



***Strategic
Minerals
Corporation N.L.***

10 July 2015

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Dear Shareholder

Opportunity to sell your small holding of Strategic Minerals Corporation NL Shares
(under Article 3.4 of the Strategic Minerals Corporation NL Articles of Association)

This divestment notice and the enclosed Terms and Conditions contain important information about your Shares and should be read with care.

Strategic Minerals Corporation NL will be entitled to have your Shares sold if you take no action by the Closing Date.

On behalf of the Strategic Minerals Corporation NL (Strategic Minerals) Board, I am pleased to offer eligible shareholders the opportunity to sell their small shareholdings through an unmarketable parcel share sale facility (Facility) without incurring any brokerage or handling costs.

Why is Strategic Minerals offering the Facility?

Strategic Minerals recognises that as a small shareholder (being a Small Holder or a New Small Holder for the purposes of Article 3.4 of the Strategic Minerals Articles of Association), you may find it difficult or expensive to dispose of your fully paid ordinary shares in Strategic Minerals (Shares). The Facility will also assist in reducing the company's ongoing costs associated with the administration of numerous small shareholder accounts.

Who is eligible under the Facility?

The Facility is available to registered shareholders as at 5:00pm (Sydney time) on 3 July 2015 (Record Date) with less than A\$500 worth (an Unmarketable Parcel) of ordinary fully paid Shares. Based on a price of \$0.03 per share, being the closing price of Shares on the Australian Securities Exchange (ASX) on the Record Date, an Unmarketable Parcel is any holding of 16,666 Shares or less.

Our records show that you held an Unmarketable Parcel of Shares at the Record Date, and accordingly your shareholding is eligible for this Facility. Under Article 3.4 of the Strategic Minerals Articles of Association, Strategic Minerals may and hereby does notify shareholders who hold an Unmarketable Parcel that it intends to sell their Shares in accordance with Article 3.4 unless they correctly complete and return the Retention Form by 5:00pm (Sydney time) on 21 August 2015 (Closing Date) to our Share Registry. You can return the Retention Form or alternatively, take one of the other steps described in this letter and the enclosed Terms and Conditions so that your Shares are not sold under the Facility.

What do I have to do?

- **If you wish to SELL your Shares**

If you wish to sell your Shares under the Facility, you do not need to take any action. If you do not take any action, Strategic Minerals intends to sell your Shares on ASX as soon as practicable following the Closing Date. Any sale proceeds will be paid to you by either direct credit or cheque in Australian dollars as soon as practicable following the Closing Date (and in any event within 8 weeks of the Closing Date). If your Shares are held in a CHESS holding, Strategic Minerals may, after the Closing Date, move your Shares from the CHESS holding to an issuer sponsored holding for the purpose of the Facility.

- **If you wish to KEEP your Shares you must:**

Correctly complete and return the enclosed Retention Form so that it is received by our Share Registry, Security Transfer Registrars by 5:00pm (Sydney time) on the Closing Date;

OR

- Make your own arrangements outside the Facility to increase your shareholding by purchasing additional Shares (eg through a broker) so that by 5:00pm (Sydney time) on the Closing Date your registered shareholding is more than an Unmarketable Parcel;

OR

- If you hold your Shares in multiple holdings, arrange to have those holdings merged into one holding of more than an Unmarketable Parcel so that this is reflected on the Strategic Minerals share register at 5:00pm (Sydney time) on the Closing Date. You can do this by calling the Company on +61 8 6141 3500.

If you successfully take one of these steps, Strategic Minerals will not be entitled to sell your Shares.

What price will I receive for my Shares?

The price will be the volume weighted average price of the last sale prices of the Company's Shares for each of the ten trading days immediately preceding the date of any offer received by the Company in accordance with Article 3.5 (Authorised Price). The Sale Price will be equal to or more than the Authorised Price.

The Sale Price will be calculated by dividing the total sale proceeds for all Shares sold under the Facility by the total number of Shares sold under the Facility. As the price payable is an average, it may be more or less than the actual price at which your individual Shares are sold by the broker.

Shares will not be sold through the Facility for less than:

- the Authorised Price; or
- if there are no sales of Shares on ASX during that period, the sale price which in the opinion of the directors is a fair and reasonable sale price for the Shares determined immediately prior to the date of this letter. Accordingly, the Sale Price received by you will not be less than the Authorised Price.

All participants who have their Shares sold under the Facility will receive the same Sale Price per

Share. The sale proceeds to which you will be entitled for your sold Shares will be calculated by multiplying the Sale Price by the number of Shares you held, rounded to the nearest cent.

Important Information

Strategic Minerals does not make any recommendation or give any advice to you regarding whether to participate in the Facility. You may of course wish to elect to maintain your existing shareholding, in which case you should correctly complete and return the Retention Form (or take one of the other steps described in this letter). However, if you wish to sell your shares, there are advantages to participating in the Facility compared to using your own broker as no brokerage and handling fees are payable by you under the Facility.

If you are in any doubt, or if you require further information regarding possible taxation implications from participating in the Facility, please consult your legal, financial or taxation adviser.

Further Information

Please refer to the enclosed Terms and Conditions for further information.

If you have any questions concerning the contents of this letter, please contact the Company on +61 8 6141 3500.



Jay Stephenson
COMPANY SECRETARY



**Strategic Minerals Corporation NL (ACN 008 901 380)
Share Sale Facility for Unmarketable Parcels
Terms and Conditions**

The Shares specified in this Divestment Notice are being sold in accordance with Article 3.4 of the Strategic Minerals Corporation NL Articles of Association

1. What is the Strategic Minerals Share sale Facility for Unmarketable Parcels?

Strategic Minerals Corporation NL (ACN 008 901 380) (Strategic Minerals) is offering the Strategic Minerals Share sale Facility for Unmarketable Parcels (Facility) (under Article 3.4 of the Strategic Minerals Articles of Association). The Facility provides you with a convenient and cost-effective way to sell all of your fully paid ordinary shares in Strategic Minerals (Shares).

This document, in conjunction with the attached letter from the Company Secretary (together, the Divestment Notice given under Article 3.4 of the Strategic Minerals Articles of Association) and the Retention Form, satisfies the notice requirements set out in the Strategic Minerals Articles of Association.

If you are the holder of an Unmarketable Parcel (see section 2 below) and you do not wish to sell your Shares in the Facility, you must return your Retention Form by 5:00pm (Sydney time) on 21 August 2015 (Closing Date) (see section 6 below). Alternatively, you may acquire additional Shares or consolidate multiple holdings of Shares so you no longer hold an Unmarketable Parcel (see section 6 below).

The Strategic Minerals Board makes no recommendation as to whether you should use the Facility. The Facility is not the only way to sell your Shares. You can also sell your Shares through the Australian Securities Exchange (ASX) by contacting a broker or by selling your Shares off-market if you can find a buyer.

Strategic Minerals will pay the brokerage and handling fees (if any) in relation to the sale of Shares under the facility.

You should seek independent legal and financial advice (including tax advice) specific to your circumstances when determining whether or not to participate in the Facility or otherwise sell your Shares.

2. What is an Unmarketable Parcel?

An Unmarketable Parcel is a holding of Shares which is worth less than A\$500 as at 5:00pm (Sydney time) on 3 July 2015 (Record Date). Based on the closing price of \$0.03 per Share on ASX on the Record Date, an Unmarketable Parcel is any holding of 16,666 Shares or less.

3. Why is Strategic Minerals offering the Facility?

Strategic Minerals values all of its shareholders. However,

Strategic Minerals incurs significant administrative costs in maintaining many small shareholders (for example, the costs of processing dividends, preparing and mailing shareholder statements, annual reports and all forms of communications). The cost of maintaining small shareholder accounts can be disproportionately high.

In addition, Strategic Minerals recognises that small shareholders may find it difficult or expensive to dispose of their Shares. The Facility is an easy, convenient and cost-effective way to sell all of your Shares.

4. Who can use the Facility?

Any Strategic Minerals shareholder who is the registered holder of an Unmarketable Parcel as at 5:00pm (Sydney time) on the Record Date is eligible to participate in the Facility. Eligible shareholders have been sent the attached Divestment Notice advising them of their eligibility, a copy of these Terms and Conditions and a Retention Form.

5. What do I have to do to use the Facility?

If you wish to sell your Shares under the Facility, you do not need to take any action or respond to this correspondence.

6. What do I have to do to retain my Shares?

If you wish to retain your Shares you must do one of the following:

- correctly complete and return the enclosed Retention Form so that it is received by our Registry, Security Transfer Registrars by 5:00pm (Sydney time) on the Closing Date; OR
- make your own arrangements outside the Facility to increase your shareholding so that by 5:00pm (Sydney time) on the Closing Date your registered shareholding is more than an Unmarketable Parcel. For your additional purchase of Shares to be an effective notice to Strategic Minerals that you wish to retain your Shares, the additional Shares purchased must be held in the same holding as your current Shares (in particular, under the same securityholder reference number (SRN) or holder identification number (HIN), name and address as shown on the Retention Form) and must be registered by 5:00pm (Sydney time) on the Closing Date; OR

- if you hold your Shares in multiple holdings, by arranging to have those holdings merged into one holding of more than an Unmarketable Parcel so that this is reflected on the Strategic Minerals share register at 5:00pm (Sydney time) on the Closing Date. You can do this by calling the Company on +61 8 6141 3500.

If you successfully take one of these steps, Strategic Minerals will not be entitled to sell your Shares.

7. What happens if I do not return my Retention Form or purchase additional Shares and/or consolidate my Shares (as described in section 6)?

Strategic Minerals intends to, and will be entitled to, sell your Shares under the Facility in accordance with Article 3.4 of the Strategic Minerals Articles of Association.

8. What happens if my holding increases?

If your holding increases to above an Unmarketable Parcel prior to 5:00pm (Sydney time) on the Closing Date as a result of your acquisition of additional Shares, your Shares will not be sold under the Facility.

9. What if my Shares are held on the CHESS sub register?

If your Shares are held on the CHESS sub-register and you wish to keep your Shares, you must return the Retention Form to the Company by 5:00pm (Sydney time) on the Closing Date or take one of the other steps described in the Divestment Notice otherwise your Shares will be sold via a broker appointed by Strategic Minerals.

10. Can I withdraw my Retention Form?

Yes. If you would like to withdraw your Retention Form, please send a written request which:

- details your name, address and shareholder reference number (SRN) or holder identification number (HIN);
- states that you would like to withdraw your Retention Form; and
- is signed by all holders, to the Company before 5:00pm (Sydney time) on the Closing Date in order to be effective.

11. What costs will I incur?

Strategic Minerals will bear the costs of sale of the Shares under the Facility. The costs of sale of the Shares include all stamp duty, brokerage and government taxes and charges (except for tax on income or capital gains).

12. Can I sell some but not all of my Shares in the Facility?

No. You cannot sell part of your shareholding in the Facility.

13. When and how will my Shares be sold?

The sale of Shares is expected to take place as soon as practicable after the Closing Date. You cannot specify the date on which your Shares will be sold.

Strategic Minerals is not bound to sell any Shares which it is entitled to sell under Article 3.4 of the Strategic Minerals

Articles of Association and this Divestment Notice, but if your Shares are not sold within six weeks of the Closing Date, Strategic mineral's right to sell your Shares lapses. Strategic Minerals will inform you if this occurs.

Strategic Minerals is appointed to arrange the sale of Shares under the Facility. Shares will be sold on ASX in the ordinary course of business.

Strategic Minerals has appointed a licensed securities broker, which will act as execution-only broker to effect any sale of your Shares under the Facility.

By participating in the Facility, each eligible shareholder is deemed to have appointed Strategic Minerals as the shareholder's agent to receive any notices including the Financial Services Guide (and any update of that document) the licensed securities broker is required to provide under the Corporations Act. The Financial Services Guide is available on the Strategic Minerals website (www.stratmin.com.au).

You should note that the price obtained for your Shares under the Facility will depend on a number of factors including market conditions prevailing at the time. The market price for your Shares is subject to change from time to time. The price you receive may be different to the price appearing in the newspaper or quoted by ASX on any day, may not be the best execution price on the trading day or trading days that your Shares are sold, and may be more or less than the actual price at which your Shares are bought or sold. However, the price you receive for your sold Shares will not be less than the Authorised Price. No interest will be payable to you in relation to the proceeds of sale of your Shares. Interests (if any) earned on such amounts will be retained by Strategic Minerals.

Strategic Minerals reserves the right to vary, delay or terminate the above process, including if market or other conditions are such that Strategic Minerals considers that adhering to the process described above may have a material impact on the price at which Shares traded on ASX or if Strategic mineral's directors believe that a more favourable price can be achieved for your Shares by a different sale process.

Strategic Minerals has appointed Security Transfer Registries (STR) as its agent to carry out some of its obligations under these Terms and Conditions. Strategic Minerals and STR are not giving, and are not obliged to give, any advice to you. These Terms and Conditions do not constitute advice or a recommendation to sell or hold your Shares, nor that the Facility is the best way to sell your Shares.

Strategic Minerals is irrevocably authorised, without further notice, by each participating shareholder in the Facility to do all things (including to engage any third party such as a broker) and execute all documents, including to effect any holding adjustment, securities transformation, securities transfer or other transmission or transaction in relation to an eligible shareholder's Unmarketable Parcel, such as converting a CHESS holding to an issuer sponsored holding to

facilitate the sale of the Shares under the Facility. Under Article 3.6 of the Strategic Minerals Articles of Association, each shareholder appoints Strategic Minerals, each director and each secretary jointly and severally as the shareholder's attorney in the shareholder's name and on the shareholder's behalf to effect the contemplated sale and transfer by Strategic Minerals of the Shares of that shareholder.

14. What price will I receive?

The price that you receive for Shares sold through the Facility will be the volume weighted average price of the last sale prices of the Company's Shares for each of the ten trading days immediately preceding the date of any offer received by the Company in accordance with Article 3.5 (Authorised Price). The Sale Price will be equal to or more than the Authorised Price.

The Sale Price will be calculated by dividing the total sale proceeds for all Shares sold under the Facility by the total number of Shares sold under the Facility. As the price payable is an average, it may be more or less than the actual price at which your individual Shares are sold by the broker.

Shares will not be sold through the Facility for less than the Authorised Price. Accordingly, the Sale Price received by you for your sold Shares will not be less than the Authorised Price.

All participants who have their Shares sold under the Facility will receive the same Sale Price per Share. The sale proceeds to which you will be entitled for your sold Shares will be calculated by multiplying the Sale Price by the number of Shares you held, rounded to the nearest cent.

Subject to the Authorised Price, neither Strategic Minerals nor CIS provide any assurance as to what the price of the Shares on ASX will be or what price you will receive for your Shares if you use the Facility. Information on the price of Shares can be obtained from the daily press or through the ASX website (www.asx.com.au) by looking up Strategic Mineral's code which is "SMC".

The Sale Price of the Shares will be calculated by the broker and may not be challenged in the absence of manifest error.

CIS will send you a transaction confirmation statement notifying you of the number of your Shares sold through the Facility, the Sale Price and the total sale proceeds you have received. You will not receive any interest on any sale proceeds.

15. What if the Authorised Price is not achieved for your Shares?

If the Authorised Price is not achieved for your Shares, your Shares will not be sold. If your Shares are not sold within

six weeks of the Closing Date, Strategic Mineral's right to sell your Shares lapses. Strategic Minerals will inform you if this occurs.

16. How and when will I receive the proceeds from the sale of my Shares?

Sale proceeds and a confirmation notice will be sent to you as soon as practicable following the Closing Date (and in any event within 8 weeks of the Closing Date).

Sale proceeds will be paid to you in Australian dollars by cheque mailed to the address set out on the accompanying letter (which is your address as shown on the Strategic Minerals share register). Payment of any sale proceeds to you is at your risk. An Issuer Sponsored Holder or CHES statement will be sent to you at the end of the month in which your Shares are sold.

17. What happens to the Facility if there is a takeover bid for Strategic Minerals?

In accordance with Article 3.4 of the Strategic Minerals Articles of Association, from the date of the announcement of a takeover bid for the Shares until the close of the offers made under the takeover bid, Strategic Mineral's powers under Article 3.4 to sell the Shares of a shareholder cease. After the close of the offers under the takeover bid, Strategic Minerals may give a Divestment Notice to a shareholder who is a Small Holder or a New Small Holder (for the purposes of Article 3.4 of the Strategic Minerals Articles of Association), despite Article 3.4 and the fact that it may be less than 12 months since Strategic Minerals gave a Divestment Notice to that shareholder.

18. How will New Small Holders be treated?

Under Article 3.4 of the Strategic Minerals Articles of Association, New Small Holders (shareholders with a holding of Shares created after the date on which Article 3.4 came into effect by the transfer of a parcel of Shares the aggregate closing price of which on SEATS at the time a proper transfer was initiated or a paper based transfer was lodged, was less than a marketable parcel of Shares as provided under the ASX Listing Rules) may not have the same entitlements in relation to the divestment process as Small Holders (shareholders with a holding of Shares the aggregate closing price of which on SEATS at the relevant date is less than a marketable parcel of Shares as provided under the ASX Listing Rules). Strategic mineral's directors have resolved however that, for the purposes of this Divestment Notice only, New Small Holders will be treated in the same way as Small Holders.