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**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDED 31 MARCH 2013**

**WOOLGAR GOLD PROJECT QUEENSLAND
(Strategic Minerals Corporation N. L. (Strategic) 100%)**

The Company is pleased to report the following results of its 2012 drill program at Woolgar and the updated gold resource estimates for the project, including for the Big Vein South (Southern) and Big Vein gold deposits. Also initial resource estimates were made for the Big Vein South (Central) and Big Vein # 2 areas. The resource estimates for these four areas were completed during the reporting quarter.

LOWER CAMP – The Big Vein Structure (LCRC Series holes)

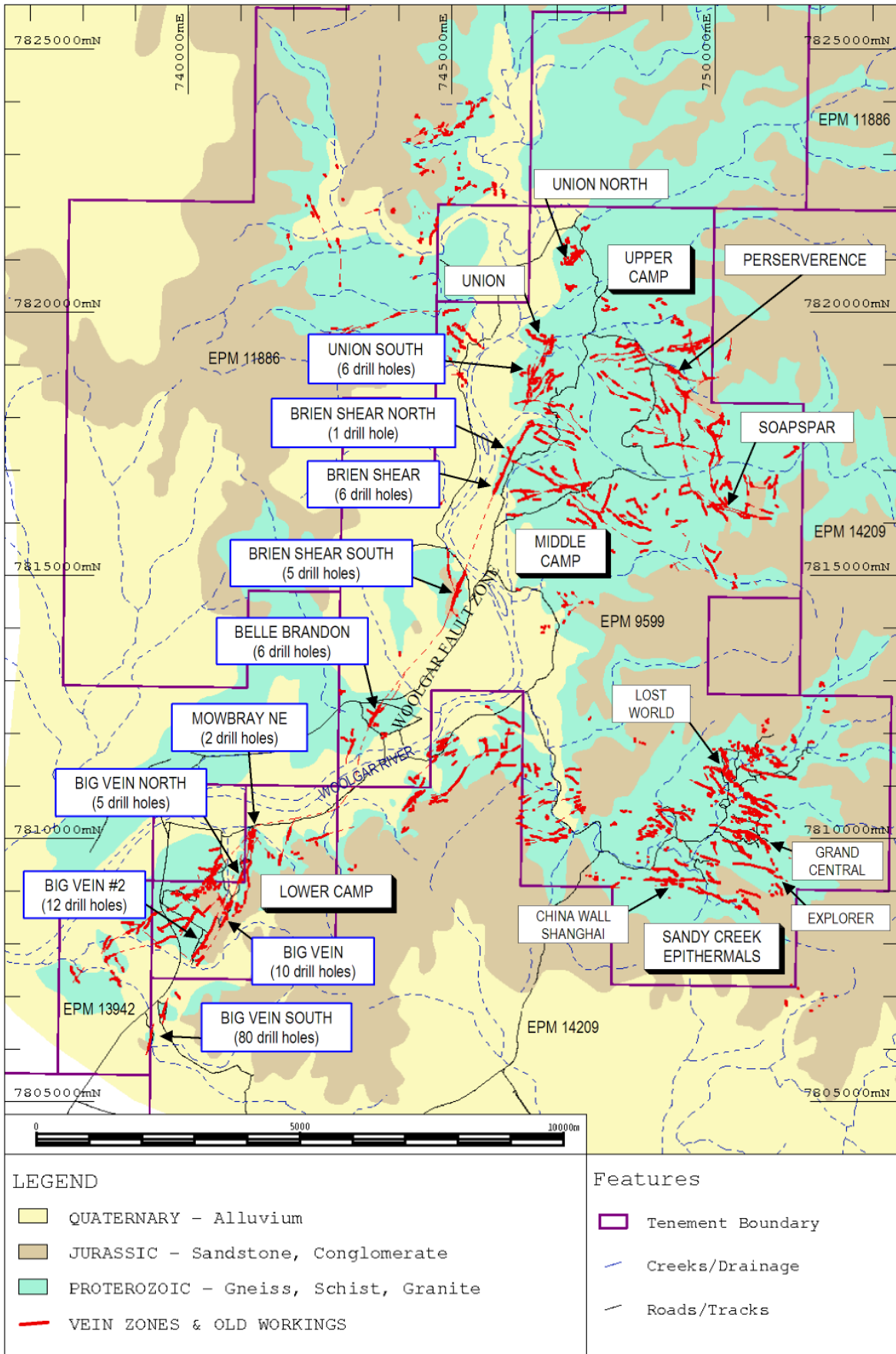
The Big Vein structure that contains the Big Vein South, Big Vein #2 and Big Vein prospects is continuing to expand the identified gold mineralisation of economic grade. The Big Vein structure is part of the Woolgar Fault zone and is located in the southern-central portion of the tenure area (See Figure 1).

Big Vein South Prospect

The Big Vein South prospect is a large prospect that is divided into three zones ('Southern', 'Central' and 'Northern'). It contains a wide alteration system in the contained host rocks. The prospect has a lot of alluvium and sandstone covered portions but there are some exposures of host rock in all three zones. The Big Vein South (Central and Southern) prospect was first drilled by Strategic in 1997 and later some holes were drilled in 2006 by Oxiana.

However, this drilling was not followed up until 2010, after a mapping and soil sampling program carried out by Strategic indicated the area to be a prime target area. Eleven holes were drilled on the prospect in 2010 by Strategic and then a further forty-five holes drilled in 2011. This drilling showed that a portion of the mineralisation was wider than 30 metres. An initial resource was declared after the 2011 drilling and it was determined to drill further holes at the prospect in 2012.

FIGURE 1 – Drilling Prospect Locations 2012 (shown in blue outline)



A large proportion of the 2012 drilling program was directed to this prospect to further define and expand this resource. The Strategic drilling in 2012, concentrated upon infill and along strike and some down dip drilling of the identified gold mineralisation. A total of eighty holes were drilled on the prospect in 2012.

Only a relatively small portion of this prospect has been explored to date.

Big Vein South (Southern)

The currently drilled portion of the Big Vein South (Southern) gold mineralisation has a modelled strike length of approximately 750 metres. It varies in width from average widths of approx 3 metres up to a maximum of just larger than 30 metres at its widest known intercept. Towards the southern end of the mineralisation, the mineralisation is progressively being covered by an increasing blanket of Jurassic sandstone cover.

The 2012 drilling in this area has been used to infill the previously located mineralisation and to test for further extension to the north and south of the mineralisation previously located. Drilling at the 'Southern Zone' of the Big Vein South Prospect during 2012 consisted of 63 drill holes (LCRC0074 to LCRC0102; and LCRC0146 to LCRC0179) for 4,231 metres of drilling.

A significant number of the 2012 follow-up LCRC holes encountered down hole widths (≥ 10 metres) of gold mineralisation averaging grades above 2 g/t gold. Significant down hole intersections with the above criteria include:

- LCRC0149 intersected **28m @ 4.46 g/t gold** from 46 to 74m (including **4m @ 18 g/t gold**).
- LCRC0084 intersected **27m @ 4.85 g/t gold** from 48 to 75 m (including **8m @ 11.3 g/t gold**).
- LCRC0082 intersected **25 m @ 6.69 g/t gold** from 22 to 47 m (including **3m @ 36.6 g/t gold**).
- LCRC0153 intersected **23 m @ 2.6 g/t gold** from 42 to 65 m
- LCRC0151 intersected **22 m @ 5.46 g/t gold** from 13 to 35 m (including **4m @ 16.2 g/t gold**).
- LCRC0177 intersected **21 m @ 4.05 g/t gold** from 58 to 79 m (including **4m @ 15.3 g/t gold**).
- LCRC0089 intersected **19 m @ 2.64 g/t gold** from 56 to 75 m (including **4m @ 6.24 g/t gold**).
- LCRC0088 intersected **18 m @ 2.25 g/t gold** from 38 to 56 m (including **4m @ 3.94 g/t gold**).
- LCRC0147 intersected **17 m @ 9.41 g/t gold** from 22 to 39 m (including **9m @ 17 g/t gold**).
- LCRC0081 intersected **17 m @ 3.33 g/t gold** from 10 to 27 m (including **4m @ 11.9 g/t gold**).
- LCRC0161 intersected **14m @ 2.04 g/t gold** from 34 to 48 m (including **2m @ 9.57 g/t gold**).
- LCRC0178 intersected **12 m @ 2.56 g/t gold** from 78 to 90 m (including **3m @ 5.53 g/t gold**).

To date a total gold resource (Measured, Indicated and Inferred) of 748,000 tonnes @ 1.94 g/t gold for 46,600 ounces has been defined (see Table 1 for breakdown).

Further, significant exploration potential remains to be tested along strike and down dip. The potential of the large amount of hanging wall alteration has also yet to be fully explored.

FIGURE 2 – Perspective view of Big Vein South gold mineralisation

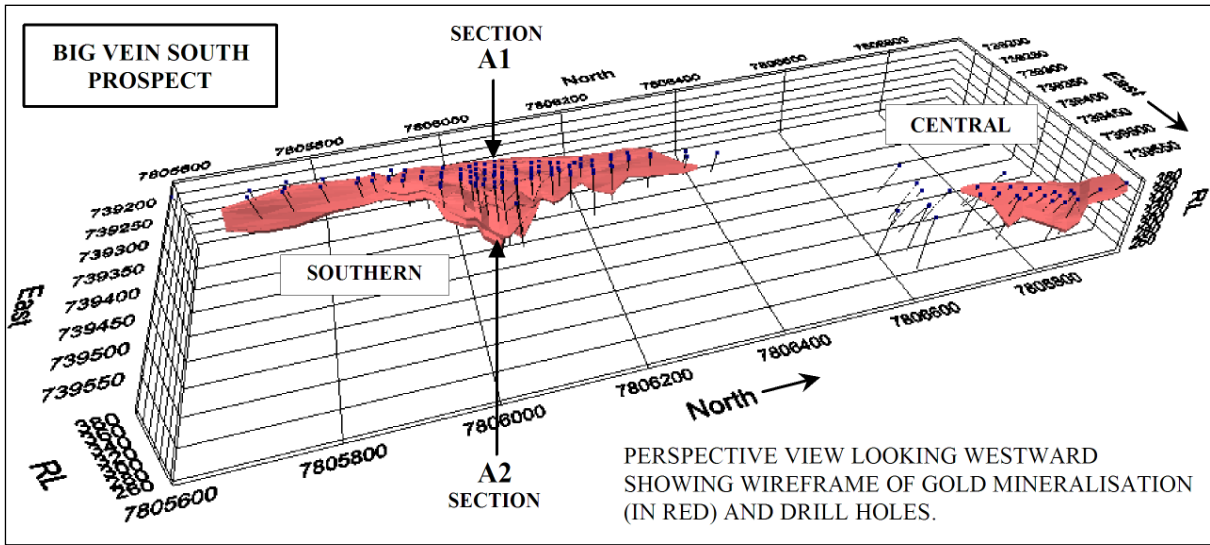
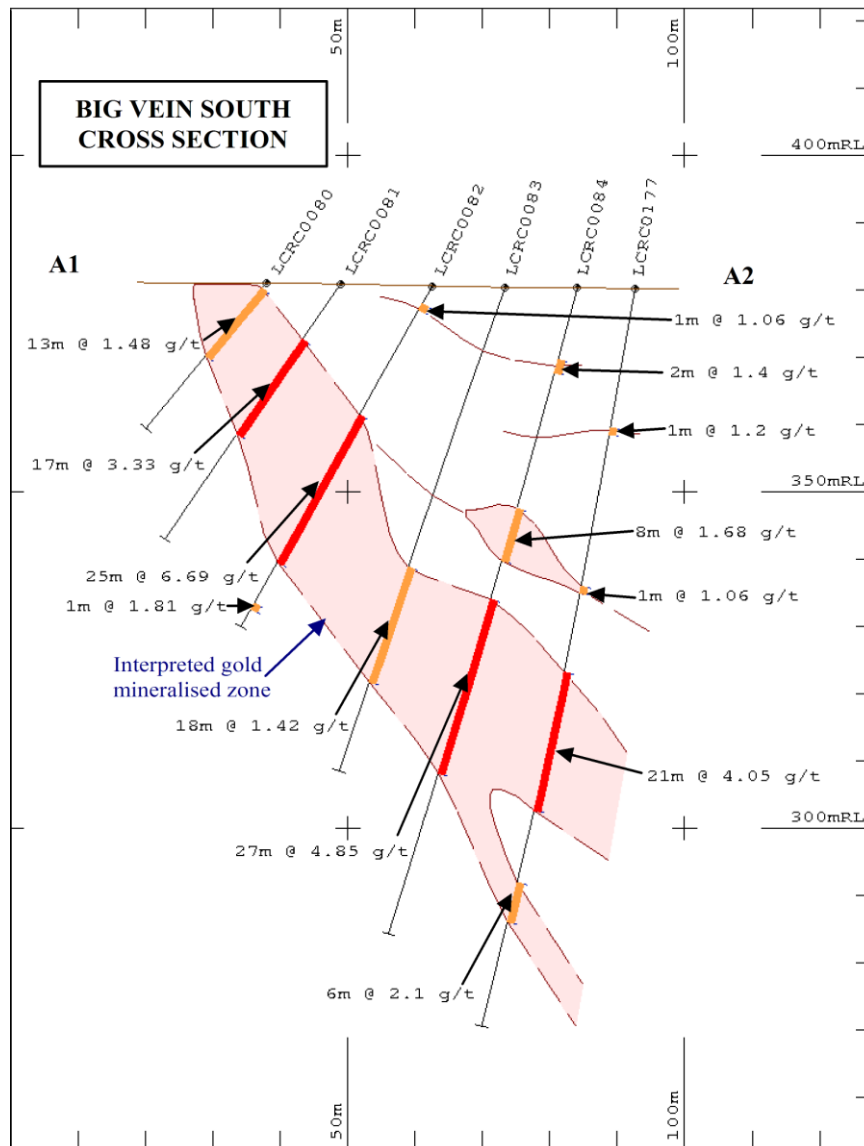


FIGURE 3 - Cross Section (looking northward) - Big Vein South - Southern Zone (See location Figure 2)



Big Vein South (Central)

The Big Vein South (Central) prospect is located approximately 700 metres north of Big Vein South (Southern). Two target areas exist on this part of the prospect. The shallower target is thought to be a hangingwall vein system to the Big Vein South (Southern) structure. The deeper target is a shallower angled structure and it appears likely that it may link between the hangingwall and footwall structures.

Previous drilling in 2010 and 2011 located significant gold mineralisation intersections in the Big Vein South (Central) prospect.

The 2012 drilling in this area has been used to infill the previously located mineralisation and to test for further extension to the north and south of the mineralisation previously located. Drilling at the Central Zone of the Big Vein South prospect during 2012 consisted of 17 drill holes (LCRC0103 to LCRC0117; and LCRC0180) for 1,148 metres of drilling.

Hangingwall Vein system

Some of the holes to the north have located an area containing wider zones of gold mineralisation in what is thought to be a hanging-wall vein system, to the gold mineralisation located in the 'Southern Zone' of the prospect.

The currently drilled portion of the Big Vein South (Central) hangingwall gold mineralisation has a modelled strike length of approximately 250 metres. It varies in width from average widths of approx 2 metres up to a maximum of nearly 20 metres at its widest known intercept. Towards the northern end of the mineralisation it faults into two overlapping vein structures over a distance of approx 50 metres.

Significant 2012 down hole intersections averaging grades above 2 g/t gold in this area included:

- LCRC0114 intersected **20 m @ 2.13 g/t gold** from 37 to 57 m (including **8m @ 4.3 g/t gold**)
- LCRC0111 intersected **9 m @ 2.9 g/t gold** from 33 to 42 m (including **5m @ 4.56 g/t gold**).
- LCRC0109 intersected **5 m @ 3.36 g/t gold** from 7 to 12 m (including **2m @ 6.38 g/t gold**).

To date a total gold resource (Indicated and Inferred) of 101,000 tonnes @ 1.82 g/t gold for 6,000 ounces has been defined (see Table 1 for breakdown).

This hangingwall system warrants further drilling along strike and down dip in both directions.

Flat Vein system

Some deeper holes have previously located a flatter structure that could be directly connected to the 'Southern Zone' gold mineralisation.

Previous 2010 – 2011 significant down hole intersections on this flat structure included:

- LCRC0002 (2011) intersected 26 m @ 1.59 g/t gold from 94 to 120 m (including 9m @ 2 g/t gold),
- LCRC0053 (2011) intersected 21 m @ 1.57 g/t gold from 85 to 106 m (including 10m @ 2.67 g/t gold),
- MBRC0047 (2010) intersected 21 m @ 2.81 g/t gold from 98 to 119 m (including 9m @ 4.75 g/t gold).

The drilling in 2012, again tested this flatter structure in which down holes intersections included:

- LCRC0103 intersected **18 m @ 1.06 g/t gold** from 93 to 111 m
- LCRC0104 intersected **17 m @ 2.73 g/t gold** from 89 to 106 m (including **4m @ 4.93 g/t gold**).

This flat vein system, despite its depth, warrants further infill and extension drilling.

BIG VEIN #2 PROSPECT

Drilling was carried out at the Big Vein # 2 prospect as follow up to the 2009-11 drilling with the objective of linking the gold mineralisation occurrences. The 2012 drilling at the Big Vein #2 prospect has shown the potential for ounce plus gold grade intersections in this prospect.

Drilling at the Big Vein #2 prospect for 2012, consisted of 12 drill holes (LCRC0118 to LCRC0129) for 591 metres of drilling.

The 2012 infill drilling has succeeded in linking the known gold mineralisation along a significant portion of the currently drilled area. The easterly dipping gold mineralisation appears to plunge shallowly to the south. The drilling also located a zone of ounce grade gold mineralisation below an existing diggings area.

The currently drilled portion of the Big Vein #2 gold mineralisation has a modelled strike length of just over 300 metres. It varies in width from average widths of approx 2 metres up to a maximum of approx 8 metres at it widest known intercept.

The best 2012 down hole intersections included:

- LCRC0122 intersected **10 m @ 14.3 g/t gold** from 14 to 24 m (including **3m @ 42.5 g/t gold**).
- LCRC0118 intersected **8 m @ 2.34 g/t gold** from 14 to 22 m (including **1m @ 9.89 g/t gold**).
- LCRC0120 intersected **8 m @ 2.43 g/t gold** from 8 to 16 m (including **4m @ 3.95 g/t gold**).
- LCRC0124 intersected **5 m @ 6.18 g/t gold** from 35 to 40 m (including **1m @ 28.7 g/t gold**).
- LCRC0126 intersected **13m @ 1.54 g/t gold** from 35 to 48 (Including **2m @ 5.24 g/t gold**).

To date a total gold resource (Indicated and Inferred) of 108,000 tonnes @ 2.93 g/t gold for 10,100 ounces has been defined (see Table 1 for breakdown).

The mineralisation is open ended along strike and further along strike exploration and infill drilling is planned for 2013.

Big Vein Prospect

As in previous years the steep and rocky terrain continued to hamper proposed drilling locations at the Big Vein Prospect. Not all of the drill pads originally prepared could be used.

The 2012 drill program, for this prospect concentrated upon infill and extension of the current resource. Drilling consisted of 10 drill holes (LCRC0130 to LCRC0139) for 580 metres of drilling.

Despite a reduced drilling program on this area some encouraging drill intersections were obtained. The best down holes intersections included:

- LCRC0133 intersected **6 m @ 19.7 g/t gold** from 42 to 48 m (including **2m @ 56.1 g/t gold**).
- LCRC0130 intersected **5 m @ 2.99 g/t gold** from 61 to 66 m (including **1m @ 10.4 g/t gold**).
- LCRC0132 intersected **3 m @ 14.6 g/t gold** from 30 to 33 m (including **1m @ 39.4 g/t gold**).
- LCRC0137 intersected **3 m @ 6.68 g/t gold** from 51 to 54 m.

The currently drilled portion of the Big Vein gold mineralisation has a modelled strike length of approximately 480 metres. It varies in width from sub 2 metres up to a maximum of approximately 5 metres. The gold mineralisation starts at the surface and varies in depth from just under 20 metres below the surface at the northern end (note: still needs further drilling) to just over 60 metres just south of the middle of the known gold mineralisation. At the southern end the top of the mineralised zone is capped by Jurassic sandstone that contains no mineralisation. Drilling through the Jurassic sandstone cover in this area shows the cover to be up to 10 metres thick over the gold mineralisation in places.

To date a total gold resource (Inferred) of 94,000 tonnes @ 3.84 g/t gold for 11,600 ounces has been defined (see Table 1 for breakdown).

Because of access problems it has been difficult to drill on this prospect. Despite being a narrow zone of gold mineralisation it still appears to be open ended along strike in both directions. A smaller type of drilling rig will be required to carry out the other drill holes proposed for this prospect.

Big Vein North Prospect Drilling

Drilling at the Big Vein North prospect during 2012, consisted of 5 drill holes (LCRC0140 to LCRC0144) for 300 metres of drilling.

This follow-up infill drilling produced a best result of 11m @ 2.27 g/t gold located in drill hole LCRC0142 from 11 to 22 metres down hole. This result was drilled up dip from a previous drill hole from 2011. Drill Hole LCRC0048 (2011) intersected 12m @ 3.8 g/t gold (Including 2m @ 18.6 g/t) from 22 to 34 metres down hole. These results, together with the other previous results for this prospect, indicate a possible flat plunging zone of gold mineralisation similar to the Big Vein prospect mineralisation. The mineralisation warrants additional follow up exploration work along strike in both directions.

Mowbray NE Prospect

The infill, dip extension and strike extension drilling in the Mowbray NE prospect was restricted to two accessible collar sites. Terrain conditions hampered access to the bulk of the proposed drilling locations and only two of the proposed holes could be drilled.

Drilling at the Mowbray NE Prospect during 2012, consisted of 2 drill holes (LCRC0145 and LCRC0181) for 134 metres of drilling. The drilling results from the only two drill holes that could be drilled did not contain any significant intersections. A smaller type of drilling rig will be required to carry out any further drilling of this prospect.

MIDDLE CAMP – Northern Woolgar Fault zone (MCRC Series Holes)

The Northern Woolgar Fault zone prospects drilled during 2012, included follow-up holes at the Belle Brandon, Brien Shear South, Brien Shear, Brien Shear North, and the Union South Prospects.

Belle Brandon Prospect

The 2012 drilling for the Belle Brandon prospect consisted of 6 holes (MCRC0047 to MCRC0052) for 496 metres of drilling. The following holes located a number of significant down hole intersections:

- MCRC0047 intersected **4 m @ 7.86 g/t gold** from 44 to 48 m (including **1m @ 29.3 g/t gold**).
- MCRC0048 intersected **4 m @ 2.52 g/t gold** from 37 to 41 m (including **1m @ 9.58 g/t gold**).
- MCRC0049 intersected **1 m @ 12.4 g/t gold** from 8 to 9 m.

The intersections while narrow showed some significant gold grades. Some further drilling along strike and down dip is warranted at this prospect.

Brien Shear South Prospect

The 2012 drilling for the Brien Shear South prospect consisted of 5 holes (MCRC0053 to MCRC0057) for 368 metres of drilling.

The 2012 drilling at the Brien Shear South prospect, produced a best result of **4m @ 2.26 g/t gold** located in drill hole MCRC0057 from 8 to 12 metres down hole. This result was drilled up dip from a previous drill hole from 2011. Drill Hole MCRC0007 (2011) intersected **3m @ 6.12 g/t gold** (Including **1m @ 15.9 g/t**) from 45 to 48 metres down hole.

The drilling to date in this prospect has shown a wide zone of veining and alteration, but with sporadic gold intersection results. Further exploration is warranted in this area as the structure has the potential for reasonable gold mineralisation widths.

Brien Shear Prospect

The 2012 drilling for the Brien Shear prospect consisted of 6 holes (MCRC0034 to MCRC0039) for 414 metres of drilling. The gold mineralisation of the Brien Shear is located in a wide zone of alteration bordered by two almost parallel mineralised quartz veins.

The 2012 drilling at the Brien Shear prospect, produced a best result of **8m @ 1.72 g/t gold** (Including **4m @ 2.82 g/t gold**) located in drill hole MCRC0038 from 1 to 9 metres down hole. This mineralisation lies further to the east than expected, and may signify another zone of gold mineralisation at the prospect. Further exploration is warranted to assess the potential near this recent drilling intersection.

Brien Shear North Prospect

The 2012 drilling at the Brien Shear North prospect 500 m north of the Brien Shear consisted of one hole – MCRC0040 (82m). The drill hole was designed to assess if any economic gold mineralisation could be located 50 m north from a weak gold intersection in previous drill hole MCRC0026 (84 m). The hole failed to locate any significant grades or anomalous lead values. Future potential for drilling in this prospect will now only be considered in terms of a longer term underground target.

Union South Prospect

The 2012 drilling for the Union South prospect consisted of 6 holes (MCRC0041 to MCRC0046) for 426 metres of drilling. This prospect area contains at least seven sub-parallel veins structures along with many cross vein structures. Drilling to date has concentrated on 4 of the sub-parallel quartz vein structures. The 2012 drilling that followed up on two of these vein structures produced a best result of **3m @ 1.93 g/t gold** located in drill hole MCRC0041 from 39 to 42 metres down hole.

The Union South prospect assay results to date have been of either sub-economic grade or narrow gold mineralisation. A complete review of all of the 2011 and 2012 drilling in this prospect will be carried out to determine if further exploration is warranted.

UNION, UNION NORTH, PERSEVERANCE AND ROMAN CROWN PROSPECTS

A number of outcrop areas mined previously (the Union, Union North, Perseverance and Roman Crown prospects) were originally proposed for the 2012 drilling. However, due to the extended drilling program at the Big Vein South prospect, these targets were not drilled in 2012. These prospects may now be included in the drilling for 2013, and will require additional on-site geological inspection before drill targeting can be finalised.

In the case of the Union, Roman Crown and Perseverance prospects, all past holes drilled need to be located using DGPS, and any other drillhole locations can then be converted to MGA grid.

[Note: For further information on the significant drill intersections quoted, refer to the SMC 2012 annual reports.]

Resource Estimates

The Big Vein South (Southern) and Big Vein prospect area resources have been updated based on the additional 2012 drilling. Also, two new resource areas in the Big Vein South (Central) and Big Vein #2 prospect areas have had an initial resource declared.

Resource estimates were carried out using inverse distance weighted block modelling of the modelled gold mineralisation zones. Internal waste was included in the mineralised zones where it was either modelled inside the zone of gold mineralisation or where a potential zone for mining would be too narrow.

The following table is a summary of the resource estimates carried out.

TABLE 1 - Summary Resource Table – Big Vein Structures

Classification	Cut-off Grade	Tonnes	Gold Grade g/t	Gold Metal oz's
BIG VEIN SOUTH (Southern)				
Measured	0.75	286,000	2.46	22,700
Indicated	0.75	340,000	1.53	16,700
Inferred	0.75	122,000	1.85	7,200
SUBTOTAL		748,000	1.94	46,600
BIG VEIN SOUTH (Central)				
Indicated	0.75	50,300	2.09	3,400
Inferred	0.75	51,200	1.56	2,600
SUBTOTAL		101,500	1.82	6,000
BIG VEIN #2				
Indicated	0.75	15,500	2.01	1,000
Inferred	0.75	92,200	3.09	9,100
SUBTOTAL		107,700	2.93	10,100
BIG VEIN #2				
Inferred	0.5	94,000	3.84	11,600
SUBTOTAL		94,000	3.84	11,600
TOTAL FOR THE BIG VEIN STRUCTURES				
TOTAL		1,051,200	2.20	74,300

It should be stressed that further exploration will need to be carried out at these prospects in 2013. Significant further potential remains for the extension of the currently identified gold mineralisation, along strike, at all of the resource areas. In the case of the Big Vein South (Southern) prospect, potential for additional gold mineralisation may also lie within the hangingwall alteration, that has not yet been fully explored by the current drilling. In the case of the Big Vein South (Central) prospect, potential for additional gold mineralisation may also lie within the footwall alteration, that has not yet been fully explored by the current drilling.

Gold mineralisation located to date at the Mowbray NE, Big Vein North and the Brien Shear prospects is also promising for the delineation of further gold mineral resources in 2013.

Total Resources for the Woolgar Project

With the continued successes in the Woolgar goldfield area, total resources for the Woolgar project have now increased. It is expected that the Woolgar goldfield area will continue to show further potential for resource expansion. The Woolgar goldfield area has significant further target potential, with only a very small proportion of the total gold mineralised vein areas having been explored to date.

TABLE 2 - Woolgar Project Global Resource Summary

Classification	Resources Estimated At Higher Cut-off Grades				Resources Estimated At Lower Cut-off Grades			
	Cut-off Grade	Tonnage T x 1000	Gold Grade g/t	Gold Metal oz's	Cut-off Grade	Tonnage T x 1000	Gold Grade g/t	Gold Metal oz's
BIG VEIN SOUTH (Southern) DEPOSIT								
Measured	0.75	286	2.46	22,700	0.75	286	2.46	22,700
Indicated	0.75	340	1.53	16,700	0.75	340	1.53	16,700
Inferred	0.75	122	1.85	7,200	0.75	122	1.85	7,200
SUBTOTAL		748	1.94	46,600		748	1.94	46,600
BIG VEIN SOUTH (Central) DEPOSIT								
Indicated	0.75	50	2.09	3,400	0.75	50	2.09	3,400
Inferred	0.75	51	1.56	2,600	0.75	51	1.56	2,600
SUBTOTAL		101	1.82	6,000		101	1.82	6,000
BIG VEIN #2 DEPOSIT								
Indicated	0.75	16	2.01	1,000	0.75	16	2.01	1,000
Inferred	0.75	92	3.09	9,100	0.75	92	3.09	9,100
SUBTOTAL		108	2.93	10,100		108	2.93	10,100
BIG VEIN DEPOSIT								
Inferred	0.5	94	3.84	11,600	0.5	94	3.84	11,600
SUBTOTAL		94	3.84	11,600		94	3.84	11,600
SOAPSPAR DEPOSIT								
Measured					0.4	1,667	0.91	48,800
Indicated					0.4	1,175	0.9	34,000
Inferred					0.4	472	0.82	12,400
SUBTOTAL						3,314	0.89	95,200
LOST WORLD DEPOSIT								
Measured	0.8	4,357	1.43	200,300	0.4	11,182	0.9	323,600
Indicated	0.8	722	1.36	31,500	0.4	2,392	0.8	61,500
Inferred	0.8	574	1.23	22,700	0.4	2,413	0.73	56,600
SUBTOTAL		5,653	1.4	254,500		15,987	0.86	441,700
GRAND CENTRAL & CAMP VEIN DEPOSITs								
Indicated					0.4	2,157	1.18	81,600
Inferred					0.4	607	1.02	19,700
SUBTOTAL						2,764	1.14	101,300
EXPLORER DEPOSIT								
Measured	1	395	3.68	46,800	0.5	884	2.04	58,000
Indicated	1	149	2.1	10,000	0.5	460	1.14	16,900
Inferred	1	30	1.97	1,900	0.5	107	1.02	3,500
SUBTOTAL		574	3.18	58,700		1,451	1.68	78,400
EXPLORER SOUTH DEPOSIT								
Inferred	1	321	1.41	14,600	0.5	1,516	0.88	42,900
SUBTOTAL		321	1.41	14,600		1,516	0.88	42,900
SHANGHAI & FINN DEPOSITs								
Indicated	0.8	104	3.29	11,000	0.8	104	3.29	11,000
Inferred	0.8	29	3.44	3,200	0.8	29	3.44	3,200
SUBTOTAL		133	3.33	14,200		133	3.33	14,200
TOTAL		7,732	1.67	416,300		26,216	1.12	848,000

Table 2 shows the global resources summary for the Woolgar project to date. Only those resources which have sufficiently high overall cut-off grade or a high enough overall grade have been included in the section titled “resources estimated at higher cut-off grades”.

This means that at this stage the Soap spar, Grand Central and Camp Vein deposits have not been included in this section. However they have been included in the “resources estimated at a lower cut-off grade” section. A resource review of these deposits and the Lost World deposit is currently focussing on which portions of these deposits may be available at a higher grade cut-off.

Estimation Criteria

Some of the estimation criteria for the gold mineral resources (the Big Vein South and Big Vein#2 and Big Vein) in this report are summarised in the following sections. They include the following factors relating to the sampling techniques and sample data, the data assessment and reporting, and factors involved in the resource estimation process itself.

Verification of Sampling and Assaying

The sampling of the drill data that has been carried out in the recent drilling programs has been carried out by a number of independent drilling and field personnel contractors unaffiliated with Strategic Minerals.

These contractors between 2008-2012 were, Well Drilled Pty Ltd (2008-RC Drill Rig and Crew), Major Drilling Pty Ltd (2009-RC Drill Rig and Crew), Drill Torque Queensland (2010-RC Drill Rig and Crew), Gnostic Exploration (2008-2010-Field Technicians and Geologists), Ryan Drilling Services (2011-RC Drill Rig and Crew), and Terra Search (2011-Field Technicians and Geologist), Drill Torque Queensland (2012-RC Drill Rig and Crew), and Gnostic Exploration (2012-Field Technicians and Geologists).

Assay samples were taken every metre using a splitter system attached to the RC drilling rig. Drilling intervals were logged in detail. Key logging points included sample colour, oxidation, lithology, oxides, sulphides, alteration, and veining data. Assaying and check assays from the SGS laboratory have shown an acceptable level of precision and an acceptable overall level of assay accuracy.

Geology

The basic gold mineralisation types at Woolgar have been documented by R G Taylor 2010 in his study titled “Observations and comments regarding the Woolgar gold field” (Note: An internal Strategic Minerals document).

These paragenetic studies confirmed previous findings that there are two distinct gold bearing systems within the host Proterozoic rocks at Woolgar. These are the Sandy Creek region (Epithermal) and the Woolgar Zone (Granite related gold mineralisation). The Woolgar zone, which is characterised by the historical Woolgar workings, is a medium temperature mineralisation assemblage that in older terminology would be referred to as ‘mesothermal’. Such ‘mesothermal’ systems are capable of containing large high-grade ore shoots that are capable of reaching considerable depths. Drill testing will allow SMC to test for the possibility of such gold targets, as it develops the Woolgar Fault zone prospects.

In the case of the **Big Vein South** prospect there is considerable evidence of significant vein intersections located along a wide alteration zone, in a large zone of altered granite. It is expected that such a widely altered and fractured zone will be of considerable strike length and continue at depth. Such a system is consistent with a theoretical system that could contain a large high grade ore shoot of the type described above. Only a relatively small portion of this prospect has been explored to date. The **Big Vein** prospect to date has only shown a narrow alteration and fractured zone associated with the gold mineralisation. The **Big Vein #2** vein prospect in terms of alteration widths appears to lie somewhere between these two extremes.

The host Proterozoic rocks consist of a range of metamorphics that have been intruded by a large granite system. The granite system is only exposed in limited form (i.e. top of the intrusive granite system). Portions of this granite system are exposed at the Big Vein, Big Vein #2 and Big Vein South prospects. A significant amount of younger cover rocks are also present in the area including Jurassic Sandstone and Alluvium.

Relationship between mineralisation width and intercept lengths

The current geological models for Big Vein, Big Vein #2 and Big Vein South prospect gold deposits now show clearly the relationship between the mineralisation width and drill hole intercept length. All holes except LCRC0029, which stopped in mineralisation, have managed to cross the full width of the gold mineralised zone regardless of the drilling orientation.

Analysis of Exploration Data

This analysis to date has included surface mapping, soil sampling, drilling data and DGPS survey data.

Surface mapping has shown the ability, in the outcrop areas, to easily follow the gold mineralised quartz vein zones in most cases. Jurassic sandstone and alluvium cover may mask additional vein zones both along and across strike.

Soil sampling has been used to aid the drill targeting to date, however zones of Jurassic sandstone and alluvium cover also restrict the ability of the soil samples in many areas (See Figure 4).

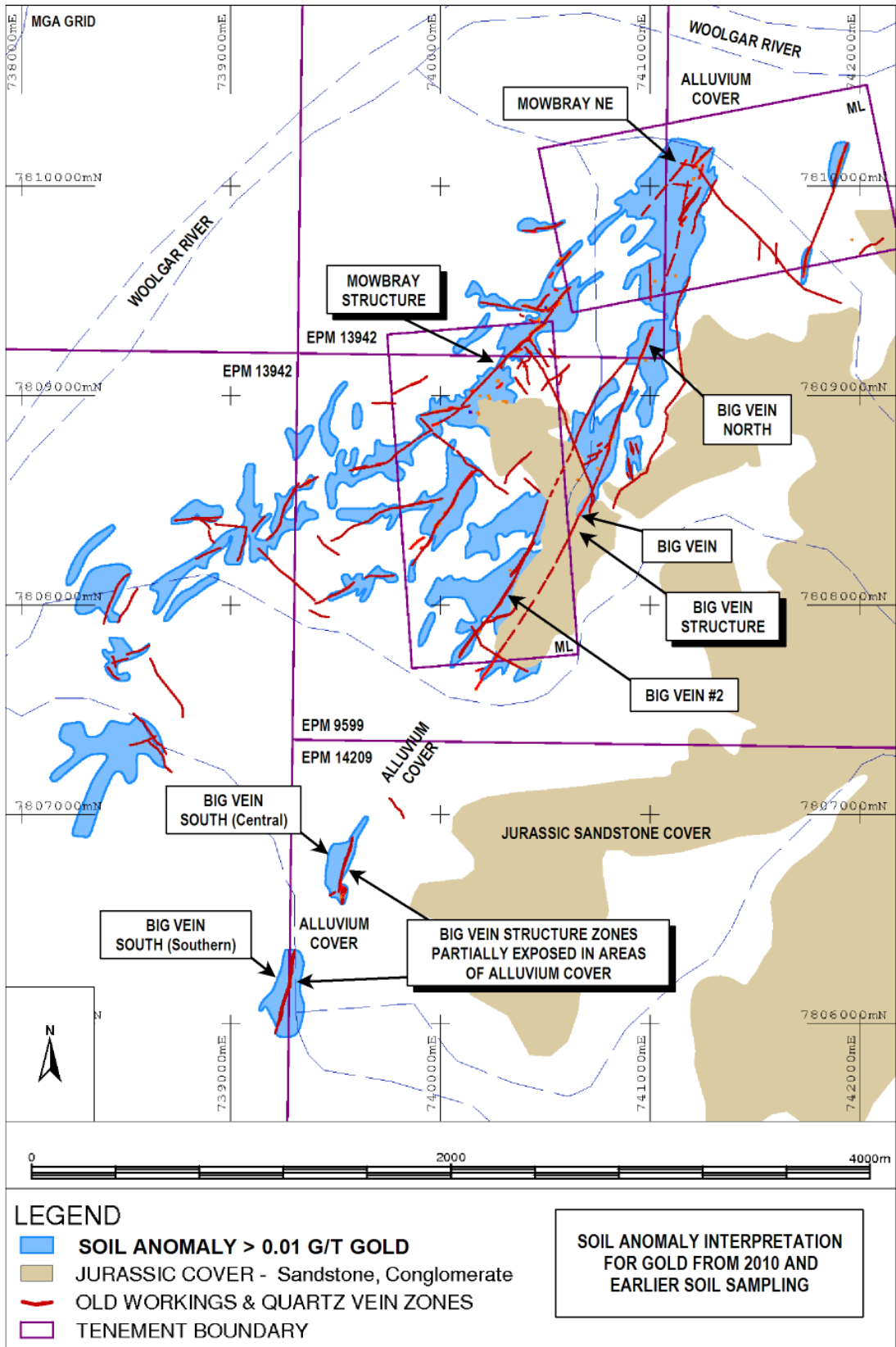
Drilling to date indicates the mineralisation is still open ended along strike at both the Big Vein South, Big Vein #2 and Big Vein prospects. In the case of Big Vein South (Southern zone) the alteration zone is greater than 100 metres true width. The thick hanging wall portion of the alteration zone has still not yet been fully covered by the current drilling.

Further Work

Significant further work remains to be carried out and infill drilling is required to raise all resource estimations at Big Vein, Big Vein #2 and Big Vein South deposits to at least Indicated Resource and preferably to Measured Resource where practical.

The 2013 exploration drilling will be designed to define the limits of the gold mineralisation along strike and down dip where appropriate. Also in the case of the Big Vein South (Southern Zone), to evaluate the potential for additional gold mineralisation that may lie within the hangingwall alteration, that has still not yet fully been covered by the current drilling.

FIGURE 4 - Soil Sampling Anomalies covering the Big Vein, Big Vein #2 and Big Vein South prospects



Geological Interpretation

The geological interpretation of the gold mineralisation has been derived from the sectional comparison of assay and geological drill data, together with known general data from the surface geology of the area.

Dimensions

The currently drilled portion of the **Big Vein South (Southern)** gold mineralisation has a modelled strike length of approximately 750 metres. It varies in width from average widths of approx 3 metres up to a maximum of just larger than 30 metres at its widest known intercept. Towards the middle it has a number of smaller mineralised hangingwall vein structures that branch off the main structure at shallower angles. Towards the southern end of the mineralisation, the mineralisation is progressively being covered by an increasing blanket of Jurassic sandstone cover.

The currently drilled portion of the **Big Vein South (Central)** gold mineralisation has a modelled strike length of approximately 250 metres. It varies in width from average widths of approx 2 metres up to a maximum of just larger than 10 metres at its widest known intercept. Towards the northern end of this mineralisation it faults into two overlapping vein structures over a distance of approx 50 metres.

The currently drilled portion of the **Big Vein #2** gold mineralisation has a modelled strike length of just over 300 metres. It varies in width from average widths of approx 2 metres up to a maximum of approx 8 metres at its widest known intercept.

The currently drilled portion of the **Big Vein** gold mineralisation has a modelled strike length of approximately 480 metres. It varies in width from sub 2 metres up to a maximum of approximately 5 metres. The gold mineralisation starts at the surface and varies in depth from just under 20 metres below the surface at the northern end (note: still needs further drilling) to just over 60 metres just south of the middle of the known gold mineralisation. At the southern end the top of the mineralised zone is capped by Jurassic sandstone that contains no mineralisation. Drilling through the Jurassic sandstone cover in this area shows the cover to be up to 20 metres thick over the gold mineralisation in places.

W A C Martin
MANAGING DIRECTOR

Note: The information in this report that relates to exploration results is based on information compiled by Strategic Mineral Corporation NL's Project Manager Mr Kevin Richter BSc. who is a member of the Australian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the activity undertaken. He is qualified as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". He has consented to the inclusion of this information in the form and context in which it appears. The Australian Stock Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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