STRATEGIC MINERALS CORPORATION N.L.

8th March 2018 ASX Release

Woolgar Gold Project, Queensland

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

Soil Geochemistry Results at Woolgar

The Company is pleased to announce the preliminary results from the ultra-trace (partial leach) soil program conducted throughout 2018 at its wholly-owned Woolgar Project in North Queensland. The program was designed to follow-up on the positive results of test programmes in 2017, the results of which were released to market on the 14 March 2018[1].

Highlights include:

- 2,228 partial leach ultratrace soil samples across the project;
- 150 rockchip samples;
- Positive results from the large-scale roll-out of target generation techniques over covered targets;
- Three main target generation surveys;
- Three targeted infill surveys for definition within known anomalous areas;
- Drill targets identified from several surveys;
- Geochemical domaining has identified the potential for multiple, previously unrecognised mineralised systems;

Overview

The company conducted a comprehensive ultratrace soil program during 2018 that covered the following targets:

- BVS Southern Extension and surrounding areas.
- Upper Camp Target Generation on areas with substantial cover.
- Hampstead Target Generation over continuous cover on EPM26263.

This follows on from the small ultratrace program that was undertaken in 2017 to assesses the suitability of this method for identifying potential mineralisation undercover. The results from the orientation 2017 survey identified a cadmium anomaly over known mineralisation in near-surface drilling. Since cadmium is known to correlate strongly to gold at BVS, the method was considered to be effective.

[1] See ASX Announcement dated 14 March 2018 – Soil Chemistry and Exploration Results at Woolgar

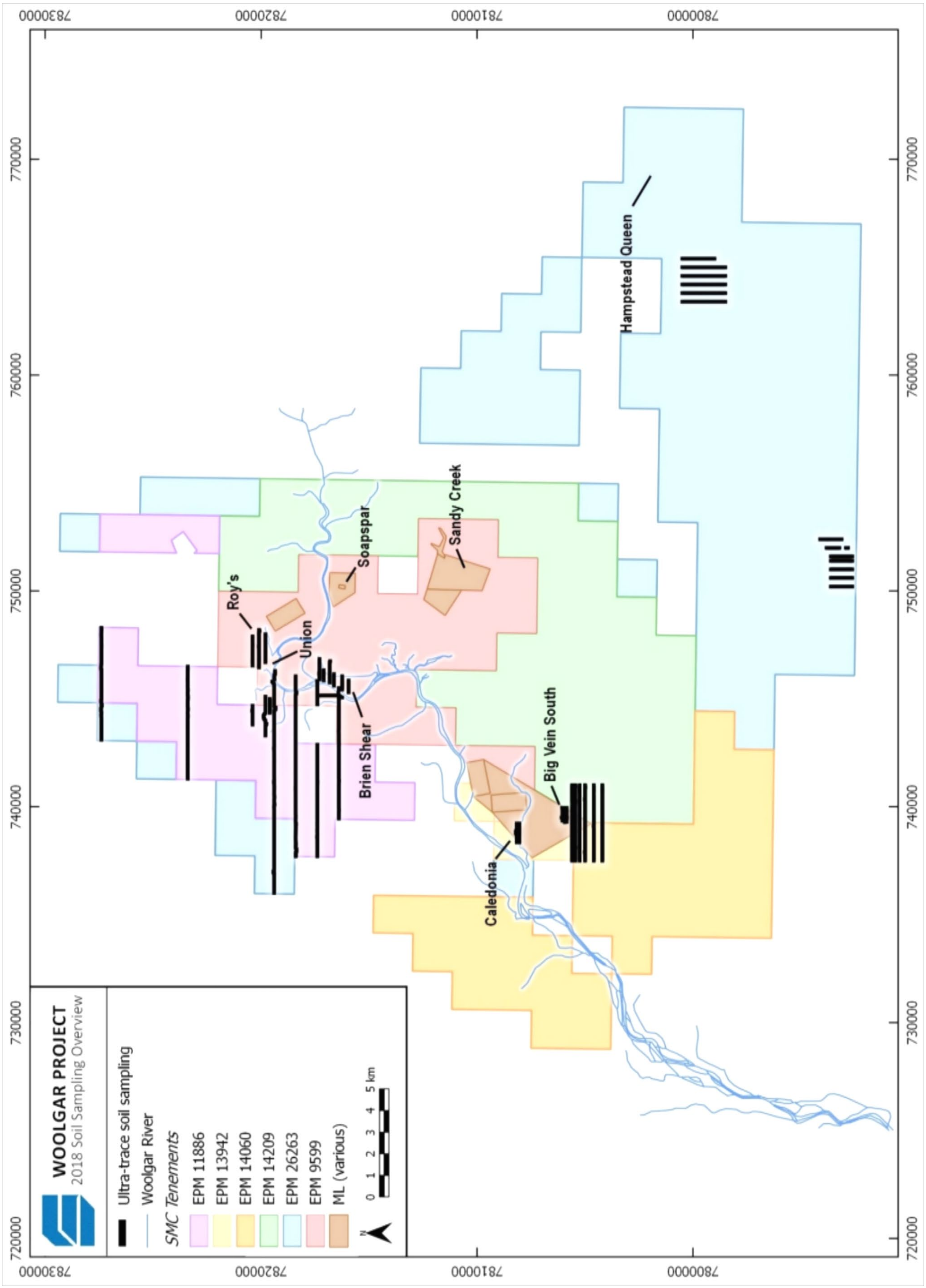

Figure 1: **Plan of Strategic's tenement holdings for the Woolgar Project summarising the locations and extents of ultratrace soil sampling mapping activities conducted throughout 2018.**

Woolgar Surface and Sub surface Challenges

Over several years, Strategic has trialed multiple geophysical and geochemical tools to generate and define targets, but with ambiguous results. This is due to the particular combination of the local geological conditions and mineralisation styles present.

The recent discovery of the BVS resource proves that potential still exists for new discoveries. These may be either exposed on or near the surface of the basement, or deeper, but overlain by one or more generations of sedimentary rock and recent cover. Thus, for several years Strategic has striven to identify a tool or tools that can rapidly, effectively and reasonably economically identify and test prospects under these complicated surface conditions.

To this end, since the discovery of the BVS resource, Strategic has systematically tested multiple geophysical and geochemical exploration techniques, including ground-magnetometry, IP geophysics, regolith soil and outcrop geochemistry and most recently ultratrace (or partial-leach) soils, to target in both the exposed basement and covered areas.

It is likely that no single method will achieve this in isolation, however interpretations based upon data from all available methods and sources are expected to produce the most viable targets with the lowest risk.

What is Partial-leach Ultratrace Soil Sampling?

In traditional soil sampling, the whole sample is analysed. This assumes that the soil is regolith (remnant rock) derived from the in-situ weathering of the underlying rock and looks for mineralisation within it. This is a direct observation, but obviously limited to areas of exposed basement, so not suitable on the overlying cover sequences at Woolgar.

Conversely, partial leaches look for very weak precipitation of metals on the surfaces of the grains, therefore, the composition of the grain itself is of no consequence. The object is to identify whether the metals may have been derived from the oxidation of mineralisation below the surface and subsequent evaporation of groundwater at surface or are merely facets of the local soil and topography.

At a laboratory, a weak (partial) leach removes the attached metals from particle surfaces without leaching the actual particle. The leachate solution is then analysed to very low (ultratrace) levels of detection. Thus, this technique should be effective regardless of whether the soils sampled are a primary regolith, secondary sediment or a mixture as long as the buried mineralisation is oxidising and the surface conditions are stable for a sufficient period for ions to accumulate.

This is a well established and widely used technique, but requires strict methodology both to sample and interpret since it is only inferring mineralisation through indirect methods. This includes strictly separating batches of samples for individual interpretation based on factors such as changes in the soil type, topography, weather events or even different survey periods. It has the major advantage that, once the different batches have been processed, relative anomalies can be compared between batches, including those over exposed basement.

Its major drawbacks are in the time to turn around results, moderately high cost, need for strict training and supervision and the limitation that mineralised bodies are only identified if there is active oxidation.

What did we do in 2017?

In 2017, an orientation survey was carried out to test if the procedure worked with the particular styles of mineralisation and surface conditions present at Woolgar. A three-line survey was implemented over homogeneous, post-mineral Jurassic sediments overlying known mineralisation in shallow drilling in the south of the BVS deposit. The samples were close spaced to determine appropriate spacings for regional surveys and two samples at each location tested competing analytical techniques.

Was it effective?

This appeared to be successful, as shown in Figure 2, with an anomaly detected where expected in cadmium (Cd), known to correlate strongly to gold at BVS, although disappointingly, not in Au, Pb and Zn.

The size and intensity of the Cd anomaly increased to the south, correlating well to the near surface gold grades and widths in particular rather than the deeper grade-widths which decrease. Since the shallow part is expected to oxidise most strongly, as shown conceptually in Figure 5C, this is interpreted to account for the observed pattern and confirm the applicability of the technique locally.

It was also considered positive that such a well-defined anomaly was encountered over relatively minor mineralisation. Since this style of occurrence is relatively common at Woolgar, even over the BVS deposit itself, the ability to target such structures may prove fundamental.

These results also tied in with results from a reappraisal of historic sampling in the sector by Strategic and others, increasing confidence in both this programme, the historic results and the technique in general.

Although the main mineralisation targets of gold, lead & zinc did not form cohesive targets, the presence of a strong, predictable anomaly in a principle pathfinder element was considered successful and justified rolling out a larger series of surveys.

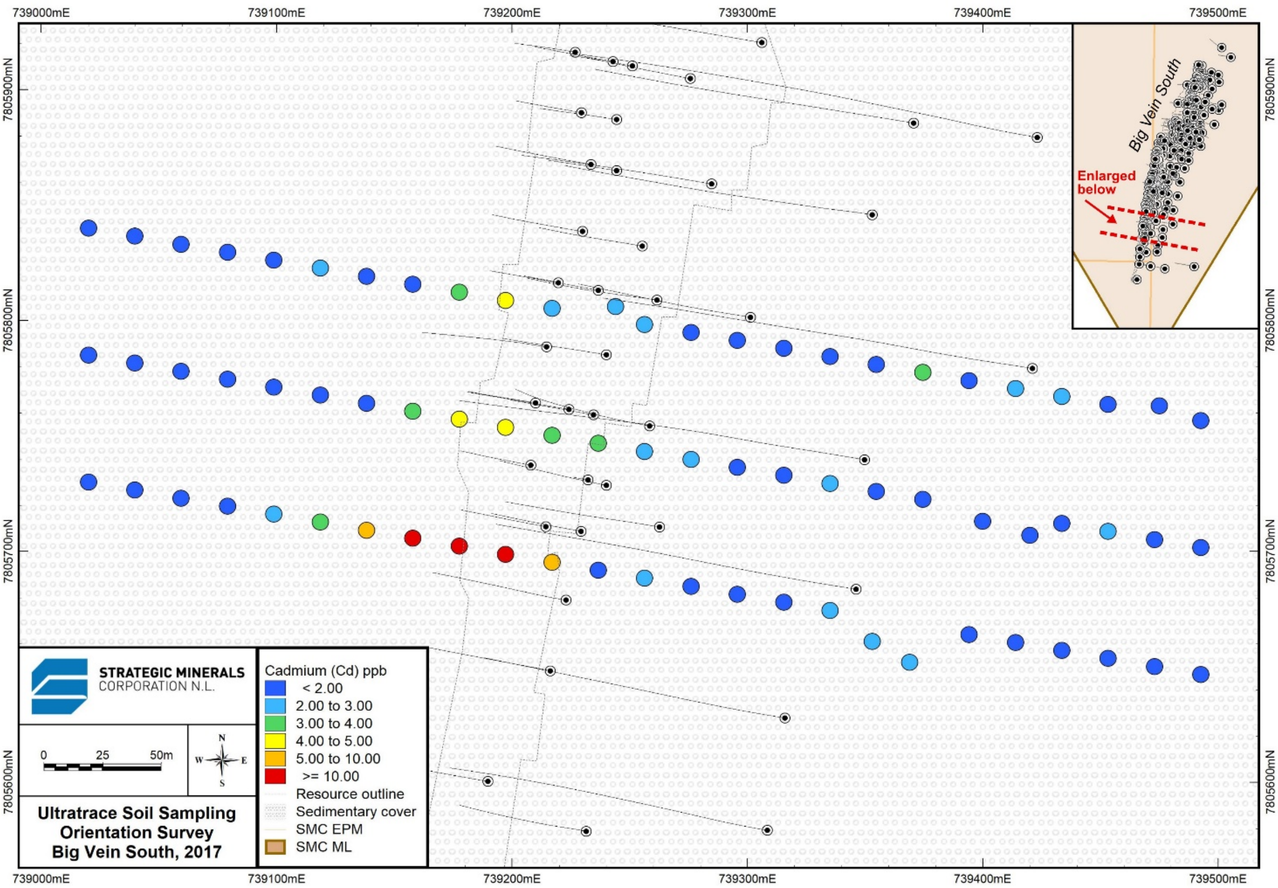

Figure 2: Plan of cadmium concentrations in ultratrace soil orientation survey over the southern portion of BVS. The highest values corelate to where the strongest mineralisation occurs close to the top of the basement unconformity, thus most exposed to active oxidation, rather than correlating to the best intercepts at deeper levels in the basement.

Soil Chemistry Exploration Results from 2018 program

What did we do?

Strategic collected 2,228 ultratrace soil samples in three main programmes during the later half of 2018, as shown in Figure 1. Each survey varied in size and density depending whether the main objective was prospect or district-scale target generation. The three main surveys were:

1. **BVS Southern Extension.** Prospect-scale, strike extension of the BVS
2. **Upper Camp Target Generation.** Sector-scale, testing multiple targets and styles
3. **Hampstead Target Generation.** Prospect-scale, testing prospective aeromagnetic features

Additional localised infill or extensions were implemented to some surveys based upon field observations either from the initial sampling programme or coincident reconnaissance mapping.

What are the Outcomes?

Lower Camp Surveys

A tightly focussed programme with a relatively high sample density over a smaller area aimed to look for along-strike or parallel-trending repetitions of the BVS mineralisation. An additional limited survey covered part of the Mayday Flats and Caledonia prospects, 1,500 metres to the west of BVS (Figure 3).

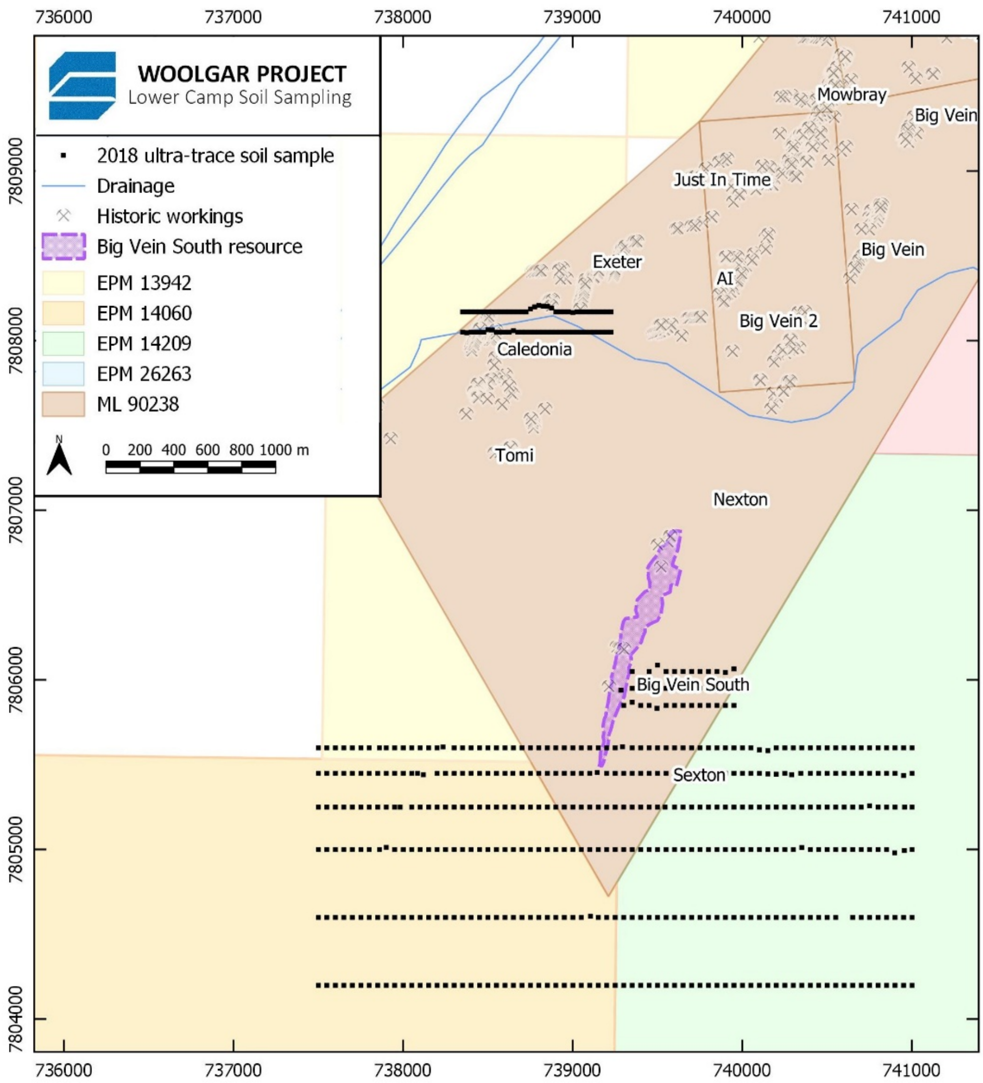

Figure 3: Plan of the Lower Camp ultratrace soil surveys relative to the BVS resource and main prospects.

BVS Southern Extension

This tightly-focussed soil survey, shown in Figure 4, is the southwards continuation of both the 2017 orientation work and a historic survey over EPM 13942, and targeted potential further mineralisation along strike to the south or parallel to BVS in the south of the project. The survey is centred over the projection of the Woolgar Fault Zone (WFZ) as interpreted from the aeromagnetic data. This is an area of extensive sedimentary cover, mostly Jurassic with modern channels in the northeast quadrant. The area is mostly flat, wooded country with broad gullying associated with the drainages in the NE.

Outcomes:

The most significant outcome is the occurrence of coincident anomalies in gold, lead and zinc in the centre of the southernmost lines on the eastern side of the approximate trend of the WFZ, as shown in Figure 4. The data has been thoroughly examined to ensure that this does not represent a change in soil type or a topographic feature, and the anomalies appear robust.

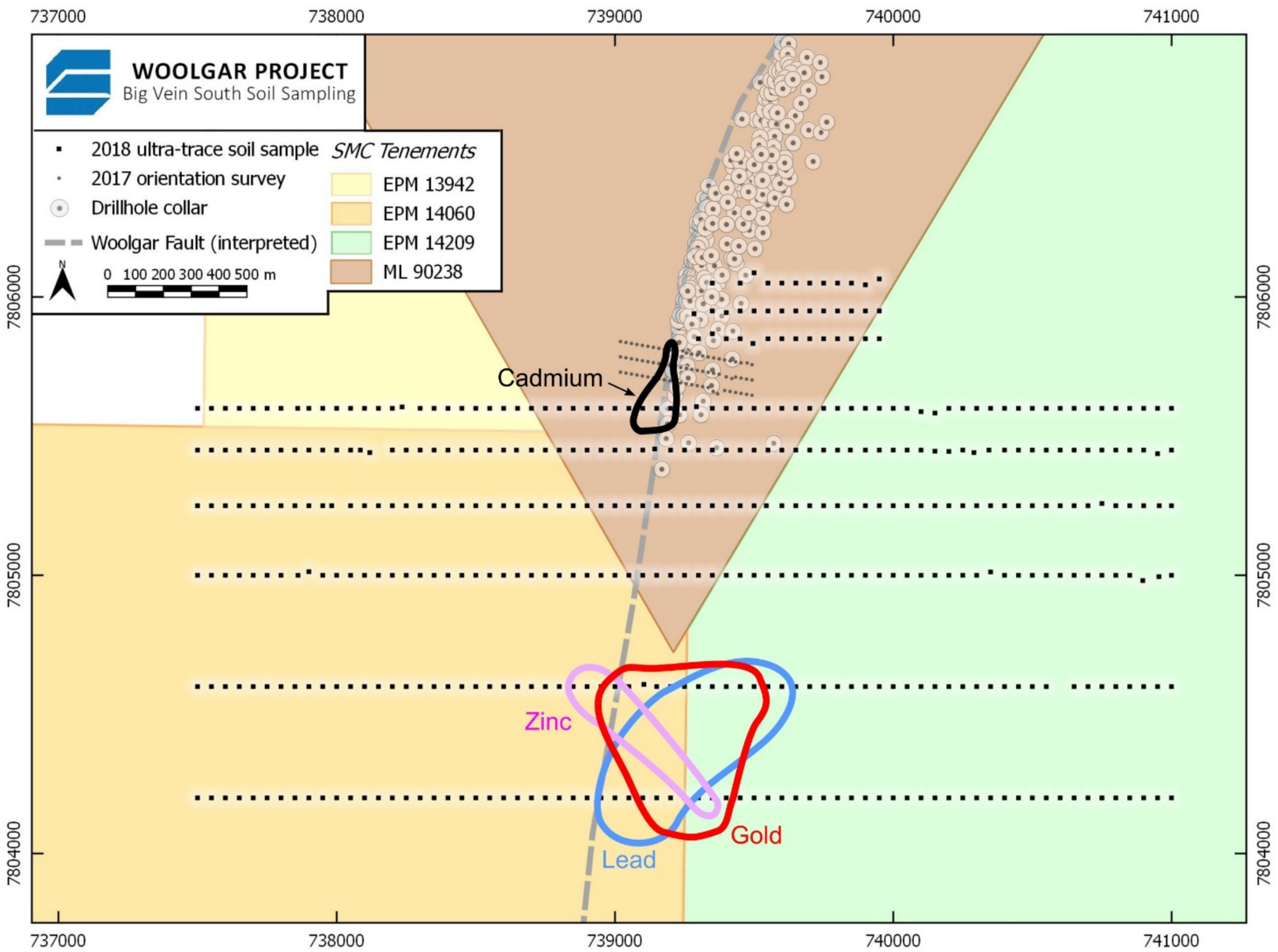

Figure 4: Plan of the main Lower Camp survey showing the extent of previous drilling at BVS, the interpreted southern strike extension of the WFZ where it may host a strike extension of the BVS deposit. The black outline represents the Cd anomaly from the 2017 & 2018 surveys. The coincident gold, lead and zinc anomalies are marked in the south.

Cadmium, the pathfinder identified in the orientation study continues to be anomalous in the northernmost line, then reduces to moderate values on the next three lines. It is moderately elevated in the central portion, as well as the eastern and western sections of the southern two lines either side of the Au, Pb & Zn anomaly, where there are stronger anomalies, strengthening to the south. Due to the limits of the data in the sample grouping (controlled by soil-types), it is not possible to ascertain whether the moderate values represent a broader area of anomalously elevated Cd around the Au, Pb & Zn anomaly, or merely an elevated background level. Depending on the soil type, Cd would not be expected to be elevated coincident to Au, since it is more mobile and would be expected to form an anomalous halo adjacent to the gold. Figure 5-D demonstrates the style of anomaly observed with a conceptional model of a potential source for this.

The significance of the three anomalous elements being gold, lead and zinc along strike from a gold plus lead and zinc deposit is obvious. It is considered particularly interesting that all three metals were absent from the anomaly in the orientation line, which was over a known area of weak, narrow mineralisation, as shown conceptually in Figure 5-C. Thus, it is considered likely that this anomaly, if proven to be a genuine feature, must be driven by the oxidation of a larger body with a higher sulphide content as shown conceptually in Figure 5-D. This is considered consistent with a target similar to the main mineralisation at BVS.

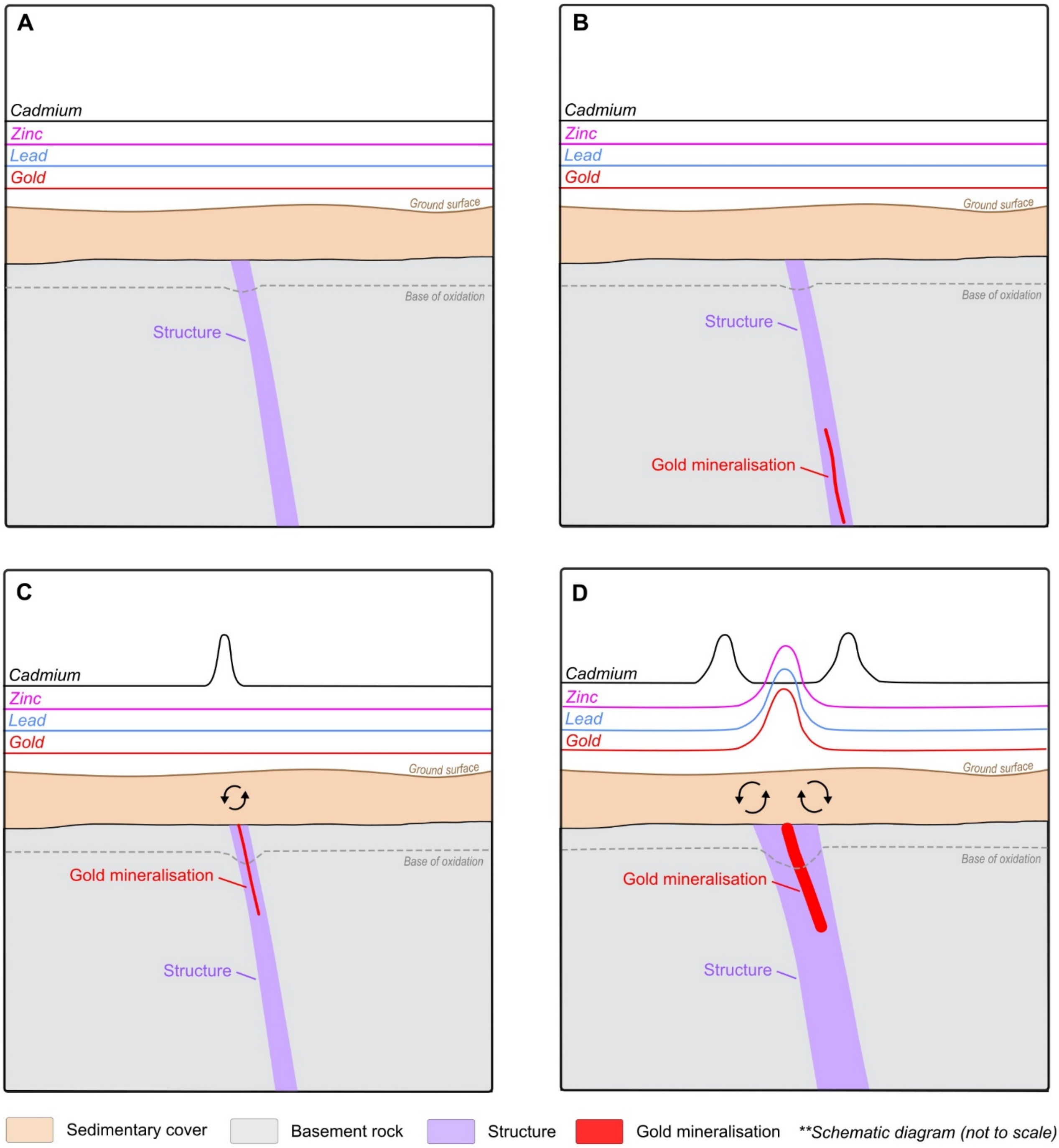

Figure 5: Conceptual models of potential scenarios that could produce the anomalies in the BVS Extension survey. A: If there is no mineralisation, then there will be no anomalies; B: If the mineralisation is below the limit of oxidation, then there will be no anomalies; C: If only weak mineralisation with little sulphide oxidising, the anomaly would be weak and in pathfinder elements only, such as Cd seen in the orientation survey; D: Larger or relatively sulphide-rich bodies should develop anomalies in less mobile elements with mobile elements forming a halo.

Strategic has several priorities in this sector: to expand the current resource with either extensions to the BVS or further similar deposits; to undertake necessary environmental and technical studies, to determine potential locations for infrastructure and prevent sterilisation of resources. Given the proximity of this anomaly to the BVS resource and potential development infrastructure, it is likely that this target will be drill tested as a priority.

Caledonia/Mayday Flats Survey

This was a limited survey targeting the area of the Mayday Flats, between the Caledonia and Exeter workings within the Mowbray trend, as shown in Figure 1. This area was considered worthy of further investigation due to the presence of both mesothermal and low temperature quartz textures in mullock surrounding old workings, a distinct epithermal geochemical character, molybdenite intersected in previous drilling and subcrop - mullock of a porphyritic, possibly Permo-Carboniferous intrusive.

Caledonia was partially tested with two drillholes in 2016 based on mapping interpretations and IP anomalies. Although no major gold mineralisation was intersected in drilling, molybdenum mineralisation was intersected and strong surface gold anomalies exist related to the historic workings.

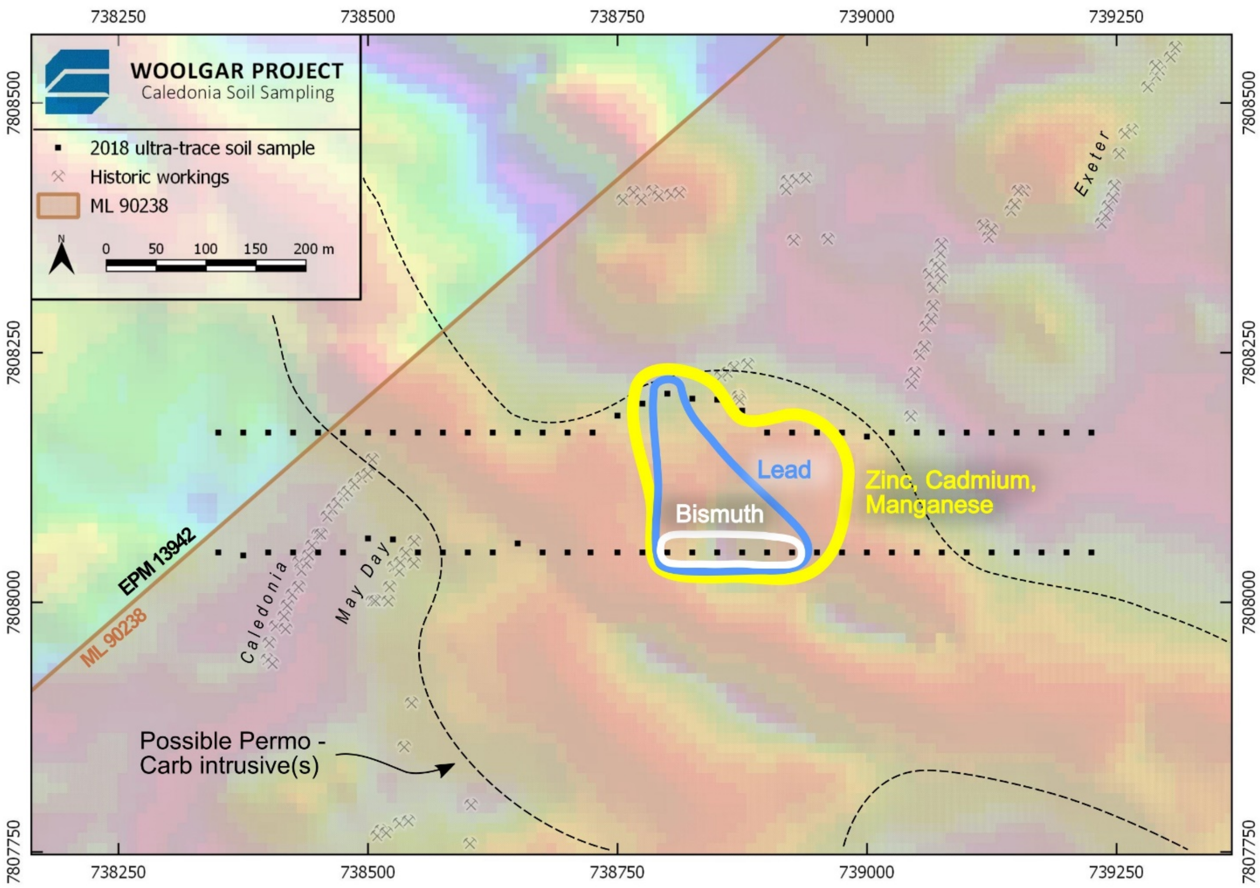

Figure 6: Plan of the Caledonia ultratrace soil survey overlain on the aeromagnetic image with an interpretation of the possible Permo-Carboniferous intrusion and showing the location of the multielement anomalies. Caledonia is located approximately 1,000m NW of the BVS resource, as shown in Figure 1.

As shown in Figure 6, the two lines target a distinctive circular feature that appears to be intersected by a strong linear high that can be followed for several kilometres. This magnetic-high correlates strongly to the limits of basement exposure, where the high forms a distinctive clay pan on surface, similar to Roy's at Union (Figure 1). Based on mapping and drilling around similar anomalies, this is considered potentially to be a Permo-Carboniferous intrusive dyke, similar to mullock samples found adjacent to the nearby old workings, which include Caledonia, Mayday, New Moon and Exeter. Previous mapping highlighted this area as of interest, and showed significant similarities in both lithologies and landforms to the Roy's Flats area in the Union sector.

Outcomes

This survey also highlighted a significant coincident multielement anomaly. Zinc (Zn), Cadmium (Cd) and Manganese (Mn) are coincident, with slightly smaller lead (Pb) and bismuth (Bi) anomalies within. The area of coincident anomalism directly overlies the contact of the linear and circular features, as can be seen in Figure 6.

This set of anomalous elements could indicate either epithermal or IRGS related mineralisation. The anomaly is distinct, even relative to the rest of the clay pan soils, and although in an area of significant drainage features, is worthy of follow-up. Its close relationship to the aeromagnetic features makes it of particular interest.

Similar to the BVS extension, this is close enough to the BVS that any potential for extraction would enjoy synergies with a BVS development and the ground would also require testing for sterilisation purposes.

Upper Camp Surveys

The main Upper Camp survey was a relatively broad-spaced, district-scale programme to test an extensive area of predominantly Jurassic cover with minor discontinuous basement outcrop, generally around the flanks of the mesa-hills, and numerous alluvial channels. Targeted infill was conducted over specific targets at Roy's and Brien Shear, effectively the north and south strike extensions of the Union prospect on the WFZ.

The main survey is aimed at looking for significant structures and anomalies across a sector with only limited outcrop, but several known anomalous prospects, predominantly part of EPM 11886, an older tenement which is subject to significant statutory work commitments and conditions. Previous prospecting, mapping and direct surface sampling, supported by aeromagnetic and hyperspectral interpretations, has already identified the potential for both IRGS and epithermal style mineralisation within this area, as shown in Figure 12 on page 17. The lack of further exposure and ambiguous targets generated from IP geophysics has hampered any follow-up previously, hence the need to generate a reliable, district-scale dataset with which to plan and prioritise exploration and relinquishment.

This survey is extensive and only 40% complete to date, so all interpretations are tentative at this stage. Results are divided into *Top Camp/Peregrine* with sparse data in the north, and *Western Upper Camp*, where 30% of the survey has been completed.

Peregrine & Top Camp

This is the northern portion of the survey where there are only two lines at 4km spacings to the remainder of the survey. This section of the survey covered a series of mesa hills and valleys, extending into incised plateau to the north. The data is too sparse and over such discontinuous soil types along each line, that it is not possible to suitably batch and analyse the sections individually. No reliable anomalies can be discerned at this stage and full processing will be carried out once the survey is completed.

Western Upper Camp

This is the southern third of the main survey, comprised an area of mesa (tabletop) hills and ridges of Jurassic sandstone overlying basement, mostly exposed along the steep hillsides and partially in the valleys along with alluvial channels. Four consecutive lines were completed locally. Although detailed processing and analysis of the results remain ongoing, some initial observations can be made.

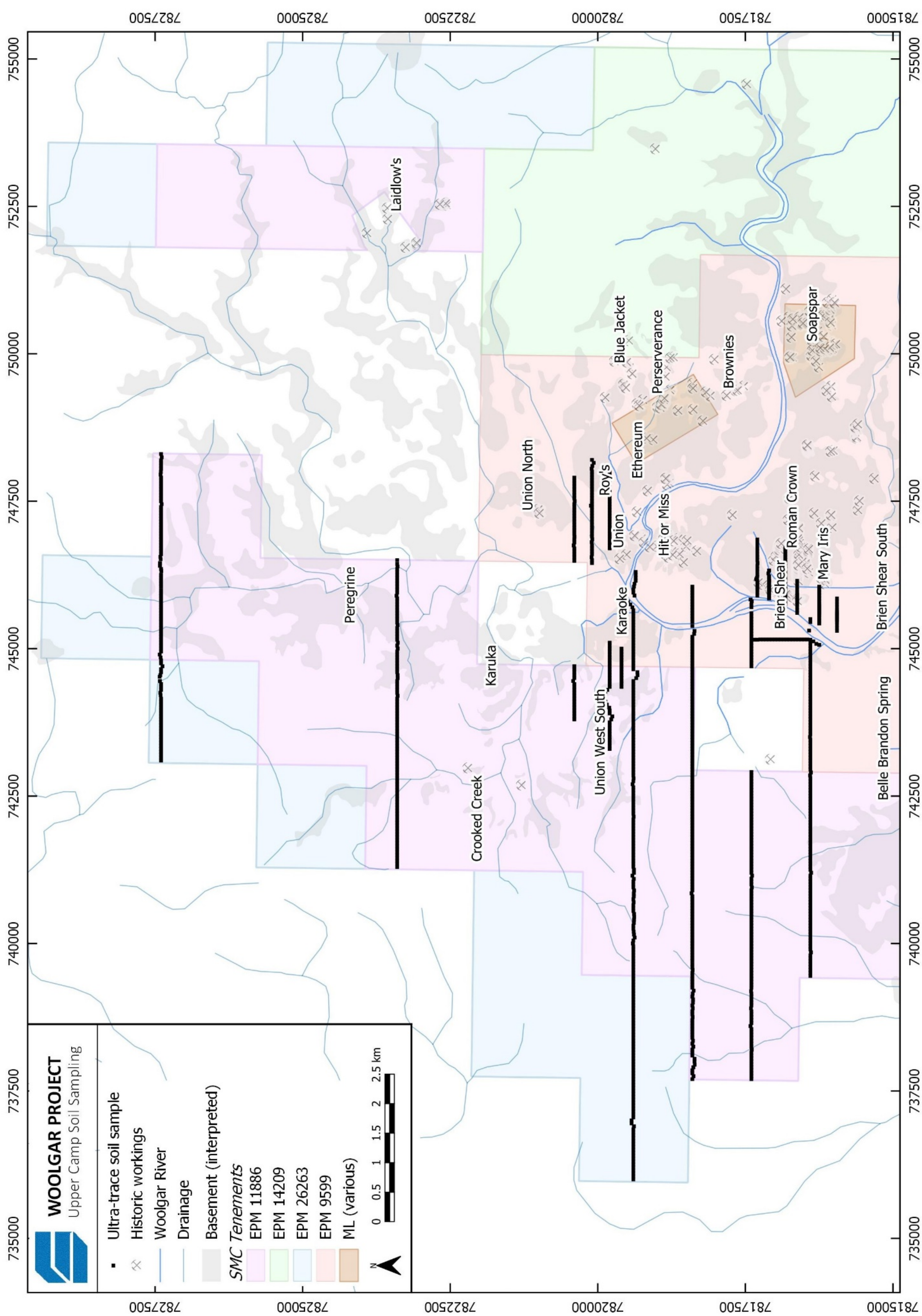

Figure 7: **Map of the Upper Camp ultratrace soil surveys relative to basement exposure and principal prospects.**

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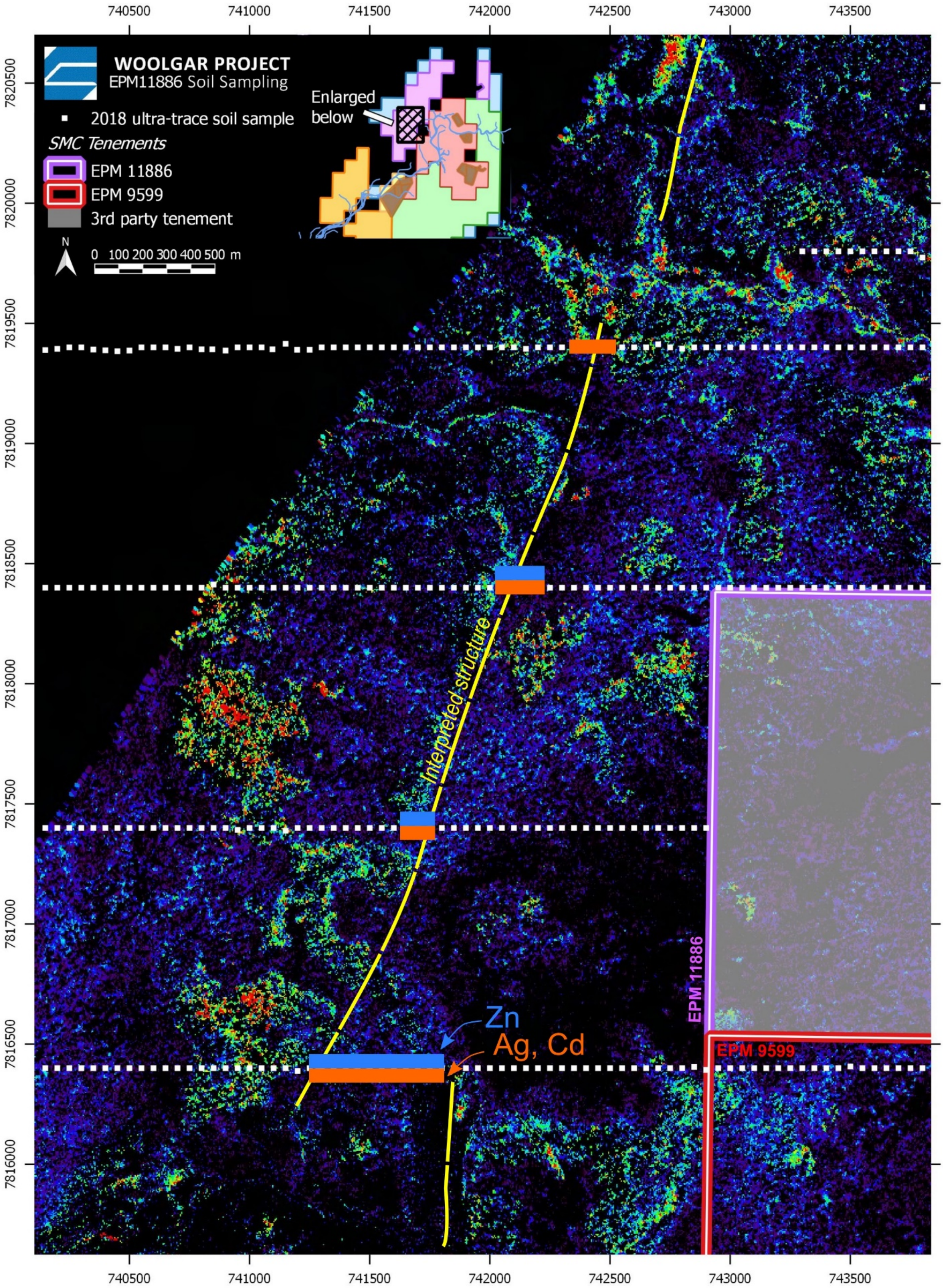

Figure 8: **2018 soils data predominantly over EPM 11886 showing silver, zinc and cadmium ultratrace anomalies overlain on a hyperspectral image showing kaolinite concentrations. The kaolinite is strongest in areas of the Jurassic unconformity over the basement.**

Outcomes

The most distinctive feature is a NNE-trending linear anomaly across all four lines in silver, zinc and cadmium, shown in Figure 8. This correlates to a defined edge to kaolinite concentrations and sandstone mesas, shown by the yellow line in the diagram, and can also be seen in the aeromagnetic data. The anomaly is clear even on the intermediate line where there is no kaolinite response over sandstone cover. In general, the complete dataset is dominated by bismuth, antimony and arsenic anomalies in the west that appear to be perfectly defining variations in local background levels over areas of thicker sandstone cover rather than robust anomalies. Full data processing is required to determine if any mineralisation systems can be discerned.

Union

The more detailed surveys at Brien Shear and Roy's are aimed at aiding interpretation and target definition over the Union sector. This is a zone of flexure in the WFZ at the intersection of two cross-cutting, district-scale structures. One is a WNW trending aeromagnetic lineation that is spatially associated with anomalous mineralisation along its length, but particularly at Union and Hit or Miss at the intersection to the WFZ. The second is a NW trending structure that is related to mineralisation at Sandy Creek, Soapspar, Perseverance, and Union North, where it intersects the WFZ.

The area was thought to be predominantly mesothermal until epithermal textures were recognised in minor veining adjacent to Hit or Miss and then Ethereum. This is supported by the geochemical classifications, which also highlighted that many of the prospects throughout the Upper Camp have a strong intrusive related (IRGS) affinity, shown in Figure 12.

The aeromagnetic interpretation showed that there was strong potential for favourable structural locations for mineralisation associated with the intersecting structures. This coincided with strong anomalies in gold and lead from traditional soil samples in open flats and low hills at Roy's, along strike to the north of Union, Figure 9. Further analysis and follow-up have been frustrated by the lack of exposure locally.

Outcomes

The Roy's survey has delineated an area of zoned, roughly concentric anomalies in multiple elements, as shown in Figure 9. The anomalies cover multiple soil types, including some clay-rich and calcium rich soils. These are both soils that can cause disproportionate concentrations of metal precipitates, so these anomalies need to be thoroughly understood prior to any follow-up or drilling.

The anomalous zoning is dominated by a central core of gold and copper, surrounded by zinc, molybdenum, tellurium, tungsten and arsenic. This combination of elements is considered indicative of a potential IRGS system.

Initial observations indicate that although the anomalies are probably exaggerated over certain soil-types, they are not limited to individual soil types, so they may be reliable. Hyperspectral analysis of the clays indicate that it is likely to be produced by deep weathering of a rock in-situ, rather than a transported sediment, as was originally assumed on the flats. Thus, if the soils are not transported, the question is what has caused this very distinctive soil type and landscape, which are particular only to here at Union and at Caledonia in the south, both of which are associated to soil anomalies and adjacent historic workings?

Even if proven to be reliable, these anomalies do not predict the presence of mineralisation, nor its depth if any exists, but merely that there is evidence of a hydrothermal system of potentially that style.

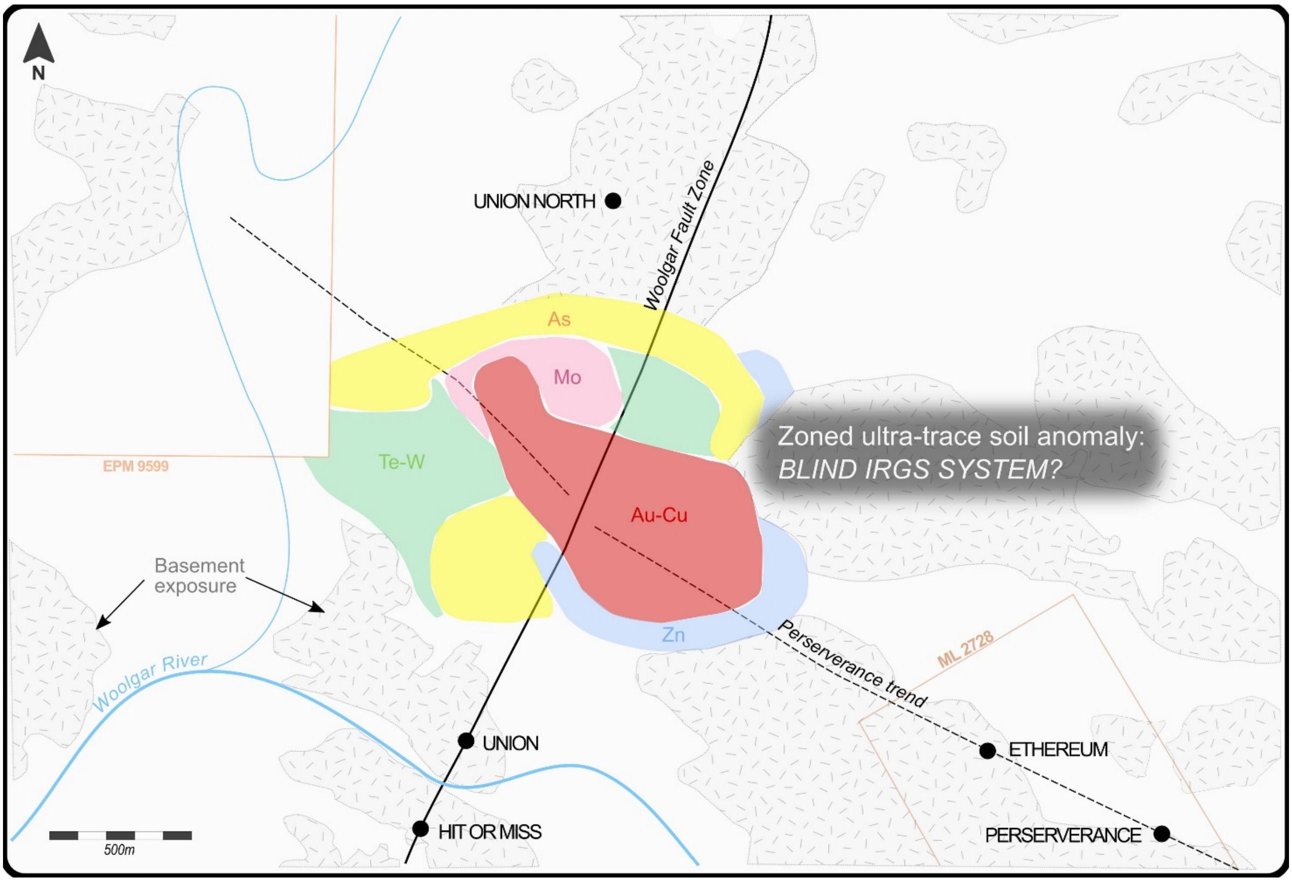

Figure 9: Detailed map showing the principal pathfinder element anomalies in the Roy's prospect, part of the Union sector.

Brien Shear

This was a detailed survey that covered an area of specific interest highlighted whilst following up on the results of the historic data review. The Brien Shear hosts the largest surface outcrops of strongly hydrothermally altered rocks in the Woolgar Goldfield. This is associated with an extensive zone of quartz stockwork and locally hydrothermal breccia. The main outcrops extend 900 metres along the strike of the WFZ. This has epithermal textural and geochemical characteristics, which may overprint earlier mesothermal mineralisation.

Several phases of shallow drilling up to 2012 produced moderate results, mainly associated with the stockwork, but which were not considered sufficiently encouraging to pursue.

The main trend through the prospect is clearly defined by anomalous gold mercury and lead, with lesser anomalies in zinc, tungsten and chromium. It is also locally anomalous in silver, arsenic bismuth, antimony and tin. Some potential zoning is observed, but more detailed processing by batches is required to refine this.

Cadmium appears to pick out the entire trend of the WFZ over both outcrop, exposed basement and sedimentary cover quite clearly, as shown in Figure 10. Other elements are dominated by soil-type differences and require further processing.

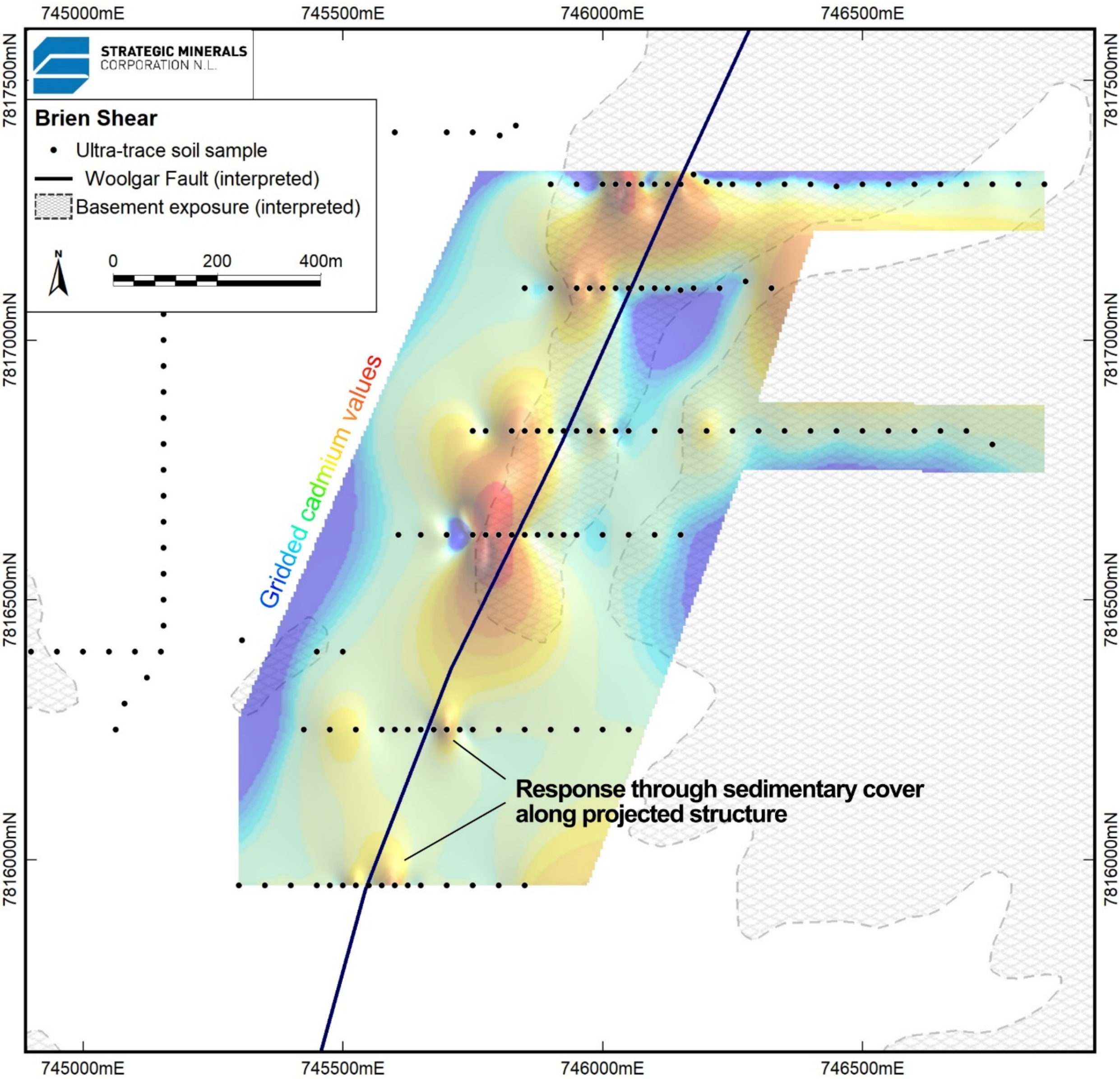

Figure 10: Plan of gridded cadmium in ultratrace soils over the Brien Shear prospect.

Hampstead Springs

Two surveys were implemented over EPM 26263 to the east of the main Woolgar Goldfield. This tenement is dominated by Jurassic sedimentary cover, but was staked on the basis of aeromagnetic interpretation in conjunction with the location of several small, but high-grade historic mines. The surveys each targeted particular structural intersections. Only provisional results are discussed here since the data has yet to be processed in detail.

In general, the processing of data in this sector is hampered by a lack of detailed topographic data, detailed aerial images and reliance on low-resolution aero-geophysical data.

Hampstead West

This survey was expected to cover homogeneous soils, but distinct zoned vegetation cover and topography indicate that more detailed processing will be necessary. The survey initially shows three main anomalous zones across a broad suite of elements, but initial interpretations suggest that some of these may influenced by external influences such as topography, drainage features and inconsistent soil type. Further analysis and some follow-up work will be required in order to ascertain whether each anomaly is unrelated to mineralisation, or whether they do reflect a mineralised structure that is also affecting the topography.

Hampstead East

This survey was also over 100% cover sediments which were mostly remobilised sediments derived from Jurassic sandstones. Small peripheral areas of in-situ sandstone were discounted since they were too small to analyse as a group.

The main anomalies are located in the southern portion of the survey area. The largest anomaly of roughly coincident multielement anomalies is a broad east-west band of Zn, Bi, As and Sb, although this also correlates to a topographic break at the base of the sandstone mesa, so more detailed assessment is required to determine if this is caused by a basement anomaly or if it is an artifact of the topography. Several other minor anomalies do not correlate well to each other and will be reassessed in smaller groupings.

Next Steps and Proof of Concept

The next step is to drill-test the most prospective targets generated, most likely the BVS extension multielement anomaly to see if it really represents blind mineralisation. If this is successful, the survey should be extended to the south and across other prospective targets considered a similar probability, such as Caledonia.

Regardless of whether this is effective in finding mesothermal mineralisation in the Lower Camp, the other datasets require careful processing as the styles of mineralisation may behave differently and will undoubtedly have varying pathfinder elements. Each survey needs independent analysis.

Rock Chip Sampling Results

In all, 150 rock chip samples were collected and mapping completed, mostly on basement exposure in EPMs 9599 and 11886, as seen in Figure 11. The mapping programme was mostly reconnaissance in nature aimed at assessing and prioritising areas for follow-up exploration.

This work was primarily to reconnoitre and follow-up on known anomalous areas identified from historical exploration. Thus, many samples were taken of minor evidence of mineralisation found in outcrop and historic workings both in order to assess any direct potential and to help provide firm data on geochemical zonations. This included follow-up sampling on the significant historic producer 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.

Since there were no unexpected new discoveries and most results were what was expected from their locations, (ie: high-grade mullock results obtained from a known historic high-grade deposit confirm, but don’t extend existing data) the rockchip results are not discussed in detail. The main aim of the programme was to continue to build a project-wide database of multielement data in order to enable geochemical modelling of the overall dataset.

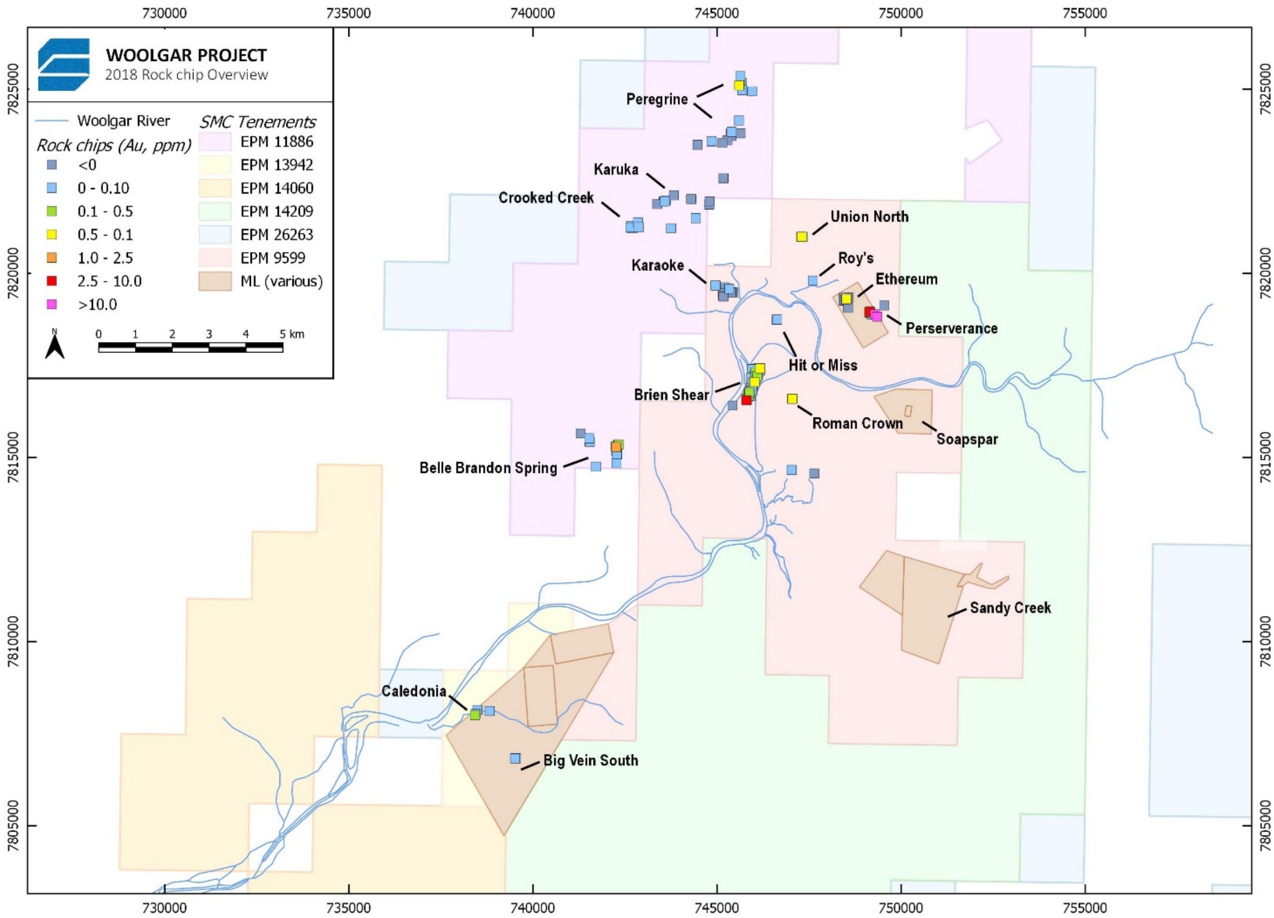

Figure 11: Map showing distribution of gold results in rockchip sampling.

Geochemical Domaining

With an extensive database of geochemical information, the company has begun processing multielement data to determine what style of mineralisation has occurred at a given prospect and where in the system it lies. This has always been done on a simpler level, for example using the gold, silver and base-metals to estimate depth in a system, but was proving inadequate at Woolgar due to the presence of overprinting of two or even three systems at some prospects. This analysis uses the enrichment levels of known pathfinder elements, as well as economic metals such as gold, lead and zinc and their correlations to each other in a given sample or area.

As shown in Figure 12, Strategic has now identified several styles of mineralisation and their distribution. These represent several different mineralisation events, rather than the evolution of a single event or system. This technique is proving very effective in mapping the distribution of the multiple, often overlapping areas of different, potentially mineralising events. It is far more reliable than simple field observations, since some events have similar textures at a visible level or can't be reliably identified due to fineness, overprinting or the effects of oxidation and weathering.

The most significant outcome to date is being able to differentiate with confidence between mineral styles and map their distribution. The mesothermal is dominant and was previously thought to be the only system along the WFZ. Recently however, the combination of geological mapping and this geochemical technique have shown significant epithermal, and likely IRGS systems are also present. The expanding multi-element geochemical database and the domaining work now allows the distribution of each of these systems to be plotted and linked to geological observations, producing a powerful regional interpretation tool. Although no significant new mineralisation or resources have yet been attributed to these new systems, the mineralisation styles at several of the most important historic workings are now being reconsidered.

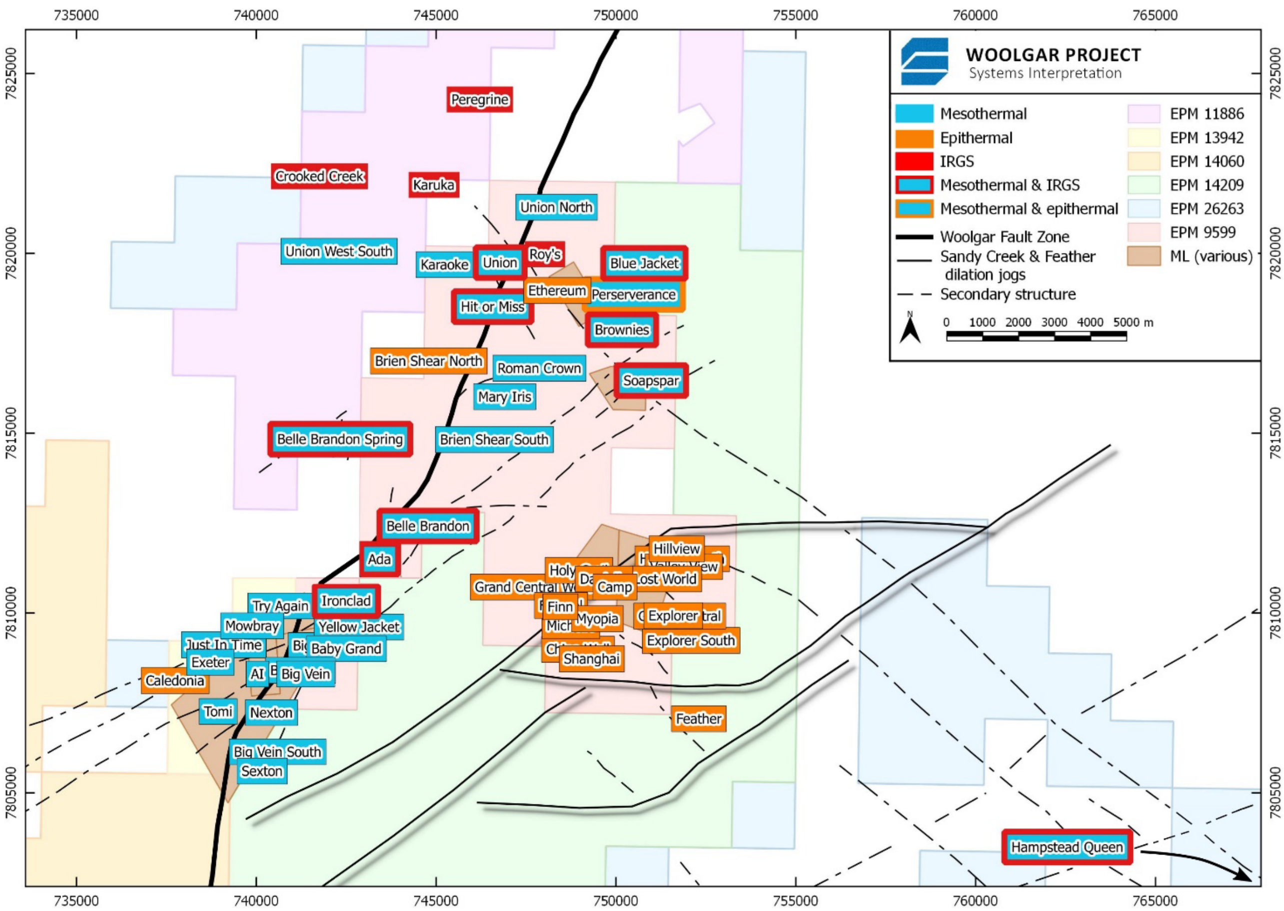

Figure 12: Map of the Woolgar Goldfield showing the distribution of mineralisation styles, as interpreted by geochemical fingerprinting.

This has many implications for ongoing exploration throughout the Woolgar project:

- The style of mineralisation sought will modify the methods used to explore and the ways in which the data will be interpreted. This applies to all data sources: field observations, geochemistry and geophysics;
- The use of the domaining can be refined to help determine location within a type of mineralised system: this should help vectoring from peripheral zones seen in outcrop towards the centre of the system and any related mineralisation;
- The system can be used with outcrop and downhole data, and with increasing caution in conjunction with both regolith soils and ultratrace methods.

This programme has been very successful and will help guide ongoing exploration. Of particular interest is the identification of Intrusive Related Gold systems (IRGS), not previously recognised at Woolgar, but related to many significant historic gold deposits in north Queensland, such as Kidston and Mt Leyshon.

Summary

Strategic has followed up on the partial-leach-ultratrace orientation survey conducted in 2017 at BVS, to deploy this tool across a broad region of SMC tenements to test the prospectively of ground under cover. Full detailed analysis of the results is on-going, however several significant anomalies have been identified and are presented here.

Initial indications are that the technique does appear to be showing robust anomalies across multiple soil types in several surveys. The survey south of BVS in particular shows apparent zonation in all the primary and pathfinder elements expected of a BVS-style deposit and exactly in the location predicted. This target justifies drill testing in order to determine whether there is a potential extension to the BVS or if the ground may be considered sterilised for infrastructure planning. In the process, the true applicability of the partial-leaching technology at Woolgar will be tested.

The other surveys show several apparent chemical zonations. Several of these appear to be drill ready targets, but all still require careful consideration of the possible effects of different soil types and local topography. If certain datasets prove too discontinuous to analyse effectively, then future application of ultra-trace to similar areas will be reconsidered.

Strategic has engaged an experienced consultant to review both the company's methodology and results data prior to committing to drilling the targets generated.

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

JORC Code, 2012 Edition – Table 1 Ultratrace soil and rockchip sampling

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.*	• Sampling involved the collection of soil and rock-chip samples. • Soil sampling was conducted using a 2-person team, with at least one geologist. • Soil samples sites were subjected to an initial assessment by the geologist. If the site was deemed likely to contain soil significantly affected by recent alluvial, colluvial or anthropogenic processes, it was relocated or not sampled. • Ultra-trace soil sampling was completed using a paint free, sand-blasted Estwing paleo pick, a plastic scoop, a soil sieve and small plastic 90µm geochemistry bags. • At each suitable soil site, loose surface material was first scraped away. The ground was then broken up and dug to a depth of 10cm. The hole was cleared of loose material. The sample was then excavated from the base of the hole and transferred to a sieve using the plastic scoop. A plastic bag was used to collect and store the sieved sample. Before moving onto the next site, the sampling hole was re-filled with the excavated material, and all sampling implements thoroughly cleaned with a brush. • Details of each site were recorded onto a tablet or paper template. • Rock-chip samples were taken as seen fit by a geologist, where rock of potential geochemical interest was identified. • Rock-chip sampling involved chipping off samples using a hammer and placing into a numbered calico bag. The bag was immediately tied up. • Details of each sample were recorded into a tablet or notebook, including whether the sample was outcrop (character or representative), float, mullock, etc,. • Rock-chip and ultra-trace soil samples were sent to a commercial lab for analysis. • Sampling and assaying techniques are considered appropriate for deposit type.

Criteria	JORC Code explanation	Commentary
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).*	• No drilling reported in this announcement.
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.*	• No drilling reported in this announcement.
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.*	• Ultra-trace soil logging consisted of hand written, detailed hardcopy log sheets which were transcribed into digital data. • Rock-chip sampling logging was completed into notebooks, using predefined logging codes, and later digitised. • Logging is both qualitative and quantitative, depending on the characteristic being described. • All rock chip samples destined for laboratory analysis were photographed.
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.*	• Ultra-trace soil samples were sieved to 2mm using a plastic stackable sieve and nylon mesh. • All sample preparation, sample sizes and analytical methods are deemed appropriated. • All laboratories were certified commercial laboratories working to best practices. • Standards were submitted to the laboratories with rock chip samples. • Duplicates were taken throughout the ultra-trace soil sampling program.
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.*	• Rock-chip 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. • Ultra-trace soil samples were also prepared and assayed at ALS .

Criteria	JORC Code explanation	Commentary
	• *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.*	Lab method ME-MS23 was employed. This is a partial leach method. Samples designed as quality control checks (standards, duplicates) have been analysed and show acceptable levels of accuracy and precision have been attained.
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.*	• Ultra-trace soil sample logging consisted of hand-written detailed hardcopy sheets which were transcribed into Microsoft Excel spreadsheets. • Hand-written rock chip sample descriptions were digitised into an Excel spreadsheet, designed to standardise data before being uploaded to the company database. • Laboratory results were received digitally in CSV format. Files were uploaded into the database in their original, unedited state, and were verified by the Project Geologist and Database Manager. • No adjustments made to laboratory assay data prior to interpretation except for replacement of below-limit-of-detection values with half-limit-of-detection. • No independent verification has been conducted at this stage.
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.*	• Soil and rock-chip sample sites were identified and recorded using a hand-held GPS unit. This is generally considered accurate to within +/- 5m horizontally, and suitable for the style of sampling being conducted. • All location data and maps are in MGA94 Zone 54 grid projection. • There is no topographic control, other than that provided by the hand-held GPS.
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.*	• Ultra-trace soil samples were taken on grids with either 25m or 50m spaced sample sites. Line spacing varied from 100m to several km. The style and maturity of target determined the spacing employed. As discussed, unsuitable sites were skipped or relocated, leading to an irregularly shaped final grid. This is considered acceptable for the exploratory nature of the programs. • Rock-chip samples were selected at the geologist's criteria where material of interest was encountered, typically resulting in an irregular sampling distribution. This is considered appropriate for the exploration of new prospects. • No sample compositing was used.
Orientation	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering*	• Soil sampling grids were mostly orientated east-west. This was designed to cross-cut the majority of the mineralised trends which

Criteria	JORC Code explanation	Commentary
of data in relation to geological structure	*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.*	are typically NNE in the areas investigated. Grids of a different orientation were employed where the local geological interpretation suggested a different orientation to possible mineralised trends. • As above, sampling orientations are appropriate with no bias.
Sample security	• *The measures taken to ensure sample security.*	• Soil samples were packed into larger plastic bags, then polyweave sacks and stored securely prior to transport to the laboratory. • Rock-chips, already in calico bags from field collection were placed into polyweave sacks, and secured with cable ties, before dispatch to a laboratory. • Soil samples for ultra-trace analysis were dispatched with other samples, but transported by the drivers in their cabs due to the delicacy of the material. • All shipment was by SMC chartered lorry to a private depot in Richmond and then via a local transport company direct to the lab in Townsville. Shipments were not sent via regional transport hubs to avoid multiple handling or insecure temporary storage.
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 duplicates were optimised for this program. • No independent audits have been undertaken.

Section 2 Reporting of Exploration Results

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

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 6 EPMs and 9 MLs. These are wholly owned by Strategic Minerals. The EPMs are operated jointly as a project under approval of the Mines Registrar. • There is no known impediment to operations in the area. • Woolgar Project tenements: (* = Project Approval accepted)

TENEMENT	PROJECT	STATUS	SUB-BLOCKS	HA
* EPM 9599	Woolgar	Granted	32	-
* EPM 11886	Woolgar	Renewal Pending	23	-
* EPM 13942	Steam	Granted	3	-

Criteria	JORC Code explanation	Commentary
		Engine
		* EPM 14060	Woolgar South	Granted	40	-
		* EPM 14209	Woolgar	Granted	49	-
		EPM 26263	Woolgar	Granted	100	-
		ML 2642	Soapspar	Granted	-	4.05
		ML 2728	Shamrock	Granted	-	128
		ML 2729	Mowbray	Granted	-	128
		ML 2739	Mowbray #3	Granted	-	128
		ML 2793	New Soapspar	Granted	-	146.4
		ML 90044	Sandy Dam	Granted	-	29.2
		ML 90122	Sandy Creek	Granted	-	350.8927
		ML 90123	Flat Creek	Granted	-	124.7277
		ML 90238	North Star	Granted	-	882.6
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Woolgar is the site of a historic goldrush in the 1880's, followed by limited artisanal mining until 1984. There has been continuous exploration over the Woolgar since the late 1970's. Initial activity centred on the traditional reefs along the Woolgar River, then in the 1980's focussed on the epithermal veins in the Sandy Creek sector, ~10km east of the river. In 2008 attention returned to the historic reefs, initially as satellite pits to possible mining of the Sandy Creek and Soapspar deposits, then from 2013, as the main focus of the project following the discovery of the main mineralisation at BVS. • The Lower Camp (including BVS, BV2, AI, Tomi and Exeter) was partially explored during the 1970's, including localised geological mapping and sampling, and limited drill-testing of principal targets. None of this work identified the potential of the Big Vein South deposit and no drilling occurred on this prospect prior to 2010. • Little recent work has been carried out in the Lower Camp area prior to the RC and DDH programs by SMC from 2008. The current project management reviewed the available data and found it acceptable as

Criteria	JORC Code explanation	Commentary
		a basis for exploration. • The Upper Camp (including Hit or Miss and Union) has seen intermittent exploration over the past several decades. • This included localised geological mapping and sampling, and limited, shallow drill-testing of principal targets. • Previous soil sampling across the region is of limited value since it did not discriminate between in-situ and potentially transported soil, and was commonly only analysed for a restricted suite of elements.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Lower Camp is predominantly a mesothermal style of mineralisation. • It is shear hosted within the regional-scale Woolgar Fault Zone. Structural style is interpreted to be a sinistral steeply oriented sigmoidal tension zone exhibiting substantial dilation to accommodate silica-gold-sulphide mineralisation. Later, brittle, E-W steep dipping faulting has offset sections of the mineralisation into Southern, Central and Northern zones. • It consists of quartz and quartz-carbonate veins, mineralised tectonic breccias, stockworks and veinlets. It is regarded as diffuse mineralisation with no discrete mineral boundaries. • Gold mineralisation is associated with disseminated pyrite, and lesser galena, sphalerite and pyrrhotite, that occur within strongly phyllic altered, sheared and brecciated schists, silicified breccias and veins. • The mineralisation is associated with a phyllic alteration, which is locally strong to intense around the mineralisation, with a silicified zone overlying the best mineralisation in the central part of the BVS. • The mineralisation often occurs as multiple sub-structures, occurring obliquely within a lower-grade mineralised envelope within the shear zone. • The host rocks are a strongly deformed amphibolite-grade schists, gneisses and migmatites with granitic layers locally. These are intruded by granodiorite and minor dolerites. • The Upper Camp contains mesothermal-style mineralisation. There is geological and geochemical evidence for an intrusive-related system overprinting the mesothermal mineralisation, although this remains to be confirmed. There is additional geological and geochemical evidence for an epithermal event, but no significant gold values have been found associated with this. • The mesothermal mineralisation is shear hosted, and associated with the Woolgar Fault Zone and cross cutting, associated features.

Criteria	JORC Code explanation	Commentary
		• Host rocks are similar to the Lower Camp. • The epithermal mineralisation is predominantly quartz-adularia to quartz-carbonate veining hosted within structural trends with the mineralisation apparently focussed around intersections to mafic intrusions. The host rocks are andalusite-schists.
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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *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.*	• Drill hole results not being reported.
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 be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No aggregation methods utilised.
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').*	• No intervals being reported.
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.*	• Appropriate maps and sections included in text.

Criteria	JORC Code explanation	Commentary
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.*	• Multi-element results include those from indirect soil sampling techniques. Individual reporting of all elements not practical. All results reported are considered representative and in context.
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.*	• All meaningful and material exploration data has been reported.
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.*	• Details of future work outlined where applicable.