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Announcements  
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By Electronic Lodgement

**PROGRESS REPORT ON ACTIVITIES –  
WOOLGAR GOLD PROJECT, QLD**

**HIGHLIGHTS:**

- 4990 metres of drilling has been completed since April 2004 in 90 shallow RC drill holes at Woolgar targeting untested epithermal veins in the Sandy Creek epithermal field.
- 16 drill holes returning strongly mineralised intersections greater than 5 g/t Au, with 50% of all holes returning mineralised intersections between 1 and 4.9 g/t Au.
- Of the 16 strongly mineralised intersections, eight were high grade intersections at **Explorer South**, confirming the presence of a shallow high grade ore shoot at this location. New intersections include **EXRC 150, 2m @44.5 g/t Au and EXRC 153, 2m @ 46.5 g/t Au**. The high grade ore shoot is open along strike and at depth to the west.
- A new discovery has been made at the **Shanghai** vein, where five drill holes over 120 metres of strike have returned strongly mineralised intersections. This new ore position is open at depth and along strike. Good intersections include **SHRC 004, 5m @5.53 g/t Au, SHRC 005, 2m @ 12.03g/t Au, and SHRC 006, 2m @10.6 g/t Au**.
- Results from the new extended Barrick IP geophysical survey have been received. A number of strong anomalies have been identified by this work, one of which is coincident with the **Shanghai** vein. Drilling by Strategic and Barrick to test a number of these anomalies has started.

## **BACKGROUND TO THE PROJECT**

The Woolgar goldfield is located 120km north of Richmond in North Queensland. The Woolgar Project tenements cover an area of 1257 square kilometres, and all project mining titles and exploration permits are 100% owned by Strategic.

The regional area is one with a high gold endowment (see Fig 1). Multi-million ounce gold deposits are known at Kidston (4.1m oz Au), Charters Towers (7.1m oz Au), Mt Leyshon (3.2m oz Au) and Pajingo - Vera Nancy (3.2m oz Au).

High grade epithermal gold veins were first recognised at Woolgar in 2002, greatly expanding the potential of the field to host a major gold deposit. The epithermal veins at Woolgar are believed to have many geological similarities to the high-grade epithermal gold vein systems at Pajingo, currently one of Australia's largest and most profitable gold mining centres.

Strategic has an established gold resource of over 300,000 ounces at Woolgar, however the new high grade discoveries in the last two years has altered the project profile significantly. The belief that further high grade resources can be discovered at Woolgar is one of the main objectives of exploration during 2004. Pre-feasibility studies based on existing know resources and the new developing high grade resources at Woolgar are now underway.

In April 2003 the company entered into a farm-in agreement with Barrick Gold of Australia Limited. The agreement provides for Strategic to continue to explore and develop near surface high grade gold deposits and for Barrick to search for a much larger gold deposit within the project area. Both Strategic and Barrick have active work and drilling programs underway at the project this year following extensive geochemistry, aerial and ground geophysics, geological mapping and rock sampling and drilling in 2003.

### **1. DETAILS OF STRATEGIC DRILL PROGRAMS**

Field work at Woolgar under Strategic management recommenced in April 2004. Since then, 4990 metres of drilling has been completed in 90 shallow RC drill holes targeting untested epithermal veins in the Sandy Creek epithermal field. The veins tested include Explorer South (26 holes), Shanghai (20 holes), Danielle/Lost World (21 holes), Michelle (4 holes), Finn Federal (7 holes), Grand Central(7 holes), Telecom (3 holes) and Yunglee(2 holes).

The drill locations were selected on the basis of surface outcrops where strong gold values were obtained from rock chip and soil geochemical surveys completed in 2003.

The best results were obtained from Explorer South (eight high grade intersections) and from a new discovery at Shanghai (five high grade intersections). Fifty percent of all holes gave intersections with values between 1 and 5 g/t gold.

### **EXPLORER SOUTH**

The Explorer South vein is located 150 metres south of the Explorer Main Vein. The new drilling at Explorer South is very encouraging, confirming the presence of a developing high grade ore shoot position at depths of between 20 and 80 metres. High grade assays have now been received over a strike length of some 60 metres (see Figures 3 to 6).

A total of twenty six Holes (EXRC150 – 175) tested the western section of Explorer South where previous drilling had recorded high grade intersections in holes EXRC74 & 143. New high grade intersections were recorded in holes EXRC150, 153, 154, 169 & 173. Numerous other intersections were also made and they are all presented below.

Explorer South	Hole ID	From (m)	To (m)	Gold Grade
(2002 drilling)	<b>EXRC 74</b>	<b>39</b>	<b>42</b>	<b>3m @20.0 g/ tAu</b>
(2003 drilling)	<b>EXRC 143</b>	<b>46</b>	<b>55</b>	<b>9m @21.7 g/t Au</b>
	<i>including</i>	<i>51</i>	<i>53</i>	<i>2m@84.3 g/t Au</i>
2004 drilling	<b>EXRC150</b>	<b>47</b>	<b>56</b>	<b>9m @ 10.7 g/t Au</b>
EXRC 150 to 175	<i>including</i>	<i>50</i>	<i>52</i>	<i>2m @ 44.45 g/t Au</i>
	EXRC150	62	64	2m @ 2.18 g/t Au
	<b>EXRC153</b>	<b>47</b>	<b>58</b>	<b>11m @ 10.18 g/t Au</b>
	<i>including</i>	<i>48</i>	<i>49</i>	<i>1m @ 9.70 g/t Au</i>
	<i>including</i>	<i>53</i>	<i>55</i>	<i>2m @ 46.45 g/t Au</i>
	EXRC153	63	65	2m @ 3.13 g/t Au
	<b>EXRC153</b>	<b>70</b>	<b>72</b>	<b>2m @ 5.85 g/t Au</b>
	<b>EXRC154</b>	<b>57</b>	<b>68</b>	<b>11m @ 3.91 g/t Au</b>
	<i>including</i>	<i>60</i>	<i>65</i>	<i>5m @ 6.36 g/t Au</i>
	<b>EXRC169</b>	<b>70</b>	<b>76</b>	<b>6m @ 4.2 g/t Au</b>
	<i>including</i>	<i>70</i>	<i>71</i>	<i>1m @ 8.7 g/t Au</i>
	<i>including</i>	<i>75</i>	<i>76</i>	<i>1m @ 9.75 g/t AU</i>
	<b>EXRC173</b>	<b>51</b>	<b>60</b>	<b>9m @ 2.92 g/t Au</b>
	<i>including</i>	<i>52</i>	<i>53</i>	<i>1m @ 8.85 g/t Au</i>
	EXRC152	58	63	5m @ 2.61 g/t Au
	<b>EXRC156</b>	<b>30</b>	<b>31</b>	<b>1m @ 6.95 g/t Au</b>
	EXRC157	43	44	1m @ 2.25 g/t Au
	EXRC157	60	61	1m @ 1.11 g/t Au
	EXRC158	18	19	1m @ 3.50 g/t Au
	EXRC161	1	2	1m @ 1.68 g/t Au
	EXRC161	45	46	1m @ 2.00 g/t Au
	EXRC162	18	19	1m @ 1.22 g/t Au
	EXRC162	60	61	1m @ 1.21 g/t Au
	EXRC164	70	71	1m @ 1.48 g/t Au
	EXRC164	84	89	5m @ 1.45 g/t Au
	EXRC165	72	75	3m @ 1.88 g/t Au
	EXRC166	41	46	5m @ 1.98 g/t Au
	<b>EXRC166</b>	<b>72</b>	<b>78</b>	<b>6m @ 2.30 g/t Au</b>
	<i>including</i>	<i>75</i>	<i>76</i>	<i>1m @ 6.30 g/t Au</i>
	EXRC170	69	74	4m @ 2.25 g/t Au
	<b>EXRC171</b>	<b>73</b>	<b>76</b>	<b>3m @ 5.48 g/t Au</b>
	EXRC172	63	64	1m @ 3.54 g/t Au
	EXRC174	89	90	1m @ 1.38 g/t Au
	EXRC175	87	89	2m @ 1.71 g/t Au
		96	98	2m @ 1.15 g/t Au

In conjunction with the previous drilling, these intersections define an ore shoot developed at the intersection of the Explorer South structure and upper contact of a dolerite sill (the identical stratigraphic position to the main Explorer zone).

The mineralized zone is coincident with an IP anomaly (chargeable zone) which extends a further 200m to the west of the limits of the current drilling. Additional drilling will be required to test this zone (see Figure 3).

## SHANGHAI

A new discovery has been made at the Shanghai vein, where five drill holes over 120 metres of strike have returned strongly mineralised intersections. Holes SHRC001 – SHRC011 were located to test the central portion of the mapped Shanghai vein where a domain with 500m strike length had recorded consistent +2 g/t Au in rock chips. Holes were drilled on a series of 40 – 80m spaced traverses to test the structure at a shallow depth (maximum 40m).

Well mineralized veins were intersected on the western most three drill sections in holes SHRC001, 002, 004, 005, 006 & 007 at shallow depths (ie. from surface to depths of 30m). The mineralized zone varies from 2-14m thick and dips approximately 35° – 45° to the north. The bulk grade of the main structure in these holes is 3.37 g/t Au with a higher grade core typically 2m wide averaging 7.2/g/t Au.

Shanghai	Hole ID	From(m)	To (m)	Intersection Gold Grade g/t.
	<b>SHRC001</b>	<b>2</b>	<b>4</b>	<b>2m @ 5.90 g/t Au</b>
	SHRC002	4	8	4m @ 2.85 g/t Au
	<i>including</i>	<i>7</i>	<i>8</i>	<i>1m @ 5.65 g/t Au</i>
	SHRC002	14	15	1m @ 1.01 g/t Au
	<b>SHRC004</b>	<b>0</b>	<b>5</b>	<b>5m @ 5.43 g/t Au</b>
	SHRC005	3	17	14m @ 2.83 g/t Au
	<i>including</i>	<i>15</i>	<i>17</i>	<i>2m @ 12.03 g/t Au</i>
	SHRC006	12	21	9m @ 3.41 g/t Au
	<i>including</i>	<i>19</i>	<i>21</i>	<i>2m @ 10.60 g/t Au</i>
	SHRC006	26	28	2m @ 2.17 g/t Au
	SHRC007	7	15	8m @ 2.62 g/t Au
	<i>including</i>	<i>13</i>	<i>14</i>	<i>1m @ 11.00 g/t Au</i>
	SHRC007	44	49	5m @ 2.58 g/t Au
	SHRC012	18	21	3m @ 1.45 g/t Au
	SHRC015	6	7	1m @ 1.61 g/t Au

Subsequent to completion of the drilling, Barrick completed a Gradient Array IP survey over the Shanghai – China Wall – Michelle areas. This survey has highlighted a broad chargeable anomaly 1km long by 300m wide containing more restricted linear higher amplitude anomalies. The drilled mineralization corresponds with the eastern portion of the anomaly. The anomaly is considerably stronger to the west. One hole (SHRC020) has been drilled to test the peak of the anomaly with assay results from this hole pending.

The data is presented on Fig 3 to Fig 6.

## **OTHER AREAS**

Numerous mineralised intersections grading between 1g/t gold and 4.9 g/t gold over widths ranging typically from 1 to 4 metres were found at Danielle/Lost World (21 holes), Michelle (4 holes), Finn Federal (7 holes), Grand Central( 7 holes), Telecom ( 3 holes) and Yunglee(2 holes). At this stage, the drilling interval is insufficient to determine if the intersections made have the continuity required to develop ore resources. Further work is required.

## **2. BARRICK WORK PROGRAMS**

### **2.1. NEW BARRICK GEOPHYSICS**

Barrick Gold has now completed a further phase of ground geophysics in the Woolgar epithermal field. The 2003 IP surveys showed a strong correlation between chargeability anomalies and higher grade zones such as at Explorer and Explorer South. The 2004 survey now completed has found even higher response anomalies than those found in 2003. These responses include the prominent anomaly at the Shanghai vein mentioned above.

A further high intensity anomaly was outlined over 500 metres at the south end of the survey boundary. This anomaly, which has also never been drill tested, occurs in an area of alluvial with no outcrop.

The Company believes that these new geophysical anomalies are significant targets based on the correlation seen between chargeability anomalies and higher grade zones at Explorer and Explorer South.

### **2.2. BARRICK DRILLING PROGRESS**

Barrick Gold have starting their initial phase of RC and diamond drilling for 2004, however the full details of this program have not yet been advised to the Company.

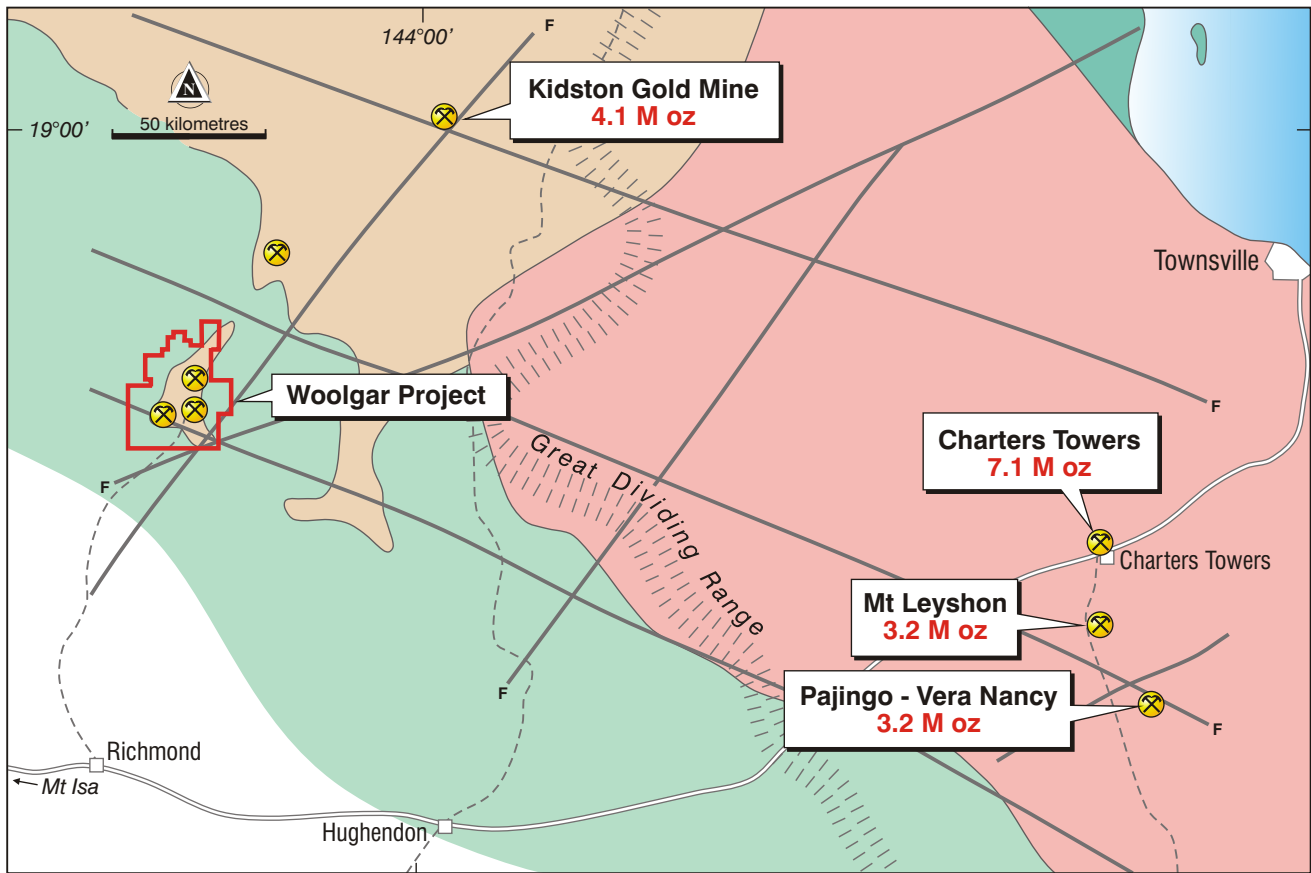
Barrick are testing geophysical targets that represent Barrick sized targets.

Active drill evaluation of the project by both Strategic and Barrick continues.

Yours Sincerely,

W.A.C. Martin  
Managing Director

Note: The information in this report has been compiled by Mr Barry Fehlberg who is a member of the Australian Institute of Mining and Metallurgy and has a minimum of five years experience in the field of activity being reported on. This report accurately reflects the information compiled by that person.



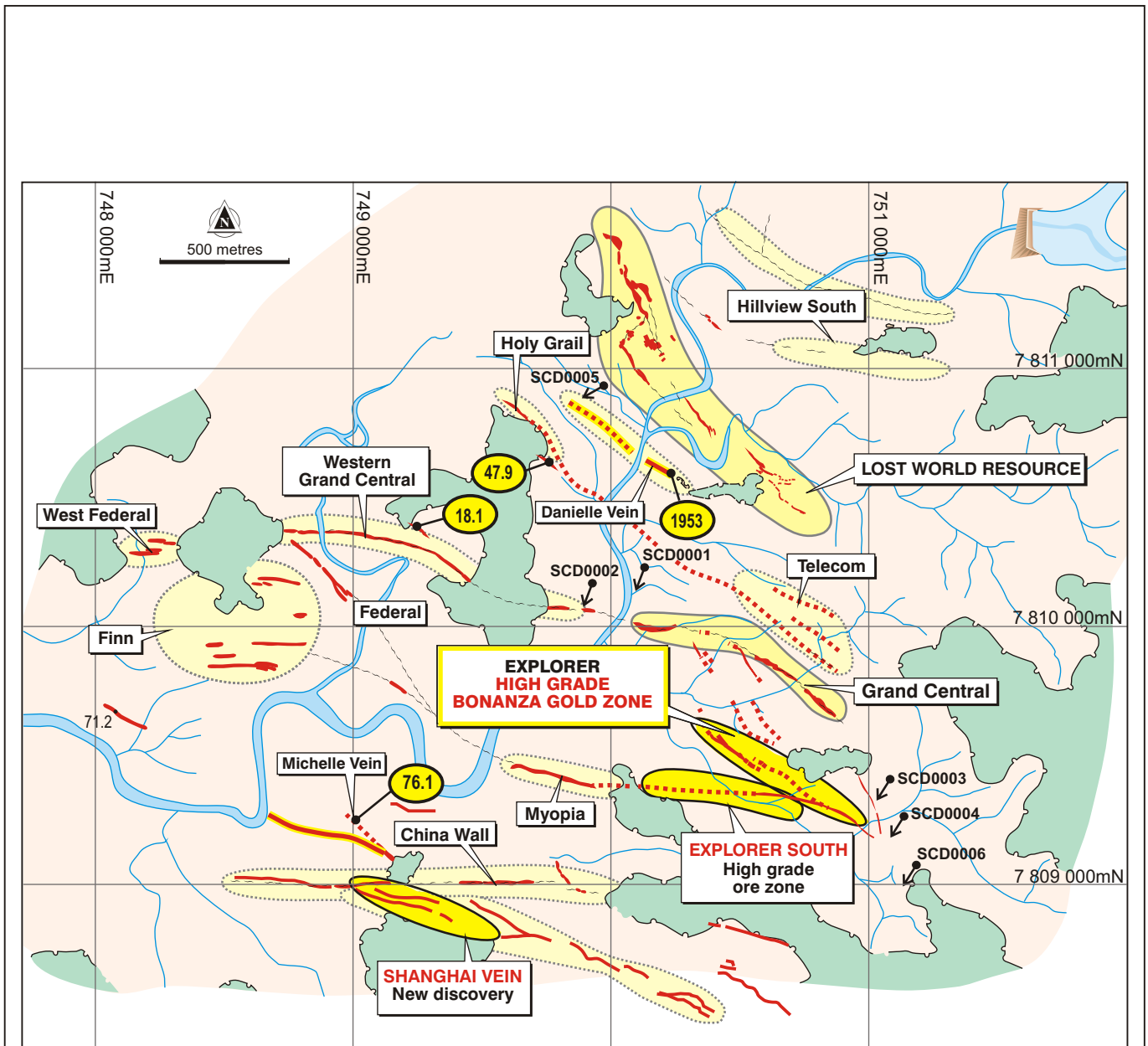
- LEGEND**
- Cover sequence - unprospective
  - Hodgkinson Basin - prospective
  - Charters Towers Block - prospective
  - Georgetown Block - prospective
  - F — Interpreted lineament
  - ⚒ Gold deposit
  - Strategic tenement boundary



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**WOOLGAR PROJECT  
Regional Setting**

Figure 1



- LEGEND**
- Jurassic sandstone cover
  - Unconformity
  - Basements metasediments, dolerite and porphyry
  - Epithermal quartz veins / breccia
  - 71.2 • Surface gold assay g/t Au
  - 76.1 Untested high grade surface gold assay g/t Au
  - Drainage
  - Inferred fault zone
  - Lost World Drilled resource area
  - Shanghai Drill target area
  - Barrick diamond drill holes Nov-Dec 2003.

Figure 2

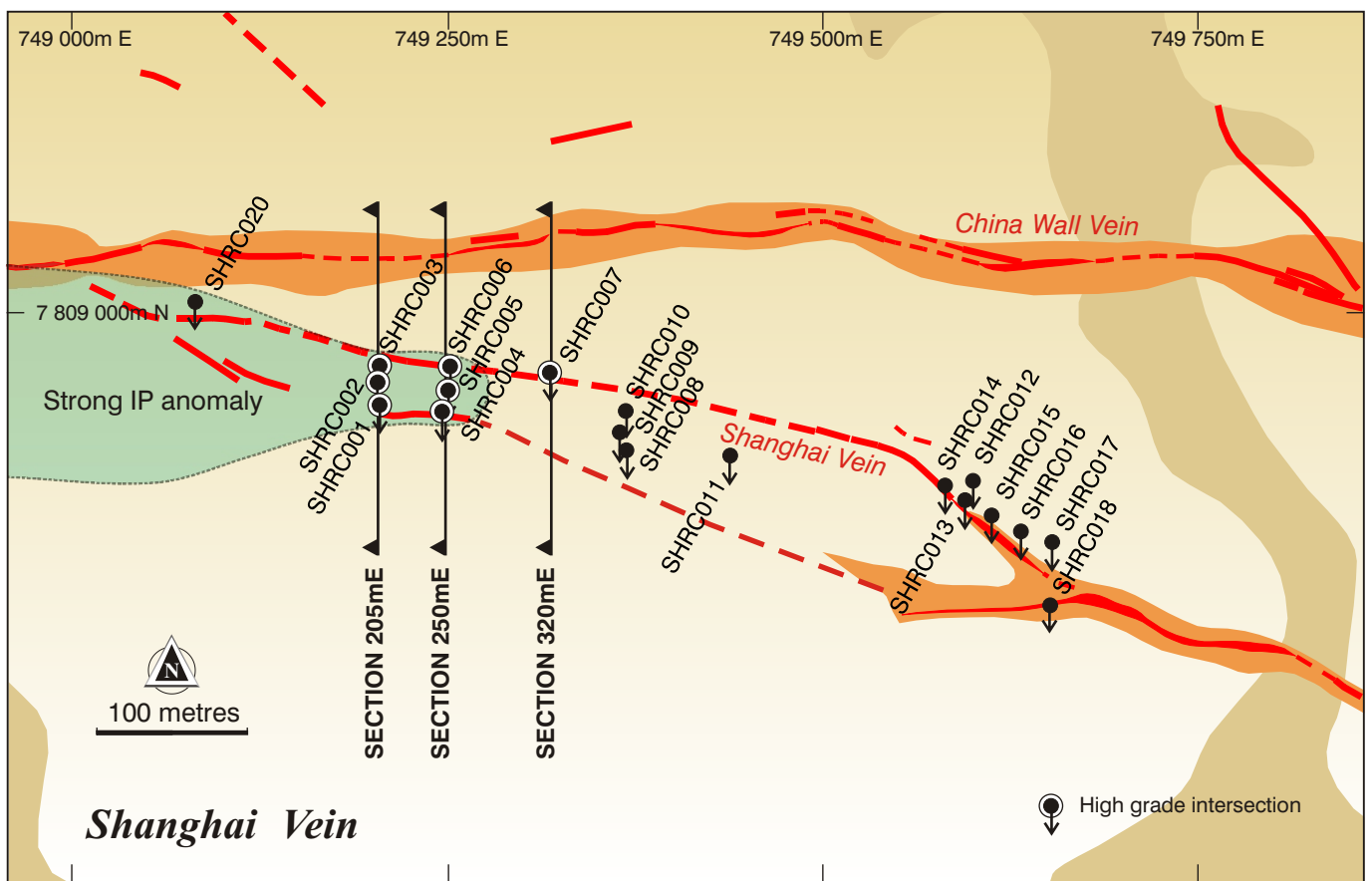
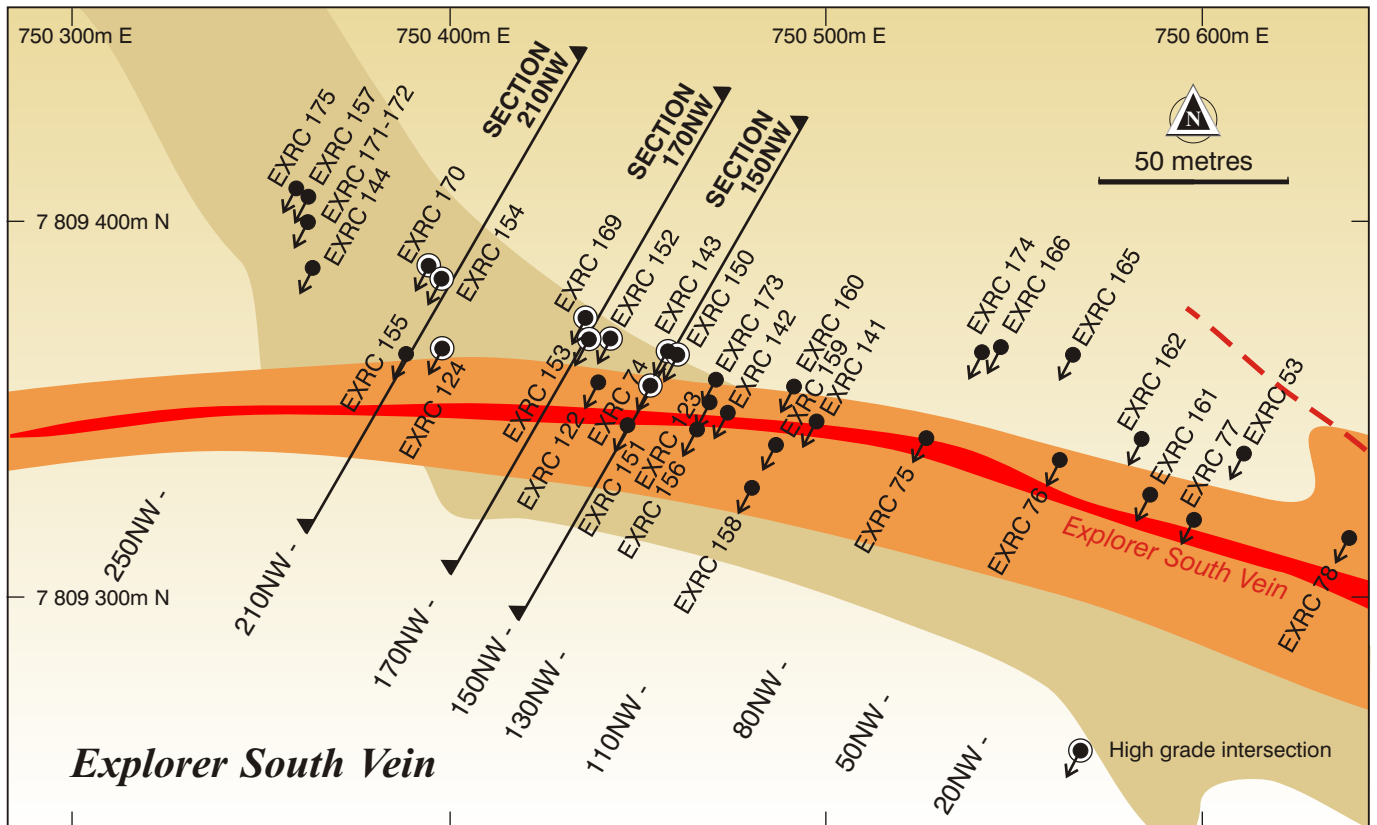
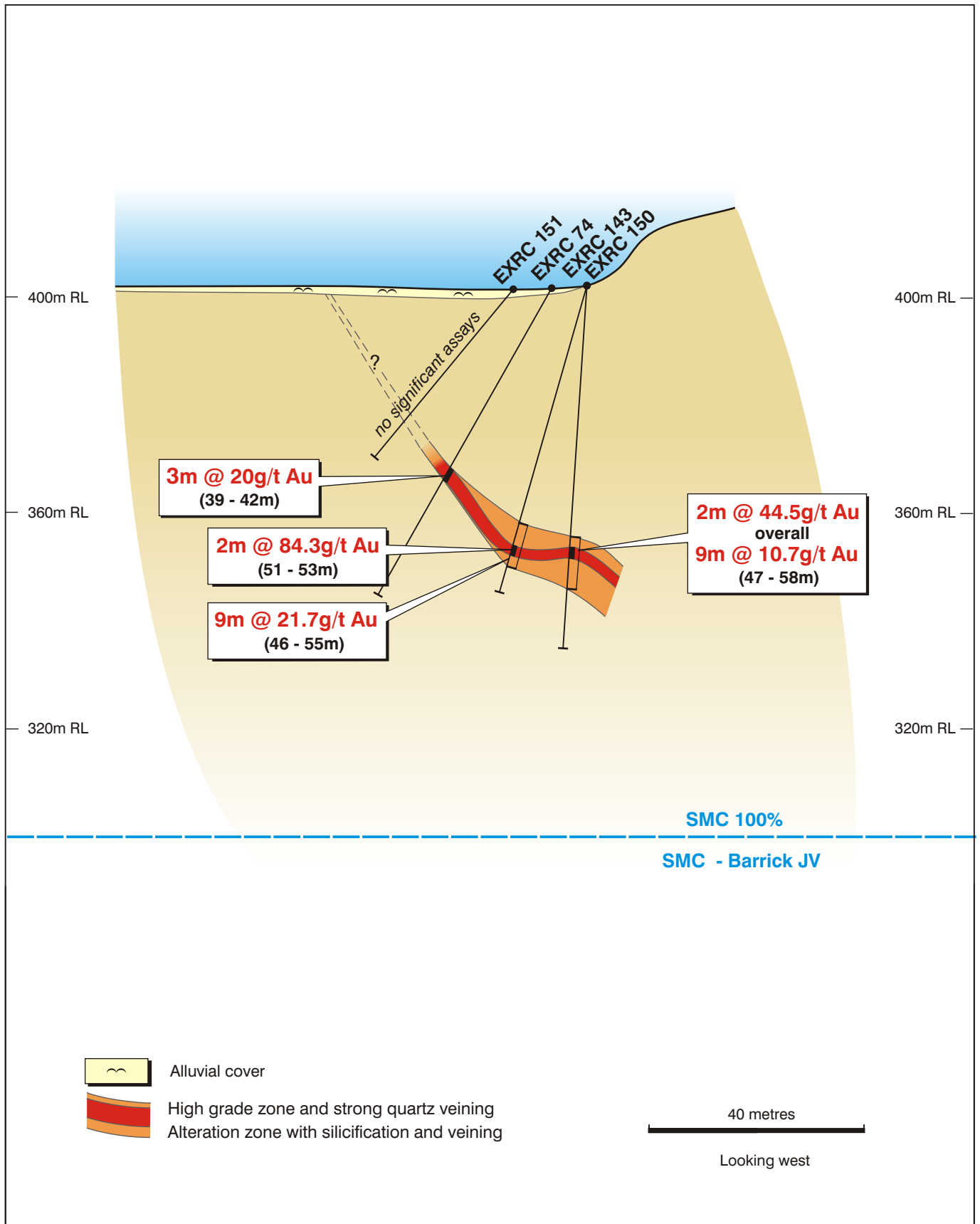
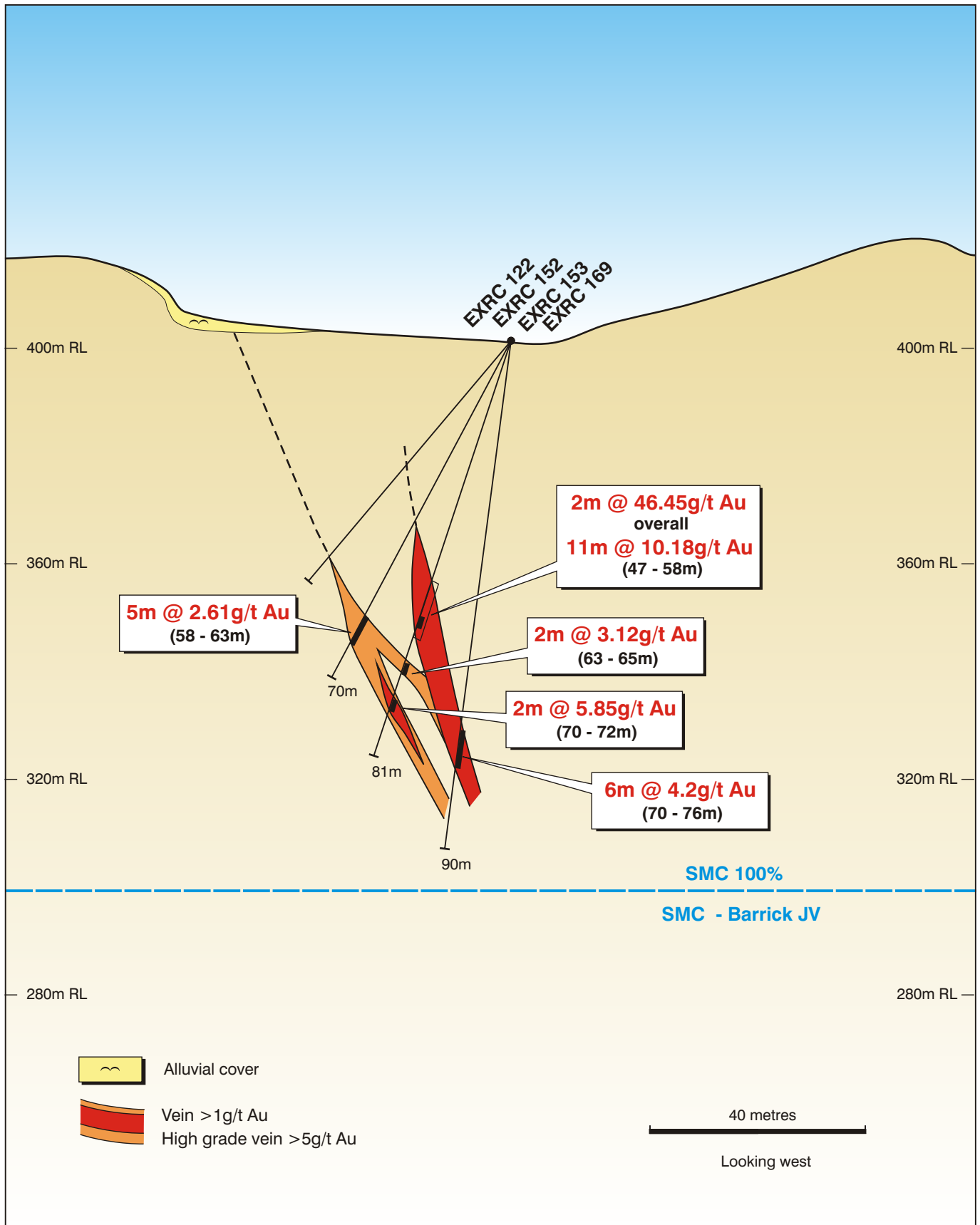


Figure 3







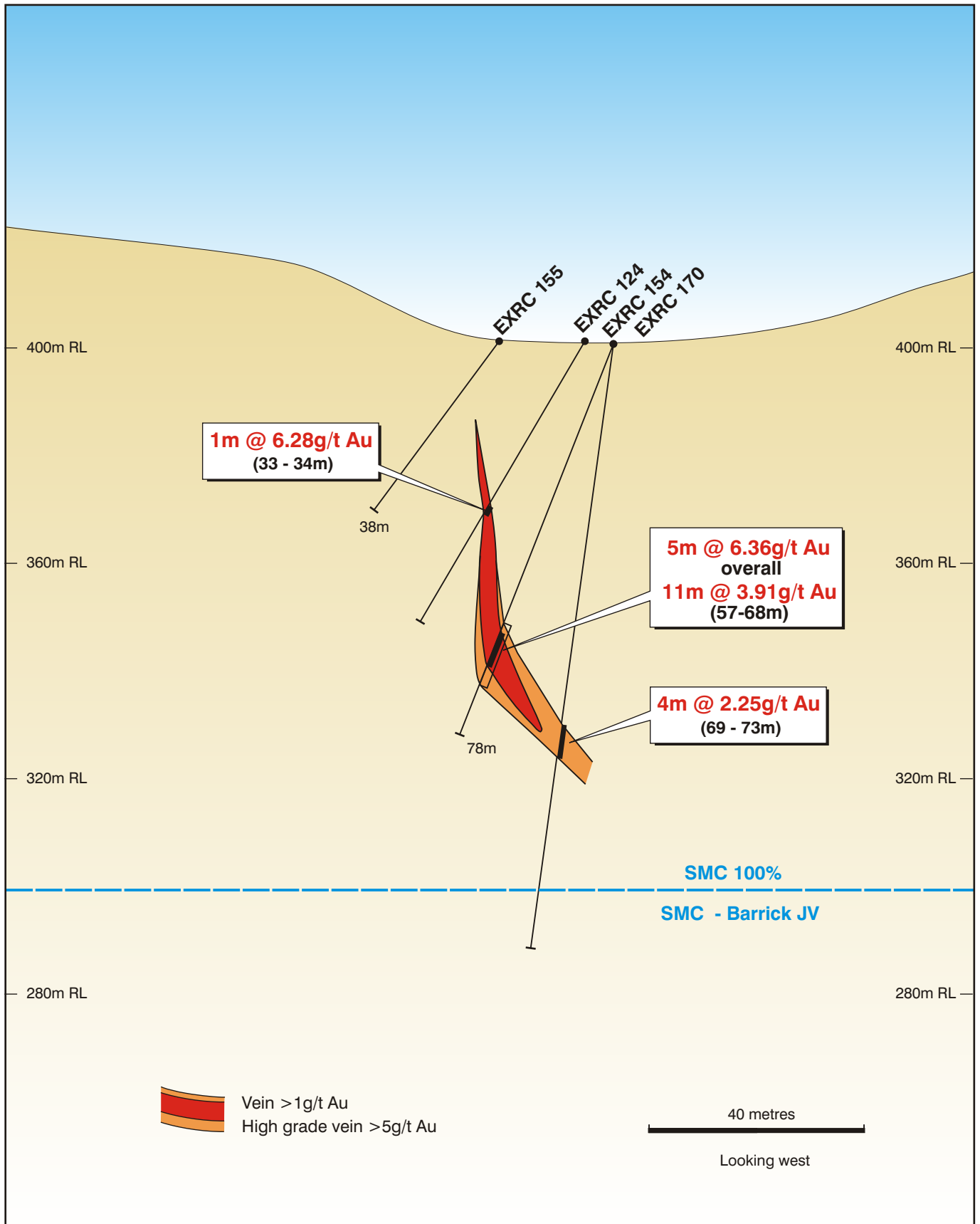


Figure 6

