9th June 2015 | ASX Release

Woolgar Gold Project, Queensland

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

Resource Update for Big Vein South and Central

The Company is pleased to announce the resource update on the Big Vein South and Big Vein Central gold deposits (BVS) in the Lower Camp of the Woolgar Project in North Queensland. This has been prepared by H&S Consultants Pty Ltd (H&SC), an independent consultancy, on behalf of Strategic. The resource estimates have been reported according to the 2012 JORC Code & Guidelines. Highlights include:

- A global resource of 426,000 oz. at 2.14 g/t gold at a 0.75g/t gold cut-off.

Category	MTonnes	Au g/t	Au Kozs	Density t/m^3
Measured	0.17	2.35	13	2.59
Indicated	2.90	2.12	197	2.69
Inferred	3.13	2.15	216	2.71
Total	**6.19**	**2.14**	**426**	**2.70**

- Geological modelling indicates that the Big Vein South and Big Vein Central zones are a continuous structure with minor fault offsets, rather than discrete lenses.

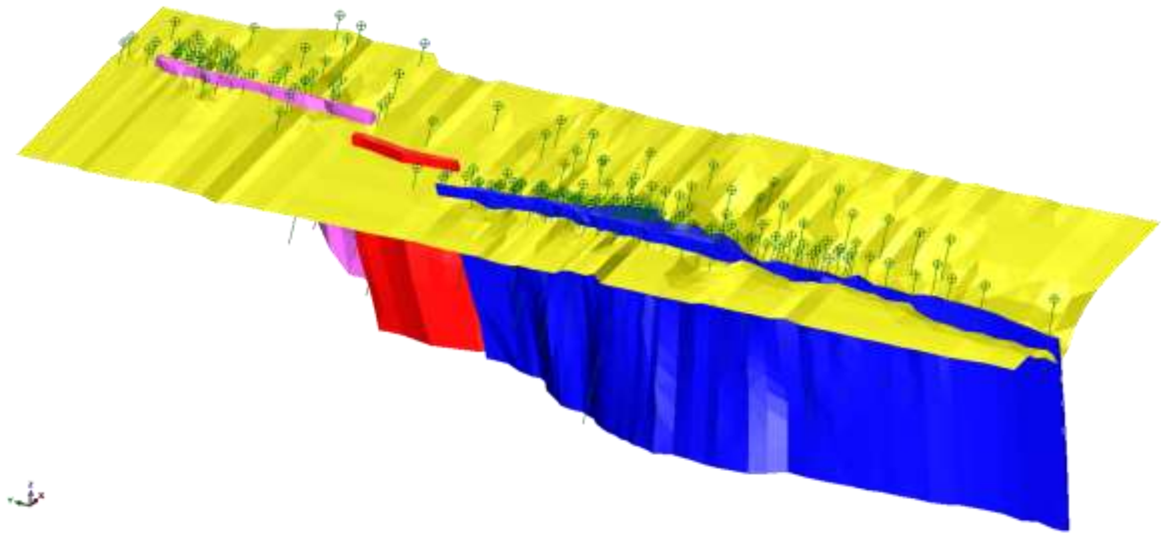

Figure 1: Geological Interpretation of the Mineral Zones, showing drillhole location and the base of partial oxidation.

- Significant exploration potential to delineate further resources, with an Exploration Target at a 0.75g/t Au cut-off of 9 to 20Mt at 1.8 to 2.2g/t for 0.5 to 1.0Moz. The potential quantity and grade of the Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

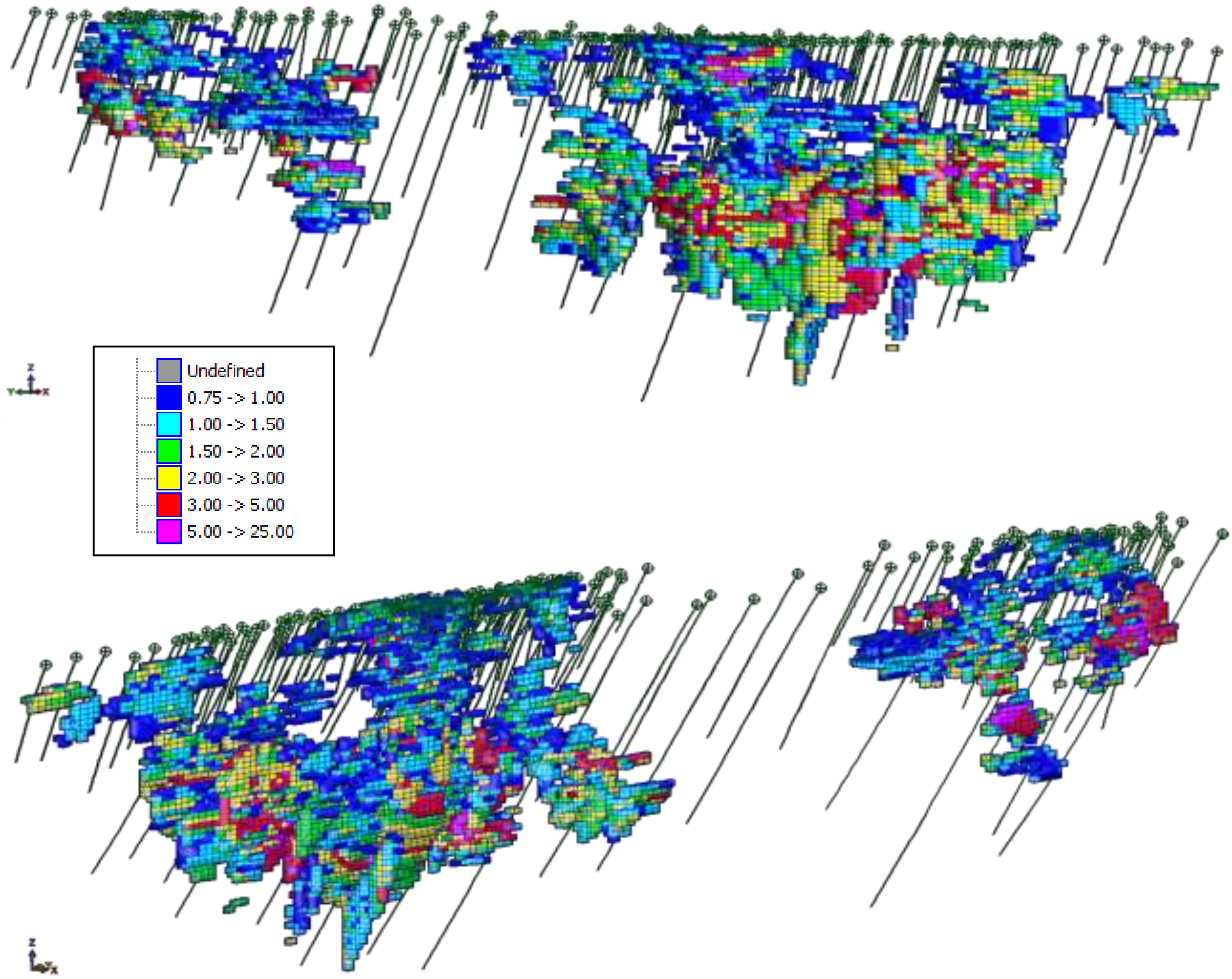

Figure 2: 2015 BVS Resource Estimate: Gold Block Grade Distribution (>0.75g/t),
(upper figure: looking down to grid NE, lower figure: looking down to NW)

Additional Resource Estimates (2004 JORC Code & Guidelines)

The Woolgar Project also hosts further resource estimates published under the 2004 version of the JORC Code. These include resource estimates over epithermal and intrusion related styles of mineralisation, which differ in their characteristics from the mesothermal style mineralisation reported in this updated resource statement. There is insufficient information currently to determine whether these varying styles of mineralisation have compatible metallurgy, nor that further studies will determine this to be so and the Company makes no representation to this effect.

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The additional global resource estimates, excluding the previous and new resource estimates for the BVS area, are 25.4 MTonnes at 1.09 g/t gold for 795,400oz. of gold for a range of cut-offs between 0.4 and 1.0 g/t gold, **see Table 1 in Appendix Two**. For the complete JORC 2004 resource statement, please refer to “QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st MARCH 2013” published 30th April 2013, available at www.stratmin.com.au

BVS Resource Summary

H&S Consultants Pty Ltd (H&SC) was requested by Strategic Minerals Corporation NL (Strategic) to complete new resource estimates for the Big Vein South (BVS) gold deposit of the Woolgar Project. The project is located in North Queensland, approximately 120km north of Richmond. The resource estimates have been reported according to the 2012 JORC Code & Guidelines.

The BVS mineralisation comprises deformed, auriferous, quartz-sulphide veins with host rock silicification. The host rocks consist of Proterozoic-aged, amphibolite grade quartz-feldspar-biotite-mica schists in a ductile deformation zone. The type of mineralisation is a mesothermal vein style.

Strategic supplied the drillhole database for the deposit, which H&SC accepted in good faith as an accurate, reliable and complete representation of the available data. H&SC loaded the data into an Access database that was then connected to the Surpac mining software. H&SC performed limited validation of the data including error checking, and completed some data processing to improve the database and enable easier geological interpretation. The drillhole database for the BVS deposit is satisfactory for resource estimation purposes; however responsibility for data quality resides solely with Strategic. Drilling is predominantly RC with some additional diamond core drilling. Five phases of drilling have been undertaken from 2010 to 2014 amounting to 224 drillholes for a total of 24,067m and 23,790 samples. Drillhole spacing is variable from 15m, generally targeting near surface mineralisation, to 50-100m along strike and down dip.

The 2011-2012 QAQC programs comprise standards, field duplicates, and umpire lab check assays but with limited data in some cases. No significant issues were noted despite on occasions a lack of data. The 2013-2014 QAQC programs are to industry standard and comprise standards, blanks, field duplicates, screen fire assays, lab duplicates and umpire lab check assays. A bias of approximately 10% for gold grades >2g/t was noted with the original 2013-2014 RC samples, which should be investigated. The umpire lab appeared to be under-reporting by approximately 10% for the 2013 check assays. The screen fire assays and bottle roll leach tests indicated no significant coarse gold fraction.

Interpretation of the drillhole database allowed for the generation of 3D mineral constraining solids and surfaces. Four mineral zones, the Southern, Central, Northern and Flat, were defined using logged geology, sulphur and aluminium assays, a nominal gold cut-off grade of 0.1g/t and geological sense. The elevated sulphur assays act as a proxy for the auriferous pyrite mineralisation whilst the low aluminium values act for the diluting effect of the silica veining. In many cases the margins of the mineralisation were considered gradational. Geological surfaces were created for the base of Phanerozoic cover, the bases of complete and partial oxidation and two cross cutting and offsetting fault structures. The Southern, Central and Northern mineral zones are interpreted as steeply dipping structures aligned along strike covering 1.5km to a depth of 380m below surface. Mineral width ranges from 2m to approximately 45m horizontal true width and it is exposed for at least 500m of strike. The fourth mineral zone, the Flat zone, comprises a small, relatively flat lying, 100m below surface, auriferous structure abutting the Northern zone on the latter's west (footwall) side.

The mineral wireframes were used to extract a total of 7,053 1m composites for subsequent gold grade interpolation. No top cutting was considered necessary to the gold composite data. Variography indicated reasonable downhole and directional grade continuity.

Grade interpolation used Ordinary Kriging (GS3M software) with the resultant models loaded into a Surpac-created block model. Domaining was limited to the mineral zones and to spatial orientations of search ellipses based on the geological dip and strike for the more complex Southern zone. Modelling used an expanding search pass strategy with the initial search radii based on the detailed drill spacing increasing to take in the geometry of the mineralisation and the variography. Modelling consisted of two estimation runs, the first with 2 passes and the second with 3 passes. The minimum search used was 4m by 15m by 15m and expanding by 15m increments in the Y and Z directions to a maximum of 60m (to 16m in the across strike, X, direction). The minimum number of data was 12 samples and 4 octants. A third estimation run of a further 3 passes was used to generate an Exploration Target with the maximum search of 10m by 125m by 125m.

Default density values for mineralisation and waste rock were derived from 274 samples (using the Archimedes method) including 101 fresh rock mineral and 19 oxide mineral samples. Allocation of density grades and oxidation levels to the block model was achieved by using the mineral wireframes and oxidation surfaces in relation to the block centroid.

Resource classification is based primarily on the drillhole spacing (and hence data point density), grade continuity (variography), the geological model and the QAQC data. The resource estimates are reported for a 0.75g/t Au cut off with a partial percent volume adjustment generated by the constraining mineral wireframes. Less than 5% of the deposit tonnage is in the oxide zone with just over 3% of the ounces.

Category	MTonnes	Au g/t	Au Kozs	Density t/m^3
Measured	0.17	2.35	13	2.59
Indicated	2.90	2.12	197	2.69
Inferred	3.13	2.15	216	2.71
Total	**6.19**	**2.14**	**426**	**2.70**

Validation of the block model consisted of visual comparisons of block grades with the drillhole data, a review of the global statistics for composites and block grades and a review of a previous resource estimate. Validation confirmed the modelling strategy as acceptable with no significant issues.

Exploration Potential

Substantial exploration potential exists in the immediate vicinity of the mineral zones within the interpreted mineral wireframes. An Exploration Target at a 0.75g/t Au cut-off of 9 to 20Mt at 1.8 to 2.2g/t for 0.5 to 1.0Moz is defined by using the results from the third estimation run and the unfilled blocks within the mineral wireframes.

The potential quantity and grade of the Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

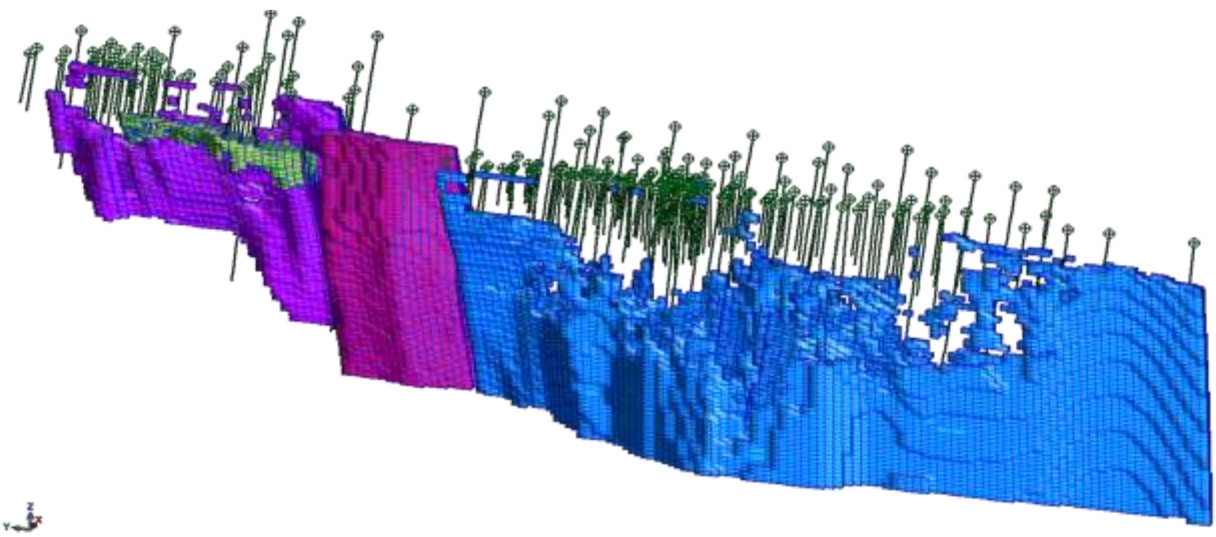

Figure 3 : BVS Deep Exploration Potential, (*colours = the 4 different mineral zones*).

Grade-Tonnage

A series of grade-tonnage values for a range of gold cut off grades for the global estimates are presented as a plot of the grade-tonnage curves (Figure 4).

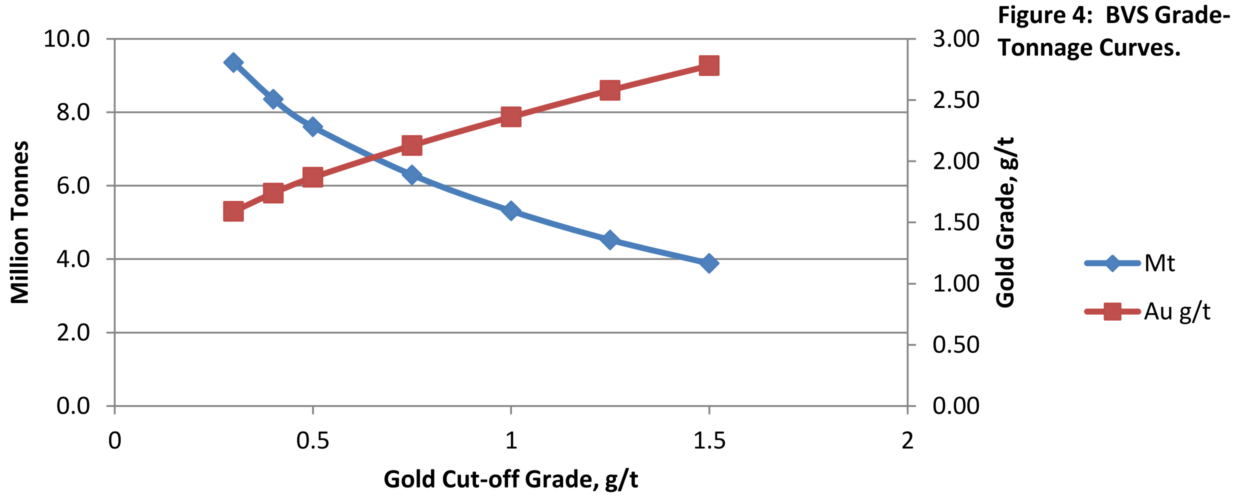

Figure 4: BVS Grade-Tonnage Curves.

Future Work

Based on the Exploration Potential, additional targeted infill drilling programs in the BVS/BVC deposit are required to upgrade the resource estimates. It is anticipated that a modest amount of drilling will allow for a substantial expansion of the mineral resource albeit in the Inferred Category. Future improvements will include standardisation of the drillhole database and improved capture of relevant data that will assist any upgrade in the classification of the estimates.

Wally Martin

MANAGING DIRECTOR

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.

The information in the report to which this statement is attached that relates to Mineral Resources and Exploration Targets for the BVS Deposit is based on information compiled by Simon Tear, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Tear is a Director of H&SC Consultants Pty Ltd. Mr Tear 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 Tear 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: Location Maps

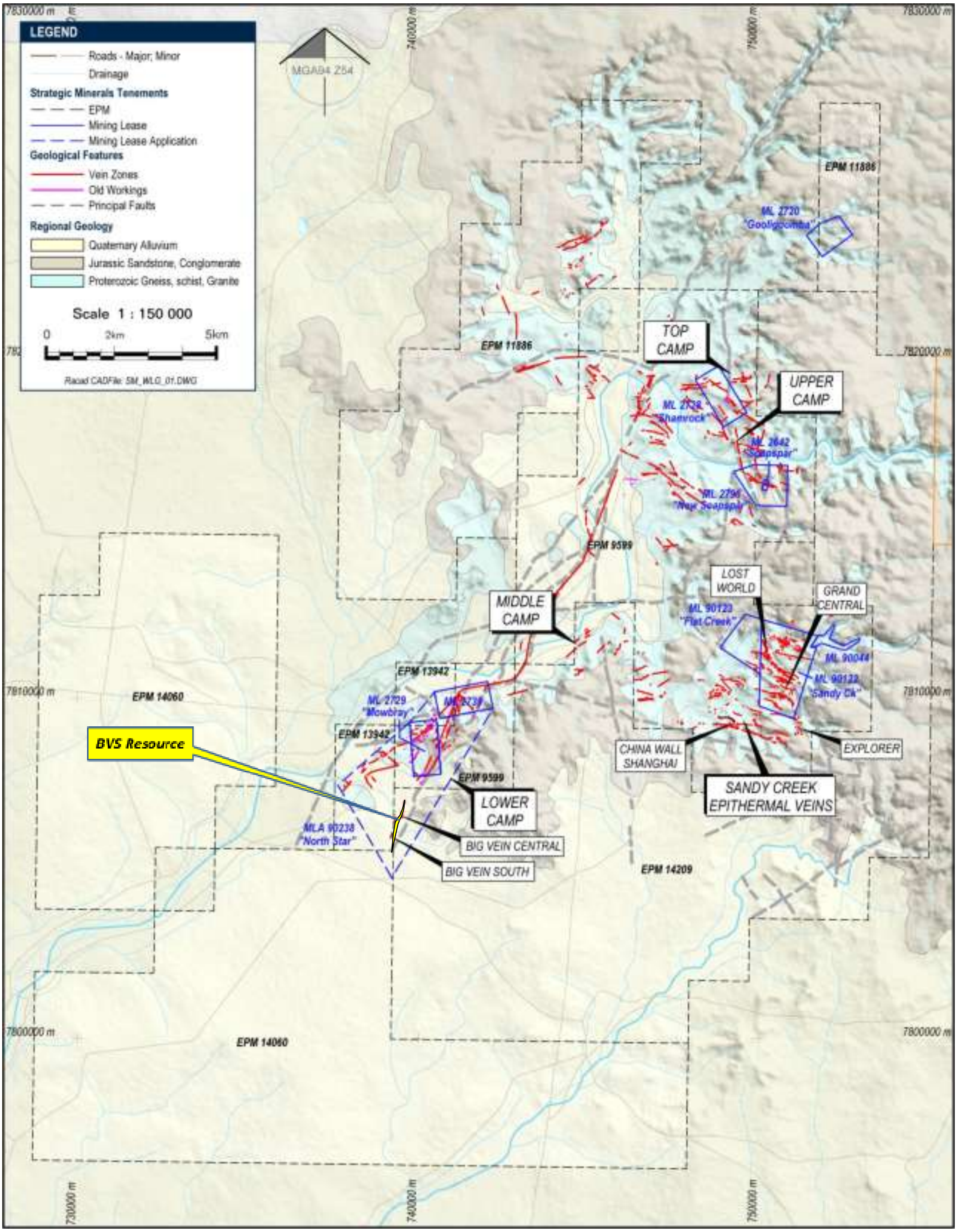

Figure 4: Simplified geological map of the Woolgar Project, highlighting the five main sectors (camps) and the Big Vein South and Central prospects, subject to this report and the resource in yellow.

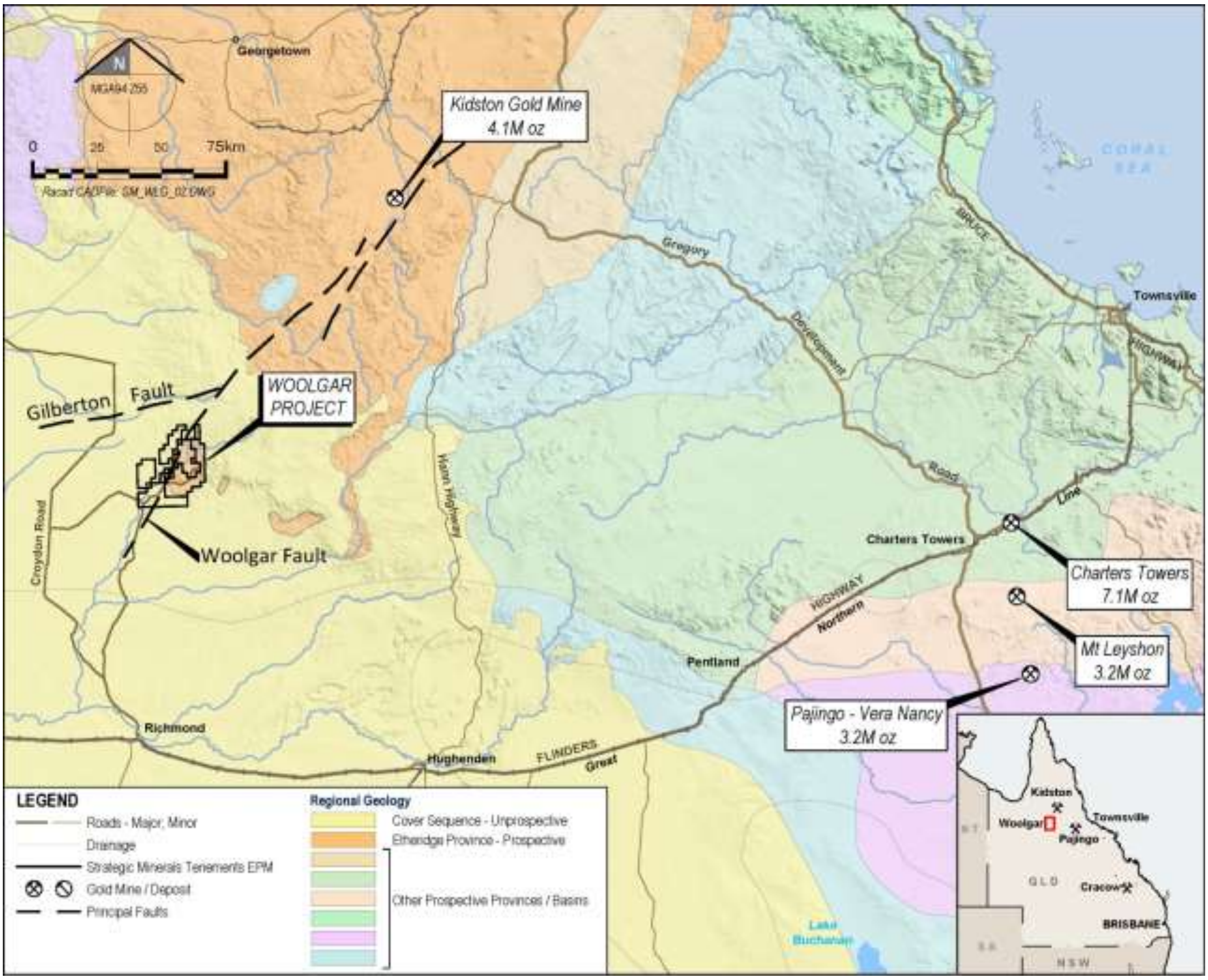

Figure 5: Location map of Woolgar, showing the regional provinces of northeast Queensland and significant gold deposits. As can be seen, the Woolgar Goldfield corresponds to an inlier (erosional window) of the highly prospective and historically productive Etheridge Province exposed within the overlying generally unprospective sedimentary cover sequences.

Appendix Two

Table 1: Summary of the resource estimates for other deposits within the Woolgar Project, excluding the previous resource estimates for the Big Vein South and Central areas. For the full resource statement (reported under the 2004 JORC Code & Guidelines) please refer to "QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st MARCH 2013" published 30th April 2013, available at www.stratmin.com.au

Resource Classification	Cut-off grade g/t	Tonnes	Gold Grade g/t	Contained Gold oz	Mineralisation Type & Sector
Big Vein Two					**Lower Camp**
Indicated	0.75	15,500	2.01	1,000	Mesothermal
Inferred	0.75	92,200	3.09	9,100	
Subtotal		107,700	2.93	10,100	
Big Vein					**Lower Camp**
Inferred	0.50	94,000	3.84	11,600	Mesothermal
Subtotal		94,000	3.84	11,600	
Soapspar					**Upper Camp**
Measured	0.40	1,667,000	0.91	48,800	Intrusion
Indicated	0.40	1,175,000	0.90	34,000	Related
Inferred	0.40	472,000	0.82	12,400	
Subtotal		3,314,000	0.94	95,200	
Lost World					**Sandy Creek**
Measured	0.40	11,182,000	0.90	323,600	Epithermal
Indicated	0.40	2,392,000	0.80	61,500	Low Sulphidation
Inferred	0.40	2,413,000	0.73	56,600	
Subtotal		15,987,000	0.89	441,700	
Grand Central & Camp					**Sandy Creek**
Indicated	0.40	2,157,000	1.18	81,600	Epithermal
Inferred	0.40	607,000	1.02	19,700	Low Sulphidation
Subtotal		2,764,000	0.86	101,300	
Explorer					**Sandy Creek**
Measured	0.50	884,000	2.04	58,000	Epithermal
Indicated	0.50	460,000	1.14	16,900	Low Sulphidation
Inferred	0.50	107,000	1.02	3,500	
Subtotal		1,451,000	1.68	78,400	
Explorer South					**Sandy Creek**
Inferred	0.50	1,516,000	0.88	42,900	Epithermal
Subtotal		1,516,000	0.88	42,900	Low Sulphidation
Shanghai & Finn					**Sandy Creek**
Indicated	0.80	104,000	3.29	11,000	Epithermal
Inferred	0.80	29,000	3.44	3,200	Low Sulphidation
Subtotal		133,000	3.33	14,200	
Total for Woolgar Project					
Total		**25,366,700**	**1.09**	**795,400**	

Note: This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Appendix Three

JORC Code, 2012 Edition – Table 1 BVS Gold Deposit

Section 1 Sampling Techniques and Data

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

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Sampling techniques</td><td>
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.
</td><td>
Sampling has used the reverse drilling (RC) method with some additional diamond core holes
Sample intervals were 1.0m for RC samples. RC sampling was carried out by the drill contractor using a cone-splitter integral with the recovery cyclone.
Core samples were selected and marked by SMC staff, then photographed, cut and prepared by ALS, Townsville. The core was sawn equally using a diamond-blade saw. One half of the core was selected for sampling.
Sampling generated approx 3kg samples that were sent to a commercial lab for analysis. Fire assay was the analytical technique using a 50g charge and AAS finish
Sampling and assaying has been to industry standard practice
Documented core handling and sampling procedures available
Sampling and assaying techniques are considered appropriate for deposit type.
</td></tr>
<tr><td>Drilling techniques</td><td>
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).
</td><td>
<table>
<tr><th colspan="5">Summary of drillholes and metres at BVS.</th></tr>
<tr><th>Year</th><th>Drilltype</th><th>Number</th><th>RC, m</th><th>DDH, m</th></tr>
<tr><td>2010</td><td>RC</td><td>11</td><td>654</td><td></td></tr>
<tr><td>2011</td><td>RC</td><td>45</td><td>3,708</td><td></td></tr>
<tr><td>2012</td><td>RC</td><td>79</td><td>5,369</td><td></td></tr>
<tr><td>2013</td><td>RC</td><td>42</td><td>5,047</td><td></td></tr>
<tr><td></td><td>PreC</td><td>7</td><td>596</td><td>499</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td></td><td>DDH</td><td>3</td><td></td><td>327</td></tr>
<tr><td>2014</td><td>RC</td><td>30</td><td>7,867</td><td></td></tr>
<tr><td>Totals</td><td></td><td>217</td><td>23,241</td><td>826</td></tr>
</table>

2008 to 2014 Reverse circulation drilling with 5¼’face hammer.
2013 & 2014l Diamond holes consist of digitally orientated HQ3 core.
Drilling techniques are considered appropriate for deposit type.

</td></tr>
<tr><td>Drill sample recovery</td><td>

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.

</td><td>

Core recovery was measured during logging. Average >99%.
2008 – 2013: RC reject weights were not recorded. The weights of all samples submitted for analysis were recorded. These were collected on integral cyclone splitters at a fixed 10:1 ratio to the overall sample. General RC sample recovery was noted on the sample control sheet. Any anomalies were brought to the driller’s attention.
2014: RC sample weights were recorded for 6 holes. Analysis of these results indicated high recoveries except for the top of hole samples and rare occasions downhole.
The reject and sample weights were compared for these holes, which indicated that the submitted weights are broadly comparable to the overall weights and therefore good recoveries with the RC drilling.
There is no obvious relationship between recovery and grade.

</td></tr>
<tr><td>Logging</td><td>

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.

</td><td>

Logging has consisted of hand written, detailed hardcopy log sheets that have been transcribed into digital data. In 2014 the hardcopy logging was replaced by using digital “toughbooks” to record the drilling information.
100% of RC chips logged on site using a qualitative system.
100% of RC chip trays and core trays photographed.
From 2008 - 2012, logging used a general system designed for district scale exploration. From 2013 a prospect specific logging system was introduced once focus centred on this resource area. Both systems are considered appropriate for resource estimation.
100% of core logged for geological and geotechnical purposes.

</td></tr>
<tr><td>Sub-</td><td>

If core, whether cut or sawn and whether quarter, half or all core taken.

</td><td>

RC samples were cone split integrally to the cyclone. Duplicates In virtually all cases samples were dry

</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
sampling techniques and sample preparation	• *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.*	• The core samples were sawn in half using a diamond-blade saw at 20° rotation from the orientation line to preserve that data. The same half of the core was selected for sampling for the length of the hole. • All sample preparation, sample sizes and analytical methods are deemed appropriate. • All laboratories were certified commercial laboratories working to best practices. • The QAQC programme used field duplicates for the RC drilling, Sample weights were also recorded. No field duplicates were taken for the core sampling. Lab duplicates (a 2^{nd} pulp) were taken for all types of samples. Coarse blank samples were used to observe contamination with the sample preparation. Screen fire assays were used to check for the impact of any coarse gold in the sample preparation • Field duplicate samples for all drilling campaigns were taken manually using an off-rig riffle splitter and were selected on geological criteria. • 2008 to 2012: one field duplicate per hole. Additionally second pulps (lab duplicates) were taken after milling of 1 in 20 samples on a fixed frequency and tested in the same lab. • 2013-2014: field duplicates were chosen on geological criteria in order to focus on more meaningful mineralised intercepts. Frequency varied from 1 to 6 per hole, depending on the width of intersection. • The field duplicates (162 samples) for the 2013-14 RC drilling indicated an approximate 10% bias for the original sample for samples with a gold grade >2g/t. The reason for this uncertain (could be splitting method) but needs to be investigated and monitored with future drilling • Lab duplicates taken at 1:26 intervals with duplicates indicating no bias, confirm the homogeneity of the sample preparation • The screen fire assays (54 samples) indicated no coarse gold issue with sample preparation • The coarse blanks (192 samples) were inserted on geological criteria (in conjunction with duplicates in order to maximize juxtaposition with higher grades) indicated no contamination issue with the sample preparation

Criteria	JORC Code explanation	Commentary
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.* • *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.*	• 2008 – 2012: Samples were prepared by SGS Australia Pty Ltd, Mineral Services Division in Townsville. Methods used were: gold by fire assay, AA finish 50 gram charge and Pb, Zn, +/- Ag & Cu by AAS. • 2013 – 2014: 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. • Fire assay for gold is considered a total analytical technique. • The analytical QAQC programme for the 2010-2011 period utilised standards. The amount of QAQC samples was very limited with insufficient data offering relatively inconclusive results. • 2010 – 2012: At least one standard per hole plus 120 umpire laboratory checks. • The 2013-2014 drilling campaigns implemented a substantial analytical QAQC programme comprising umpire laboratory checks and standards. • The 2013-2014 programme also included blank pulps. • 2013 – 2014: 4 different pulp standards of varying gold grades and umpire lab checks were used. Standards were inserted on a fixed 1:20 ratio. A total of 156 umpire lab checks were reported. • The standards indicated an acceptable level of accuracy for the assays for all the drilling programmes. • The blank pulps indicated no contamination issues. • The umpire lab checks indicate no issues except for the 2013 samples with gold grades above 2g/t, which indicated an approximate 10% bias towards the original sample. This needs to be investigated with some additional check sampling
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.*	• No independent verification has been conducted at this stage. • Logging has consisted of hand written, detailed hardcopy log sheets that have been transcribed into digital data. In 2014 the hardcopy logging was replaced by using digital "toughbooks" to record the drilling information. • Laboratory results were received digitally in CSV spreadsheets and

Criteria	JORC Code explanation	Commentary
		certified pdf formats, as well as hard copy. The CSV were loaded into the database and verified by the Project Geologist. • Core and chip tray digital photographs are available for all drilling. • Twin Holes: Attempts were made in 2013 to twin two RC holes from the 2012 drilling with diamond holes, limited by physical constraints on the platforms. It shows significant variability in gold grade for an interpreted similar mineral interval. This would imply poor to moderate grade continuity for the gold on a very local scale. Also of interest is that neither the RC nor the diamond gold intercept average grades are consistently higher than the other suggesting no bias with the drilling methods. • No checks have been completed between original assay sheets and entered data. • Simple error checking of the drillhole database has been completed by H&SC including duplicate entries, incorrect hole depths and overlapping samples. Visual checks have been made for excessive deviation of drillholes • Data entered onto Excel spreadsheets before loading into an Access database • No adjustments made to assay data except for replacement of below detection values with a default low grade value of 0.005ppm. Adjustments to the geological codes from the logging were made by H&SC in the Access database to facilitate the 3D geological interpretation
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.*	• Drill collars were surveyed in using a Trimble DGPS undertaken by Strategic personnel. Collar data was supplied in MGA94 Zone 56 grid projection. • Downhole surveys for the 2010-2012 drilling were measured using a digital single shot Reflex instrument at 30m and then every 30m. No surface measurement was included for most holes but some holes only had a surface measurement. The 2013-2014 drilling used the same measuring instrument but with a surface sighted measurement and downhole readings approximately every 50m. • In 2014 the deeper holes tended to plunge steeply. Any deviation was controlled by the removal, and occasional replacement, of the rear stabiliser in order to control the plunge. This caused a

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>shortening of the rod-string by 0.5m, which was then taken into account by the drillers and field crew to modify the sampling rhythm accordingly. No variation to the drill intervals resulted.
• Core orientation used a Reflex Digital tool.
• Primary topographic control utilises the DGPS data. Topographic data was supplied by Strategic as gridded data (processed SRTM data) which was exported to Surpac and combined with surveyed collar data to create a 3D surface.
• Topographic control is considered adequate given the very subdued relief in the resource area.
• To facilitate the resource modelling the data was rotated 10° anti-clockwise to a local N-S grid, are details of which included below.

<table>
<tr><th colspan="2">MGA94 Zone 56 Coordinates</th><th colspan="2">Local Grid Coordinates</th></tr>
<tr><td>Y1</td><td>7,805219.280</td><td>Y1</td><td>50,000</td></tr>
<tr><td>X1</td><td>739,143.282</td><td>X1</td><td>10,000</td></tr>
<tr><td>Y2</td><td>7,807,188.896</td><td>Y2</td><td>52,000</td></tr>
<tr><td>X2</td><td>739,490.578</td><td>X2</td><td>10,000</td></tr>
</table>
</td></tr>
<tr><td>Data spacing and distribution</td><td>• 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.</td><td>• Drillhole collar spacings varied from 12 to 50m where stepping back on previous results to 200m step-outs where prospecting along strike. This is considered suitable for the exploratory nature of this program.
• Most holes are steeply dipping to grid west. Angled holes have a range of dips from 45^{o} to 85^{o}
• Downhole sampling interval is generally 1m but can range from 0.4 to 2m in core. 1m was the default.
• Drilling depth is generally to -175mRL with starting elevations ranging from 60 to 190mRL. Max depth of drilling is generally 350m
• No sample compositing was used.</td></tr>
<tr><td>Orientation of data in relation to</td><td>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.
• If the relationship between the drilling orientation and the orientation</td><td>• Drilling is generally at high angles to a steeply dipping zone of gold mineralisation; some of the deeper holes have shallower angles of intersection.
• Extents to mineralisation have not yet been properly established</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
geological structure	*of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling orientations are appropriate with no bias.
Sample security	• *The measures taken to ensure sample security.*	• Samples were bagged in rice-sacks with 5 samples per sack. These were then returned to the camp daily and deposited in caged pallets for shipment. Shipment was by SMC chartered lorry to a private depot in Richmond and then via a transport company direct to the lab in Townsville.
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. • Sampling procedures and data quality for the 2013-2014 drilling was reviewed by H&SC and was found to be acceptable overall

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 5 EPMs, 8 MLs and an ML application. 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:

License No	Date Granted	Area	Interest	Comments
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

Criteria	JORC Code explanation	Commentary
		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 EPM 13942 09/11/06 15 sq km 100% Granted
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Lower Camp was partially explored during the 1990's, until attention focused on the Epithermal veining ~12km to the northeast. • This included localised geological mapping and sampling, and limited drill-testing of principal targets. None of this work identified the potential of the Big Vein South and Central deposits and no drilling occurred on these prospects 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 new project management reviewed the available data 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. • It is shear hosted within the regional-scale Woolgar Fault Zone. • It consists of quartz and quartz-carbonate veins, mineralised tectonic breccias, stockworks and veinlets. • 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

Criteria	JORC Code explanation	Commentary
		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.
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.*	• Exploration 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.*	• Exploration results not being reported.
Relationship between mineralisation widths and	• *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*	• Exploration results not being reported.

Criteria	JORC Code explanation	Commentary
intercept lengths	*should be a clear statement to this effect (eg 'down hole length, true width not known').*	
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.*	• Exploration results not being reported.
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.*	• Exploration results not being reported.
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.*	• Exploration results not being 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.*	• Exploration results not being reported.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• Data collated by Strategic from a mixture of hardcopy and digital logging
		• Responsibility for the data resides with Strategic
		• Checks completed by H&SC include:
		  • Data was imported into an Access database with indexed fields, including checks for duplicate entries, unusual assay values and missing data.
		  • Additional error checking using the Surpac database audit option for incorrect hole depth, sample/logging overlaps and missing downhole surveys.
		  • Manual checking of logging codes for consistency, plausibility of drill hole trajectories and assay grades. Modifications made to lithology codes for easier use in interpretation.
		  • Assessment of the data confirms that it is suitable for resource estimation.

Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Alistair Grahame, Senior Geologist & Project Manager for Strategic completed numerous site visits, supervised logging from 2013 onwards, and has reviewed much of the drill core and RC chips, and all geological mapping and interpretation. • No site visit to the project was completed by H&SC due to the camp and project not being accessible during the resource estimation period.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Interpretation of the drillhole database allowed for the generation of 3D mineral constraining solids and geological surfaces for a combination of 12.5 and 25m spaced sections. • Four mineral zones, the Southern, Central, Northern and Flat, were defined using logged geology, sulphur and aluminium assays, a nominal gold cut-off grade of 0.1g/t and geological sense. The elevated sulphur assays act as a proxy for the auriferous pyrite mineralisation and low aluminium values act as a proxy for the host rock dilution associated with the silica veining. The Flat zone is interpreted to abut the footwall side of the Northern zone of

Criteria	JORC Code explanation	Commentary
		mineralisation • Geological surfaces were created for the base of Phanerozoic cover, the base of complete oxidation, base of partial oxidation and two small scale cross cutting and offsetting fault structures. • A lack of drilling indicates the mineralisation is open along strike and at depth. An occasional drillhole has terminated in significant gold mineralisation • Oxidation due to weathering has been defined by logged codes and low value sulphur assays. There is no evidence of gold enrichment or depletion in the oxide zone • Geological understanding appears to be good and appropriate for resource estimation • Alternative interpretations are possible for the mineral zone definition but are unlikely to significantly affect the estimates. • The style of mineralisation and the orebody type means there is a strong structural control to the grade and geological continuity. Structural controls include quartz sulphide veining and silicification within a ductile shear zone and cross cutting faults offsetting the mineralised structure. There is a horizontal band of high grade material between 170m and 210m below surface associated with some unknown structural or lithological feature.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Southern, Central and Northern mineral zones are steeply east dipping structures aligned along strike covering 1.5km to a depth of 380m below surface. Locally the mineralisation expands out to 60m downhole widths and is exposed for at least 500m of strike. The Flat zone has strike of 250m with a dip length of 100m and a thickness between 20 & 45m. It is approximately 100m below surface • The resource is divided into 2 zones, Southern & Northern (including the Flat zone) with 700 and 400m of strike length respectively, to a max depth of 250m below surface
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• The gold block grade was estimated using Ordinary Kriging in the GS3M software with the block model loaded into the Surpac mining software for validation and resource reporting. • H&SC considers Ordinary Kriging to be an appropriate estimation technique for this type of gold mineralisation. • There is no correlation between gold and any other elements eg Cu,

Criteria	JORC Code explanation	Commentary
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Ag, Pb & Zn • H&SC created 4 mineral zones which were treated as hard boundaries during estimation. The base of complete oxidation and the base of partial oxidation were treated as soft boundaries • The absence of extreme values and high grade clustering precluded the need for top-cutting. • A total of 7,053 one metre composites were used to estimate the mineralised bedrock. • Domaining was limited to the mineral zones, and to spatial orientations of search ellipses based on the geological dip and strike for the more complex Southern zone. • No assumptions were made regarding the recovery of by-products. • Variography was performed for gold composite data for the mineralised bedrock. Grade continuity was reasonable in both the downhole and the directional variograms mainly due to areas of denser drilling in the Southern and Northern zones. • Drill holes are on relatively regular but variably spaced grids with a nominal spacing of 12.5 by 12.5m increasing to 25 by 25m to 50 by 50m and ultimately to 100m by 100m. Block dimensions are 5x10x5m (E, N, RL respectively). The Y-axis dimension was chosen as a compromise that it is nominally half the drill hole spacing. The X-axis direction was a compromise between the drilling data and the variable width of the deposit. The vertical dimension reflects downhole data spacing in conjunction with possible bench heights. Discretisation was set to 3x5x3 (E, N, RL respectively). • Modelling used an expanding search pass strategy with the initial search radii based on the detailed drill spacing increasing to take in the geometry of the mineralisation and the variography. Modelling consisted of two estimation runs, the first with 2 passes and the second with 3 passes. The minimum search used was 4m by 15m by 15m and expanding by 15m increments in the Y and Z directions to a maximum of 60m (to 16m in the across strike, X, direction). The minimum number of data was 12 samples and 4 octants. An additional estimation run of a further 3 passes was used to generate an Exploration Target with the maximum search of 10m by 125m by 125m.

Criteria	JORC Code explanation	Commentary
		• The maximum extrapolation of the estimates is 60m. • The estimation procedure was reviewed as part of an internal H&SC peer review. • No deleterious elements or acid mine drainage has been factored in. • The final H&SC block model was reviewed visually by H&SC and it was concluded that the block model fairly represents the grades observed in the drill holes. H&SC also validated the block model statistically using a variety of histograms and summary statistics and comparison with a previous resource estimate. • Validation confirmed the modelling strategy as acceptable with no significant issues. • No production has taken place so no reconciliation data is available.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry weight basis; moisture not determined.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• 0.75 g/t gold cut off used, constrained to the mineral wireframes with a partial percent volume adjustment • The cut-off grade at which the resource is quoted reflects an intended bulk-mining approach
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• H&SC's understanding of a bulk mining scenario is based on information supplied by Strategic. • The model block size (5x10x5m) is the effective minimum mining dimension for this estimate. • Any internal dilution has been factored in with the modelling and as such is appropriate to the block size.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• A simple grinding and CIL plant operation is envisaged by Strategic • It is assumed that there will be no significant problems recovering the gold. • No penalty elements identified in work so far

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The area lies within flat terrain with broad watercourses • The area is covered with sparse vegetation typical of that part of North Central Queensland • No environmental studies have been completed by Strategic.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vughs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Default density values for mineralisation and waste rock were derived from 274 samples (using the Archimedes method) including 101 fresh rock mineral and 19 oxide mineral samples. • The impact of oxidation is considered modest both in intensity and depth of penetration; with only low levels of sulphide in the mineralisation, oxidised material is quite competent with no significant vugginess. • Allocation of density grades and oxidation levels to the block model was achieved by using the mineral wireframes and oxidation surfaces in relation to the block centroid. • More density test work is required in order to raise the confidence of the resource estimate.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral resources have been classified on sample spacing, grade continuity, QAQC and geological understanding. • All other relevant factors have been taken into consideration eg topographic data, drilling methods, density data, etc. • Classification has included Measured, Indicated & Inferred Resources • The classification appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits completed. The estimation procedure was reviewed as part of an internal H&SC peer review. An Ordinary Kriged check model using a different block size was produced by H&SC. The tonnage, grade and classification of the check estimate agreed well with the primary resource estimate.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the Competent Person's experience with similar deposits • The geological nature of the deposit, composite/block grade comparison and the modest coefficients of variation lend themselves to reasonable level of confidence in the resource estimates. • There is some small scale clustering of grade or localised domains of different grade • The Mineral Resource estimates are considered to be reasonably accurate globally, but there is some uncertainty in the local estimates due to the current drillhole spacing. • No mining of the deposit has taken place so no production data is available for comparison.