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## **QUARTERLY ACTIVITY REPORT**

### **FOR THE PERIOD ENDED 30TH JUNE 2013**

#### **WOOLGAR GOLD PROJECT QUEENSLAND**

*(Strategic Minerals Corporation N. L. (Strategic) 100%)*

#### **2013 Field Exploration**

##### **1.1 Geological Update**

- Detailed soil sampling program underway
- Review of historic drilling and mapping underway
- Potential identified for a larger resource at depth and from new targets
- Drilling program being revised for new objectives

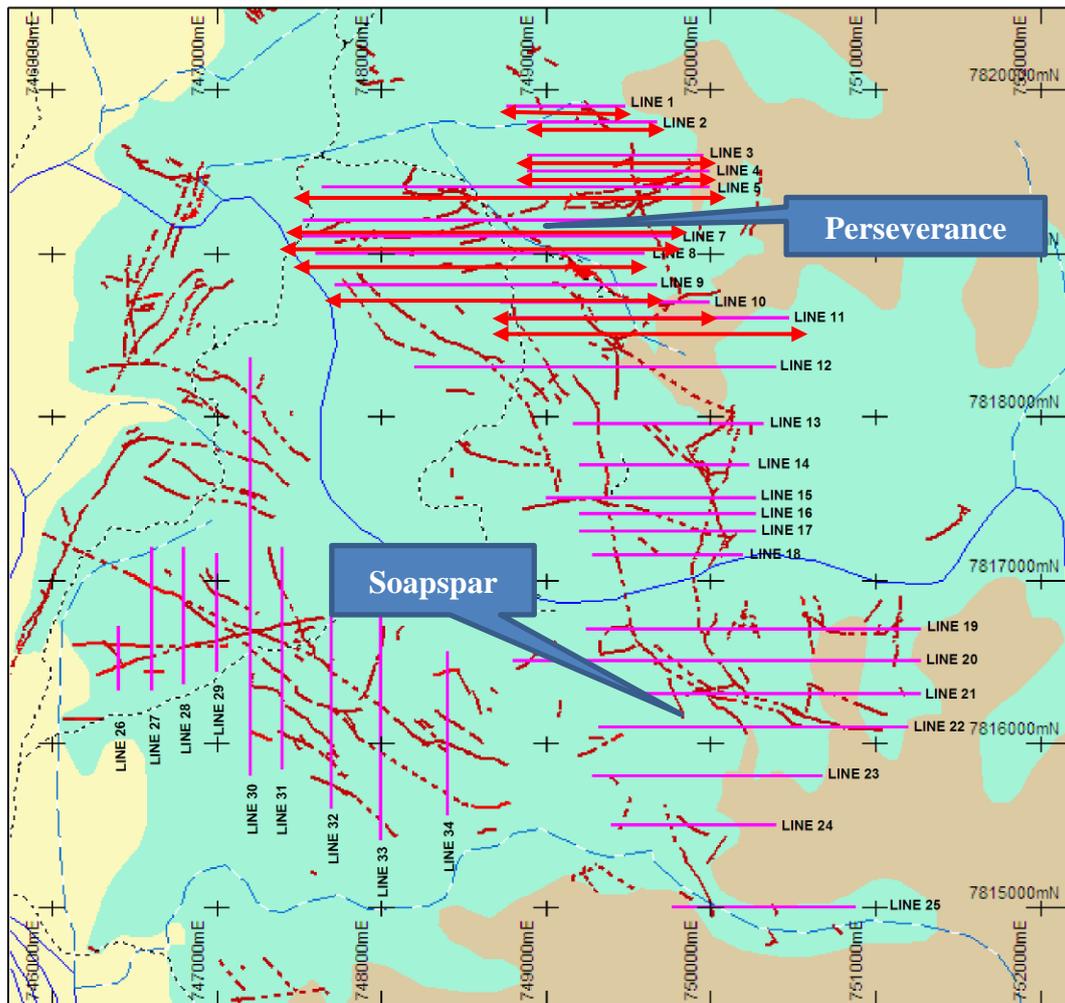
##### **1.1.1 Soil Sampling**

A soil sampling program is currently underway. This is a large program that will be ongoing over the next year or longer when time allows.

During the Quarter, sampling was completed on lines one through eleven, see Figure 1, for a total of 452 samples. These have been submitted for laboratory analysis and results are pending at this time.

It is intended to infill and extend on previous soil sampling that generated strong geochemical anomalies in areas of limited outcrop, as well as test areas not previously covered. The infill and extension sampling to the previous survey should help define concise targets to aid drill targeting and define the limits of the anomalies. This phase of the program has been started first in order to help the on-going target definition in these areas. A 180 micron fraction is being sieved and bagged in the field for laboratory analysis. This is similar to the previous soils program in order to maintain compatibility between these geographically overlapping surveys, but may not be the most appropriate method over the rugged terrain in some areas and the fine sieving in the field is also slowing progress.

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**Figure 1: Plan of 2013 soil sampling program, Perseverance Prospect. Lines in red sampled and submitted at end of reporting Quarter.**

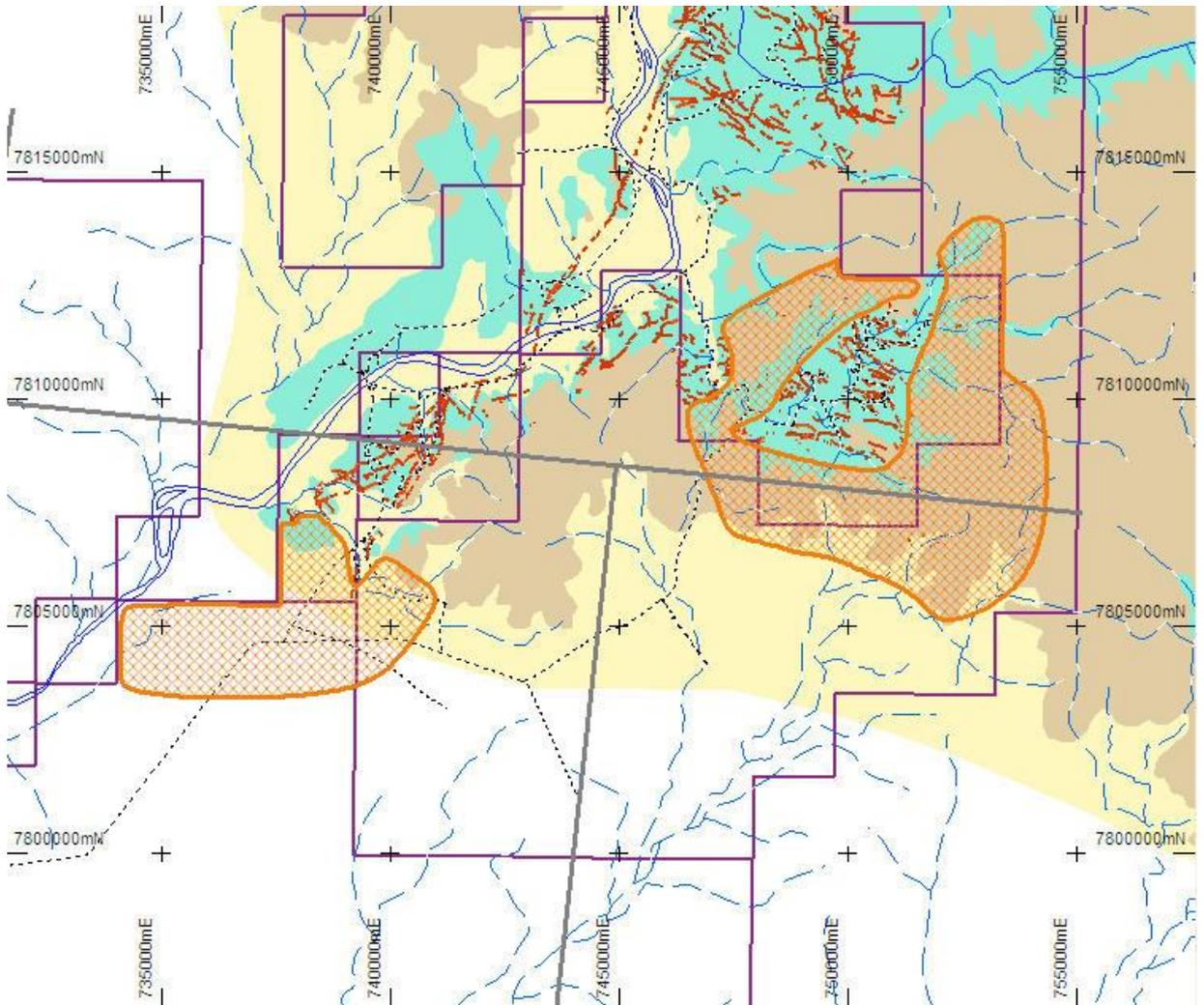
The survey of new areas will commence with an orientation program to test for the potentially quicker sampling methods with comparable or greater accuracy, to speed up the program. These phases are aimed at generating geochemical anomalies to both identify new prospects and potentially differentiate between potential drill targets based on their geochemical signatures. The Company's Niton XRF field analytical tool will be incorporated into this program to increase the range of elements analysed. Although portable analysers are not capable of detecting low levels of gold directly, the Niton dataset can be analysed along with the laboratory results for gold to establish whether there are any elements or suites of elements that can be correlated to the gold. This can then be used to differentiate between multiple geochemical anomalies in the field.

### **1.1.2 Mapping**

Previous mapping in Woolgar in 2010 and 2011 added significant knowledge about the general trends of the gold-rich lode zones in the Woolgar Fault area. The mapping demonstrated that significant amounts of mineralised quartz veining exist within the Proterozoic rocks, where exposed. The mapping has also shown the interconnection between the old workings and the more recently explored vein systems. This has meant a significant increase in the number of prospect areas now targeted for further exploration. It is planned to now to further extend the mapping along significant structural corridors to delineate these new areas in preparation for future drilling.

Two areas have been selected for detailed mapping that builds upon and extends the successful 2010 mapping program:

1. The Lower Camp - Big Vein South and Mowbray structures  
Detailed mapping intended to infill between the known mineralisation and further afield to locate areas of Proterozoic rocks within this poorly exposed sector.
2. The Sandy Creek Epithermal area  
Although the area is largely covered by Jurassic sandstone, it is likely that some exposed pockets of Proterozoic rocks will exist. The mapping and sampling of such rock may help in determining whether further targets might exist.  
The mapping is proposed to map the area immediately surrounding the identified Sandy Creek epithermal mineralisation, see marked areas in **Error! Reference source not found.**



**Figure 2: Plan showing proposed areas for detailed mapping in 2013.**

### **1.1.3 Drilling**

During the June 2013 quarter, the Company focussed on reviewing of the results of the previous drilling programs within the historic Woolgar mine workings along the Woolgar fault, with a view to outlining drilling targets for its forthcoming 2013 program.

The company is currently targeting areas in the mesothermal gold mineralisation, along and adjacent to the Woolgar fault zone, and potentially in the epithermal mineralisation within the Sandy Creek sector. The drilling program for 2013 is expected to total up to 10,000 metres of drilling and will target existing and new prospect areas. The program is principally intended to expand the existing resources, infill some areas of identified mineralisation and to explore for new mineralisation, both along strike of known mineralisation and in new prospects. These areas include the:

- The Lower Camp - Big Vein, Big Vein South and Mowbray prospects;
- The Middle Camp – Brien Shear, Brien Shear South and Union South Prospects; and
- Prospective drilling on several further prospects in the Middle and Upper Camps, including the Union, Union North, Roman Crown and Perseverance prospects.

Drilling preparations are currently underway, including camp rehabilitation, permitting, drill pads, improved access and field personnel for the planned drill program, which is scheduled to start in the third quarter, 2013.

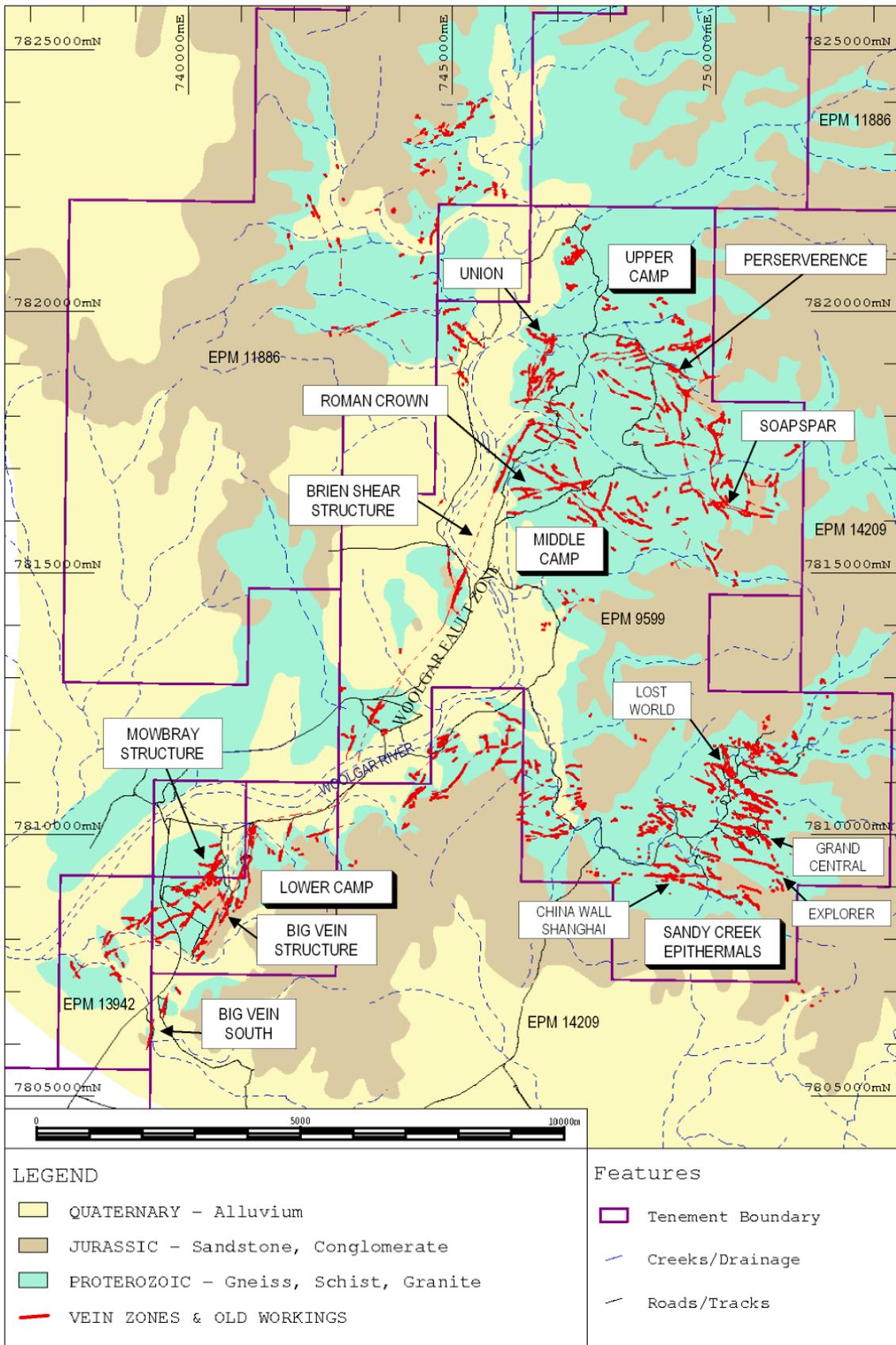
- ***The Lower Camp***

Previous drilling between 2009 and 2012 has located significant gold resources along the Mowbray - Big Vein – Big Vein South trend. It is considered that there is significant further potential along strike and to depth. The proposed drill program concentrates on further along strike potential to the north and south of each prospect looking for further mineralised chutes, as well as stepping back (drilling deeper) on the previously identified resources to test their potential depth extensions. Mesothermal systems like the Woolgar structure, both in North Queensland and elsewhere around the world, are known to have very significant depth potential. Additional infill drilling is also proposed where further delineation of the known gold mineralisation is now warranted.

- ***The Middle Camp***

Drilling in the Middle Camp has been restricted to exploratory drilling. Further drilling is warranted to follow-up on the previous results and this will include both along strike and deeper holes testing for mineralised chutes.

Across the project, the drilling will be prioritised based on the criteria of further resource delineation by step-out and step-back holes, exploratory holes looking for new mineralised bodies, followed by limited infill drilling until the resource tonnage justifies this. Some drill holes may need to be re-designed to meet terrain or other ground conditions.



**Figure 3: Location map of the principal prospects in the 2013 drilling program overlain on simplified interpreted geology.**

#### **1.1.4 Targeting Strategy**

The company is currently undertaking a thorough review of all the historic drilling to ensure that the current strategy is the most effective and efficient possible. To date, this review has identified both strong similarities between the Woolgar mesothermal mineralisation and deposits in the Lolworth and Ravenswood batholiths in northeast Queensland, and also similarities between the Sandy Creek Epithermal mineralisation and epithermal deposits across north and central Queensland. A review of these deposits has resulted in some modifications to Strategic's previous targeting strategy, including:

- Greater potential for deeper mineralisation;
- Potential for other forms of mineralisation than vein hosted;
- Potential for further prospects which may be either blind or poorly exposed; and
- Potential for strong mapping controls on the emplacement of mineralisation.

In recent years, the company has concentrated on the near surface oxide resources on most prospects and drilling has been accordingly restricted to around 100 metres depth. When compared to other similar styles of deposits in northern Queensland, there is potential for economic mineralisation to extend to great depths. Drilling plans are currently under review to target deeper extensions of the known mineralisation with a view to following these to depth. Several similar styles of deposits in north Queensland are known to host other styles of mineralisation in addition to vetiform. Principal amongst these are breccia hosted and stock-work mineralisation. It is considered possible that these may exist at Woolgar, but have not been seen due to the low level of outcrop and exploration techniques focused on veins. Several methods are being tested to look for alternative mineralisation, including the detailed soil sampling program and ground magnetometry geophysics. The soil sampling program is already underway and plans for detailed ground magnetometry trial survey are advanced.

A common factor in many of the successful exploration programs in the similar deposits has been the discovery of blind or poorly exposed significant mineralisation in what might have been considered reasonably mature terrain. This is already being tested for by the soil sampling program and will be further tested with the ground magnetometry.

The combined mapping, soil sampling and general prospecting to date has succeeded in identifying a large number of vein occurrences across a wide area and in many different orientations. It is necessary to try and distinguish between these in some systematic way in order to prioritise future exploration expenditure. Experience elsewhere can be applied to recognise if there are any significant controls on mineralisation that may be mapped or variations between occurrences, such as increased use of multi -element geochemistry to recognise indicative signatures, alteration studies, structural analysis or textural analysis.

### 1.3 Resource Estimates

The Big Vein South (Southern) and Big Vein prospect area resources have been updated based on the additional 2012 drilling. Also, two new resource areas in the Big Vein South (Central) and Big Vein #2 prospect areas have had an initial resource declared.

Resource estimates were carried out using inverse distance weighted block modelling of the modelled gold mineralisation zones. Internal waste was included in the mineralised zones where it was either modelled inside the zone of gold mineralisation or where a potential zone for mining would be too narrow.

The following table is a summary of the resource estimates carried out.

**Table 1: Summary Resource Table – Big Vein Structures**

Classification	Cut-off Grade	Tonnes	Gold Grade g/t	Gold Metal oz's
<b>BIG VEIN SOUTH (Southern)</b>				
Measured	0.75	286,000	2.46	22,700
Indicated	0.75	340,000	1.53	16,700
Inferred	0.75	122,000	1.85	7,200
<b>SUBTOTAL</b>		<b>748,000</b>	<b>1.94</b>	<b>46,600</b>
<b>BIG VEIN SOUTH (Central)</b>				
Indicated	0.75	50,300	2.09	3,400
Inferred	0.75	51,200	1.56	2,600
<b>SUBTOTAL</b>		<b>101,500</b>	<b>1.82</b>	<b>6,000</b>
<b>BIG VEIN #2</b>				
Indicated	0.75	15,500	2.01	1,000
Inferred	0.75	92,200	3.09	9,100
<b>SUBTOTAL</b>		<b>107,700</b>	<b>2.93</b>	<b>10,100</b>
<b>BIG VEIN #2</b>				
Inferred	0.5	94,000	3.84	11,600
<b>SUBTOTAL</b>		<b>94,000</b>	<b>3.84</b>	<b>11,600</b>
<b>TOTAL FOR THE BIG VEIN STRUCTURES</b>				
<b>TOTAL</b>		<b>1,051,200</b>	<b>2.20</b>	<b>74,300</b>

With the continued successes in the Woolgar goldfield area, total resources for the Woolgar project have now increased. It is expected that the Woolgar goldfield area will continue to show further potential for resource expansion. The Woolgar goldfield area has significant further target potential, with only a very small proportion of the total gold mineralised vein areas having been explored to date.

Table 2:- Woolgar Project Global Resource Summary

Classification	Resources Estimated At Higher Cut-off Grades				Resources Estimated At Lower Cut-off Grades			
	Cut-off Grade	Tonnage	Gold Grade	Gold Metal	Cut-off Grade	Tonnage	Gold Grade	Gold Metal
		T x 1000	g/t	oz's		T x 1000	g/t	oz's
<b>BIG VEIN SOUTH DEPOSIT</b>								
Indicated	0.5	209	1.48	9,900	0.5	209	1.48	9,900
Inferred	0.5	145	1.75	8,200	0.5	145	1.75	8,200
<b>SUBTOTAL</b>		<b>354</b>	<b>1.59</b>	<b>18,100</b>		<b>354</b>	<b>1.59</b>	<b>18,100</b>
<b>BIG VEIN DEPOSIT</b>								
Inferred	0.5	64	4.85	10,000	0.5	64	4.85	10,000
<b>SUBTOTAL</b>		<b>64</b>	<b>4.85</b>	<b>10,000</b>		<b>64</b>	<b>4.85</b>	<b>10,000</b>
<b>SOAPSPAR DEPOSIT</b>								
Measured	0.4	1,667	0.91	48,800	0.4	1667	0.91	48,800
Indicated	0.4	1,175	0.9	34,000	0.4	1175	0.9	34,000
Inferred	0.4	472	0.82	12,400	0.4	472	0.82	12,400
<b>SUBTOTAL</b>		<b>3,314</b>	<b>0.89</b>	<b>95,200</b>		<b>3314</b>	<b>0.89</b>	<b>95,200</b>
<b>SANDY CREEK EPITHERMAL VEIN DEPOSITS</b>								
Measured	0.8 - 1.0*	4,752	1.62	247,100	0.4 - 0.8**	12066	0.98	381,700
Indicated	0.8 - 1.0*	953	1.38	42,370	0.4 - 0.8**	5113	1.04	171,100
Inferred	0.8 - 1.0*	989	1.95	62,130	0.4 - 0.8**	4672	0.84	126,100
<b>SUBTOTAL</b>		<b>7,117</b>	<b>1.63</b>	<b>351,600</b>		<b>21,850</b>	<b>0.97</b>	<b>678,900</b>
<b>TOTAL</b>		<b>10,849</b>	<b>1.42</b>	<b>474,900</b>		<b>25,582</b>	<b>0.98</b>	<b>802,200</b>

\* The majority of resources estimated at a 0.8 g/t gold cut-off grade; Explorer estimated at a 1.0 g/t cut-off grade.

\*\* The majority of resources estimated at a 0.4 or 0.5 g/t gold cut-off grade; Shanghai & Finn estimated at a 0.8 g/t

**Wally Martin**  
**MANAGING DIRECTOR**

*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 Australasian Institute of Mining and Metallurgy. 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 2004 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 Mineral Resources or Ore Reserves is based on information compiled by Kevin Richter, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richter is a consultant retained by Strategic Mineral Corporation NL. Mr Richter 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*