



29th January 2016

ASX Release

ASX Code: SMC

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st December 2015

WOOLGAR GOLD PROJECT QUEENSLAND (100% SMC)

Highlights from the December Quarter include:

- Updated global resource for Big Vein South of 10.24Mt at 2.03 g/t, containing 667,000 oz. gold at a 0.75g/t cut-off. For full details of these results, please refer to "Resource Update for Big Vein South" issued on 8th December 2015, available at www.stratmin.com.au.

Table 1 Global Resource Summary

Category	Mt	Au g/t	Au Kozs	Density t/m ³
Measured	0.17	2.17	12	2.59
Indicated	4.38	2.01	283	2.69
Inferred	5.69	2.03	371	2.71
Total	10.24	2.03	667	2.70

- Completed a reconnaissance mapping program to help plan and prioritise exploration for 2016 and beyond. This focussed on areas identified from recent field and data studies as being prospective targets to roll-out the successful exploration strategies that discovered BVS, including Caledonia (western Lower Camp), Belle Brandon and Union.
- Preparations for the 2016 field program, including:
 - Detailed compilation and analysis of the 2015 results in light of the recent project review.
 - Commencement of detailed planning for the 2016 exploration program, likely to include:
 - Continued advancement of the BVS deposit with further drilling, engineering and environmental studies;
 - Target generation and definition programs over multiple prospective targets; and
 - Reconnaissance drilling of selected targets throughout the Woolgar Project.



Resource Update for Big Vein South

On June 9th, 2015, the company announced a substantial update to the resource at Big Vein South. This update, see Table 1, follows the earlier release of the Resource Update for Big Vein South and Central prepared in May 2015. Both updates have been prepared by H&S Consultants Pty Ltd (H&SC), an independent consultancy, on behalf of Strategic and are reported according to the 2012 JORC Code & Guidelines.

- Resource update incorporates the recent drilling that successfully tested the previously announced exploration targets between the two existing resources, see Figure 1.

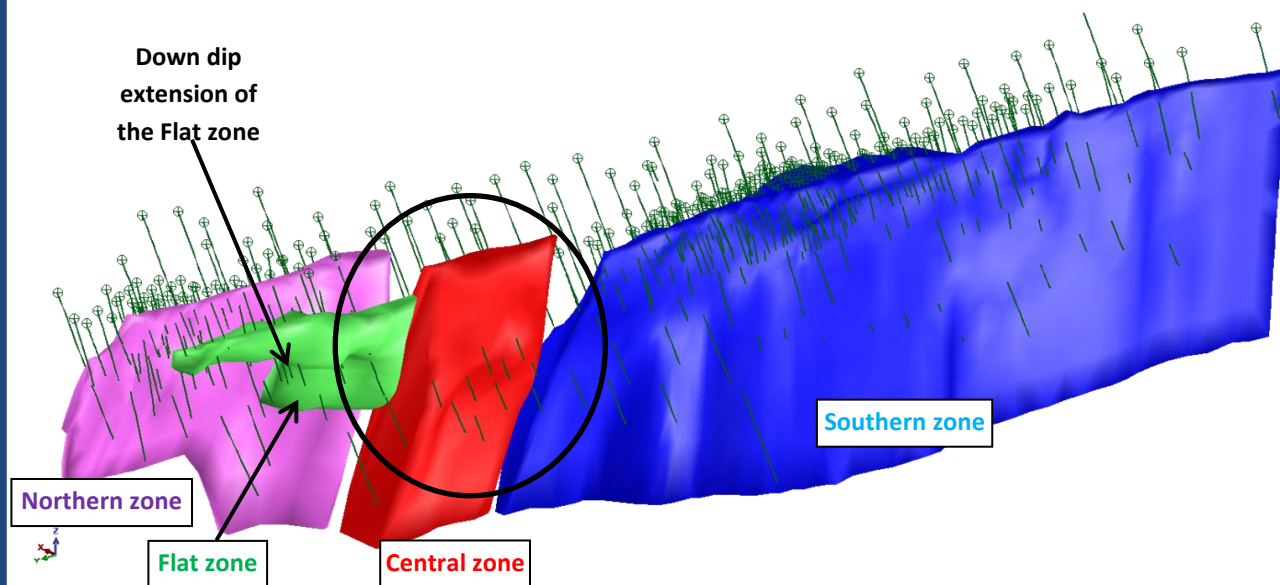


Figure 1: Geological Interpretation of the Mineral Zones at B, showing drillhole locations and the focus of the recent drilling = black circle.

- Substantial exploration potential exists to delineate further resources, with an Exploration Target at a 0.75g/t Au cut-off of 10 to 20Mt at 1.8 to 2.1g/t for 0.75 to 1.25Moz. 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.

The BVS mineralisation comprises deformed, auriferous, quartz-sulphide veins with pervasive silica alteration. Host rocks consist of Proterozoic-aged, amphibolite grade quartz-feldspar-biotite-mica schists within a ductile deformation zone. The type of mineralisation is a mesothermal vein style. Structurally the deposit appears to be controlled by an upright sigmoidal development during ductile deformation with subsequent brittle offset faulting producing three main zones. A fourth zone appears as a splay structure to the Northern zone of the main sigmoidal structure.

Resource classification is based primarily on the drillhole spacing (and hence the 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 2.6% of the deposit tonnage is in the oxide zone with just under 2% of the ounces. The block grade distribution is shown below.

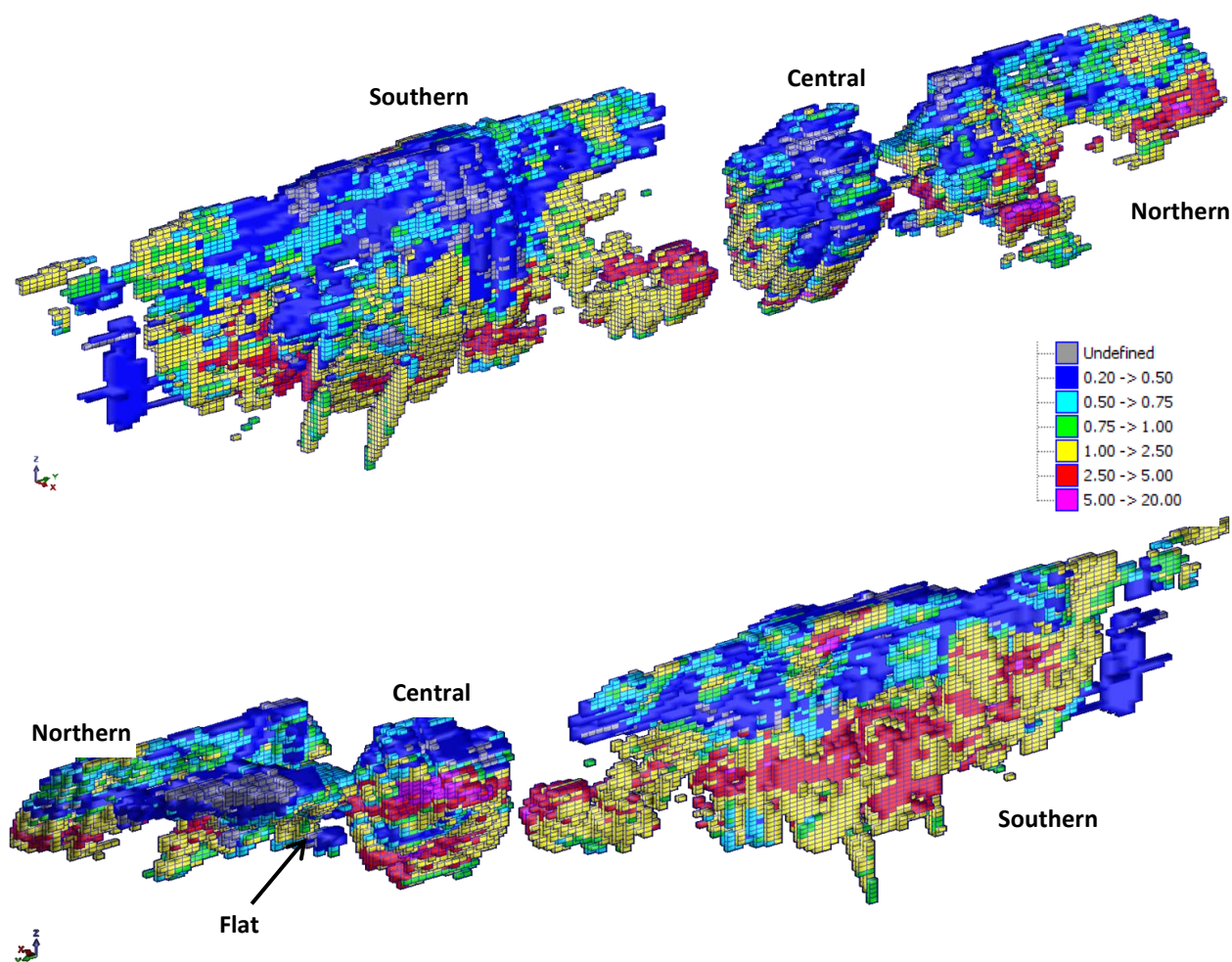


Figure 2: December 2015 BVS Resource Estimate: - Gold Block Grade Distribution. Upper figure: View looking down to grid northwest. Lower figure: View looking down to grid south east.

The new resources estimates represent a 65% increase in tonnes with a 5% drop in grade and a 57% increase in the number of ounces. The vast majority of this has come from the newly defined Central zone which was the prime target for the recent drilling. The May 2015 modelled figures for the Central zone Passes 5- 8 were 4.2Mt @ 1.76g/t for 238,500ozs, the new drilling has partly tested the Exploration Target yielding an estimate figure of 2.8Mt @ 2.08g/t for 189,750ozs. Additions to the new resource estimates have come from the other three zones. The number of gold ounces in the Northern zone has been increased by 36,000 (approximately 82% increase) due to higher grades associated with a substantial thickening in the deposit at its southern end. There is a 40% increase in ounces for the Flat zone (9,400) mainly due to the newly interpreted steeper down dip extension, whilst the Southern zone has increased by 5,500 ozs (a 1.5% increase).

The majority of the resource seems to occur as a flattish east dipping zone at depths of 100 to 150m below surface as noted in the above figure.

Figure 3 below shows the new resource estimates relative to the May 2015 figures. The newly defined Central zone is clear to see along with the substantial thickness increase associated with the southern end of the Northern zone.

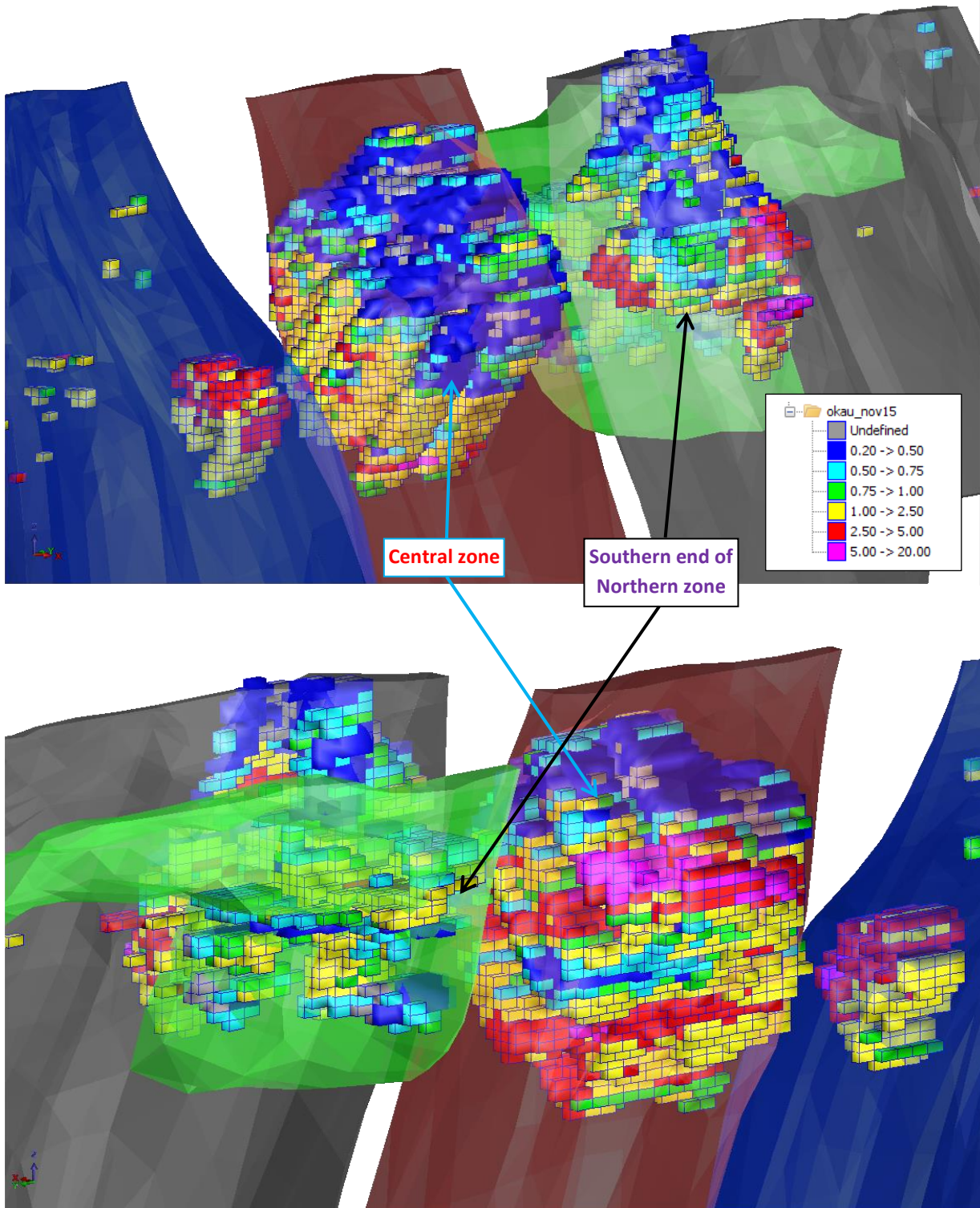


Figure 3: Additional resource blocks shown within the interpreted geological wireframes (Upper looking down to grid northwest, Lower looking down to grid southeast.)

Exploration Potential

Substantial exploration potential exists in the immediate vicinity of the mineral zones within the interpreted mineral wireframes but generally at depth i.e. down dip (see Figure 4 below). An Exploration Target at a 0.75g/t Au cut-off of 10 to 20Mt at 1.8 to 2.1g/t for 0.75 to 1.25Moz is defined by using the estimation results from passes 5 to 8 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.

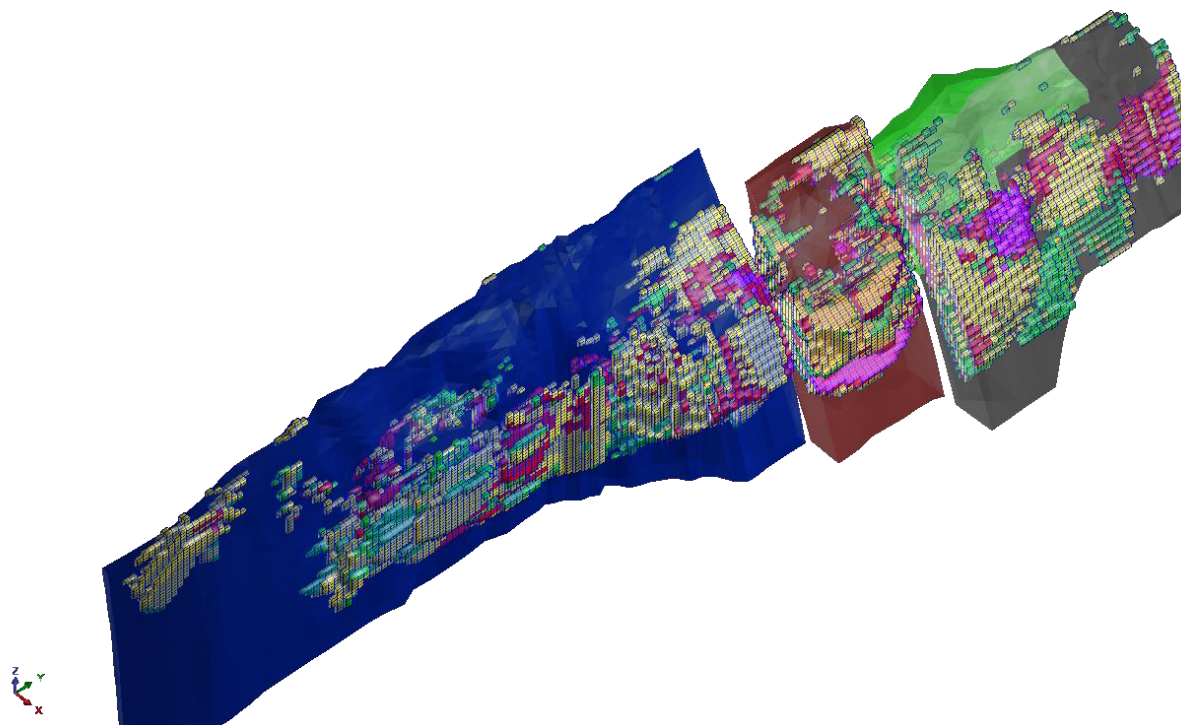


Figure 4: Exploration Potential shown within the geological model wireframe.

Future Work

Based on the Exploration Potential, additional infill drill programs are required to upgrade the resource estimates. However H&SC anticipates that only a modest amount of drilling is needed for a substantial expansion of the mineral resource albeit in the Inferred Category and generally at greater depths

Additional Resource Estimates (2004 JORC Code & Guidelines) Epithermal and Intrusive Style Mineralisation Zones.

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.

The additional global resource estimates, excluding the previous and new resource estimates for the BVS area, are 25.4 M Tonnes 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. 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

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.



Project-wide Exploration

During 2015, Strategic conducted a project-wide review of all available data on the Woolgar district, returning wherever possible to the original data in order to reappraise the whole of the project in the context of the recent successful programs, improved geological understanding and with the benefit of all available data. The first phase of this, in the first half of the year, successfully assessed and prioritised targets based on the data from previous exploration. Figure 5 below highlights existing resources and new priority targets.

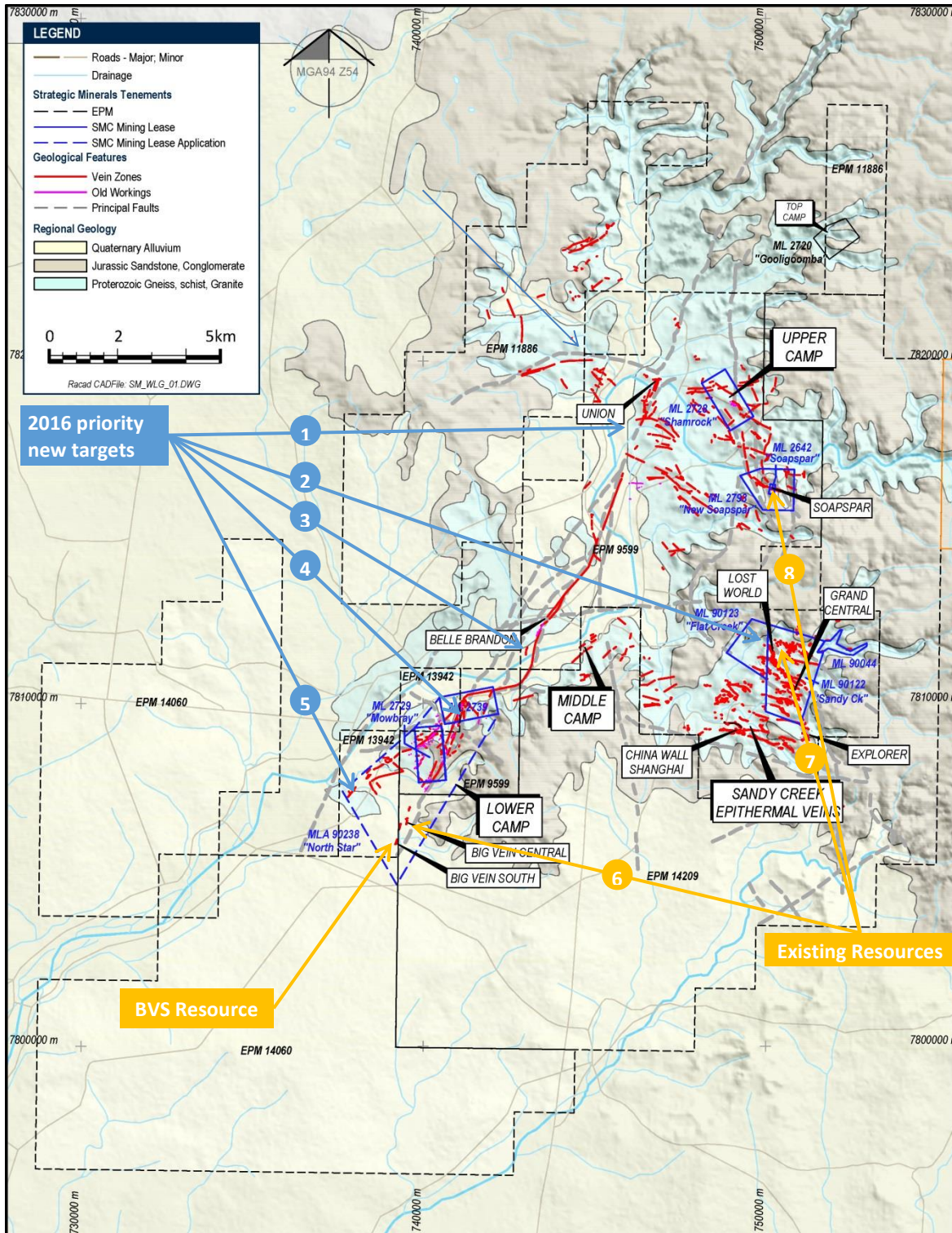


Figure 5: Simplified geological map of the Woolgar Project, highlighting the five main sectors (camps) and the Big Vein South prospect, the principle exploration focus since 2012. The new prioritised targets for exploration during 2016 are: ① Union, ② Lost World Extension, ③ Belle Brandon, ④ Ironclad and ⑤ Caledonia. The existing resources are ⑥ BVS, ⑦ Sandy Creek epithermal veins and ⑧ Soapspar intrusive related gold.



The limitation of this program is that the different prospects were explored at different times, using varying methods such that direct comparisons rely on large assumptions and can be affected by the relative amounts of data or opinions of the previous workers.

During the second half of the year, the most prospective of these targets were reconnaissance mapped in the field in order to better compare and prioritise these targets. This included rapid field traverses, reconnaissance mapping, outcrop sampling and limited IP surveys.

This has effectively delineated multiple programs to run concurrently. These are, in order of priority:

1. Continued expansion, upgrading and advancement of the recently discovered resource at BVS;
2. Widening of the exploration focus to further similar prospects in the Lower Camp;
3. Reappraisal and renewed exploration of the epithermal vein system at Sandy Creek; and
4. Target generation and preliminary drilling of several IRGS, epithermal and mesothermal targets in the Upper Camp, around Union in particular.

These programs are already underway and will be expanded into 2016.

Reconnaissance Mapping

During the December Quarter, a limited program of reconnaissance mapping was undertaken to further advance the prioritisation of multiple prospects and aid planning of exploration programs for 2016. The work targeted the Lower Camp in order to maintain a focus around the current main resource, and also to the north around Union.

Initial Results from Fieldwork

Detailed mapping of the Mowbray NE and Ironclad targets has confirmed their high priority status along with the exploration targets at Belle Brandon and in the west of the Lower Camp at Caledonia.

At Belle Brandon previous minor drilling is seen to improve progressively to the south where the drilling cuts off at the limit of basement exposure. Fieldwork identified that this actually apparently aligns with the significant historic working at Ada, 600 metres to the south, and that the aeromagnetic survey suggests a continuous structure. This concept will be tested with further IP and drilling in 2016.

At Caledonia, extensive old workings were mapped to demonstrate a series of en-echelon sigmoidal trends bracketed by the main Mowbray trends, then clusters of workings around the intersections of these with granitic dykes. These are considered to be highly-prospective structural and rheologically controlled targets and follow-up mapping and sampling in 2016 will be followed by further field work.

A handwritten signature in black ink, appearing to read 'Wally Martin'.

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.



Appendix One: Project Location, Overview and Geological Setting

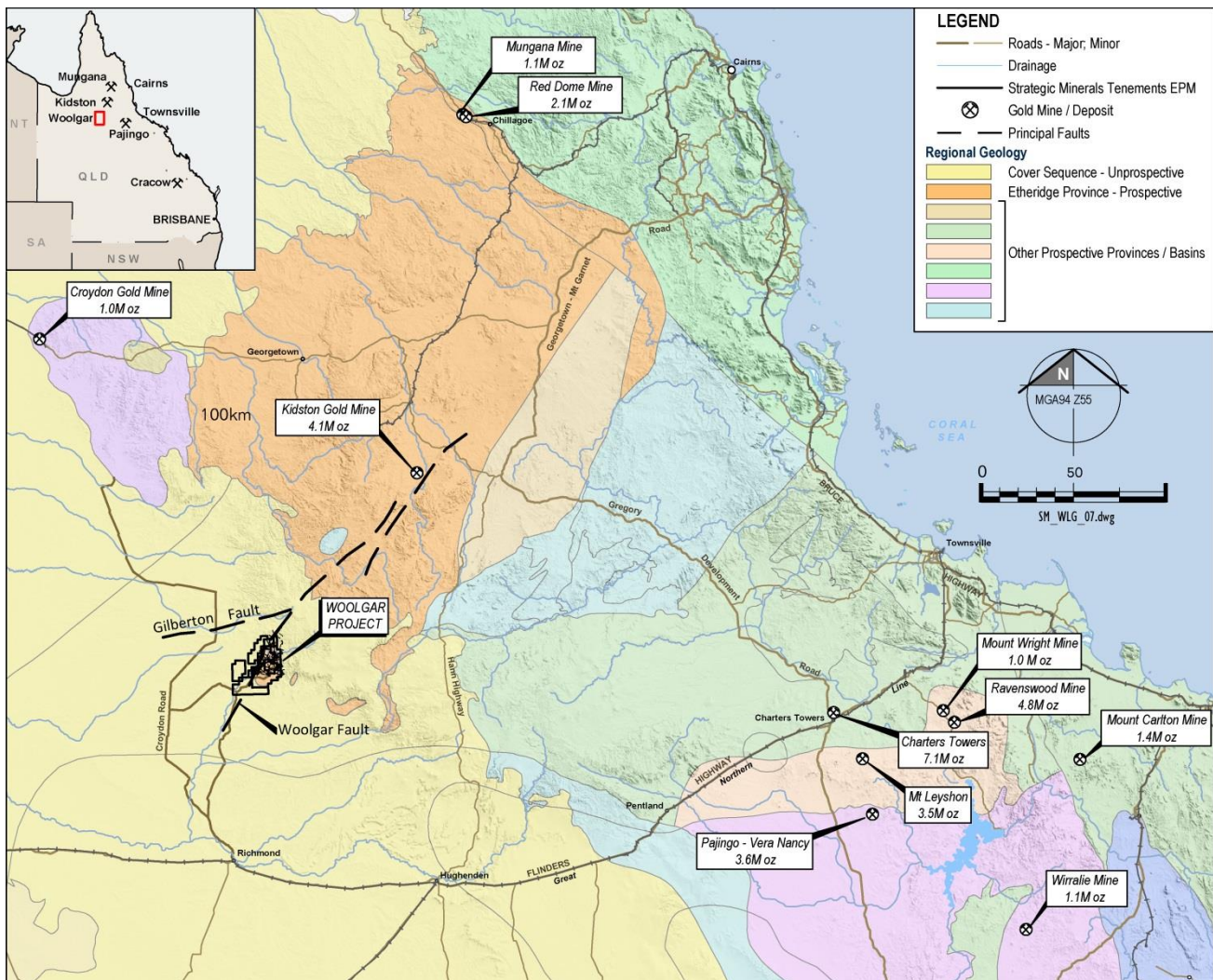


Figure 6: Geological location map of the Woolgar Project showing principle road and rail infrastructure, and the regional geological provinces. The deposits shown are existing epithermal, mesothermal and IRGS gold deposits greater than 1Moz throughout Northeast Queensland, which are considered to be of comparable ages, styles and occurrences to the known mineralisation at Woolgar. 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.

The Woolgar Project consists of exploration permits and mining leases, in central north Queensland over a window of basement rocks within younger sedimentary cover. Initial exploration work targeted widespread historic workings from alluvial and reef mining from a gold rush in the 1880’s, see Figure 5.

Strategic has identified three styles of mineralisation at Woolgar: epithermal vein deposits at Sandy Creek, mesothermal veins along the WFZ and intrusive related mineralisation (IRGS) in the Upper Camp, as well as the alluvial gold associated with these. The Company has published resources from all three styles of mineralisation, see www.stratmin.com.au.

The Company’s recent focus has been on the mesothermal veins in the Lower Camp area, but is now expanding its activities to reappraise the epithermal and IRGS, as well as further mesothermal veining.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

STRATEGIC MINERALS CORPORATION NL (SMC)

ABN

35 008 901 380

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(201)	(1,132)
(b) development	-	-
(c) production	-	-
(d) administration	(147)	(620)
(e) project development costs	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	27
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(347)	(1,725)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(347)	(1,725)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(347)	(1,725)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	759	759
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	759	759
	Net increase (decrease) in cash held	412	(966)
1.20	Cash at beginning of quarter/year to date	402	1,780
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	814	814

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	58
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors payments, corporate management fees paid to associated company

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
4.3	Production	-
4.4	Administration	100
Total		300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	145	19
5.2	Deposits at call	669	383
5.3	Bank overdraft	-	-
5.4	Other: Refundable Guarantees	-	-
Total: cash at end of quarter (item 1.22)		814	402

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

Project / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
<ul style="list-style-type: none"> ☑ Woolgar Gold Project <ul style="list-style-type: none"> ▶ EPM 11886 Woolgar W ▶ EPM 9599 Woolgar C ▶ EPM 14209 Woolgar S ▶ EPM 14060 Woolgar E ▶ EPM 13942 Steam Engine ▶ ML 2642 Soapspar 1 ▶ ML 2793 Soapspar 2 ▶ ML 2729 Mowbray 3 ▶ ML 2739 Mowbray ☑ Woolgar Uranium Project <ul style="list-style-type: none"> ▶ ML 2728 Perseverance ▶ ML 90044 Sandy Creek Dam ▶ ML 90122 Sandy Creek Plant 	Australia	100%	0%	0%
	Australia	100% ⁽¹⁾	0%	0%

⁽¹⁾ Owned through control of Alpha Uranium Limited (wholly owned subsidiary of Strategic)

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				

Appendix 5B
Mining exploration entity quarterly report

Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	860,621,428	860,621,428		
7.4 Changes during quarter				
(a) Increases through issues	35,448,100	35,448,100	2.1 cents	2.1 cents
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Nil		<u>Exercise price \$</u>	<u>Expiry date</u>
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Signed:

Dated: Friday, 29 January 2016

Company Secretary

Print name: JAY STEPHENSON

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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