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**18 NOVEMBER 2014**

**ASX ANNOUNCEMENT**

# Strategic Minerals Corporation NL, 100% Woolgar Gold Project, Queensland

# Final results from 2014 phase 2 drill program

The Company is pleased to announce the results of the final nine drillholes[1] from the second phase of drilling on the Woolgar Project in 2014[2]. Significant results include:

- **LR0258 7 metres at 2.40 g/t gold from 158 metres**
- **LR0221[3] 61 metres at 1.95 g/t gold from 91 to 152 metres**
  including 6 metres at 5.46 g/t gold from 136 metres
- **LR0259 54 metres at 2.92 g/t gold from 111 to 165 metres**
  including 7 metres at 6.75 g/t gold from 132 metres
  and 20 metres 4.75 g/t gold from 145 metres
  and 12 metres at 1.22 g/t gold from 212 to 224 metres
- **LR0260 6 metres at 1.09 g/t gold from 240 to 246 metres**
- **LR0261 79 metres at 1.06 g/t gold from 215 to 293 metres**
  including 6 metres at 5.06 g/t gold from 215 metres
  and 4 metres at 5.03 g/t gold from 263 metres
- **LR0262 22 metres at 3.3 g/t gold from 177 to 199 metres**
  including 9 metres at 5.98 g/t gold from 184 metres
- **LR0263 50 metres at 1.11 g/t gold from 225 to 275 metres**
- **LR0264 86 metres at 1.52 g/t gold from 151 to 237 metres**
  including 7 metres at 4.31 g/t g/t gold from 172 metres
  and 4 metres at 4.61 g/t gold from 204 metres
- **LR0265 12 metres at 2.55 g/t gold from 141 to 253 metres**

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[1] For details of the previous six holes, please refer to "Quarterly Activities Report and Quarterly Cashflow Report - Sept 2014" issued 28th October 2014; and Further results from 2014 phase 1 drill program, issued 21st August 2014, available at **www.stratmin.com.au**

[2] For a summary of significant intersections for all 14 drillholes, please refer to Appendix Two: Summary of RC drill intersections for 2104, as at 7th November 2014.

[3] LR0221 drilled to 83m in 2013, then extended in 2014.

## Program Summary

Two phases of Reverse Circulation (RC) drilling were conducted during 2014. Significant mineralisation was identified in both the Big Vein Central (BVC) and Big Vein South (BVS) prospects and the results will be incorporated in the updated resource calculation.

- The first phase was completed during July and August:
  - 14 holes for 3,942 metres.
  - Wholly focussed on extensional drilling in Big Vein South.
  - The final results for phase 1 drilling were published on the 13th and 21st August 2014 and 4th September 2014.
- The second phase was completed during September and October:
  - 15 holes completed for 3,925 metres.
  - The drilling focussed on a split between extensional drilling in Big Vein Central and follow-up holes in Big Vein South.
  - The final results of the first 6 drillholes were published on the 28th October 2014.

**Table 1: Summary of drilling meterages in 2014**

| Prospect | Drill Program | Number of Holes | Metres Drilled |
|---|---|---|---|
| Big Vein South | Phase 1 | 14 | 3942 |
| | Phase 2 | 5 | 1478 |
| | **Total** | 19 | 5420 |
| Big Vein Central | Phase 1 | 0 | 0 |
| | Phase 2 | 10 | 2447 |
| | **Total** | 10 | 2447 |
| Totals | **Phase 1** | 14 | 3942 |
| | **Phase 2** | 15 | 3925 |
| | **Combined** | **29** | **7867** |

### *Phase 2 Overview*

Phase 2 was a combination of extensional drilling in BVC, similar to that in BVS in Phase 1, and additional follow-up drilling in BVS based on the results of Phase 1. A range of priority targets where identified for Phase 2 drilling based on the recent ground magnetometry survey, historical drilling and geological assessment and interpretation. The program was designed to be flexible to accommodate for the more complicated geology and was continually revised and refined based on the real time results of the interpreted visible intersections. Preparations at the start of the program, including the clearing of multiple sites, allowed for program changes in order to maximise the results from the drilling program.

The results were varied with visible intercepts observed and followed-up in the south of BVC and north of BVS, however weaker results in the central and northern sectors of BVC, appear to relate to local changes in the geology, as discussed below.

Overall, the two drilling campaigns are considered to have been successful and preparations are underway to incorporate these results in an updated JORC 2012 compatible resource statement.

## Summary of Significant Intercepts[4]

Results have been previously published for all fourteen drill holes of Phase 1, (LR0237 to LR0251[5]) and the first 6 holes of Phase 2 (LR 0252 to LR0257). The remaining nine drillholes from Phase 2 are reported here for the first time.

The results are presented below by prospect and sector: Plan views of the prospects are presented in Figure 1 and Figure 2. Cross sections of the newly released results are presented in Figure 3 to Figure 5.

## Big Vein Central

Big Vein Central is located approximately 500 metres northeast of Big Vein South on an apparently discrete sub-parallel trend within the overall Woolgar Fault Zone.

The holes in this sector were designed to extend the mineralisation identified in 2013, which appeared to be similar in style and occurrence to that in BVS.

### *Central Sector - BVC*

- **LR0258** 2m at 1.08 g/t gold from 151m
  and **7m at 2.40 g/t gold from 158m**
- **LR0260** **6m at 1.09 g/t gold from 240 to 246m**

### *Interpretation*

- LR0258 infilled between the northernmost and central drillholes in BVC. It confirms the position of the structure, but this continues to be poorer than the equivalent mineralisation in BVS.
- LR0260 stepped back on LR0255. This was relatively weak and narrow when compared to BVS.
- Detailed mapping and relogging is underway to confirm whether the presence of intrusive bodies may be related to the weaker mineralisation.

### *Southern Sector - BVC*

- **LR0221** **61m at 1.95 g/t gold from 91 to 152m**
  including 6m at 5.46 g/t gold from 136m
- **LR0259** **54m at 2.92 g/t gold from 111 to 165m**
  including 7 m at 6.75 g/t gold from 132m
  and 20m 4.75 g/t gold from 145m
  and 12m at 1.22 g/t gold from 212 to 224m
- **LR0261** **79m at 1.06 g/t gold from 215 to 293m**
  including 6m at 5.06 g/t gold from 215m
  and 4m at 5.03 g/t gold from 263m

[4] **Note:** All sample widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation. Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Normally low-grade zones up to two metres width were included in the overall intersections, although locally low grade zones up to six metres width were included in the overall intersections where these were considered sufficiently wide as to justify their incorporation, as and are noted as such in Appendix Two: Summary of RC drill intersections for 2104, as at 7th November 2014. No upper cut-off was applied. Details of intersections and higher-grade lens are included in the Appendix Two below.

[5] **Note:** Drillhole LR0244 was abandoned at 18 metres and not sampled. LR0221 from 2013 was extended from 83 to 202 metres based on improved geological understanding.

- **LR0265** 5m at 1.40 g/t gold from 88m
  and **12m at 2.55 g/t gold from 141 to 253m**
  including 7m at 3.189 g/t gold from 145m

### *Interpretation*

- LR0221, LR0259 and LR0261 form a fence at 100m spacings across the "flat-zone".
- LR0265 steps south 100 metres from LR0221.
- These demonstrate a strong and significant mineralisation forming a moderately dipping-structure and weakening gradually to the south.
- There remains significant potential for further mineralisation in this sector.

## Big Vein South

This is the southernmost prospect of the mesothermal gold mineralisation that occurs along and adjacent to the Woolgar Fault Zone (WFZ), a northerly trending regional-scale structure located approximately 8 kilometres to the west of the existing resources in the Sandy Creek epithermal vein system.

### *Northern Target - BVS*

The final three drillholes in this sector explored for deeper extensions of the previously identified mineralisation in the northern sector of BVS

- **LR0262** **22m at 3.3 g/t gold from 177 to 199m**
  including 9m at 5.98 g/t gold from 184m
- **LR0263** 1m at 8.29 g/t gold at 204m
  and **50m at 1.11 g/t gold from 225 to 275**
  including 15m at 2.14 g/t gold from 226
  and 9m at 2.45 g/t gold from 232m
- **LR0264** **86m at 1.52 g/t gold from 151 to 237m**
  including 7m at 4.31 g/t g/t gold from 172m
  and 4m at 4.61 g/t gold from 204m

### *Interpretation*

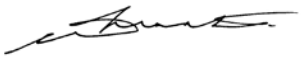
- The north of BVS continues to show significant widths of mineralisation with gradually diminishing grades and narrowing higher-grade sectors It remains open and may be improving at depth.
- The moderate grades and widths of mineralisation in the deeper levels of northern BVS continue and appear to overlap the southern end of BVC on a sub-parallel, but discrete trend.

## Resource Preparation

Several programs are underway to prepare for updating the resource calculation over the Big Vein South and Central prospects.

The Company's geological personnel are currently reviewing the 2013 and 2014 drilling results and information yielded from field activities in order to develop a better understanding of the geology and alteration of the deposit. This is necessary to model the mineralisation and the controls on it as well as assisting in the determination of priority site activities and targets for 2015. This includes relogging of drillholes, field mapping and petrographic studies.

A metallurgical study and an updated resource calculation study of the BVS and BVC prospects are in the final stages of commissioning.



**Wally Martin**
**MANAGING DIRECTOR**

*COMPETENT PERSON STATEMENT*
*The information in the report to which this statement is attached that relates to exploration targets or 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: Graphic Sections, Plans and Location Maps

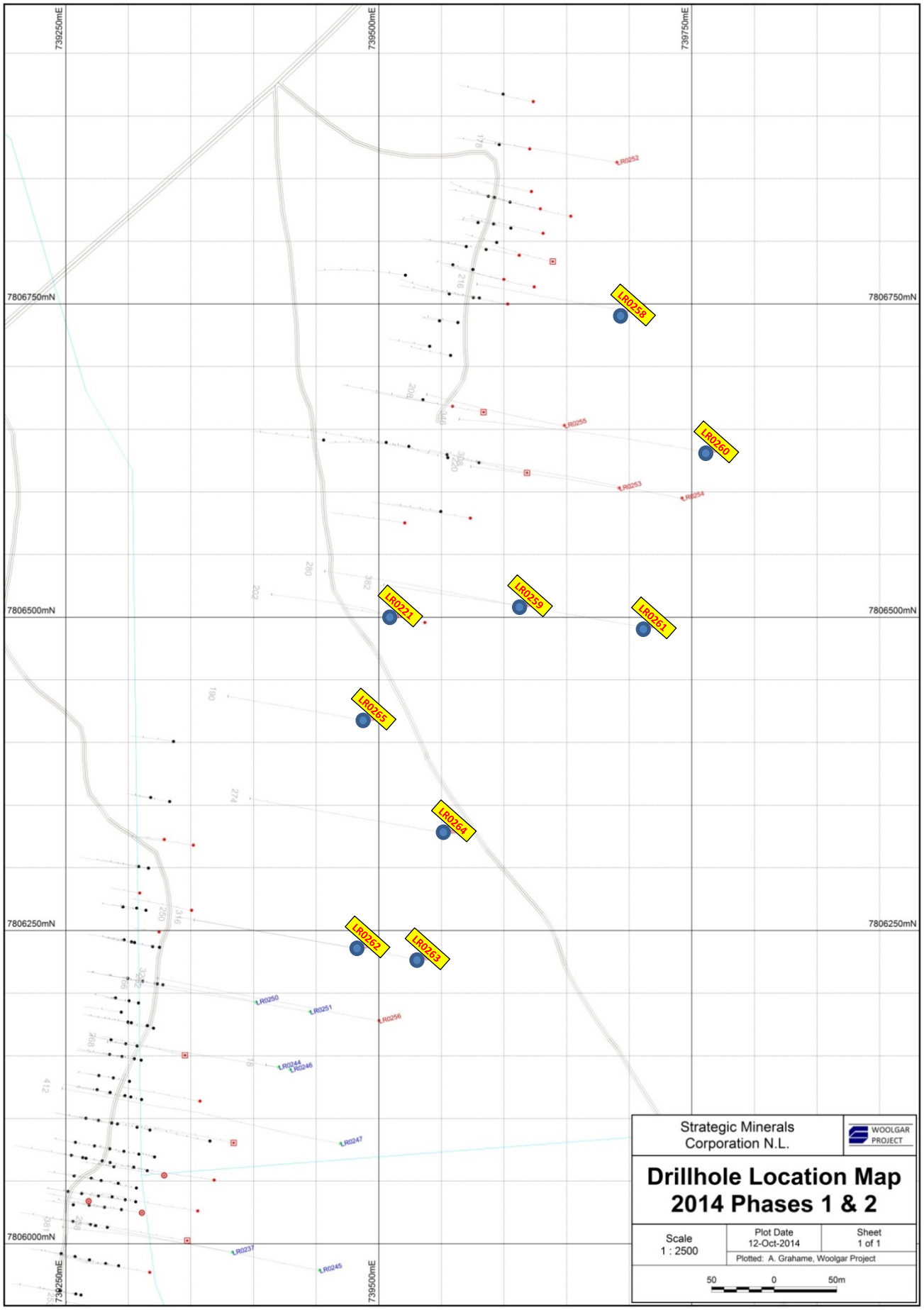



**Figure 1: Plan of Big Vein Central and northern Big Vein South showing the locations of the drillholes announced here in blue. Note the proximity of the two prospects, which now appear to overlap on sub-parallel trends.**

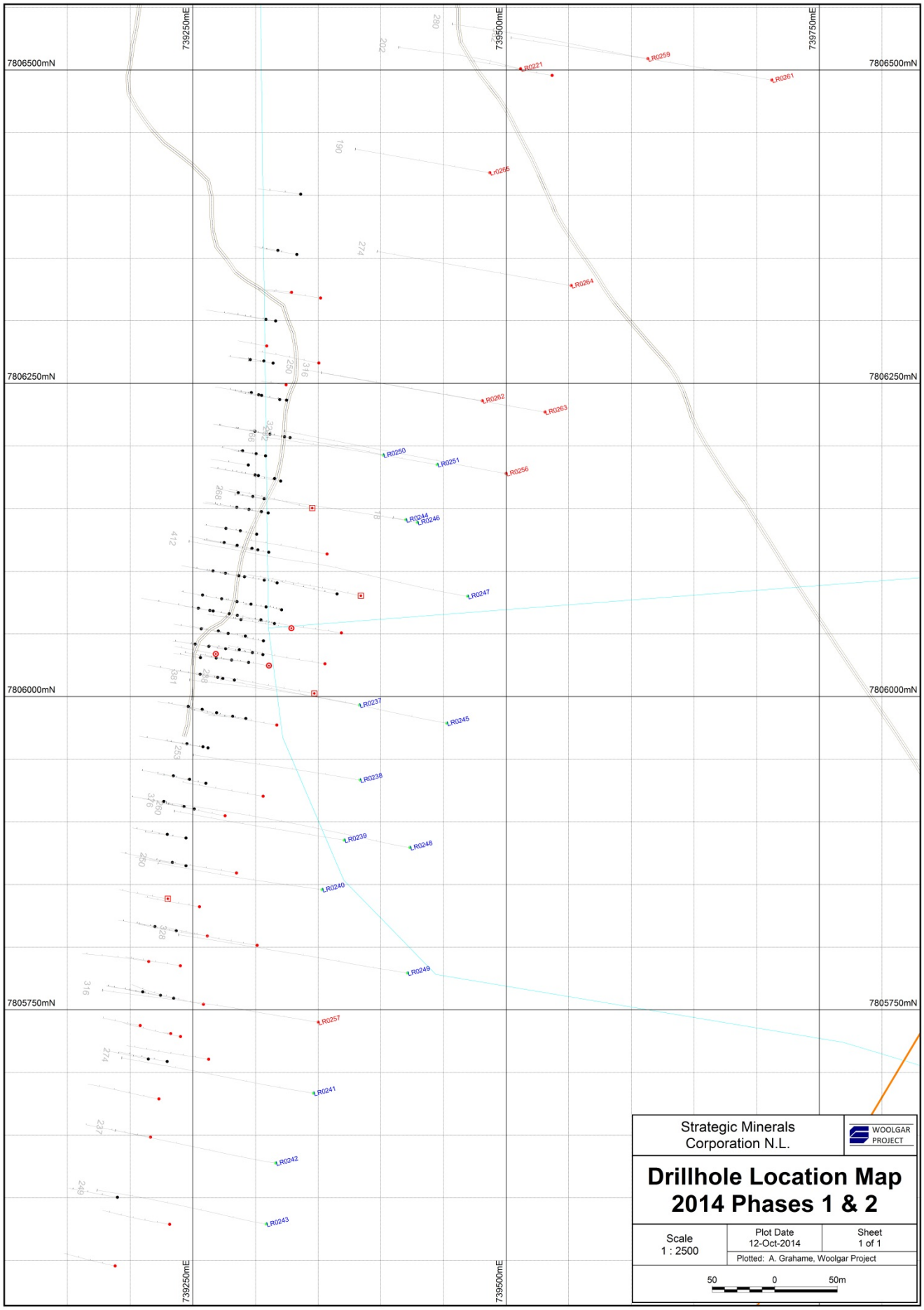



**Figure 2: Plan of Big Vein South showing the 2014 Phase 1 and 2 collars in blue and red labels respectively. The two southernmost sections of Big Vein Central are visible in the top of the map.**

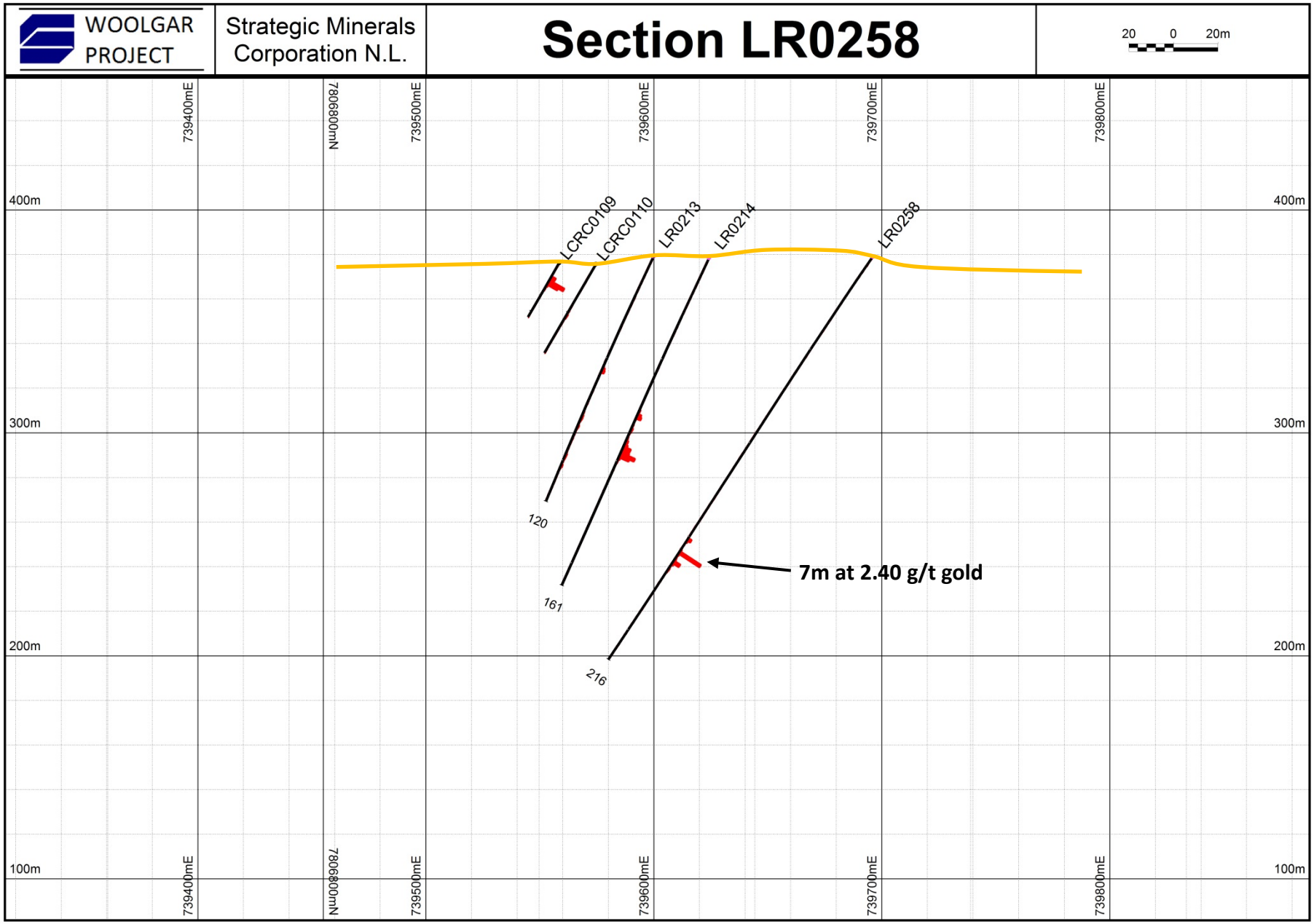



**Figure 3: Cross section showing LR0258 in the centre of Big Vein Central.**

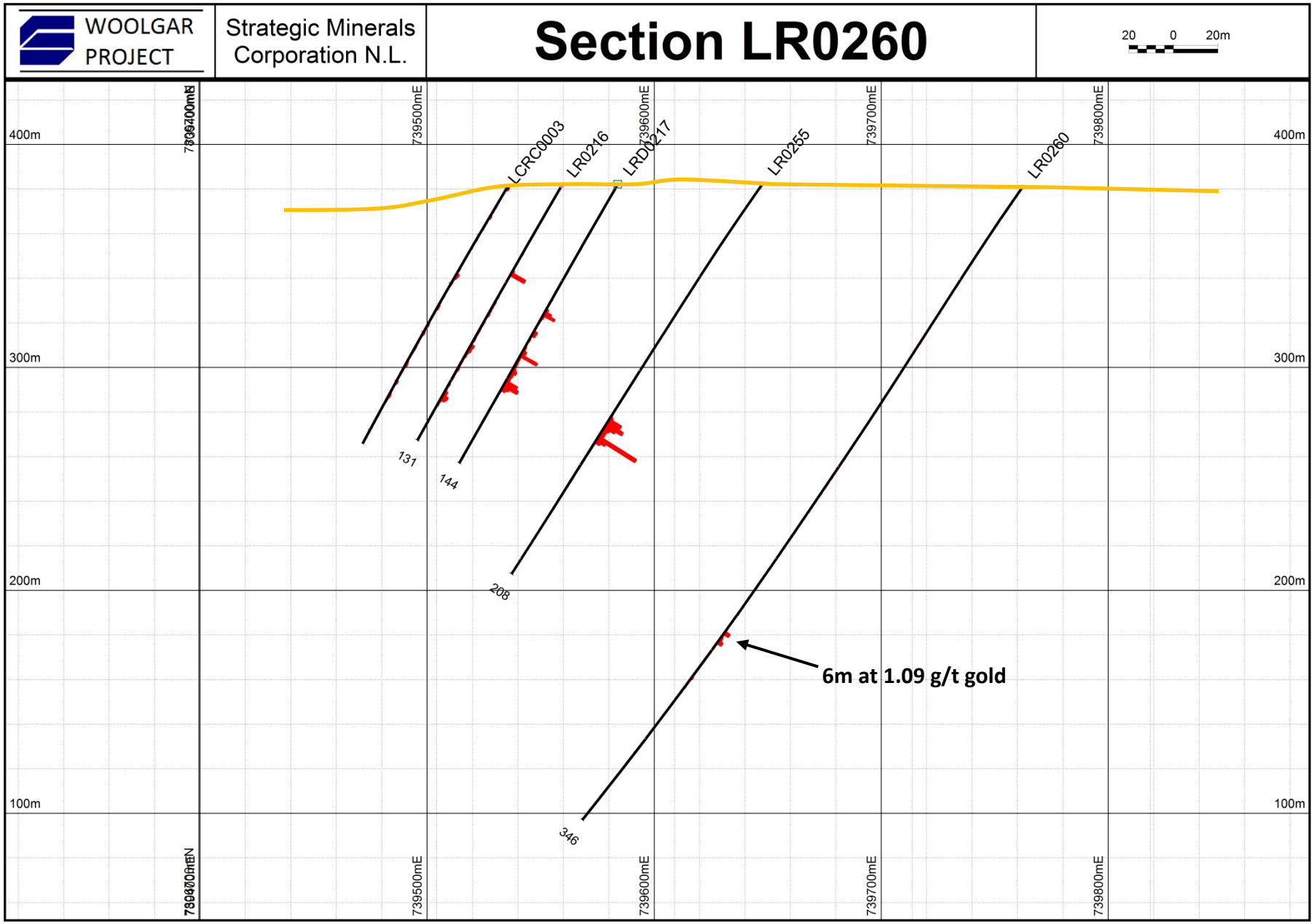



**Figure 4: Cross section showing LR0260 in the centre of Big Vein Central.**

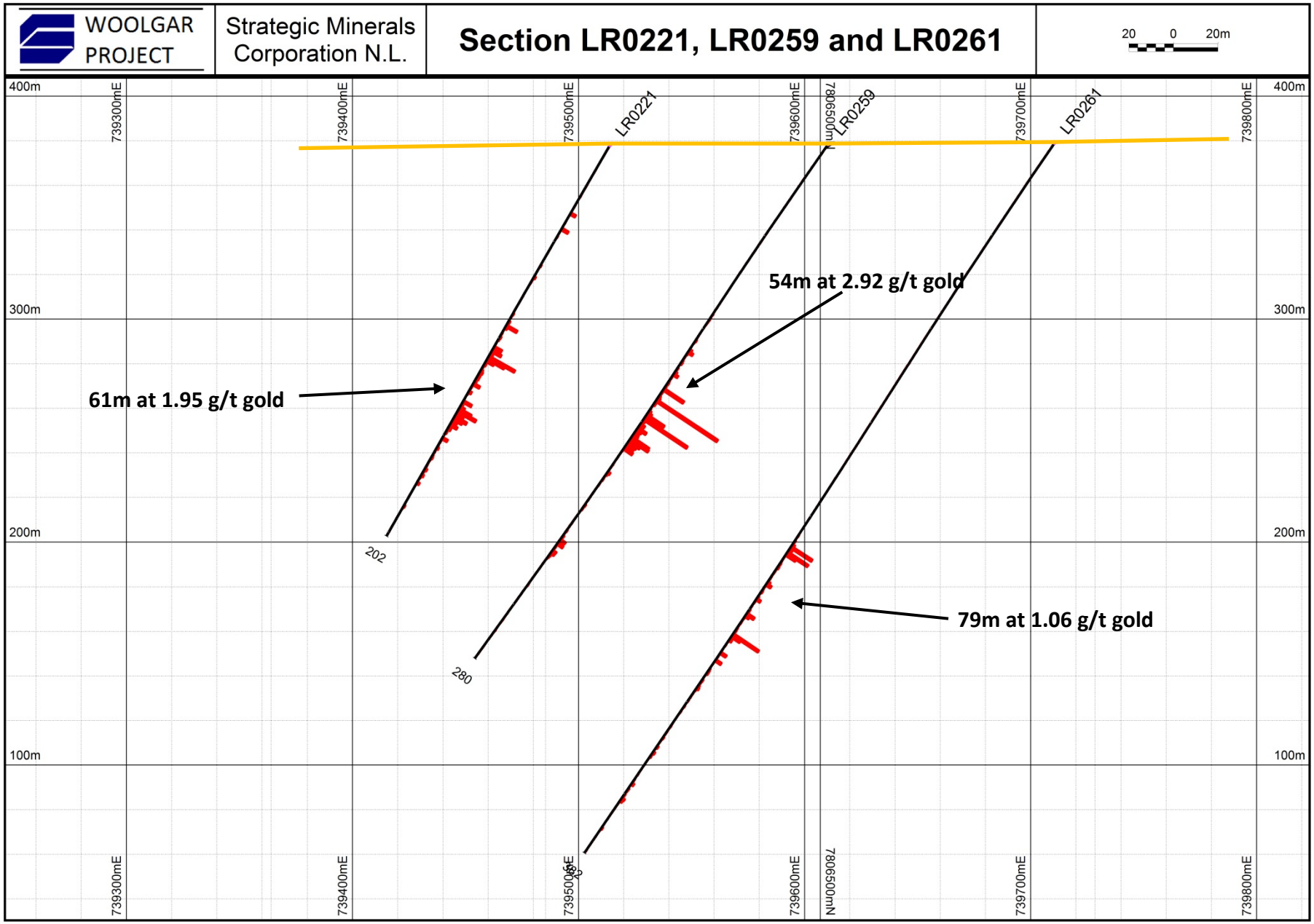



**Figure 5: Cross section showing LR0221, LR0259 and LR0261 in the south of Big Vein Central.**

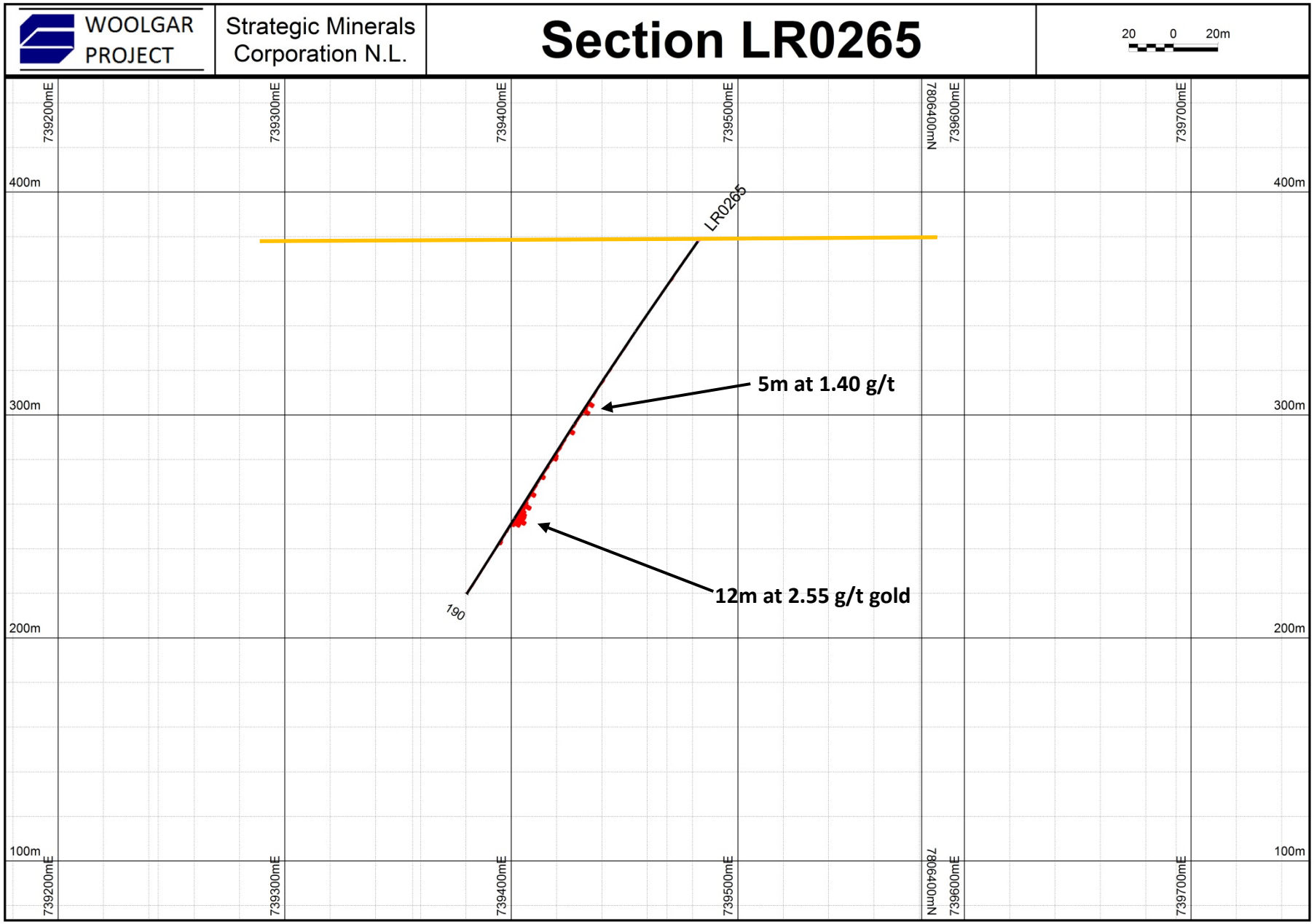



**Figure 6: Cross section showing LR0265 in the south of Big Vein Central.**

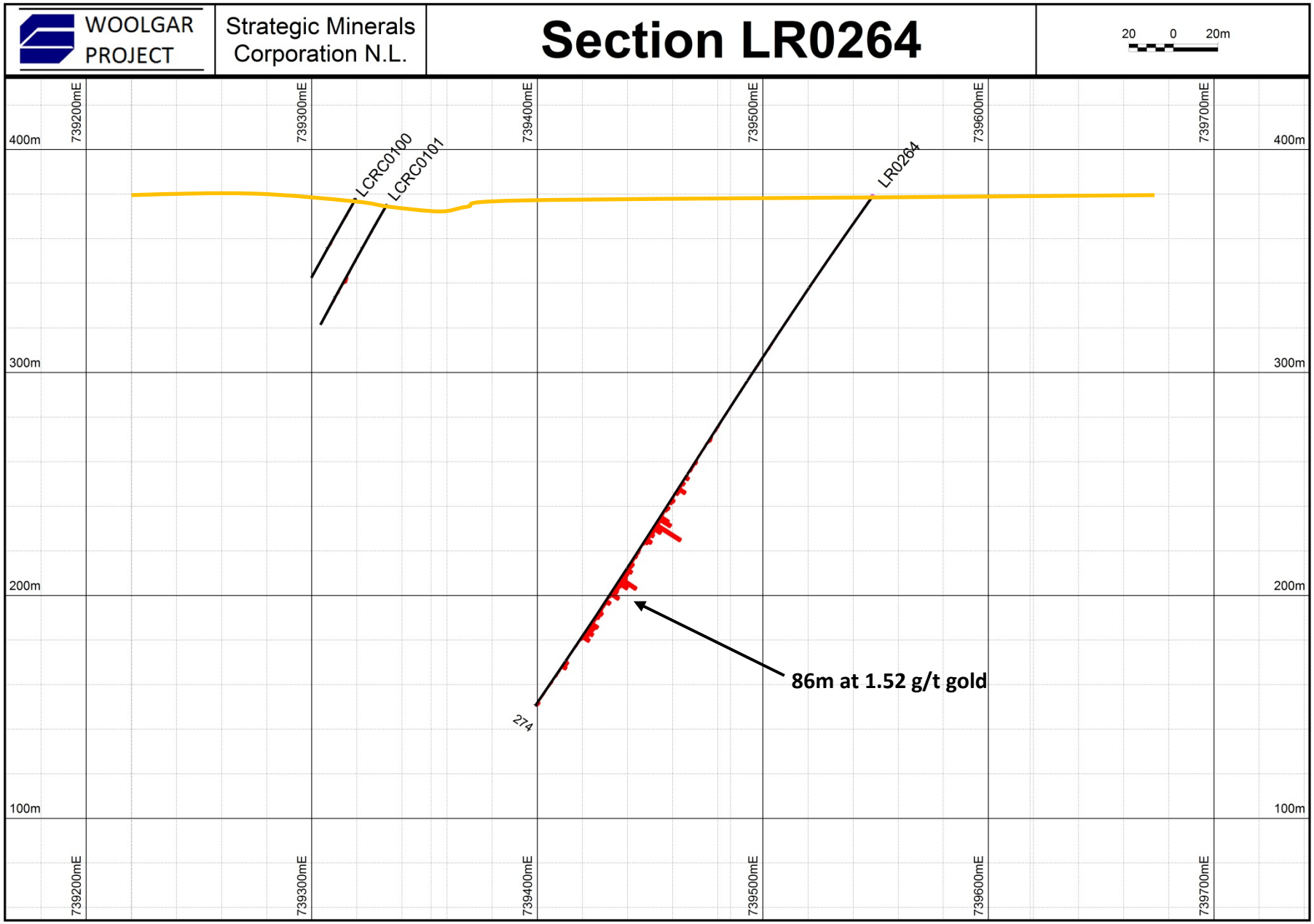



**Figure 7: Cross section showing LR0264in the north of Big Vein South.**

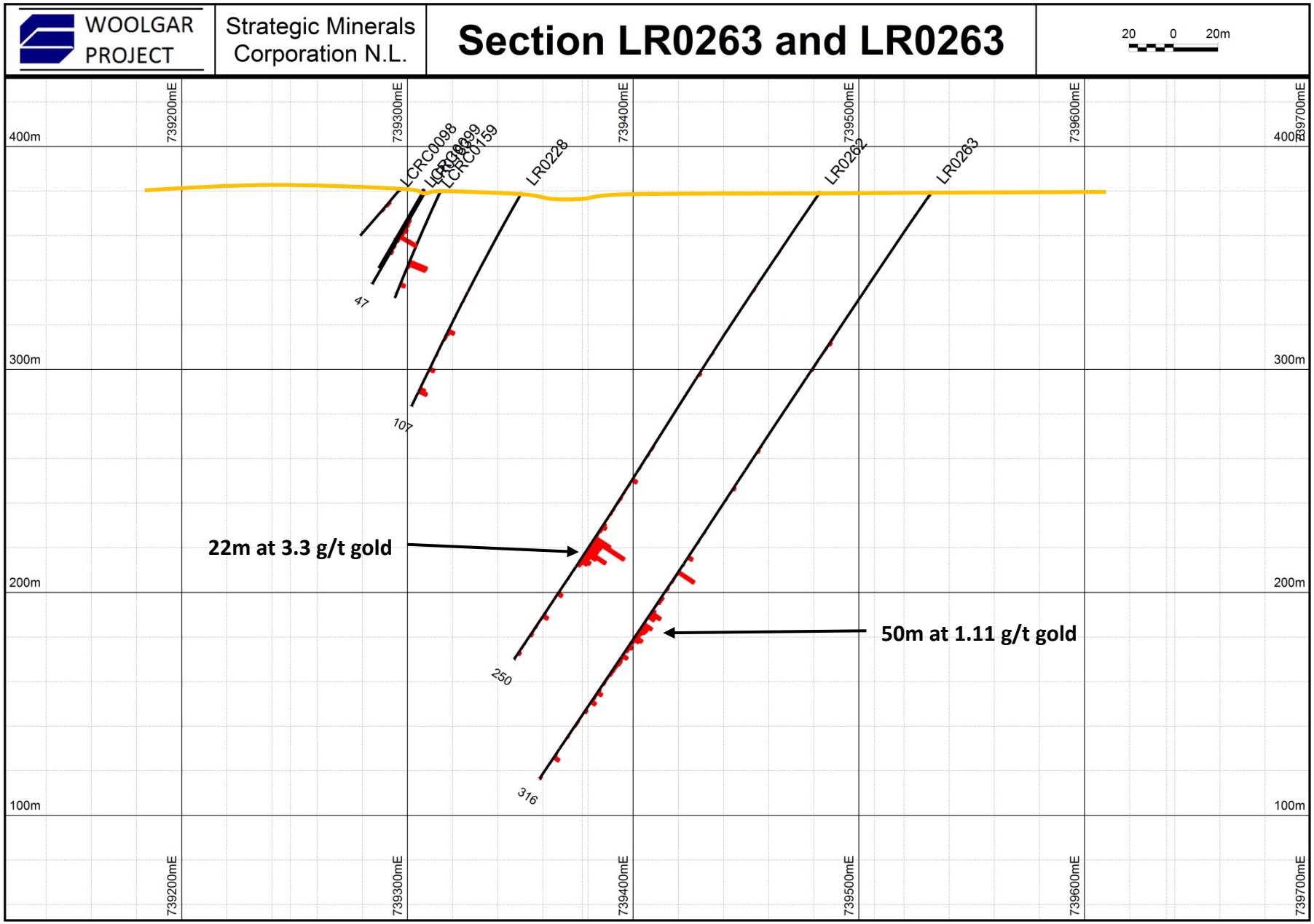



**Figure 8: Cross section showing LR0262 and LR0263 in the north of Big Vein South.**

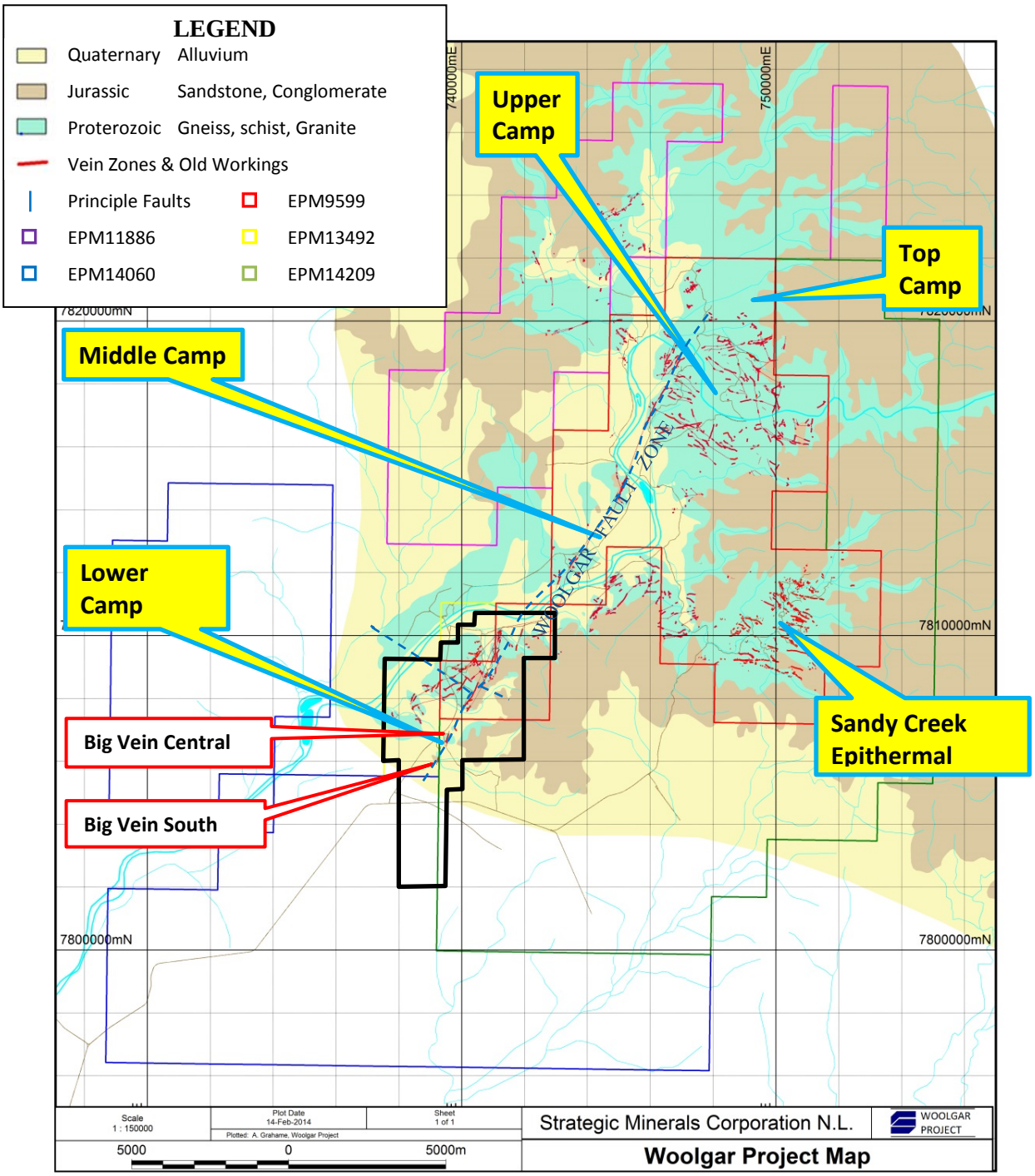



**Figure 9: Simplified geological map of the Woolgar Project, highlighting the five main sectors (camps) and the Big Vein South and Central prospects drilled in the 2014 campaign. The combined area of the 2013 and 2014 Ground Magnetometry surveys is highlighted in black.**

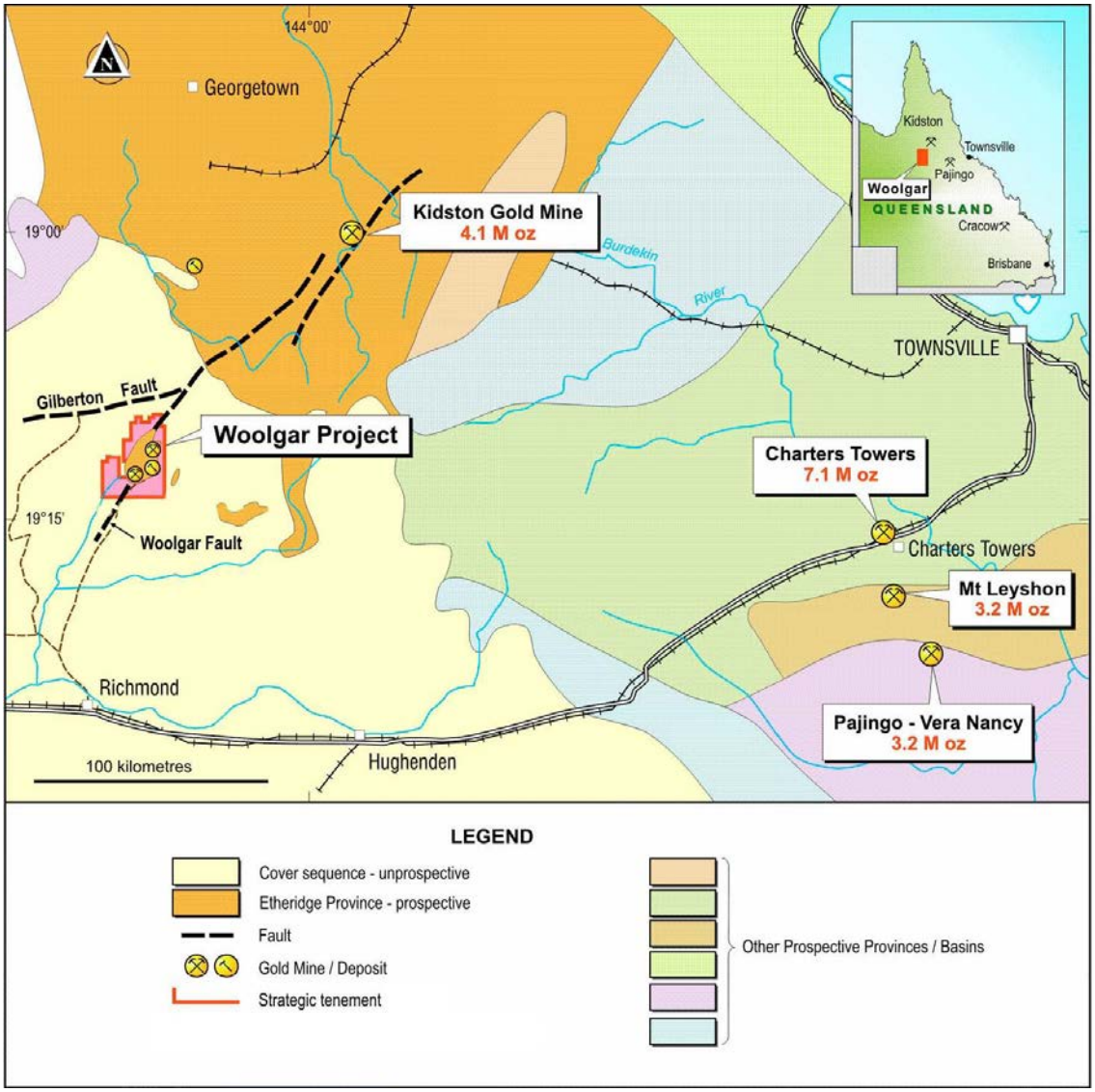



**Figure 10: Location map of Woolgar, showing the regional provinces of northeast Queensland and significant gold deposits. As can be seen, the Woolgar Goldfield corresponds to an inlier (erosional window) of the highly prospective and historically productive Etheridge Province exposed within the overlying generally unprospective sedimentary cover sequences.**

## Appendix Two: Summary of RC drill intersections for 2104, as at 7th November 2014.

| Table 2: | Summary of significant intersections using a 0.5 g/t gold cut-off grade | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hole ID | Prospect | End of Hole | Dip | Azimuth[1] | Easting[2] (metres) | Northing[2] (metres) | Altitude[2] (metres) | Sample Method | From (metres)) | To (metres) | Width[3] (metres) | Gold Grade[4] ppm |
| Phase 1 | | | | | | | | | | | | |
| **LR0237** | BVS | 238 | -60 | 273 | 739383 | 7805993 | 380 | RC | 136 | 228 | 92 | 2.280 |
| including | | | | | | | | RC | 143 | 149 | 6 | 7.300 |
| and | | | | | | | | RC | 176 | 228 | 52 | 2.809 |
| including | | | | | | | | RC | 188 | 202 | 14 | 3.579 |
| and | | | | | | | | RC | 209 | 220 | 11 | 5.051 |
| **LR0238** | BVS | 253 | -55 | 273 | 739383 | 7805933 | 380 | RC | 164 | 247 | 83 | 2.920 |
| including | | | | | | | | RC | 189 | 234 | 45 | 4.220 |
| including | | | | | | | | RC | 198 | 202 | 4 | 11.920 |
| and | | | | | | | | RC | 212 | 218 | 6 | 9.470 |
| **LR0239** | BVS | 260 | -55 | 273 | 739371 | 7805885 | 381 | RC | 161 | 248 | 87 | 1.990 |
| including | | | | | | | | RC | 199 | 242 | 43 | 3.040 |
| including | | | | | | | | RC | 199 | 202 | 3 | 10.500 |
| and | | | | | | | | RC | 234 | 242 | 8 | 6.190 |
| **LR0240** | BVS | 250 | -55 | 273 | 739353 | 7805846 | 382 | RC | 188 | 238 | 50 | 3.770 |
| including | | | | | | | | RC | 188 | 233 | 45 | 3.832 |
| including | | | | | | | | RC | 198 | 201 | 3 | 10.250 |
| and | | | | | | | | RC | 219 | 222 | 3 | 10.690 |
| **LR0241** | BVS | 274 | -55 | 273 | 739346 | 7805683 | 385 | RC | 241 | 244 | 3 | 1.990 |
| **LR0242** | BVS | 237 | -55 | 273 | 739316 | 7805628 | 385 | RC | 213 | 215 | 2 | 0.760 |
| **LR0243** | BVS | 249 | -55 | 273 | 739309 | 7805579 | 385 | RC | 184 | 186 | 2 | 0.945 |
| and | | | | | | | | RC | 206 | 209 | 3.000 | 0.677 |
| **LR0244** | Hole Abandoned | | | | | | | | | | | |
| **LR0245** | BVS | 381 | -55 | 273 | 739453 | 7805979 | 379 | RC | 73 | 77 | 4 | 2.165 |
| and | | | | | | | | RC | 182 | 184 | 2 | 2.815 |
| and | | | | | | | | RC | 261 | 358 | 97 | 1.778 |
| **LR0246** | BVS | 268 | -55 | 273 | 739429 | 7806139 | 378 | RC | 168 | 184 | 16 | 2.159 |
| including | | | | | | | | RC | 174 | 181 | 7 | 3.530 |

| Table 2: | Summary of significant intersections using a 0.5 g/t gold cut-off grade | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hole ID | Prospect | End of Hole | Dip | Azimuth[1] | Easting[2] (metres) | Northing[2] (metres) | Altitude[2] (metres) | Sample Method | From (metres)) | To (metres) | Width[3] (metres) | Gold Grade[4] ppm |
| LR0247 | BVS | 412 | -55 | 273 | 739469 | 7806080 | 379 | RC | 136 | 138 | 2 | 3.480 |
| and | | | | | | | | RC | 240 | 300 | 60 | 1.889 |
| including | | | | | | | | RC | 256 | 264 | 8 | 7.536 |
| LR0248 | BVS | 376 | -55 | 273 | 739423 | 7805879 | 380 | RC | 264 | 368 | 104 | 1.171 |
| including | | | | | | | | RC | 270 | 281 | 11 | 2.792 |
| including | | | | | | | | RC | 270 | 273 | 3 | 6.163 |
| and | | | | | | | | RC | 280 | 283 | 3 | 3.003 |
| and | | | | | | | | RC | 321 | 326 | 5 | 3.380 |
| and | | | | | | | | RC | 341 | 351 | 10 | 2.283 |
| LR0249 | BVS | 328 | -55 | 273 | 739421 | 7805779 | 382 | RC | 98 | 100 | 2 | 4.445 |
| and | | | | | | | | RC | 298 | 318 | 20 | 1.471 |
| LR0250 | BVS | 166 | -55 | 273 | 739402 | 7806193 | 378 | RC | 125 | 136 | 11 | 3.735 |
| LR0251 | BVS | 232 | -55 | 273 | 739445 | 7806185 | 378 | RC | 175 | 184 | 9 | 3.390 |
| including | | | | | | | | RC | 180 | 184 | 4 | 6.323 |
| Phase 2 | | | | | | | | | | | | |
| LR0252 | BVC | 178 | -55 | 273 | 739690 | 7806863 | 375 | RC | 103 | 114 | 11 | 1.179 |
| LR0253 | BVC | 220 | -55 | 273 | 739692 | 7806603 | 381 | RC | 160 | 193 | 33 | 5.226 |
| including | | | | | | | | | 160 | 172 | 12 | 10.996 |
| LR0254 | BVC | 308 | -55 | 273 | 739742 | 7806595 | 382 | RC | 211 | 233 | 22 | 0.914 |
| LR0255 | BVC | 208 | -55 | 273 | 739648 | 7806653 | 383 | RC | 125 | 138 | 13 | 4.423 |
| LR0256 | BVS | 322 | -55 | 273 | 739500 | 7806178 | 381 | RC | 218 | 277 | 59 | 2.021 |
| including | | | | | | | | | 219 | 228 | 9 | 4.188 |
| and | | | | | | | | | 250 | 255 | 5 | 3.968 |
| and | | | | | | | | | 286 | 290 | 4 | 8.115 |
| LR0257 | BVS | 316 | -55 | 273 | 739350 | 7805740 | 381 | RC | 232 | 243 | 11 | 3.310 |
| including | | | | | | | | | 241 | 243 | 2 | 9.535 |
| Phase 2 New Results | | | | | | | | | | | | |
| LR0258 | BVC | 216 | -55 | 273 | 739695 | 7806745 | 378 | RC | 151 | 152 | 2 | 1.075 |
| and | | | | | | | | | 158 | 165 | 7 | 2.401 |

| Table 2: | Summary of significant intersections using a 0.5 g/t gold cut-off grade | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hole ID | Prospect | End of Hole | Dip | Azimuth[1] | Easting[2] (metres) | Northing[2] (metres) | Altitude[2] (metres) | Sample Method | From (metres)) | To (metres) | Width[3] (metres) | Gold Grade[4] ppm |
| LR0221[5] | BVC | 202 | -60 | 273 | 739512 | 7806501 | 378 | RC | 91 | 152 | 61 | 1.946 |
| including | | | | | | | | | 136 | 142 | 6 | 5.458 |
| LR0259 | BVC | 280 | -55 | 273 | 739613 | 7806509 | 379 | RC | 111 | 165 | 54 | 2.921 |
| including | | | | | | | | | 132 | 139 | 7 | 6.750 |
| and | | | | | | | | | 145 | 165 | 20 | 4.754 |
| and | | | | | | | | | 212 | 224 | 12 | 1.215 |
| LR0260 | BVC | 346 | -55 | 273 | 739760 | 7806632 | 380 | RC | 240 | 246 | 6 | 1.087 |
| LR0261 | BVC | 382 | -55 | 273 | 739712 | 7806492 | 379 | RC | 215 | 294 | 79 | 1.058 |
| including | | | | | | | | | 215 | 221 | 6 | 5.065 |
| and | | | | | | | | | 250 | 254 | 4 | 1.743 |
| and | | | | | | | | | 263 | 267 | 4 | 5.028 |
| LR0262 | BVS | 250 | -55 | 273 | 739481 | 7806236 | 379 | RC | 177 | 199 | 22 | 3.363 |
| including | | | | | | | | | 184 | 193 | 9 | 5.979 |
| LR0263 | BVS | 316 | -55 | 273 | 739531 | 7806227 | 379 | RC | 204 | 205 | 1 | 8.290 |
| and | | | | | | | | | 225 | 275 | 50 | 1.113 |
| including | | | | | | | | | 226 | 229 | 3 | 3.197 |
| and | | | | | | | | | 232 | 241 | 9 | 2.449 |
| LR0264 | BVS | 274 | -55 | 273 | 739552 | 7806328 | 391 | RC | 151 | 237 | 86 | 1.518 |
| including | | | | | | | | | 172 | 179 | 7 | 4.309 |
| and | | | | | | | | | 204 | 208 | 4 | 4.608 |
| LR0265 | BVC | 190 | -55 | 273 | 739487 | 7806418 | 389 | RC | 88 | 93 | 5 | 1.402 |
| and | | | | | | | | | 141 | 253 | 12 | 2.552 |
| including | | | | | | | | | 145 | 152 | 7 | 3.189 |

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

*[2] All coordinates are reported in GDA94 and were sited prior to drilling using Differential GPS. These will be resurveyed and updated when available.*

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

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

*[5] LR0221 was drilled in 2013 to 83 metres. It was extended to 202 metres as part of Phase 2, 2014.*

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

## Section 1 Sampling Techniques and Data

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • *Reverse circulation drilling with face hammer. Sample intervals were 1.0m.*<br>• *RC sampling was carried out by the drilling contractor using a cone-splitter integral with the recovery cyclone.*<br>• *3 kg was pulverised to produce a 50 g charge for fire assay and 35 element ICP.*<br>• *Some variation in field duplicates may be due to resampling techniques or coarse gold "nugget effect". Screen fire assaying of higher grade samples is underway as standard to determine this. The original (rig-sampled) assay is reported for all instances of duplicates, rather than a selective system.* |
| ***Drilling techniques*** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • See above. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Only sample weight was recorded since all samples were a fixed proportion of the total recovery. Any anomalies were brought to the driller's attention. Samples collected in the integral recovery cyclone and cone splitter. Duplicates were taken manually using a riffle splitter and selected on geological criteria.<br>• Total sample weighing, including coarse reject, was not possible during drilling, so check weighing of a representative selection of holes is underway.<br>• At this stage, there is no obvious relationship between recovery and grade. |
| ***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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant* | • 100% of RC chips were logged on site using a qualitive system logged by a competent geologist with sufficient experience.<br>• All RC chips are photographed. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *intersections logged.* | |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • RC was cone split integrally to the cyclone. Duplicates were selected on geological criteria and taken manually using a riffle splitter.<br>• All sample preparation and methods were appropriate for exploration purposes.<br>• 3 grades of pulp standards plus coarse blanks and field duplicates were used throughout the 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.*<br>• *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.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • Samples were prepared and assayed at the ALS Minerals Division - Geochemistry ("ALS") laboratory in Townsville; an ISO-9001:2013 certified facility. Methods used were: gold by fire assay, AA finish (50 gram charge); and other elements by aqua regia ICP-AES (35 elements). Samples returning greater than 100 g/t gold were automatically re-assayed using a dilution analyses.<br>• 3 grades of pulp standards plus coarse banks and riffle-split field duplicates were used throughout the program. All standard and blank results appear acceptable. The field duplicates show minor variation which may be due to coarse gold or the different splitting method. Gravimetric re-analysis of selected higher-grade values is underway to assess this. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • No independent verification has been conducted at this stage.<br>• This is prospective not definition work.<br>• Logging data entry in real time on site by employee logging.<br>• Sample control data recorded on paper in the field and entered digitally daily.<br>• All data backed up daily and stored in separate locations. Senior geologist verifies data entry.<br>• No adjustments made to assay data. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Collars were sited prior to drilling using a Differential GPS. These will be checked and updated when final results released.<br>• Downhole surveys were conducted using a Reflex single-shot camera at 18m and subsequent 50 metre intervals. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral* | • Planned intercept spacings were approximately 50m where stepping back. Width between sections was 50m at shallower levels and 100m where deeper. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | This is considered suitable for the exploratory nature of this program.<br>• No compositing was used. |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • All sample widths presented are Intersection or Apparent Widths and do not represent the true widths of the mineralisation. The mineralisation is thought to be plunging between 50° and 70° near surface and approximately vertical at depth.<br>• There is no evidence for a sampling bias beyond that of the tangential angle. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • RC samples are collected in calico bags, sealed in sacks of five and loaded into pallet containers for transport to Townsville by a private courier.<br>• A paper trail, including the contents of individual sacks was maintained. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • Sample technique is reviewed frequently. The use of standards and blanks was optimized for this program. On-site weighing of samples suffered from defective equipment and is being reviewed prior to further drilling. |

## Section 2 Reporting of Exploration Results

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

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

| License No | Date Granted | Area | Interest | Commers |
|---|---|---|---|---|
| ML 2728 | 01/06/89 | 128 Ha | 100% | Granted |
| ML 2729 | 01/06/89 | 128 Ha | 100% | Granted |
| ML 2739 | 01/06/89 | 128 Ha | 100% | Granted |
| ML 2642 | 01/02/89 | 405 Ha | 100% | Granted |
| ML 2793 | 08/08/91 | 146.4 Ha | 100% | Granted |
| ML 90044 | 27/04/95 | 29.2 Ha | 100% | Granted |
| EPM 9599 | 01/09/93 | 145 sq km | 100% | Granted |
| ML 90122 | 02/09/04 | 350.90 Ha | 100% | Granted |
| ML 90123 | 18/11/04 | 124.70 Ha | 100% | Granted |
| MLA 90238 | | 883.5 Ha | 100% | Application |
| EPM 11886 | 21/04/04 | 316 sq km | 100% | Granted |
| EPM 14060 | 21/04/04 | 489 sq km | 100% | Granted |
| EPM 14209 | 21/04/04 | 307 sq km | 100% | Granted |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | EPM 13942 09/11/06 15 sq km 100% Granted |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • Little recent work has been carried out in the Lower Camp area prior to the previous three RC programs by SMC. The new project management reviewed these and found them acceptable as a basis for exploration. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • The Lower Camp is a mesothermal style of mineralisation.<br>• It is shear hosted within the regional-scale Woolgar Fault Zone.<br>• It consists of quartz and quartz-carbonate veins, mineralised tectonic breccias, stockworks and veinlets.<br>• Gold mineralisation is associated with disseminated pyrite, and lesser galena, sphalerite and pyrrotite, that occur within strongly phyllic altered, sheared and brecciated schists, silicified breccias and veins.<br>• The mineralisation is strongly associated with a phyllic alteration frequently overprinting an intense potassic alteration event.<br>• The hostrocks are a strongly deformed schist with granitic layers locally. These are intruded by granodiorite and minor dolerites, and is postulated to be overlying bind plutons of the granite batholiths exposed in the district. |
| ***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:*<br>o *easting and northing of the drill hole collar*<br>o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>o *dip and azimuth of the hole*<br>o *down hole length and interception depth*<br>o *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • For drilling data, see Table 1: Summary of drilling meterages in 2014 of this report.<br>• None of this information has been excluded. |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *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.*<br>• *The assumptions used for any reporting* | • All intersection widths are length weighted averages. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Normally low-grade zones up to two metres width were included in the overall intersections, although locally low grade zones up to six metres width were included in the overall intersections where these were considered sufficiently wide as to justify their incorporation, and are noted as such in Appendix Two: Summary of RC drill intersections for 2104, as at 7th November 2014. In the secondary intersections, low-grade zones less than two metres width were included as per 2013 announcements for comparative purposes. No upper cut-off was applied. Details of intersections and higher-grade lens are |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *of metal equivalent values should be clearly stated.* | included and shown in graphic sections, see Appendices One and Two.<br>• Sections in Appendix One with histogram graphics representing gold grades show the true spread of grades through the aggregate intercepts.<br>• The mesothermal mineralisation is gold dominated and no metal equivalents are used. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • All sample widths presented are Intersection or Apparent Widths and do not represent the true widths of the mineralisation. The mineralisation is thought to be plunging between 50 and 70° near surface and approximately vertical at depth.<br>• LR0237 and LR0221 have a dip of -60º. All other drillholes dip -55º.<br>• All holes are drilled 273º GDA94, which is perpendicular to the estimated average strike of the mineralisation.<br>• There is no evidence for a sampling bias beyond that of the tangential angle. |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Location and prospect maps, cross-sections for all six drillholes, and a long-section showing pierce points compared to the existing grade-thickness plot are included in the main body of the text. |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • Summary intercepts of all nine remaining holes from 2014 Phase 2 are included, including those with minimal intercepts.<br>• No are no further outstanding drill results. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Recent geophysical and soil surveys have been reported previously. Detailed analysis and interpretation of these results is underway.<br>• RC sample reject material has been set aside for potential metallurgical work. Work has started on planning a comprehensive metallurgic program.<br>• No appraisal has been made of the geotechnical data.<br>• Both positive and negative interpretations of these results have been discussed openly. No further deleterious technical, statutory or social issues are known. |
| ***Further work*** | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • No further drilling is planned for 2014. Further drilling is expected in 2015 and would include continued stepbacks where possible and extension drilling to continue assessing the overall potential. This may be extended to exploratory drilling on some of the numerous targets in the project. Diamond and infill RC drilling may be conducted if considered justified.<br>• Further geophysical work is also under consideration. This may include a Ground Magnetometry survey in the upper Camp and possibly some electrical techniques if considered suitable. |