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ASX Code: SMC

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ASX Release

Strategic Minerals Corporation NL, 100% Woolgar Gold Project, Queensland

Testwork Indicates 96% Gold Recovery in Lower Camp

The Company is pleased to announce the results of the initial metallurgical testwork on the Big Vein South and Big Vein Central prospects in the Lower Camp of the Woolgar Project. This is the first part of a two stage metallurgical testwork program being conducted by the company to evaluate the metallurgical performance of the mineralisation.

Key results obtained from the program include:

- Gold recovery averaged 96% across the six samples tested;
- No refractory ore characteristics were observed in any of the tests, indicating the ore is suitable for gold recovery in a standard CIL processing plant;
- The consumption of reagents is considered moderate; and
- Silver, copper, lead and zinc values are moderate and are not considered to significantly affect the design of any future processing facilities, although a flotation circuit for the production of a base metal concentrate may be viable and will be examined later in the testwork program.

Table 1: Summary of significant results.

Prospect & Sector	Au Recovery, %	Au Grades, g/t
Big Vein Central - North & Central	96.61	5.11
Big Vein Central - Southern End	96.58	3.51
Big Vein South - Northern End	96.47	5.24
Big Vein South - North Central	97.32	5.59
Big Vein South - South-Central	93.11	4.03
Big Vein South - Southern End	96.25	5.10
Average	**96.06**	

Program Summary

Strategic Minerals (SMC or The Company) commissioned Core Process Engineering (Core) (www.coreresources.com.au) to carry out a testwork program to assign preliminary gold recovery values to the Woolgar mineralisation and identify any metallurgical characteristics. This is the first part of a two stage metallurgical program. Samples for the program were taken from the mineralisation identified over the past two years in the southern prospects at Woolgar.

The goals of the testwork program were to:

1. Determine reportable metallurgical Au recovery data, using standard cyanide leaching technology, across 6 identified zones of the mineralised body, reported herein.
2. Conduct preliminary investigations of processing options available to the project, which will provide data necessary for preliminary estimates of processing options and associated capex and opex.

Two packages of work were designed, reflecting these goals. The results reported here relate to the first stage test data. The second stage will further evaluate metallurgical responses, such as gravity extraction of gold and the rate of gold leaching in the CIL process.

The tests were conducted on six composite samples formed from 191 intervals selected from a variety of grades, depths and sectors within the prospects. These results will be used as a guide to continued exploration and investment by the Company. The sample material was selected to be representative of the mineralisation styles encountered to date. The sample material was selected from holes drilled during 2013 and 2014, and is from beneath the base of complete oxidation.

Material is no longer available from the highest (oxidised) levels, since this has been rehabilitated for environmental reasons. That mineralisation had been sampled for a previous round of testwork, as was the material in this study. Unfortunately, those results were inconclusive due to the variable head grades resultant from the coarse gold. For this reason Core were contracted to conduct a more robust testwork program.

The primary focus of these tests was on the gold recovery since this is the dominant metal of value in the system. Although silver, copper, lead and zinc also occur, these are relatively minor and are not expected to form a significant economic component of any project going forward. These metals were monitored for any potential effects that they may have on the leaching, recovery or consumption of reagents during processing. First indications from these tests suggest that such effects appear to be moderate and manageable within a normal processing circuit.

This is the first phase of metallurgical studies conducted on the mesothermal-style mineralisation encountered on the Woolgar Fault Zone and is not directly associated with either the epithermal or intrusion-related mineralisation in the Sandy Creek and Soapspar sectors, for which metallurgical studies have been conducted historically.

Resource Preparation

These results will be incorporated in the updated resource calculation over the Big Vein South and Central prospects for which preparations are underway.

The Company's geological personnel are currently concentrating on better understanding the geology and alteration of the deposit. This is necessary to better model the mineralisation and the controls on it. This includes relogging of drillholes, field mapping and petrographic studies.

Wally Martin

MANAGING DIRECTOR

COMPETENT PERSON STATEMENT

The information in the report to which this statement is attached that relates to Exploration Targets or Exploration Results is based on information compiled by Alistair Grahame, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Grahame is a full-time employee of Strategic Mineral Corporation NL. Mr Grahame has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grahame consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to Metallurgy is based on information compiled by Chris Casingena, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Casingena is employed by Core Process Engineering. Mr Casingena has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Casingena consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Core Process Engineering was commissioned by Strategic Mineral Corporation to conduct these metallurgical tests. Core Process Engineering is an independent company that specialises in consulting on Metallurgy and Mineral Process Engineering. Neither Core Process Engineering nor any of its officers, have any financial nor other interest in Strategic Mineral Corporation N.L..

Appendix One: Location Maps

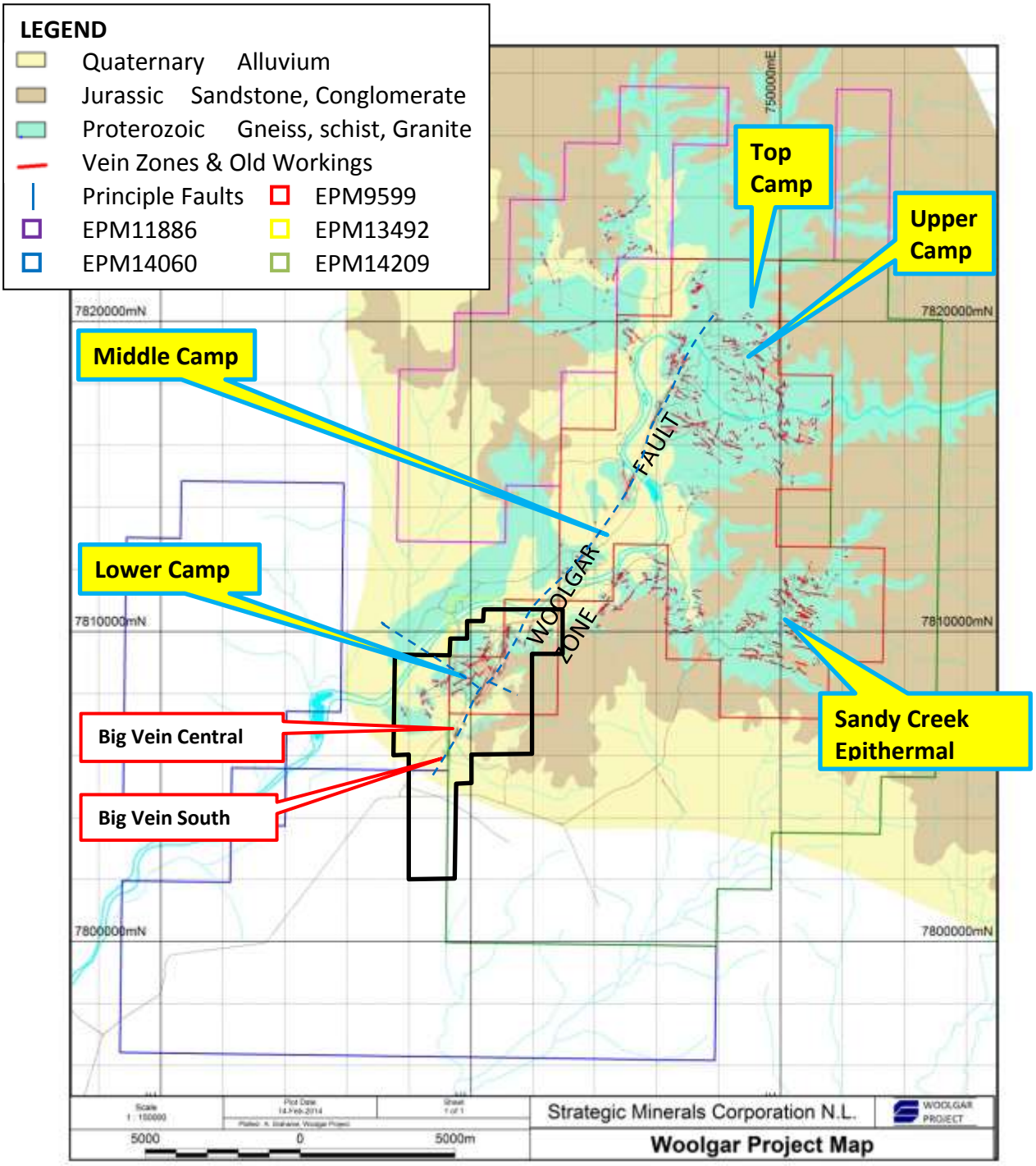

Figure 1: Simplified geological map of the Woolgar Project, highlighting the five main sectors (camps) and the Big Vein South and Central prospects, subject to this report. The combined area of the 2013 and 2014 Ground Magnetometry surveys is highlighted in black.

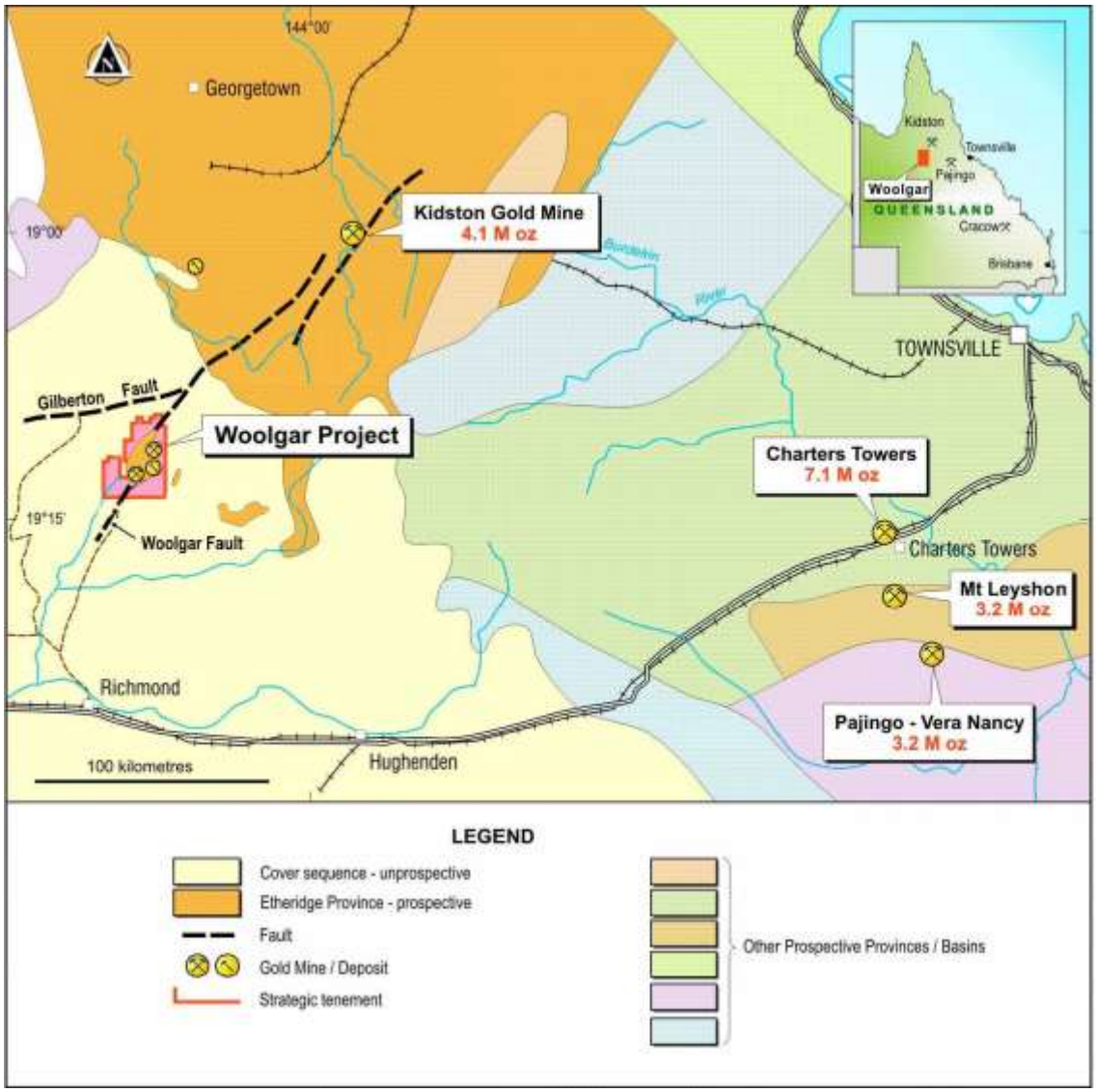

Figure 2: Location map of Woolgar, showing the regional provinces of northeast Queensland and significant gold deposits. As can be seen, the Woolgar Goldfield corresponds to an inlier (erosional window) of the highly prospective and historically productive Etheridge Province exposed within the overlying generally unprospective sedimentary cover sequences.

Appendix Two

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• 191 samples were selected from within 6 sub-divisions of the two adjacent prospects to produce 6 composite samples broadly representative of mineralisation within each sector. • The procedure is considered appropriate to an initial indicative study of this nature. • Samples were riffle split from the field reject material by trained SMC personnel.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• The material sampled is sourced from reverse circulation drilling with face hammer. Sample intervals were 1.0m. • RC sampling was carried out by the drilling contractor using a cone-splitter integral with the recovery cyclone.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Not applicable. No new drill results are presented herein.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Not applicable. No new drill results are presented herein.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• The original RC sample was cone split integrally to the cyclone. • The metallurgical samples were selected to provide an approximate representation of the broader intervals and taken manually using a riffle splitter. • All sample preparation and methods were appropriate for exploration purposes.
Quality of assay data and laboratory	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• All metallurgical samples were prepared, composited, processed and assayed at Core Process Engineering with ICP assays subcontracted to

Criteria	JORC Code explanation	Commentary
tests	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	the ALS Minerals Division - Geochemistry ("ALS") laboratory in Brisbane; an ISO-9001:2013 certified facility. • Six 1kg composite samples were subjected to a 48 hour Sodium Cyanide Bottle Roll tests. Single analysis were taken at 48 hours. Filtrate- 5ml DiBK-AAS; Residual Solids: Au-FA. Dynamic leach and grind tests will be included in Stage 2. • The Leachwell test methodology used in previous testwork by SMC produced unrealistic results which resulted in the rethink of the methodology employed to analyse the recovery of gold from the ore. Core Process Engineering were commissioned to manage this. A decision was made to move away from using Leachwell tests to the more robust and proven rolling bottle testing methodology. Using this methodology it was possible to back calculate the head grade from the leach products, effectively removing the biases created in assaying because of the presence or absence of small nuggets in the head samples.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• This report is prepared by independent consultants and has not been reviewed externally. • This is prospective not definition work and no new drill results are presented herein. • Head grades were back calculated by reconciling assays of both leach product and residual solids, rather than simple fire assay of the test material. The previous testwork by SMC had already

Criteria	JORC Code explanation	Commentary
		demonstrated that a standard 50g fire assay was unreliable due to the frequency of coarse gold. • No other adjustments made to assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Not applicable. No new drill results are presented herein.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• 191 samples were selected from within 6 sub-divisions of the two adjacent prospects to produce 6 composite samples broadly representative of mineralisation within each sector. • The samples were selected from within mineralised intervals from 13,000 metres of 2013 and 2014 RC drilling campaigns. • The procedure is considered appropriate to an initial indicative study of this nature.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Not applicable. No new drill results are presented herein.
Sample security	• The measures taken to ensure sample security.	• RC samples were collected in calico bags, sealed in sacks of five and loaded into pallet containers for transport to Brisbane by a private courier. • A paper trail, including the contents of individual sacks

Criteria	JORC Code explanation	Commentary
		was maintained.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• This report was prepared by Core Process Engineering, an independent metallurgical consultancy. There has been no further external audit of the process.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The Woolgar project is comprised of 5 EPMs, 8 MLs and an ML application. These are wholly owned by Strategic Minerals. • There is no known impediment to operations in the area.

License No	Date Granted	Area	Interest	Comments
ML 2728	01/06/89	128 Ha	100%	Granted
ML 2729	01/06/89	128 Ha	100%	Granted
ML 2739	01/06/89	128 Ha	100%	Granted
ML 2642	01/02/89	405 Ha	100%	Granted
ML 2793	08/08/91	146.4 Ha	100%	Granted
ML 90044	27/04/95	29.2 Ha	100%	Granted
EPM 9599	01/09/93	145 sq km	100%	Granted
ML 90122	02/09/04	350.90 Ha	100%	Granted
ML 90123	18/11/04	124.70 Ha	100%	Granted
MLA 90238		883.5 Ha	100%	Application
EPM	21/04/04	316 sq	100%	Grante

Criteria	JORC Code explanation	Commentary
		11886 km d EPM 14060 21/04/04 489 sq km 100% Granted EPM 14209 21/04/04 307 sq km 100% Granted EPM 13942 09/11/06 15 sq km 100% Granted
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Little recent work has been carried out in the Lower Camp area prior to the previous three RC programs by SMC. The new project management reviewed these and found them acceptable as a basis for exploration.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Lower Camp is a mesothermal style of mineralisation. • It is shear hosted within the regional-scale Woolgar Fault Zone. • It consists of quartz and quartz-carbonate veins, mineralised tectonic breccias, stockworks and veinlets. • Gold mineralisation is associated with disseminated pyrite, and lesser galena, sphalerite, chalcopyrite and pyrrhotite, that occur within strongly phyllic altered, sheared schists, granodiorite and veins. • The mineralisation is strongly associated with a phyllic alteration frequently overprinting an intense potassic alteration event. • The hostrocks are a strongly deformed schist with granitic layers locally. These are intruded by granodiorite and minor dolerites, and is postulated to be overlying bind plutons of the granite batholiths exposed in the district.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level –	• Not applicable. No new drill results are presented herein. • None of this information has been excluded.

Criteria	JORC Code explanation	Commentary
	elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable. No new drill results are presented herein. • The results herein are indicative only based on composite samples, including high, medium and low grades, considered to be broadly representative of any potential bulk mining product which may be extracted in the future. These are not intended nor represented as final resource values, nor as evidence that any or all of this material may be converted into Mineral Resources or Ore Reserves. Further detailed metallurgical testwork would be required prior to any definition of Ore Reserves. • The mesothermal mineralisation is gold dominated and no metal equivalents are used.
Relationship between mineralisation widths and intercept	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the	• Not applicable. No new drill results are presented herein.

Criteria	JORC Code explanation	Commentary
lengths	mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Location and prospect maps are included in the main body of the text.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• No significant data has been omitted. • There are no further outstanding drill or metallurgical results.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Recent drill, geophysical and soil surveys have been reported previously. • A resource update is underway and will be reported in due course. • Both positive and negative interpretations of these results have been discussed openly. No further deleterious technical, statutory or social issues are known.
Further work	• The nature and scale of planned further work (eg	• A resource update is underway and will be reported in due course.

Criteria	JORC Code explanation	Commentary
	tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• A second stage of metallurgical work is planned to include testing for susceptibility to gravity extraction and kinetic leach tests. • Further drilling is expected in 2015 and would include continued stepbacks where possible and extension drilling to continue assessing the overall potential. This may be extended to exploratory drilling on some of the numerous targets in the project. Diamond and infill RC drilling may be conducted if considered justified. • Further geophysical work is also under consideration. This may include a Ground Magnetometry survey in the upper Camp and possibly some electrical techniques if considered suitable.