STRATEGIC MINERALS
CORPORATION N.L.

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Woolgar Gold Project, Queensland

(Strategic Minerals Corporation N. L. (Strategic) 100%)

Initial results of 2016 Drill Program at BVS in Woolgar

The Company is pleased to announce the initial results of the first eight drill holes of the recently completed drill program on the Woolgar Project in 2016.

Significant results of the first eight holes include[1]:

- **LR0280** **34 metres at 2.9 g/t gold from 147 to 181 metres**
- **LR0281** **51 metres at 3.5 g/t gold from 132 to 183 metres**
  including 6 metres at 12.1 g/t gold from 142 metres
- **LR0282** **35 metres at 2.2 g/t gold from 74 to 109 metres**
  including 12 metres at 4.9 g/t gold from 94 metres
- **LR0283** **60 metres at 1.3 g/t gold from 48 to 108 metres**
  including 9 metres at 5.0 g/t gold from 96 metres
- **LR0284** **1 metre at 6.0 g/t gold from 29 to 30 metres**
  and **16 metres at 0.7 g/t gold from 87 to 103 metres**
- **LR0285** **13 metres at 1.6 g/t gold from 83 to 96 metres**
  and **5 metres at 1.0 g/t gold from 127 to 132 metres**
- **LR0286** **2 metres at 1.6 g/t gold from 32 to 34 metres**
  and **5 metres at 1.2 g/t gold from 61 to 66 metres**
  and **3 metres at 0.7 g/t gold from 103 to 106 metres**
  and **26 metres at 1.31 g/t gold from 117 to 143 metres**

These drill holes focussed on both infilling between the three resources at BVS and testing the near-surface extension of the existing resource in the central sector. [2]

Significantly, all but one of the planned drill holes intersected with mineralisation. These results will be incorporated into the updated resource estimate and reported in due course.

Further results are still pending from the northern and southern extensions of BVS, and three other prospects in the Lower Camp.

[1] For a summary of significant intersections for all 8 drill holes, please refer to Appendix Two: Summary of RC drill intersections for 2016, as at 2nd November 2016. All intersection widths are length weighted averages. All widths are Intersection or Apparent Widths.

[2] For details of the 2015 resource, please refer to "Resource Update for Big Vein South" published on the 30th November 2015, available at **www.stratmin.com.au**

2016 Drill Program Summary

The 2016 drilling campaign comprised twenty reverse circulation (RC) drill holes totalling 3,542 metres.

- Eight holes announced here, totalling 1,310 metres, are located in the Crossover (central) sector of the Big Vein South (BVS) resource:
  - These focussed on both linking the three resources at BVS and testing the near-surface extension of the existing resource.
  - Modelling of the 2015 resource indicated that there was potential for the mineralisation to extend closer to surface with obvious positive potential for the resource economics.
  - The results are being processed, and will be incorporated into an updated resource estimate and reported after the conclusion of the field season.
- The remaining twelve drill holes are distributed between the northern and southern extensions of BVS, and the Caledonia, Try Again and Ironclad prospects. The results of these are still pending and will be announced in due course.

Laif Allen McLoughlin

EXECUTIVE CHAIRMAN

COMPETENT PERSON STATEMENT

The information in the report to which this statement is attached that relates to 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.

Appendix One: Plans and Sections

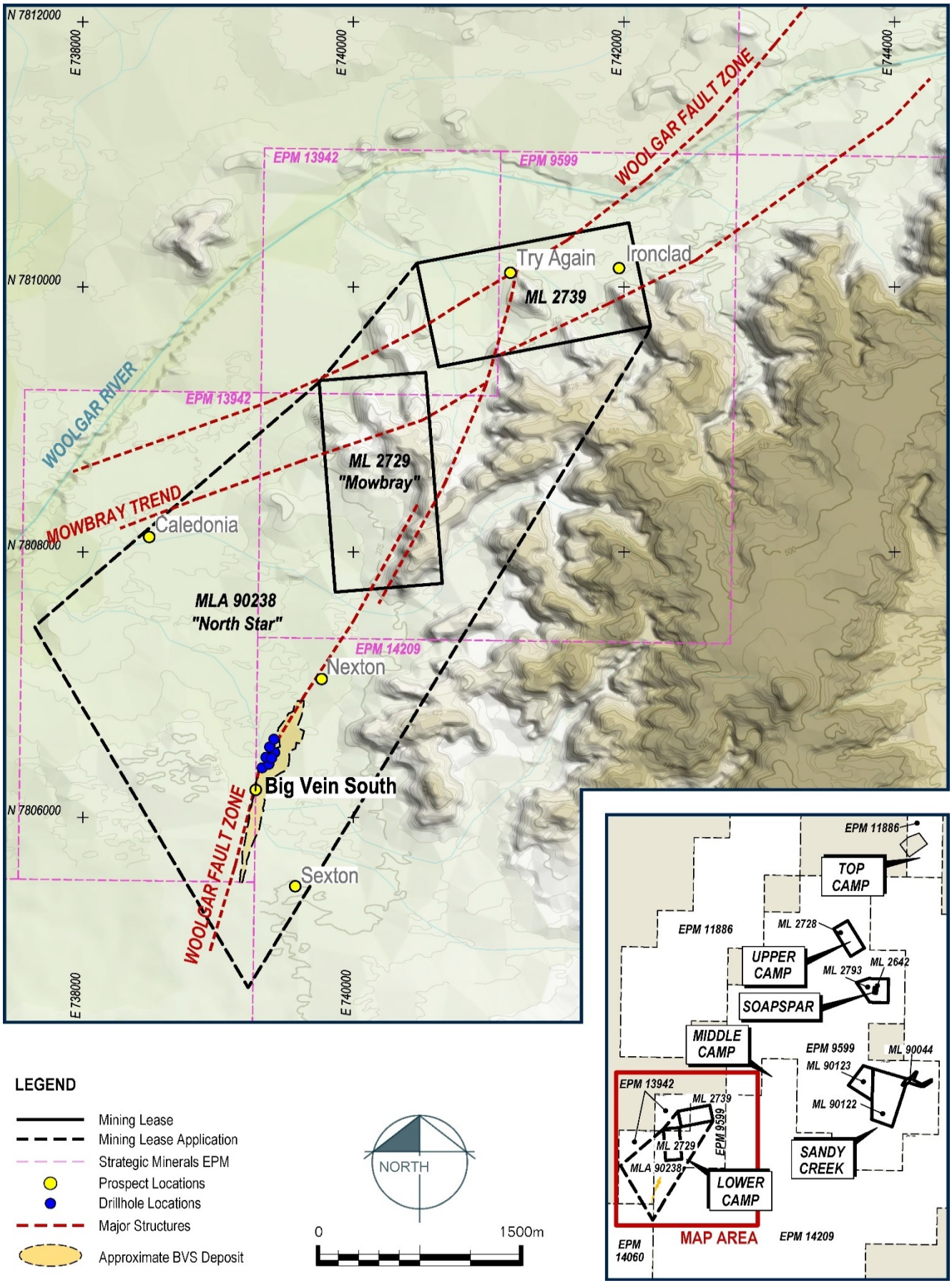

Figure 1: Location map of the Woolgar Project showing the location of the eight drill holes in relation to the BVS resource and major prospects.

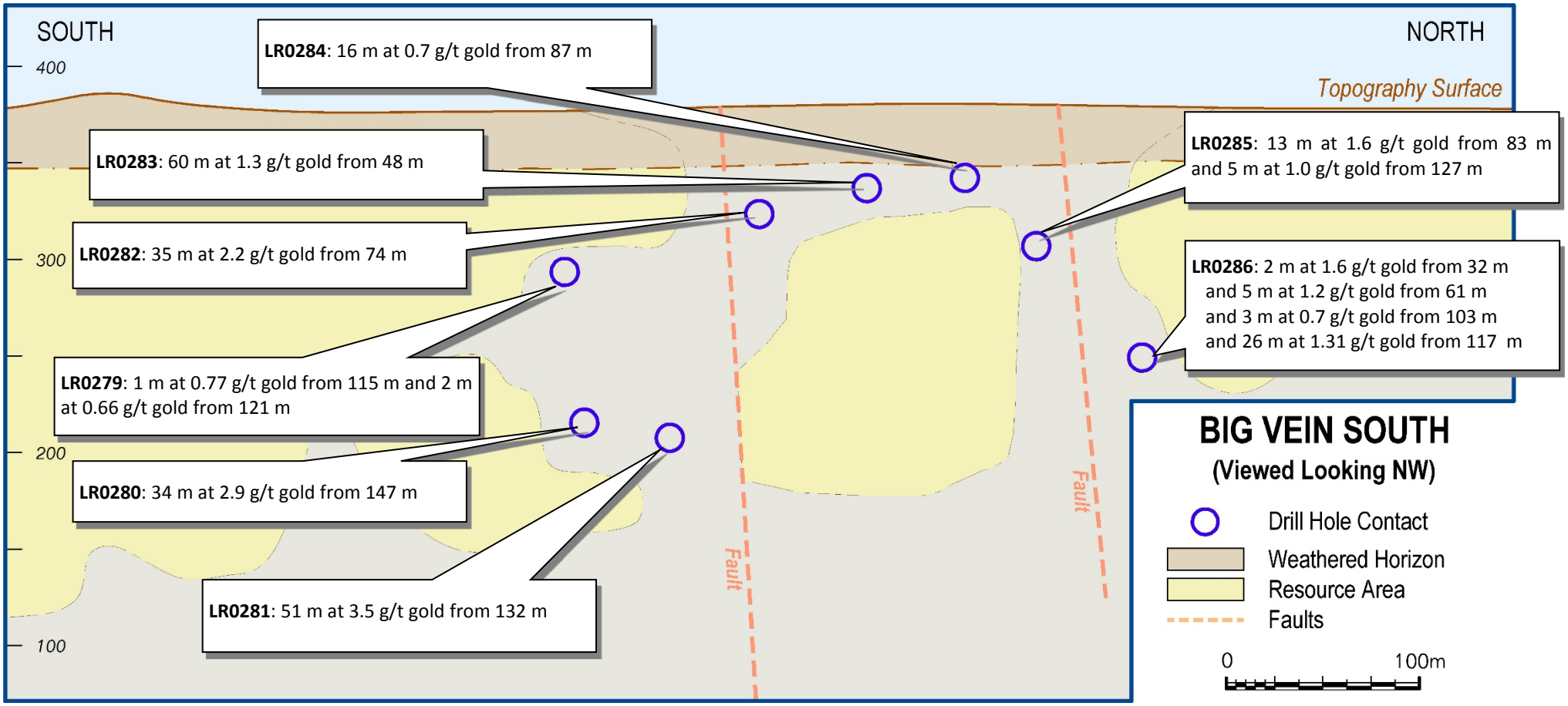

Figure 2: Graphic long section of the central (Crossover) sector of BVS showing the locations of the eight drill holes in relation to the three resource areas in yellow and the fault offsets in red.

Appendix Two: Summary of RC drill intersections for 2016, as at 2nd November 2016.

Table 1:	Summary of significant intersections using a 0.5 g/t gold cut-off grade											
Hole ID	Prospect	End of Hole (m)	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample Method	From (metres))	To (metres)	Width[3] (metres)	Gold Grade[4] (ppm)
LR0279	BVS	154.00	-55	280	7806270	739402	377	RC	115	116	1	0.77
and								RC	121	123	2	0.66
LR0280	BVS	214.00	-55	280	7806270	739460	379	RC	147	181	34	2.91
including								RC	158	178	20	4.18
including								RC	158	162	4	6.91
and								RC	175	178	3	8.28
LR0281	BVS	220.00	-55	280	7806311	739480	379	RC	132	183	51	3.54
including								RC	142	180	38	4.30
and								RC	142	148	6	12.05
LR0282	BVS	136.00	-55	280	7806370	739410	375	RC	74	109	35	2.18
including								RC	94	106	12	4.89
LR0283	BVS	124.00	-50	280	7806424	739420	373	RC	48	108	60	1.35
including								RC	69	108	39	1.87
including								RC	96	105	9	4.97
LR0284	BVS	136.00	-50	280	7806472	739430	373	RC	29	30	1	6.01
and								RC	87	103	16	0.68
LR0285	BVS	160.00	-55	280	7806505	739462	373	RC	83	96	13	1.62
and								RC	127	132	5	0.98

Table 1:	Summary of significant intersections using a 0.5 g/t gold cut-off grade											
Hole ID	Prospect	End of Hole (m)	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample Method	From (metres))	To (metres)	Width[3] (metres)	Gold Grade[4] (ppm)
LR0286	BVS	166.00	-55	280	7806549	739518	375	RC	32	34	2	1.60
and								RC	61	66	5	1.21
and								RC	103	106	3	0.73
and								RC	117	143	26	1.31
including								RC	128	131	3	4.50

Notes: *[1] All Azimuths are reported in degrees relative to the project grid (GDA94). Orientation data presented in Appendix 1 represents collar data.*

[2] All coordinates are reported in GDA94. Current survey data were collected using GPS navigators. Collar coordinates surveyed using a Differential GPS will be updated in due course.

[3] All intersection widths are length weighted averages. All widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation.

[4] Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones up to 6 metres are included in overall intercepts (bold). Low-grade zones less than two metres width within an intersection were included in the secondary intersections as per 2013 & 2014 announcements for comparative purposes. No upper cut-off was applied. Results presented are gold only: no metal equivalents are used.

[5] Narrow, low grade intersections intercepted in the southern sector. Intercepts included as indicative that structure intercepted. Similar narrow, low grade intercepts are not included elsewhere as not representing significant mineralisation.

Appendix Three: JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Reverse circulation drilling with face hammer. Sample intervals were 1.0m.* • *RC sampling was carried out by the drilling contractor using a cone-splitter integral with the recovery cyclone.* • *3 kg was pulverised to produce a 50 g charge for fire assay and 35 element ICP.* • *Some moderate variation is noted in field duplicates, which may be due to resampling techniques (riffle vs. cone-cyclone splits) or coarse gold "nugget effect". This may be higher or lower, is always low to moderate and proportional to the grade, and shows no systematic evidence of skewing.* *Screen fire assaying of higher grade samples is undertaken as standard to determine this. The original (rig-sampled) assay is reported for all instances of duplicates, rather than a selective system.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• See above.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• All samples and rejects are weighed after drilling. • Any anomalies in sample size during drilling were brought to the driller's attention and appropriate steps taken. • Samples were collected in an integral cyclone recovery and cone splitter. Duplicates were taken manually using a riffle splitter and selected on geological criteria. • At this stage, there is no obvious relationship between recovery and grade. Detailed analysis is pending prior to incorporation into future resource estimates.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• 100% of RC chips were logged on site using a qualitive system logged by a competent geologist with sufficient experience. • All RC chips will be photographed.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC was cone split integrally to the cyclone. Duplicates were selected on geological criteria and taken manually using a riffle splitter. • RC drilling did not involve water injection. Ground conditions were generally dry, but occasional groundwater was intersected, but with limited ingress. This did not affect recovery or cause caking within the cyclone or splitter. • All sample preparation and methods were appropriate for exploration purposes. • 3 grades of pulp standards plus coarse blanks and field duplicates were used throughout the program. • Sample size is between 2 and 4kg, average 2.7kg, approximately 10% of the total recovery, which is considered appropriate.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples were prepared and assayed at the ALS Minerals Division - Geochemistry ("ALS") laboratory in Townsville; an ISO-9001:2013 certified facility. Methods used were: gold by fire assay, AA finish (50 gram charge); and other elements by aqua regia ICP-AES (35 elements). Samples returning greater than 100 g/t gold were automatically re-assayed using a dilution analyses. • 3 grades of pulp standards plus coarse banks and riffle-split field duplicates were used throughout the program. All standard and blank results appear acceptable. The field duplicates show minor variation which may be due to coarse gold or the different splitting method. Gravimetric re-analysis of selected higher-grade values is underway to assess this.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent verification has been conducted at this stage. • This is prospective not definition work. • Logging data entry in real time on site by employee logging. • Sample control data recorded on paper in the field and entered digitally daily. • All data backed up daily and stored in separate locations. Senior geologist verifies data entry. • No adjustments made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Collars are located using a GPS Navigator and reference to known control points, and subsequently updated using a Differential GPS. • Downhole surveys were conducted using a Reflex single-shot camera at 18m and subsequent 50 metre intervals. • Project grid is MGA94. • A DEM is used for planning and modelling. This has proven adequate for the low relief.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Planned intercept spacings were approximately 50m. This is considered suitable for the exploratory nature of this program. • Exploration results only presented here. Data density will be studied in detail in the future for resource purposes. • No compositing was used in the field. 1m sample intervals were analysed. The reported intersections are simple length weighted averages based on apparent widths.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All sample widths presented are Intersection or Apparent Widths and do not represent the true widths of the mineralisation. The mineralisation is thought to be plunging at approximately 70°, steepening with depth. • Drilling is orientated perpendicular to the strike of the structure and all holes dip -55°. There is no evidence for a sampling bias beyond that of the tangential angle.
Sample security	• *The measures taken to ensure sample security.*	• RC samples are collected in calico bags, sealed in sacks of five and loaded into pallet containers for transport to Townsville by a private courier. • A paper trail, including the contents of individual sacks is maintained.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sample technique is reviewed frequently. The use of standards and blanks was optimized for this program.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Woolgar project is comprised of 5 EPMs, 8 MLs and an ML application. These are wholly owned by Strategic Minerals. • There is no known impediment to operations in the area.

License No	Date Granted	Area	Interest	Comment
ML 2728	01/06/89	128 Ha	100%	Granted
ML 2729	01/06/89	128 Ha	100%	Granted
ML 2739	01/06/89	128 Ha	100%	Granted
ML 2642	01/02/89	405 Ha	100%	Granted
ML 2793	08/08/91	146.4 Ha	100%	Granted
ML 90044	27/04/95	29.2 Ha	100%	Granted
EPM 9599	01/09/93	145 sq km	100%	Granted
ML 90122	02/09/04	350.90 Ha	100%	Granted
ML 90123	18/11/04	124.70 Ha	100%	Granted
MLA 90238		883.5 Ha	100%	Applicat-ion
EPM 11886	21/04/04	316sq km	100%	Granted

Criteria	JORC Code explanation	Commentary
		EPM 14060 — 21/04/04 — 489 sq km — 100% — Granted EPM 14209 — 21/04/04 — 307 sq km — 100% — Granted EPM 13942 — 09/11/06 — 15 sq km — 100% — Granted
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Little recent work had been carried out in the Lower Camp area prior to the previous the progressive RC programs by SMC. The recent project management reviewed these and found them acceptable as a basis for exploration.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Lower Camp is a mesothermal style of mineralisation. • It is shear hosted within the regional-scale Woolgar Fault Zone where this is deflected locally by a secondary, cross-cutting structure. • It consists of quartz and quartz-carbonate veins, mineralised tectonic breccias, stockworks and veinlets. • Gold mineralisation is associated with disseminated pyrite, and lesser galena, sphalerite and pyrrotite, that occur within strongly phyllic altered, sheared and brecciated schists, gneisses, dolerite dykes, granites, granitoids, silicified breccias and veins. • The mineralisation is strongly associated with a phyllic alteration.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• For drilling data, see of this report. • None of this information has been excluded.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should*	• All intersection widths are length weighted averages. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Normally low-grade zones up to two metres width were included in the overall intersections, although locally low grade zones up to six metres width may be included in the overall intersections where these were considered sufficiently wide as to justify their incorporation, and are noted as such in In the secondary intersections, low-grade zones less than two metres width were included where significant high-grade material occurred adjacent. No upper cut-off was applied. Details of intersections and higher-grade lens are included and shown in graphic

Criteria	JORC Code explanation	Commentary
	be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	sections, see Appendices One and Two. • The mesothermal mineralisation is gold dominated and no metal equivalents are used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All sample widths presented are Intersection or Apparent Widths and do not represent the true widths of the mineralisation. The mineralisation is thought to be plunging between 50 and 70° near surface and approximately vertical at depth. • Drillholes dip -50°-55°. • All holes are drilled 280° GDA94, which is perpendicular to the estimated average strike of the mineralisation. • There is no evidence for a sampling bias beyond that of the tangential angle.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Location and prospect maps, and a long-section showing pierce points compared to the existing grade-thickness plot are included in the main body of the text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Summary intercepts of all eight holes in this announcement are included, including those with minimal intercepts. • Minor intercepts of low grades and widths (≤1 g/t x ≤3m) adjacent to significant intercepts are not reported since these are considered relatively insignificant. These were included where they were the only anomalous intercepts in a hole, or where similar intercepts in multiple adjacent holes may indicate secondary structures. All results will be included in a future resource estimate. • No are outstanding drill results for a further twelve drill holes from the Lower Camp sector. None of these holes are immediately adjacent to the results announced here and will not have any direct effect on the interpretation of these results.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Recent geophysical surveys have been reported previously. Detailed analysis and interpretation of these results is undertaken on a continuous basis. • A soil sampling survey has been undertaken over select targets in the Lower Camp. Analysis of this is being conducted in-house using a Niton analyser, but is not yet complete. This orientation survey to test the applicability of sampling and analytical techniques and is not expected to provide significant results in terms of target identification at this stage. • RC sample reject material has been set aside for further metallurgical work. • No geotechnical data is collected from RC drilling. No independent appraisal has been made of the data from previous DDH drilling. • Both positive and negative interpretations of these results have been discussed openly. No further deleterious technical, statutory or social issues are known.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• No further drilling is currently planned for 2016. Further drilling is expected in 2017 and would include continued stepbacks where possible and extension drilling in BVS. Diamond and infill RC drilling may be conducted if considered justified. Further drill testing of the multiple prospects identified in the Lower camp and beyond is also proposed. • Detailed mapping and soil geochemistry may be conducted on several prospects outside of the current drill prospect. • Further geophysical work is also under consideration. This may include a second IP survey across multiple targets in the project.