

22nd April 2003

Announcements
Australian Stock Exchange Limited
Level 10
20 Bond Street
Sydney NSW 2000

Facsimile:

WOOLGAR GOLD PROJECT FARM IN AGREEMENT REACHED WITH BARRICK GOLD

The Company is pleased to advise that it has accepted an offer from major international gold mining company Barrick Gold of Australia Limited to farm-in to Strategic's Woolgar gold project to explore the deeps for major new gold deposits. The offer recognizes the high potential of Woolgar to host a large world-class gold deposit and follows a 4 month technical investigation conducted by Barrick, which included the compilation of an integrated data base .

KEY ELEMENTS OF AGREEMENT

The agreement provides for both Strategic and Barrick to conduct exploration over the Woolgar tenements each with differing objectives.

- Strategic's objective is to define initial shallow high grade open cut resources that it can develop for a 100% benefit (capped at 500,000 ounces). After Strategic has developed 500,000 ounces Barrick will be entitled to 51% and Strategic 49% of the profits from gold produced from near surface open cut mining.
- As announced to the ASX recently Strategic has now commenced a drill program to test the extension of a near surface high grade gold zone at the Explorer deposit and other targets within the epithermal vein sets identified in the Sandy Creek area.
- Barrick's objective is to test the Woolgar deeps and surrounding tenement areas for a Barrick size gold operation. Initial drilling by Barrick will commence after appropriate targets have been defined.
- In exploring the deeps and surrounding areas, Barrick will sole spend 100% to a production decision and will become vested at an 80% interest at that time. Withdrawal prior to vesting will earn no equity for Barrick.

DETAILS OF FARM IN TERMS

The terms of the Farm in offer are;

- (1) Barrick commits to spend a minimum of \$600,000 in the first year, subject to a minimum of \$200,000 spent on drilling and assaying.
1. After year 1, if Barrick elects to proceed, Barrick will either make a payment to Strategic Minerals Corporation of \$300,000 or take a placement of shares to the value of \$750,000 in Strategic at a 10% premium to market (calculated at average closing share price for month of March 2004).

- (3) Barrick then commit to spending a minimum of \$1,000,000 in Year 2, and \$2,000,000 in each of Year 3, 4 and 5 in order to retain its' right to earn in.
- (4) After Year 5, Barrick commits to spend a minimum of \$2,000,000 per year and pay Strategic Minerals Corporation \$500,000 per year until a production decision.
- (5) Barrick will sole spend 100% to a production decision and will become vested at an 80% interest at that time. Withdrawal prior to vesting will earn no equity.
- (6) Strategic will have the sole benefit of and right to extract up to 500,000 ounces of gold produced from 0-100 metres from surface within the tenements. After Strategic has produced 500,000 ounces of gold, Barrick shall be entitled to a 51% net profit interest (less a commercial capital cost recovery charge) from further gold produced from 0-100 metres from surface within the tenements. This profit share only applies so long as Barrick continues to remain in the Joint Venture.
- (7) Strategic will present proposed development programs to Barrick for approval and approval will not be unreasonably withheld. If Strategic proposes to develop a resource from 0-100m from surface, Barrick has 90 days to consider the development and respond to Strategic.
- (8) In the event that Strategic's proposed development impacts on a significantly larger deposit to be developed and managed by Barrick, Barrick will have the right to mine these ounces if they form the shallow or contiguous portion of a larger deposit. In this case, Barrick will sole fund all work to a Production Decision and this work may include resource definition drilling, reserve drilling, estimation of ore reserves, scoping studies, feasibility studies, metallurgical testing, environmental and ethnographic/ archeological studies.
- (9) At a Production Decision, Barrick will contribute 80% of the expenditure to develop and mine the deposit and Strategic will contribute 20%. Strategic will be deemed to have a 49% interest in any mineralisation mined between 0-100m below surface, capped at 500,000 ounces, and a 20% interest in any mineralisation mined below 100m below surface (or beyond the 500,000 ounce cap).
- (10) After the completion of a Positive Bankable Feasibility Study, or a Decision To Mine, Barrick agrees to arrange Strategic's share of development finance on a non recourse basis (if possible) to Strategic.

This joint venture agreement does not contemplate a defined earn-in period, but the heavy expenditure commitment ensures that it is in Barrick's interest to advance this project to a Decision To Mine as quickly as practical, while allowing for unforeseen regulatory and permitting issues.

A formal Heads of Agreement will be prepared in due course and Barrick is planning to commence work as soon as possible.

The board of Strategic looks forward to the additional benefits that will accrue to Strategic shareholders as a result of the agreement reached with Barrick Gold in the future exploration and development at Woolgar.

Yours Sincerely,

WALLY MARTIN
MANAGING DIRECTOR

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