



QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st December 2018

ASX Code: SMC

ASX Release:

29 January 2019

Issued Capital:

78,209,207

Market Capitalisation:

\$28.16 Million

BOARD:

Laif McLoughlin

Executive Chairman

Darren Fooks

Non-Executive Director

Jay Stephenson

Non-Executive Director &
Company Secretary

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The fourth quarter saw three significant field-based exploration programmes undertaken concurrently across the broader Woolgar Project, as well as the resumption of a number of assessment programmes focused on the BVS deposit which had been suspended earlier in the year.

Highlights

- A new BVS resource update of 1.417 Mt oz gold (at a 0.75g/t cut-off) representing a 21% increase in global resources at BVS gold deposit and a 92% increase in Indicated Resources¹.

Table 1: Big Vein South Resource, 21st December 2018, at 0.75 g/t cut-off (minor rounding errors)

Category	Mt	Au g/t	Au Koz	Density t/m3
Measured	0.6	1.90	33.7	2.61
Indicated	10.0	1.93	621.4	2.71
Inferred	13.5	1.76	762.6	2.70
Total	24.0	1.84	1,417.7	2.71

- A 1,340 metres RC drill programme completed at the Belle Brandon and Ada prospects²
- 1,632 ultratrace soil samples across the Woolgar Project
- Targeted reconnaissance mapping and 60 rock chip samples across the Woolgar Project.

Woolgar Exploration

The 2018 exploration season was condensed into three months of fieldwork from late in the third quarter through the fourth quarter due to the financial constraints resulting from the protracted Takeover Panel application and subsequent suspension earlier in the year. This had also resulted in the deferral of a number of assessment programmes originally commenced during the 2017 exploration year.

These programmes were subsequently resumed, but the results were not available in time to permit planning of the follow-up work required during 2018. Additionally, the Company has significant statutory and technical work commitments for tenements outside the BVS deposit area.

¹ See ASX Release dated 21 December 2018 – **Resource Update for Big Vein South**

² See ASX Release dated 14 January 2019 – **Drill Results – Belle Brandon and Ada**

The Company undertook exploration to both test additional prospects and to roll-out a systematic and a thorough field campaign that included MMI, mapping and rock chip sampling.

BVS Resource Update

On the 21st December 2018, Strategic released the BVS resource, see , which included:

- ☛ 21 % increase in global resources to 24Mt at 1.84 g/t containing 1,417,700 oz gold at 0.75 g/t cut -off
- ☛ 108% increase in tonnes and a 92% increase in gold ounces for a drop of an 8% drop in gold grade for the new Indicated Resource, mostly within the Crossover Zone where the Measured and Indicated (M&I) Resources locally increased from 18% to 91% of contained ounces
- ☛ The results from the Crossover zone indicate that 50m drill spacing with localised 25m infill should be sufficient for future programs to convert Inferred to M&I

This update incorporated the results from the 2017 reverse circulation (RC) and diamond drilling (DD) programmes. The main aim of that programme was infill-drilling of the central *Crossover* sector to upgrade the resource estimates of a constrained area. This was done to assess how easily the resource converted from its previous low-confidence categories to the Measured and Indicated (M&I) categories required to commence Pre-Feasibility Studies. Focussing on the *Crossover* should provide a measure of the quantities of RC and DD drilling required to convert the majority of the remainder of the deposit to M&I. Further aims included more detailed geological understanding, and assembling important information for geotechnical, metallurgical and other technical studies necessary for Feasibility and permitting, which remain ongoing.

Within the *Crossover* sector itself, this has resulted in a conversion from 17% Indicated Resource within 6.6Mt resource in 2017 to 88% of a 7.3Mt resource currently, shown graphically in Figure 2 and Figure 3. The 2017 BVS drill programme focussed on the central *Crossover* sector since this: contained a significant portion of the overall resource, relatively close to surface; had been interpreted as being bound by faults to the north and south; and was flagged in initial scoping studies as potentially the most suitable area to commence mining.

A secondary objective was to increase the drill density across these two bounding faults on the *Crossover*, both to confirm their existence and to improve and upgrade the resource estimates. The new geological interpretation indicates that the two faults may have had a lesser impact than previously thought and it is now possible to interpret a single, continuous, sigmoidal deposit, as shown in Figure 1.

Further RC resource drilling was undertaken to infill on sparse drilling in the northern sector. Eight DD holes were also concentrated within the *Crossover*, for the multiple purposes of providing increased confidence in the geological and geochemical models, and providing fundamental data to the geotechnical, metallurgical and acid waste generation studies. All available information has been taken into account in the preparation of the updated resource, including recent advances in geochemical, geotechnical and provisional metallurgical areas during the quarter.

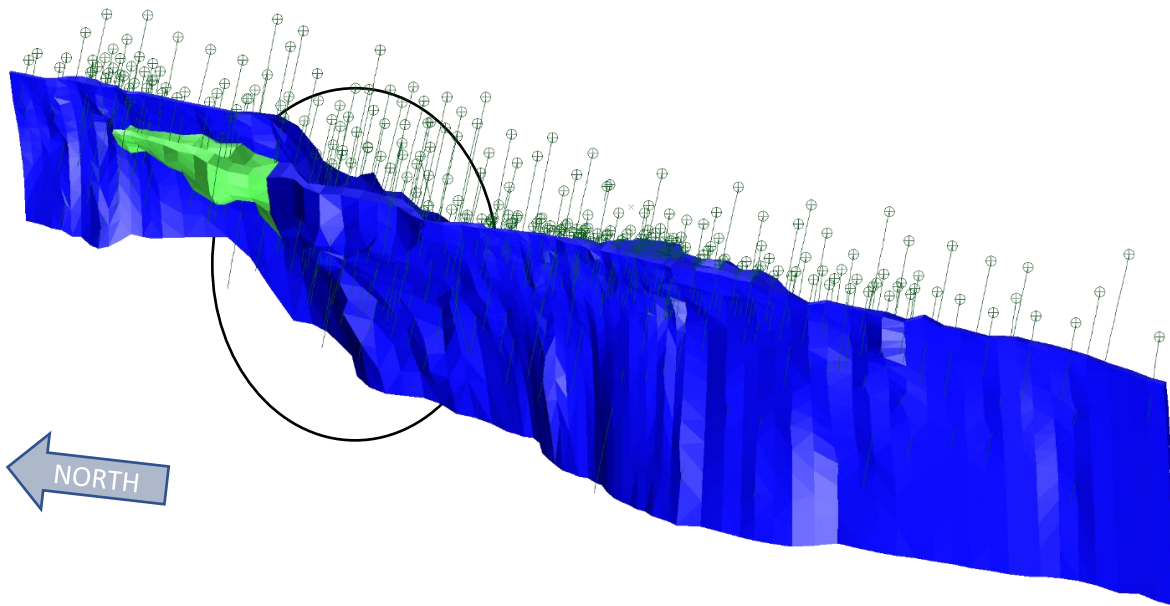


Figure 1: (above) Mineral Lode Interpretation looking down grid to northeast, showing how the three main lodges of previous resources are now consolidated into one, shown in blue. The Crossover sector (circled), which was previously interpreted as predominantly a fault offset, can now be seen as a flexure within the main sigmoid. (Blue = Main zone; Green = Splay zone)

Figure 2: (right) 3D representation of the central "Crossover" sector of the BVS resource from above. The old (Feb 2017) Indicated Resource is in solid orange within the current Indicated Resource in blue. This clearly demonstrates the effectiveness of the infill drilling at converting the lower resource classifications to Measured and Indicated.

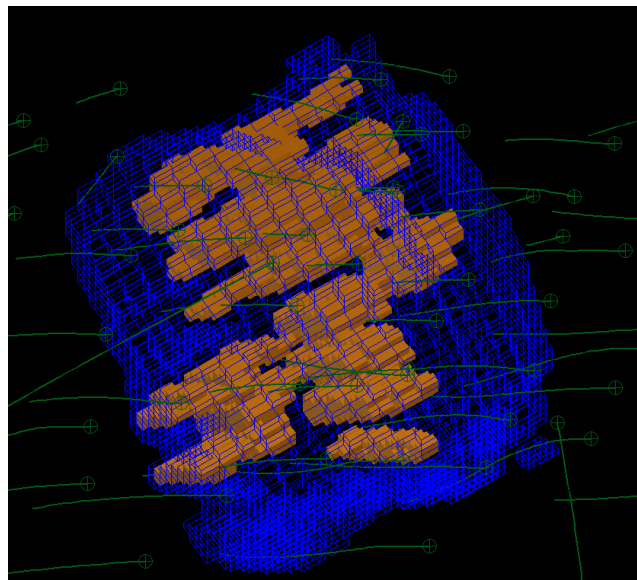
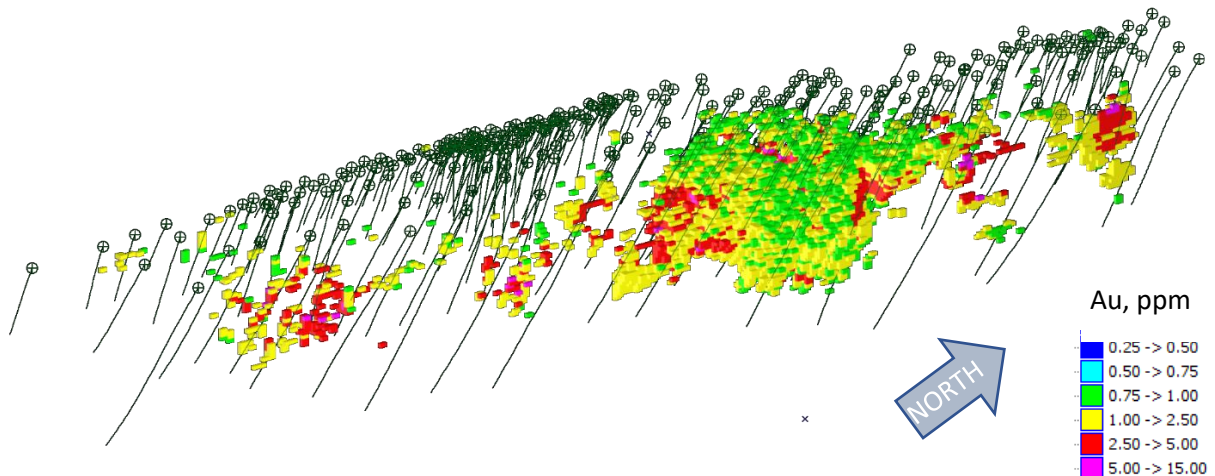


Figure 3: (below) View of the BVS resource looking down to grid north west showing blocks of Inferred Resource from the 2017 Resource that have been converted to Indicated Resource.



Belle Brandon/Ada RC Program

Strategic completed 1,340 metres of RC drilling in 10 drillholes over the Belle Brandon and Ada prospects and the recessive ground in between (see Figure 5 for drill hole locations).

Significant results from the ten holes include:

≡	MR0335	2 metres at 23.36 g/t gold from 19 to 21 metres
≡	MR0330	2 metres at 11.0 g/t gold from 103 to 105 metres
≡	MR0332	2 metres at 3.66 g/t gold from 92 to 94 metres
≡	MR0334	3 metres at 1.6 g/t gold from 65 to 68 metres
≡	MR0338	3 metres at 1.3 g/t gold from 153 to 156 metres
≡	MR0336	1 metres at 2.0 g/t gold from 95 to 96 metres
≡	MR0329	1 metres at 1.6 g/t gold from 90 to 91 metres

Most holes intersected the structure targeted with some high-grade intercepts. This included the expected styles of alteration and mineralisation, although the results were weaker and less continuous than expected. The complete multi-element results will be fully interpreted in due course, but initial assessments appear to indicate that this section of the structure is less likely to host potentially economic BVS-style mineralisation.

The Belle Brandon and Ada prospects occur in a structural jog in the Woolgar Fault Zone (WFZ), approximately six kilometres along strike from Big Vein South (BVS), the main resource at Woolgar. The Belle Brandon-Ada sector share many similar features with BVS and was postulated to be the northern antithetical equivalent to the BVS, either side of the structural intersection between the WFZ and the cross-cutting Mowbray trend.



Figure 4: RC drilling at the Ada prospect.

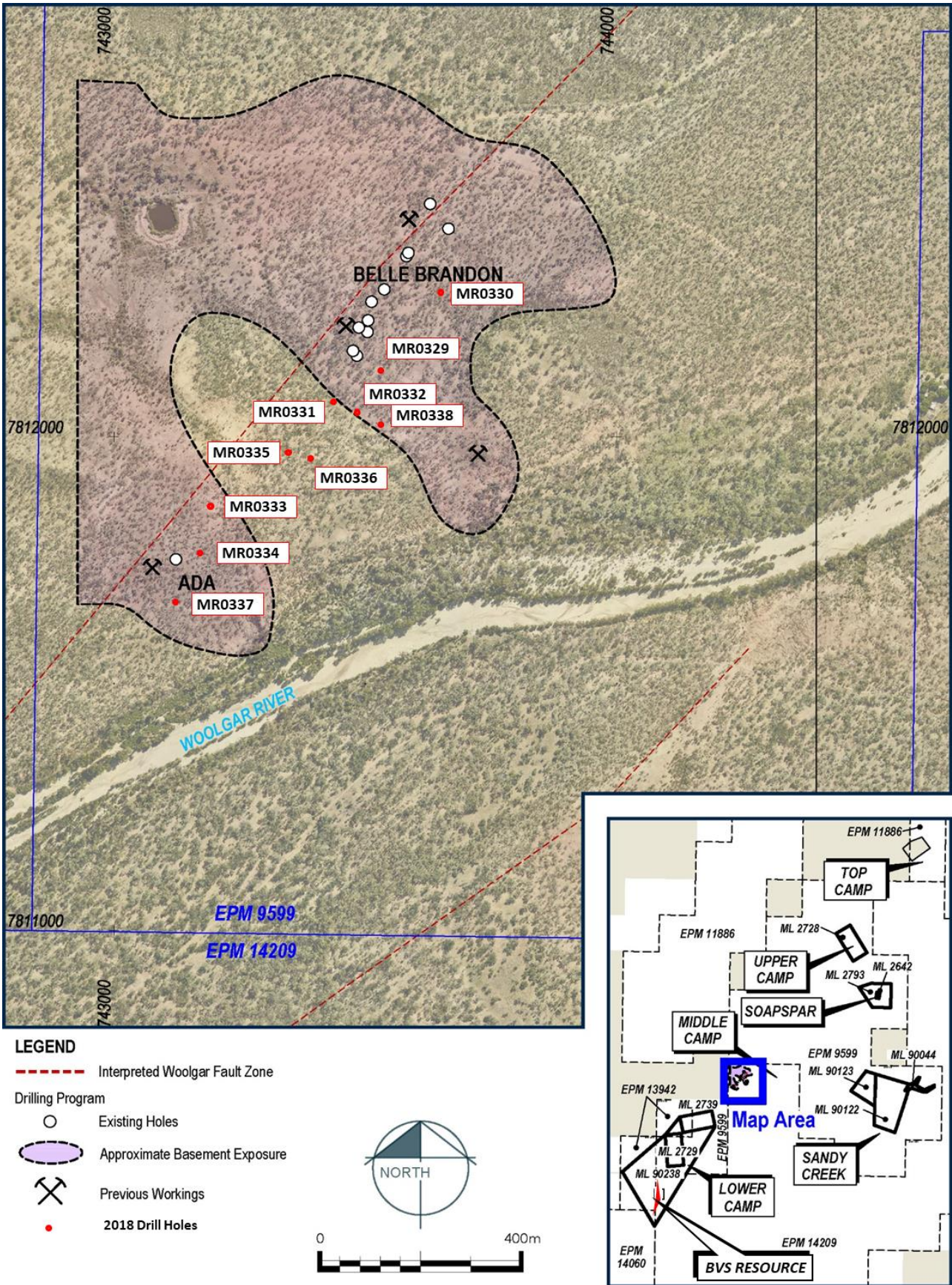


Figure 5: Belle Brandon and Ada Drill Holes for 2018

Ultratrace Soil Sampling and Reconnaissance Mapping Program

During the Quarter, Strategic continued with the ultratrace soil geochemical surveys, collecting 1,632 samples in the Quarter for a total of 2,228 samples for the year in four main surveys. Additionally, reconnaissance mapping and rock-chip sampling surveys were implemented on targeted areas of interest, mostly in the northwest quadrant of the project, as shown in Figure 7.

Soil Sampling Surveys

One tightly-focussed soil survey targeted potential further mineralisation along strike to the south or parallel to BVS in the south of the project, an area of extensive, mostly Jurassic sedimentary cover (Figure 9). The other surveys were aimed at district-scale prospecting over larger areas of poor to no exposed basement outcrop: Specifically, two moderate density surveys in EPM 26263 in the southeast of the project (Figure 7) targeted favourable structural intersections interpreted from the aeromagnetic datasets, and one large survey aimed to assess multiple target prospects across the northwest quadrant of the project (Figure 8).

This later covered a broad area including the Union and western Upper Camp, where multiple regional-scale structures, several associated with significant mineralisation are interpreted to intersect the Woolgar Fault Zone (WFZ), causing a sigmoidal displacement, as well as numerous potential pull-apart structures and several circular features, interpreted as being related to shallow intrusive activity, which are related to widespread anomalous geochemistry across several tenements including EPMs: 9599, 11886, 14060, 14209 and 26263, as shown in Figure 7 and Figure 8.



Figure 6: (left) Ultratrace sample collection. (right) Jurassic sediments overlying metamorphic basement in the Upper Camp. Ultratrace sampling is a widely used technique to locate mineralisation beneath moderate thicknesses of sedimentary cover.

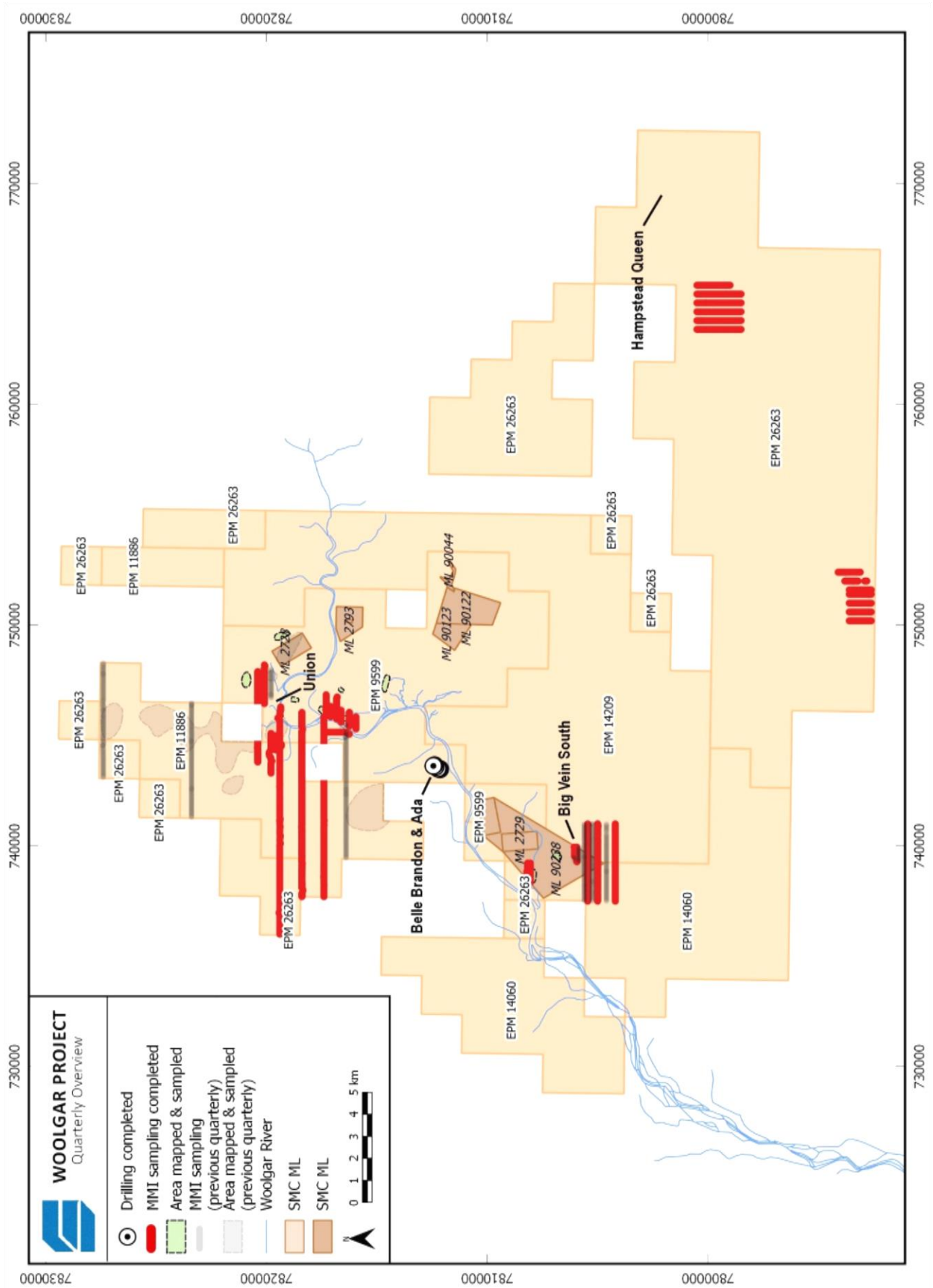


Figure 7: MMI and Mapping across the Woolgar Project Area, as at 31st December 2018

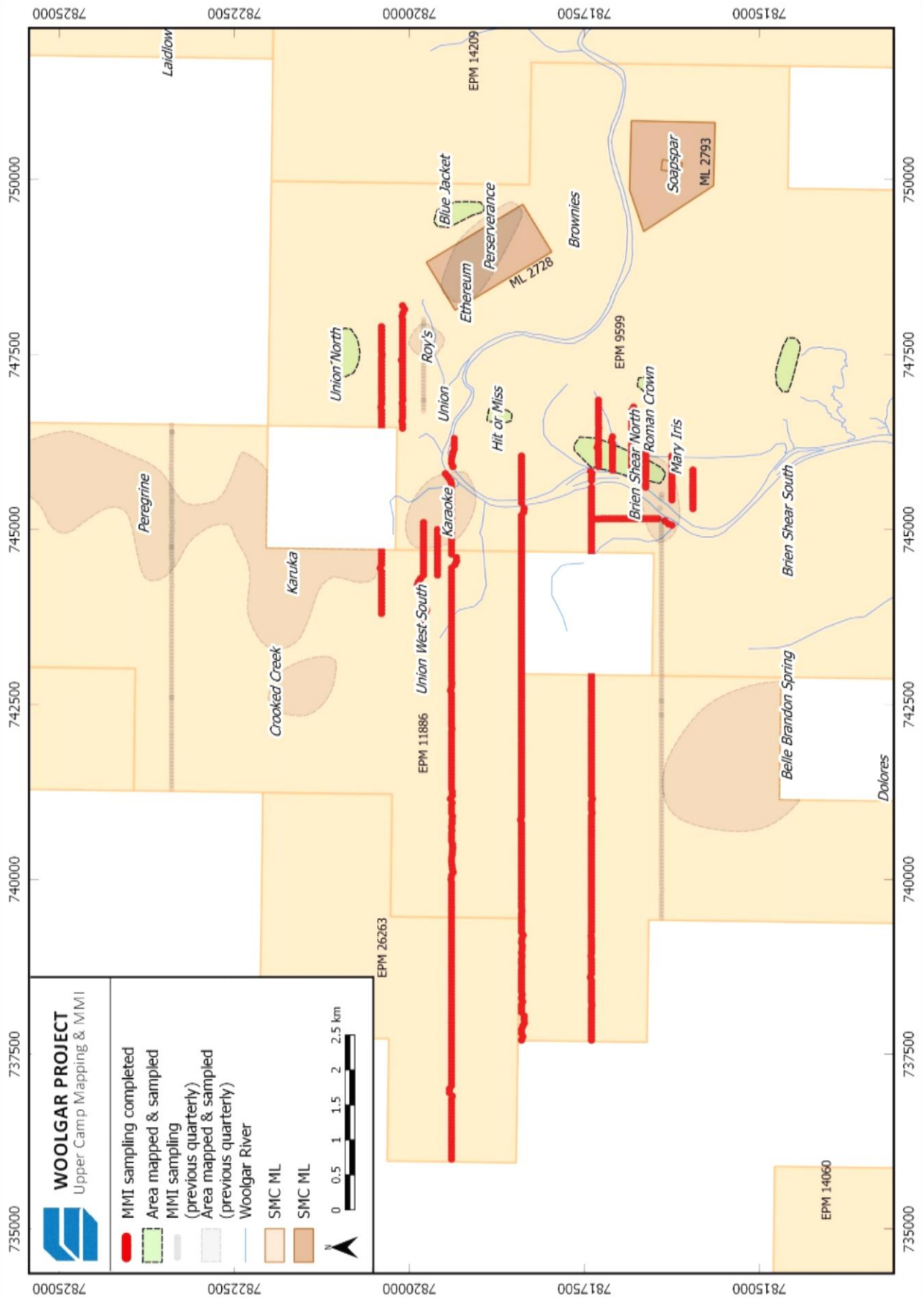


Figure 8: MMI sampling and mapping of northern tenements, as at 31st December 2018

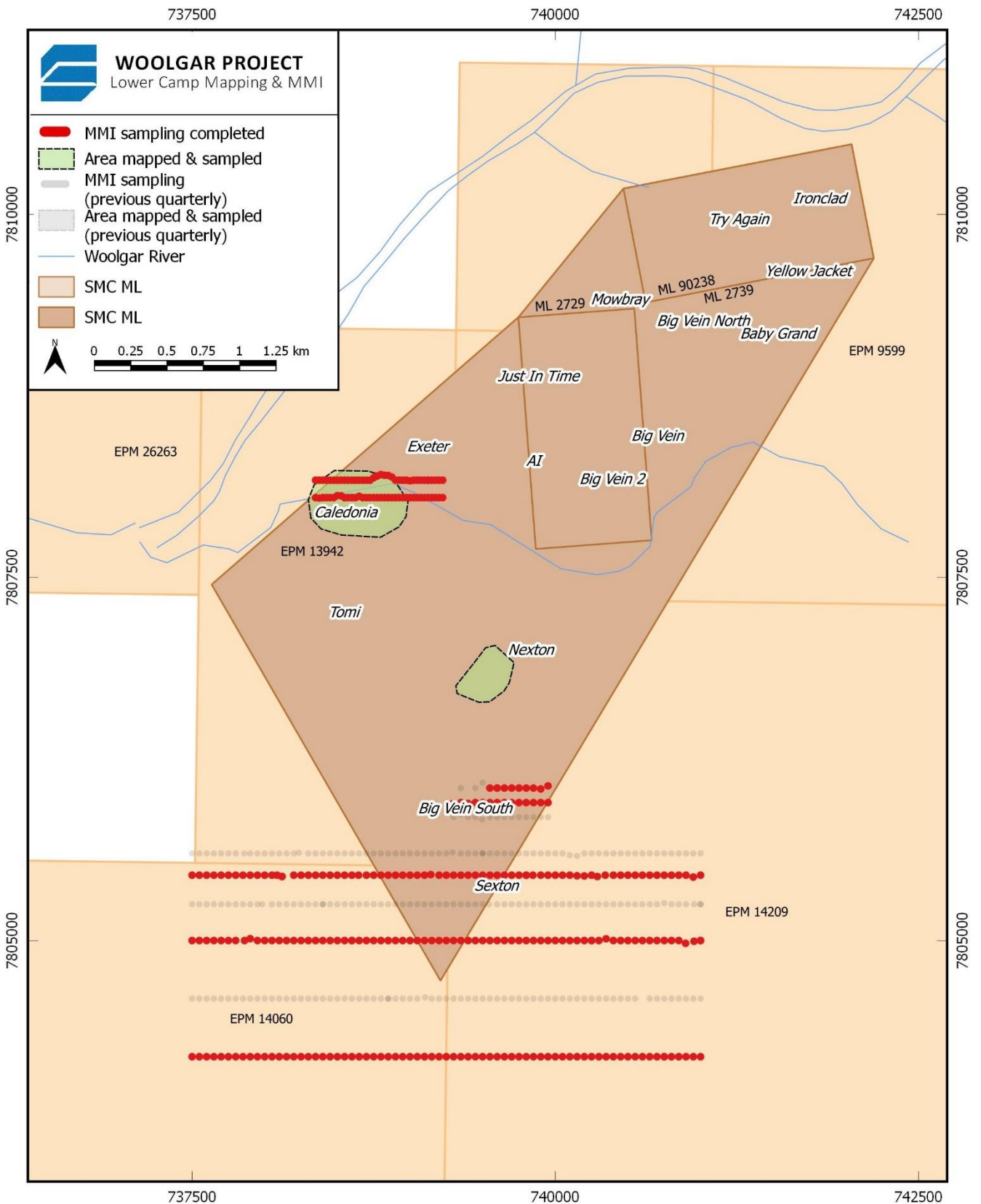


Figure 9: MMI sampling and mapping of areas located within the Lower Camp as at 31st December 2018

Reconnaissance Mapping Programme

In all, 60 rock chip samples were collected and mapping completed on previously unvisited basement exposure in EPM 9599, as seen in Figure 8. This is in addition to the mapping and sampling, principally over EPM 11886 during the previous Quarter.

This work was primarily to reconnoitre and follow-up on known anomalous areas identified from historical exploration. This included follow-up sampling on the significant historic producer at Perseverance, reconnaissance around the main workings, Union North, follow-up on 2017 sampling at Hit or Miss and familiarisation with Brien Shear, which was drilled with anomalous results several times up to 2012. The results of these are still being received and will be processed in due course.



Figure 10: Outcropping hydrothermal breccias and adjacent stockwork at Brien Shear in the Upper Camp.

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 1: Tenement Schedule:

<i>Tenement</i>	<i>Holder</i>	<i>Project</i>	<i>Status</i>	<i>State</i>
EPM 9599	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
EPM 11886	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
EPM 13942	Strategic Minerals Corporation NL	Steam Engine	Granted	QLD
EPM 14060	Strategic Minerals Corporation NL	Woolgar South	Granted	QLD
EPM 14209	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
EPM 26263	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
ML 2642	Strategic Minerals Corporation NL	Soapspar	Granted	QLD
ML 2728	Strategic Minerals Corporation NL	Shamrock	Granted	QLD
ML 2729	Strategic Minerals Corporation NL	Mowbray	Granted	QLD
ML 2739	Strategic Minerals Corporation NL	Mowbray #3	Granted	QLD
ML 2793	Strategic Minerals Corporation NL	New Soapspar	Granted	QLD
ML 90044	Strategic Minerals Corporation NL	Sandy Dam	Granted	QLD
ML 90122	Strategic Minerals Corporation NL	Sandy Creek	Granted	QLD
ML 90123	Strategic Minerals Corporation NL	Flat Creek	Granted	QLD
ML 90238	Strategic Minerals Corporation NL	North Star	Granted	QLD
EL 5773	Perilya Freehold Mining Pty Ltd (90%); Signature Resources Pty Ltd (10%) ³	Mount Frome JV	Granted	SA
EL 6132	Perilya Limited (85%); Paladin Energy Ltd (7.5%); Signature Resources Pty Ltd (7.5%) ⁴	Reaphook JV	Granted	SA

³ Signature Resources Pty Ltd is a wholly owned subsidiary of Strategic

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