

The Manager
Company's Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW 2000



5th October 2001

Dear Sir/Madam,

WOOLGAR GOLD PROJECT QUEENSLAND

COMMENCEMENT OF DRILL PROGRAM

The company advises that it has contracted Major Pontil Limited, to conduct a drilling program to test the depth extent of the high tenor gold mineralisation of the Explorer vein, which is located in close proximity to the Lost World resource. The program is scheduled to commence on the 10th October 2001 and will consist of 11 to 12 RC holes totalling some 1200 metres to a depth of approximately 100 metres each.

The Explorer vein is one of several veins, hosted within dolerite in the footwall of the mineralised Grand Central Fault Zone. The Grand Central Fault is a major structure, parallel to, and several hundred metres south of the Lost World Fault Zone. Veins within this system include the Explorer, Crown, Royal and several unnamed veins.

To date, sampling and drilling of the Explorer vein has recorded consistent moderate to high tenor oxide gold intersections over a 150 metre strike length. The alteration/ vein assemblages of quartz-adularia-sulphide observed in the Explorer vein is commonly indicative of high grade gold mineralisation within epithermal gold systems.

Recent studies completed by Bartsch Geoscience have indicated that subject to economic conditions, the Lost World resource is approaching a size that may carry a sustainable mining operation. Additional resources, preferably shallow, higher tenor, and in close proximity to the Lost World resource is likely to significantly improve the economics of proposed mining operations. The Explorer vein has been identified as one of several easily tested targets with potential to meet part of additional resource objectives.

Initial assay results from the drill program are expected by the end of October 2001.

Yours faithfully,
STRATEGIC MINERALS CORPORATION N L

W A C Martin
Managing Director