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**STRATEGIC MINERALS CORPORATION NL**  
**ACN 008 901 380**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:00am

**DATE:** 31 May 2011

**PLACE:** Celtic Club  
48 Ord Street  
WEST PERTH WA 6005

An electronic copy of the Strategic Minerals Corporation NL 2010 Annual Financial Report can be found at [www.stratmin.com.au](http://www.stratmin.com.au)

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 6468 0388.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders of Strategic Minerals Corporation NL to which this Notice of Meeting relates will be held at 10:00am (WST) on 31 May 2011 at:

Celtic Club, 48 Ord Street, West Perth WA 6005

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**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

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**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Strategic Minerals Corporation NL, PO Box 35, North Perth, Western Australia, 6906; or
- (b) by facsimile to the Company on facsimile number (08) 9228 0704,

so that it is received not later than 10:00am (WST) on 29 May 2011.

**Proxy forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Strategic Minerals Corporation NL will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 10:00am (WST) on 31 May 2011.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 29 May 2011.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### ORDINARY BUSINESS

##### Reports and Accounts

To receive and consider the financial statements of the Company for the year ended 31 December 2010 together with the declaration of the directors, the directors' report, the remuneration report and auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 31 December 2010."*

**Short Explanation:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR CLAUDE GUERRE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of article 12.2 of the Articles of Association and for all other purposes, Mr Claude Guerre a Director who retires by rotation, and being eligible, is re-elected as a Director."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Guerre (and/or his nominee) or any of his associates.

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#### 3. RESOLUTION 3 – APPROVAL FOR FUTURE ISSUES OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, the directors of the Company be authorised to issue up to 100,000,000 fully ordinary shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any persons who may participate in the proposed issue and any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons.

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#### 4. RESOLUTION 4 – GRANT OF OPTIONS TO MR CLAUDE GUERRE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Claude Guerre (or his nominee) 2,500,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Guerre (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. RESOLUTION 5 – GRANT OF OPTIONS TO MR CLAUDE BIGEARD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Claude Bigeard (or his nominee) 2,500,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Bigeard (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 6 – GRANT OF OPTIONS TO MR WALTER ARTHUR CHARLES MARTIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Walter Arthur Charles Martin (or his nominee) 2,500,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Martin (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 7. RESOLUTION 7 – GRANT OF OPTIONS TO MR JAY STEPHENSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Jay Stephenson (or his nominee) 2,500,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Stephenson (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE ACQUISITION OF THE STEAM ENGINE PROJECT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE CONVERSION OF THE CONVERTIBLE LOAN AGREEMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 36,842,105 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 21 April 2011**

**BY ORDER OF THE BOARD**

**STRATEGIC MINERALS CORPORATION NL  
JAY STEPHENSON  
COMPANY SECRETARY**

**Voting Exclusion Note:**

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 10:00am (WST) on 31 May 2011.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS**

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of directors and auditors for the year ended 31 December 2010, together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 31 December 2010.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR CLAUDE GUERRE**

Article 12.2 of the Articles of Association of the Company requires that if the Company has three or more Directors, one third of those Directors must retire at each annual general meeting and that the managing director is not required to retire by rotation.

The Company currently has two non-executive Directors and accordingly one must retire by rotation.

Article 12.3 of the Articles of Association provides that a Director who retires under Article 12.2 is eligible for re-election.

Mr Claude Guerre will retire by rotation and seeks re-election.

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### **4. RESOLUTION 3 – APPROVAL FOR FUTURE ISSUES OF SECURITIES**

#### **4.1 Background**

ASX Listing Rule 7.1 provides that a company must not issue more than 15% of its issued capital in any 12 month period without first obtaining the approval of its shareholders.

Resolution 3 seeks such shareholder approval to the issue of up to a maximum of 100,000,000 fully paid ordinary shares being 15% of the issued capital in the Company.

## 4.2 Issue of Shares

In compliance with the information requirements of the ASX Listing Rule 7.3:

- (a) the shares will be issued at a price of at least 80% of the average market price of the Company's shares as traded on ASX over the 5 day period preceding the date of issue of the shares or, if the shares are offered pursuant to a prospectus, at least 80% of the average market price of the Company's shares as traded on the ASX over the 5 day period preceding the date of issue of the prospectus;
- (b) the maximum number of fully paid ordinary shares issued will be 100,000,000.
- (c) the shares will be issued no later than 3 months after the date of the Meeting or such later date as may be permitted by any ASX waiver or modification of the Listing Rules;
- (d) the shares, when issued, will rank equally with the Company's existing shares.
- (e) all shares the subject of this resolution will be allotted progressively;
- (f) the identity of the allottees of the shares is not yet known and will be determined at the Directors' discretion. These parties will not be related parties of the Company; and
- (g) the Company intends to use the funds raised from the issue of the shares for the development of projects and for working capital purposes.

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## 5. RESOLUTIONS 4, 5, 6 AND 7 – GRANT OF OPTIONS TO MESSRS CLAUDE GUERRE, CLAUDE BIGEARD, WALTER MARTIN AND JAY STEPHENSON

The Company has agreed, subject to obtaining Shareholders approval, to grant a total of 10,000,000 Options (**Director Options**) to Messrs Claude Guerre, Claude Bigeard, Walter Martin and Jay Stephenson (**Related Parties**) on the terms and conditions set out in Annexure A to this Explanatory Statement.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party (or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained) unless an exception in ASX Listing Rule 10.12 applies.

The issue of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as Directors, each of Messrs Guerre, Bigeard, Martin and Stephenson are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Director Options to each Related Party and/or their nominees.

## 5.1 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- a) the related parties are Messrs Guerre, Bigeard, Martin and Stephenson and they are related parties by virtue of being Directors;
- b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties (and/or their nominees) is:
  - i. 2,500,000 Director Options to Mr Claude Guerre;
  - ii. 2,500,000 Director Options to Mr Claude Bigeard;
  - iii. 2,500,000 Director Options to Mr Walter Arthur Charles Martin;
  - iv. 2,500,000 Director Options to Mr Jay Stephenson
- c) the Director Options will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised. Any funds raised on the exercise of the Director Options will be used for working capital purposes;
- e) the terms and conditions of the Director Options are set out in Annexure A;
- f) the value of the Director Options, and the pricing methodology is set out in Annexure B;
- g) the existing relevant interests of each of the Related Parties in securities of the Company are set out below;

Related Party	Shares – Direct	Shares - Indirect	Shares - Total	Options
Mr Claude Guerre	295,000	4,050,000	4,345,000	1,000,000
Mr Claude Bigeard	Nil	Nil	Nil	1,000,000
Mr Walter Martin	281,690	3,700,788	3,982,478	1,000,000
Mr Jay Stephenson	Nil	132,000	132,000	Nil
<b>Total</b>	<b>576,690</b>	<b>7,882,788</b>	<b>8,459,478</b>	<b>3,000,000</b>

Note: All current options are at an exercise price of 10 cents exercisable on or before 30 June 2011.

- h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year Remuneration	Previous Financial Year Remuneration
Mr Claude Guerre	\$72,000	\$72,000
Mr Claude Bigeard	\$48,000	\$48,000
Mr Walter Martin	\$155,000	\$153,849
Mr Jay Stephenson	\$25,000	\$25,000



- i) At present there are 423,860,533 Shares and 4,000,000 options on issue. If all of the Director Options granted to the Related Parties are exercised, a total of 10,000,000 additional Shares would be allotted and issued.

This will increase the number of Shares on issue from 423,860,533 to 433,860,533 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Issued Shares as at the date of this Notice of Meeting	Director Options to be issued	Total Issued Shares upon exercise of all Director Options	Dilutionary effect upon exercise of Director Options
Mr Claude Guerre	4,345,000	2,500,000	6,845,000	0.59%
Mr Claude Bigeard	Nil	2,500,000	2,500,000	0.59%
Mr Walter Martin	3,982,478	2,500,000	6,482,478	0.59%
Mr Jay Stephenson	132,000	2,500,000	2,632,000	0.59%
<b>Total</b>	<b>8,459,478</b>	<b>10,000,000</b>	<b>18,459,478</b>	<b>2.36%</b>

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

The Board resolved to issue the Director Options to Messrs Guerre, Bigeard, Martin and Stephenson subject to Shareholder approval, on the terms and conditions set out in Annexure A. As at the date of this Notice of Meeting, the share price is trading on ASX below the exercise price of the Director Options. The grant of the Director Options to Messrs Guerre, Bigeard, Martin and Stephenson is intended to align their interests with the Company and its Shareholders;

- j) the trading history of the Shares on the ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Lowest	\$0.017	5 and 6 of May 2010
Highest	\$0.065	28 October 2010
Last	\$0.	

- k) the primary purpose of the grant of Director Options to Mr Guerre is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Guerre) considered the extensive experience and reputation of Mr Guerre within the industry when considering the grant of the Director Options to Mr Guerre. The Board considers the issue of the Director Options to Mr Guerre to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- l) the primary purpose of the grant of Director Options to Mr Bigeard is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Bigeard) considered the extensive experience and reputation of Mr

Big Beard within the industry when considering the grant of the Director Options to Mr Big Beard. The Board considers the issue of the Director Options to Mr Big Beard to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

- m) the primary purpose of the grant of Director Options to Mr Martin is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Martin) considered the extensive experience and reputation of Mr Martin within the industry when considering the grant of the Director Options to Mr Martin. The Board considers the issue of the Director Options to Mr Martin to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- n) the primary purpose of the grant of Director Options to Mr Stephenson is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Stephenson) considered the extensive experience and reputation of Mr Stephenson within the industry when considering the grant of the Director Options to Mr Stephenson. The Board considers the issue of the Director Options to Mr Stephenson to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- o) The Board acknowledges that the grant of Director Options is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options reasonable in the circumstances, given the necessity to attract the highest calibre of professional to the Company, whilst maintaining the Company's cash reserves.
- p) Mr Guerre declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material interest in the outcome of Resolution 4. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4;
- q) Mr Big Beard declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material interest in the outcome of Resolution 5. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

- r) Mr Martin declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material interest in the outcome of Resolution 6. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 5. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6;
- s) Mr Stephenson declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material interest in the outcome of Resolution 7. The other Directors, who do not have a material interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties (and any issue of Shares on exercise of those Director Options) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **6. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE ACQUISITION OF THE STEAM ENGINE PROJECT**

### **6.1 General**

On 29 August 2010, the Company announced in the Quarterly Activity Report that it had entered into an agreement with Convergent Minerals Limited to purchase 100% of the Steam Engine Project, EPM 13492. The consideration for the acquisition was 10,000,000 ordinary fully paid shares (**Convergent Shares**) in the Company.

Convergent Minerals Limited is not a related party of the Company.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a total of 10,000,000 Convergent Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Convergent Shares:

- (a) 10,000,000 Convergent Shares were allotted;
- (b) the issue price was \$0.02 per Share;

- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company;
- (d) the Shares were allotted and issued to Convergent Minerals Limited;
- (e) the Shares will be escrowed for a period of 12 months from the date of issue; and
- (f) no funds were raised from the issue of the Convergent Shares.

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## **7. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR CONVERSION OF THE CONVERTIBLE LOAN AGREEMENT**

### **7.1 General**

On 11 October 2010, the Company announced that it had entered into a Convertible Loan Agreement with Mr Chris Wallin. The funds are being used to expand the current drill program at the Woolgar Project. The Loan was converted to 36,842,105 Shares on 23 November 2011

Mr Chris Wallin is not a related party of the Company.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a total of 36,842,105 Shares.

A summary of ASX Listing Rule 7.4 is set out in section 5.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) 36,842,105 Shares were allotted;
- (b) the issue price was \$0.019 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company;
- (d) the Shares were allotted and issued to Mr Chris Wallin; and
- (e) no funds were raised from the issue of the Shares.

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## **8. RECOMMENDATION**

The Board believes that the resolutions to be proposed at the Company's Annual General Meeting are in the best interests of the Company and (except where otherwise stated) unanimously recommend that shareholders vote in favour of each resolution.

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## ANNEXURE A – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

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The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Director Option, the Optionholder must exercise the Director Options in accordance with the terms and conditions of the Director Options.
  - (b) The Director Options will expire at 5:00pm (WST) on 30 April 2013 (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
  - (c) The amount payable upon exercise of the Director Options will be at a price equal to 150% of the ASX 5 day volume weighted average price per SMC Share prior to the Meeting Date (**Exercise Price**);
  - (d) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
  - (e) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
    - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
    - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
  - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
  - (h) The Director Options will vest 12 months after the issue date.
  - (i) The Director Options are not transferable.
  - (j) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
  - (k) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.
  - (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
  - (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
  - (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
  - (o) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Director Options, the number of securities over which a Director Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Director Option had been exercised before the record date for the bonus issue.

## ANNEXURE B – ESTIMATED VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 4, 5, 6 and 7 have been valued by the Black & Scholes option model.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value range, as follows:

<b>Assumptions:</b>	
Valuation date	6 April 2011
Estimated Grant Date	30 May 2011
Market price of Shares	3.0c
Exercise price*	150% of ASX 5 day VWAP
Expiry date	30 April 2013
Risk free interest rate	5%
Volatility	110%
<b>Indicative value per Director Option</b>	1.52 cents
<b>Total Value of Director Options</b>	\$152,000
- Claude Guerre	\$38,000
- Claude Bigeard	\$38,000
- Walter Martin	\$38,000
- Jay Stephenson	\$38,000

\* The actual price of the options will be determined on the Meeting date when it will be based on 150% the ASX 5 day volume weighted average price per SMC Share prior to the Meeting Date.

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options could be traded at and they are not automatically the market prices for taxation purposes.

# PROXY FORM

**APPOINTMENT OF PROXY  
STRATEGIC MINERALS CORPORATION NL  
ACN 008 901 380**

## ANNUAL GENERAL MEETING

I/We

being a Member of Strategic Minerals Corporation NL entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 10:00am (WST), on 31 May 2011 at, Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all the resolutions.

### Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Claude Guerre as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval for Future Issues of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Grant of Options to Mr Claude Guerre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Grant of Options to Mr Claude Bigeard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Grant of Options to Mr Walter Arthur Charles Martin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Grant of Options to Mr Jay Stephenson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Ratification of Prior Issue Shares – Steam Engine Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Ratification of Prior Issue Shares – Convertible Loan Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**OR**

In relation to these Resolutions, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on these Resolutions, please place a mark in this box

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on these Resolutions and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman intends to vote in favour of these Resolutions.

**IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO RESOLUTIONS 1 TO 9 YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO RESOLUTIONS 1 TO 9 WILL BE DISREGARDED.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Signed this

day of

2011

\_\_\_\_\_ %

**By:**

**Individuals and joint holders**

Signature

Signature

Signature

**Companies (affix common seal if appropriate)**

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

**STRATEGIC MINERALS CORPORATION NL**  
**ACN 008 901 380**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
  - (g) send the proxy form by post to Strategic Minerals Corporation NL, PO Box 35, North Perth WA 6006; or
  - (h) by facsimile to the Company on facsimile number (08) 9228 0704,

so that it is received not later than 10:00am (WST) on 29 May 2011.

Proxy forms received later than this time will be invalid.