



STRATEGIC MINERALS
CORPORATION N.L.

ASX Code: SMC

ASX Release:

30 October 2019

Issued Capital:

85,907,376

Market Capitalisation:

\$40.38 Million

BOARD:

Laif McLoughlin

Executive Chairman

Darren Fooks

Non-Executive Director

Jay Stephenson

Non-Executive Director &
Company Secretary

Head Office:

Level 23, 333 Ann Street
Brisbane
Queensland 4000

Registered Office:

283 Rokeby Road
Subiaco
Western Australia 6008

ACN: 008 901 380

ABN: 35 008 901 380

Email:

admin@stratmin.com.au

www.stratmin.com.au

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 30th September 2019

Highlights

The company completed the following during the 3rd Quarter:

- Four Geotechnical diamond-drill holes proximal to the Big Vein South (BVS) resource;
- An ATV and OTV wireline survey of the four Geotechnical plus two additional holes;
- Four Reverse Circulation (RC) drill holes, infilling on the BVS resource to increase confidence levels for Resource estimation.

A further eight infill holes at BVS and three exploration holes on the Sexton soil target have been subsequently drilled.

No assay results have been received from any program to date. These will be released to market as soon as they have been received and processed.

Woolgar 2019 Field Program Overview

- Field exploration was commenced on Strategic's Woolgar project, located north of Richmond in North West Queensland.
- Diamond (core) drilling was undertaken as part of the geotechnical assessment for engineering parameters of the BVS resource.
- Substantial RC drilling is underway to infill on the existing resource in order to increase the confidence categories necessary for further resource estimation updates.
- Further exploration and drilling programs have been undertaken including further generative and definition fieldwork, and drill testing of existing soil anomalies.
- The Metallurgical testwork program continues to be advanced with material provided for a series of trials to evaluate alternate methodologies and process variables, including CIL, flotation, gravity, comminution and ore sorting.

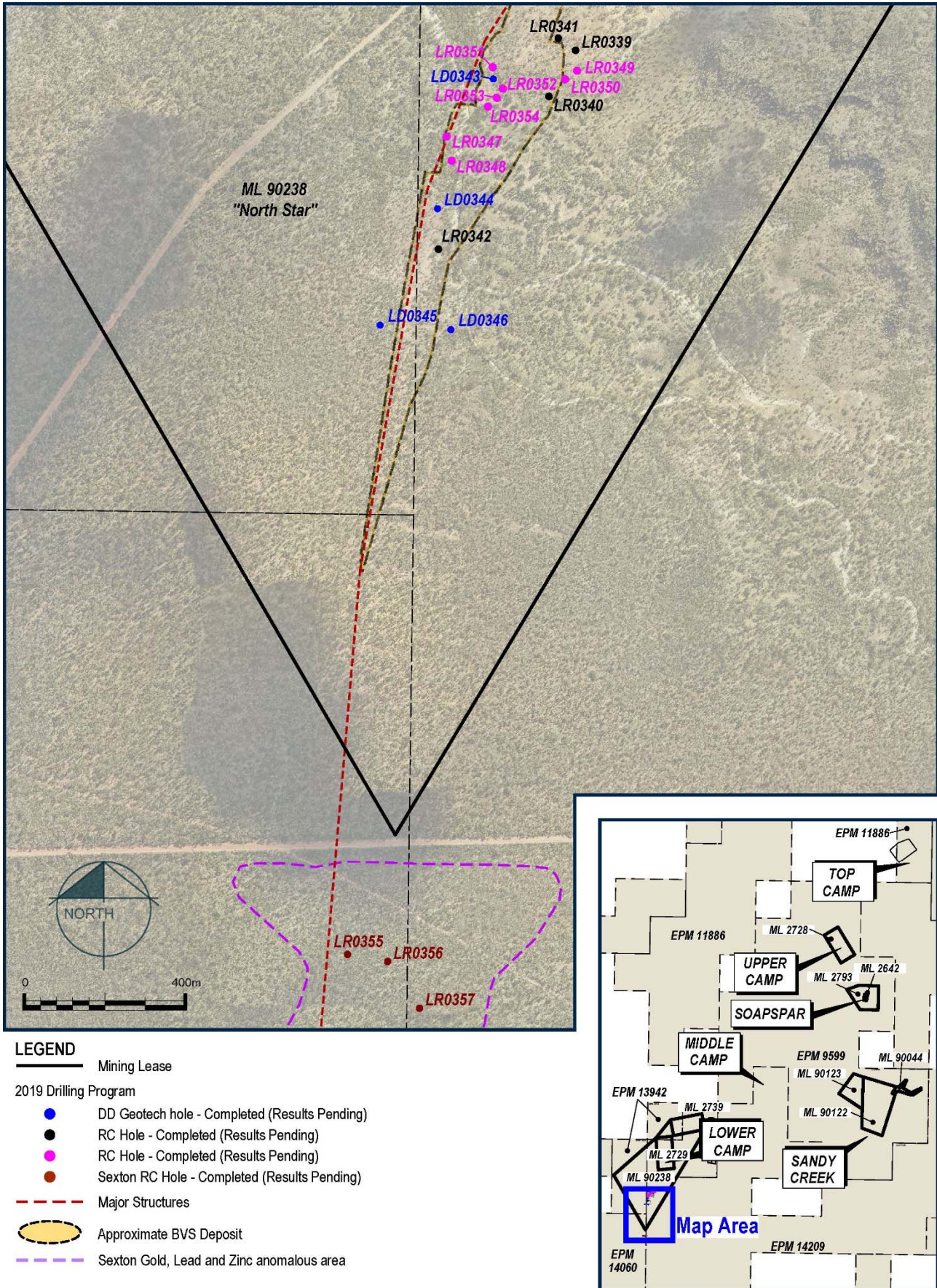


Figure 1: Plan of the BVS and Sexton prospects showing the locations of the nineteen drillholes completed to date. The RC holes in black and DD holes in blue were completed during the reporting period with the remainder completed during October.

BVS Project – Geotechnical Program

The Geotechnical program for 2019 builds upon the work completed in 2017 and 2018 and consists of four diamond-cored drillholes for 754 metres. The aim of geotechnical drilling is to provide greater detail on the rock strength and failure characteristics that impact upon the design of the conceptual open pit shell and development planning.

Three of the four holes (LD0343, LD0344 and LD0345) were located along the strike of the BVS resource designed to target the wall rock material of the proposed western pitwall, infilling on the existing data, which will hopefully provide greater confidence on the interslope angles (see Figure 1). One hole (LD0346) targeted the wall rock material on the proposed eastern pitwall south of the two similar holes in 2017.

This program involves detailed logging of the rock's fabric and textures, as well as the number and type of breaks. This is supported by ATV and OTV downhole surveys of these features. The 2019 program successfully downhole surveyed all four core holes, one RC hole and an additional core hole that had not been successfully surveyed in the 2017 program.

Further Processing of the Geotechnical Holes

Working with our resource consultants, Strategic has been fortunate to develop the majority of the BVS resource on the back of reverse circulation drilling which is both faster and cheaper than diamond coring. However, diamond core provides intact rock that can be logged both in far greater detail and for many features not seen in percussion drilling. To this end, Strategic makes the core available to all the relevant consultants to extract as much data as possible for all the technical programs, before the core is partially or wholly destroyed for geochemical and geotechnical analysis. This approach proved successful in the 2017 program and was utilised again for the current drilling program. Select samples of the diamond core have been sent away for further testing under the direction of our geotechnical consultant.

Strategic are also presently evaluating the additional utility of scanning the remaining sections of the 2019 diamond core through the Hylogger analyser as it did for the select 2017 core material. The results from the interpretation of the Hylogger have the potential to greatly assist in metallurgical, geotechnical and geochemical (i.e. waste rock characterisation) programs as well as geological interpretation for resource and exploration purposes. Since the scanning must be undertaken prior to assay preparation, it is probable (subject to gaining approval to access to the Hylogger facility) that the results from any future Hylogger program could push out the subsequent assay of the core.

BVS Project – Infill Program

This follows-on from the successful 2017 infill program, which tested the density of drilling required to enable conversion of Inferred Resources to the Measured and Indicated (M&I) confidence levels required for economic assessments. This program, mostly located within the central *Crossover Zone*, saw an increase in M&I Resources from 18% to 91% of contained ounces within that sector¹. As a result, the drillhole density required to continue this process can be planned efficiently.

Four RC drillholes were drilled during the reporting period, with a further eight subsequently drilled. These were drilled from the north progressively southwards and infill through the northern *Big Vein Central* sector as far as the Crossover, with further holes extending from the Crossover southwards. To date, the majority of drillholes north of the Crossover are complete, along with some of the holes south of the Crossover that were prioritised to integrate with other programs logistically.

BVS Project – Extension Program

A small number of additional drill holes have been defined to test the potential of shallow mineralisation to the west of the current resource. This will commence at the western edges of the resource, stepping progressively forwards, such that any mineralisation encountered may be incorporated within the resource.

BVS Strike Potential – Sexton Exploration Program

Three RC drillholes (LR0355, LR0356 and LR0357) were completed during October over the Sexton ultratrace soil anomaly identified in 2018, see *Soil Geochemistry Results at Woolgar*, published on the 8th of March 2019 and available at www.stratmin.com.au.

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

Corporate

Ravensgate

Strategic Minerals has attempted on numerous occasions to contact Ravensgate and Mr Bradley since receiving a Default Judgement from the District Court of Western Australia against Ravensgate International for their negligence in preparing an independent valuation report back in December 2017. After weighing up the additional legal costs in pursuing both parties against the uncertainty of recovering any damages if successful, the company has decided to suspend any further legal action.

Financial Position

The Directors of Strategic Minerals are currently in the process of evaluating the financial position of the company to ensure it has at all times a minimum cash balance position after accounting for the cost of the 2019 field program and various technical studies.

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
EPM 27254	Strategic Minerals Corporation NL	Woolgar	Application	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%) ²	Mount Frome JV	Granted	SA
EL 6132	Perilya Limited (85%); Paladin Energy Ltd (7.5%); Signature Resources Pty Ltd (7.5%) ³	Reaphook JV	Granted	SA

² Signature Resources Pty Ltd is a wholly owned subsidiary of Strategic

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

STRATEGIC MINERALS CORPORATION NL (ASX:SMC)

ABN

35 008 901 380

Quarter ended (Current quarter)

30 September 2019

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for:	-	-
(a) exploration and evaluation	(410)	(838)
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(129)
(e) administration and corporate costs	(191)	(530)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material):	-	-
1.9 Net cash from / (used in) operating activities	(641)	(1,487)
2. Cash flows from investing activities		
2.1 Payments to acquire:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 Months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	2,612
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(2)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	2,610
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,625	861
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(641)	(1,487)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	2,610
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	1,984	1,984
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,984	2,625
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,984	2,625
6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2		44
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	Directors salary, fees, superannuation	
7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2		-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	Nil	

8. Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Nil

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	980
9.2 Development	-
9.3 Production	-
9.4 Staff costs	55
9.5 Administration and corporate costs	180
9.6 Other (provide details if material):	-
9.7 Total estimated cash outflows	1,215

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter %	Interest at end of quarter %
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		N/A		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		N/A		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Signed:

Dated: Wednesday, 30 October 2019

Company Secretary

Print name: Jay Stephenson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.