172
5.2 Deposits at call	3801	456
5.3 Bank overdraft	-	-
5.4 Other: Refundable Guarantees	-	-
Total: cash at end of quarter (item 1.22)	3,974	628

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

Project / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
 Woolgar Gold Project ▶ EPM 11886 Woolgar W ▶ EPM 9599 Woolgar C ▶ EPM 14209 Woolgar S ▶ EPM 14060 Woolgar E ▶ EPM 13942 Steam Engine ▶ ML 2642 Soapspar 1 ▶ ML 2793 Soapspar 2 ▶ ML 2729 Mowbray 3 ▶ ML 2739 Mowbray	Australia	100%	0%	0%
 Woolgar Uranium Project ▶ ML 2728 Perseverance ▶ ML 90044 Sandy Creek Dam ▶ ML 90122 Sandy Creek Plant	Australia	100% ⁽¹⁾	0%	0%

⁽¹⁾ Owned through control of Alpha Uranium Limited (wholly owned subsidiary of Strategic)

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				

Appendix 5B
Mining exploration entity quarterly report

Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	825,173,272	825,173,272		
7.4 Changes during quarter	1,000,000	1,000,000	\$0.024	\$0.024
(a) Increases through issues	164,834,665	164,834,665	\$0.024	\$0.024
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Nil		<u>Exercise price \$</u>	<u>Expiry date</u>
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Signed:

Dated: Wednesday, 30 July 2014

Company Secretary

Print name: JAY STEPHENSON

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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