STRATEGIC MINERALS
CORPORATION N.L.

10 February 2020 **ASX Release**

Metallurgical Testwork Report Received

Strategic Minerals Corporation NL ("Strategic" or the "Company") (ASX Code: SMC) is pleased to advise that it has received the Woolgar Gold Project – Gold Recovery Testwork Report ("the Report") from its consultants, Core Metallurgy Pty Ltd.

The comprehensive first stage metallurgical testwork program evaluated key aspects including comminution, ore sorting, gravity, flotation, leaching and tails treatment etc. The Report highlights that gold recoveries exceeding 90% can be achieved utilising a conventional gold comminution and process flowsheet including crushing and milling, gravity separation, and cyanide leaching.

Key outcomes of the Report included:

- Comminution testwork has shown that BVS ore is readily crushed, but the ore is hard to grind (high Bond Ball Mill Work Index and Finer Grind Work Index). Additional testwork will be required during the next stage of work to define an optimal comminution circuit.
- Ore sorting testwork successfully removed low grade and waste rock materials from the ore. Additional testwork and trials will be required during the next stage of work to define an optimal grade engineering solution.
- Gravity concentration tests successfully recovered about one third of the gold from the ore.
- Agitated leaching tests successfully recovered over 90% of the gold and over 80% of the silver from the ore. Additional testwork will be required during the next stage of work to define optimal leach characteristics (i.e. residence time and grind size).
- Alternatively, "un-optimised" Glycine-assisted CIL (Glycine CIL) approach gave a slightly inferior gold recovery of less than 90%. Additional testwork will be required to define if Glycine CIL characteristics can be optimised and incorporated into the flowsheet.
- Flotation tests did not produce acceptable gold recoveries from the ore as an alternative to cyanide leaching.
- Heap leaching tests of primary low and high-grade ores did not produce acceptable gold recoveries from the ore at the crush sizes tested.
- Dewatering tests on the testwork residues ("tails") showed that over 80% of the process water could be recovered from the tails. Additional testwork will be required during the next stage of work to assess tails detoxification and long-term storage amenability.

The next stage of the metallurgical program is the commencement of Process Engineering which utilises the outcomes from current testwork program, plus some additional follow-up testwork. The Process Engineering is expected to be completed in Q2 of 2020 subject to funding.

Next Steps

Strategic has now completed the comprehensive metallurgical testwork program in line with previous market announcements. The results from this program of work will now be incorporated into the Process Engineering program which will provide essential information required for a Prefeasibility Assessment. There is also a smaller testwork program which can be completed in tandem with Process Engineering. The next phase will be undertaken as soon as the Company can ensure it can cover the costs of the engagement.

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The geotechnical program of work continues to be advanced in line with market announcements and the Company anticipates being in receipt of the report during the Q2 2020. The results from this work will directly feed into the Prefeasibility Assessment.

The company has previously announced that a range of inputs from various streams of work are required in order to undertake a Prefeasibility Assessment. Strategic has been able to complete a number of these studies whilst still undertaking in-fill drilling of the BVS deposit and essential exploration across its portfolio of Woolgar tenements. Strategic will need to access further funding to complete the additional studies and commence the Prefeasibility Study leading to the determination of a Probable Ore Reserve Statement.

Jay Stephenson

COMPANY SECRETARY

COMPETENT PERSON STATEMENT

The information in the report which this statement is attached that relates to Metallurgy is based on the information compiled by Dr Rob Coleman, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Dr Coleman is employed by Core Metallurgy and 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 'Australian Core of Report of Exploration Results, Mineral Resources and Ore Reserves'. Dr Coleman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Core Metallurgy was commissioned by Strategic Minerals Corporation N.L. to conduct these metallurgical tests. Core Metallurgy is an independent company that specialise in consulting on Metallurgy and Mineral Process Engineering. Neither Core Metallurgy nor any of its officers, have any financial nor other interest in Strategic Mineral Corporation N.L.