



**Strategic
Minerals
Corporation N.L.**

ACN 008 901 380
ABN 35 008 901 380

Level 1
460 Roberts Road
Subiaco, Western Australia 6008

P.O. Box 66
Floreat Forum WA 6014

Email: wally@stratmin.com.au
Website: www.stratmin.com.au

Telephone (08) 9388 8399
Facsimile (08) 9388 8676

**Australian Stock Exchange
ASX Online
Sydney NSW
July 12, 2006**

WOOLGAR GOLD PROJECT, QLD – PROGRESS REPORT

**OXIANA EXPLORATION PTY LTD (OXIANA) /STRATEGIC MINERALS
CORPORATION N L FARM IN/JOINT VENTURE AGREEMENT**

2006 EXPLORATION AND DRILL PROGRAM

- **OXIANA has advised that the first stage of an extensive drilling program has now commenced at Woolgar.**
- **Drilling has been delayed by the failure of drill contractors to meet firm commitments however two rigs have now been secured for the 2006 program. The planned drill program comprises 10,000 – 13,000m of reverse circulation drilling and 5,000 – 6,000m of diamond drilling. The initial stage of the program through to December 2006 is budgeted at \$2.3M.**
- **Additional to the planned drill programs, district scale surface exploration comprising extensive soil sampling, geological mapping and electrical geophysics is well advanced over priority structural targets. Detailed gradient array IP geophysics led to the discovery of the Camp Vein in 2006 and coverage will be extended across the Sandy Creek area,**
- **Oxiana is sole funding this work program under the terms of the Woolgar Project Farm-In /JV agreement (refer terms of Farm In ASX announcement 15th February 2006).**

Historical mining activity in the Woolgar Goldfield and discovery of the large Sandy Creek epithermal vein system has demonstrated wide spread gold mineralization throughout the area, which is currently held by Strategic under various mining titles.

With the highly successful results achieved from programs conducted over the past three years the directors are very optimistic of a successful drilling campaign this year.

SUMMARY OF THE 2006 OXIANA DRILLING CAMPAIGN AS FOLLOWS:-

SANDY CREEK AND REGIONAL

- **At Sandy Creek, a +400,000 ounce gold resource has been defined above 100m vertical depth. The new drilling will comprise significantly deeper diamond drilling to depths of 200 – 300m, targeting the relatively untested extensions of the defined near surface mineralised epithermal veins. Additional extensive shallow drilling to extend and define known shallow high grade ore shoot positions at Shanghai, Camp Vein and Hillview is also being conducted,**
- **Oxiana intends testing the Woolgar district for a large high grade epithermal vein system similar to the Pajingo – Vera Nancy deposits. The Sandy Creek epithermal vein system, located within the Woolgar project area, shares many similarities with Pajingo.**
- **A staged drill program, using one RC dedicated rig and one multipurpose rig is planned to run throughout the year. The initial stage will comprise 5000m of RC and 1500m of diamond drilling, focused on priority targets in the Sandy Creek area. RC drilling has commenced and diamond drilling is due to commence in the second half of July.**
- **Shallow reconnaissance RC drilling is also planned to test new targets along the NNE trending Woolgar Fault, which is a major control on gold mineralisation within the Historical Woolgar gold field.**

Yours faithfully,

**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 Technical Director Mr Roland Bartsch MSc. BSc. (Hons.) 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.