



STRATEGIC MINERALS
CORPORATION N.L.

ASX Code: SMC

ASX Release:

10 January 2020

Issued Capital:

85,907,376

Market Capitalisation:

\$39.5 Million

BOARD:

Laif McLoughlin

Executive Chairman

Darren Fooks

Non-Executive Director

Jay Stephenson

Non-Executive Director &
Company Secretary

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QUARTERLY ACTIVITY REPORT




FOR THE PERIOD ENDED

31st December 2019

Highlights

The company completed the following during the Fourth Quarter:

- Eleven Reverse Circulation (RC) drill holes, infilling on the Big Vein South (BVS) resource to increase confidence levels for Resource estimation;
- One RC drill hole, testing for a near-surface extension to the BVS resource;
- Three RC drill holes, exploring for further potential mineralisation under the Sexton multielement soil anomaly;
- Targeted geological mapping on areas of interest, including 77 rock-chip samples;
- The ultratrace soils grid at Sexton was extended to the south with 85 samples; and
- Results were published during the Fourth Quarter from the initial three RC drillholes infilling on the BVS Resource, including:

 LR0339	14 metres at 1.62 g/t gold from 145 to 159 metres
 LR0340	40 metres at 1.56 g/t gold from 99 to 139 metres
 LR0341	16 metres at 2.24 g/t gold from 73 to 89 metres

Assays remain pending for the remaining fifteen RC and 4 diamond holes. These will be released to market as soon as they have been received and processed.

Woolgar 2019 Field Program Overview

- Field exploration activities were conducted on Strategic's Woolgar project, located north of Richmond in North Queensland.
- Four diamond (core) holes were drilled as part of the geotechnical assessment for engineering parameters of the BVS resource.
- Fourteen reverse circulation drill holes infilled on the existing resource in order to increase the confidence categories necessary for further resource modelling.
- Further exploration and drilling programs were undertaken including further generative and definition fieldwork, and drill testing of existing soil anomalies.
- The majority of the metallurgical test work program has now been completed and our consultant has moved onto report writing.

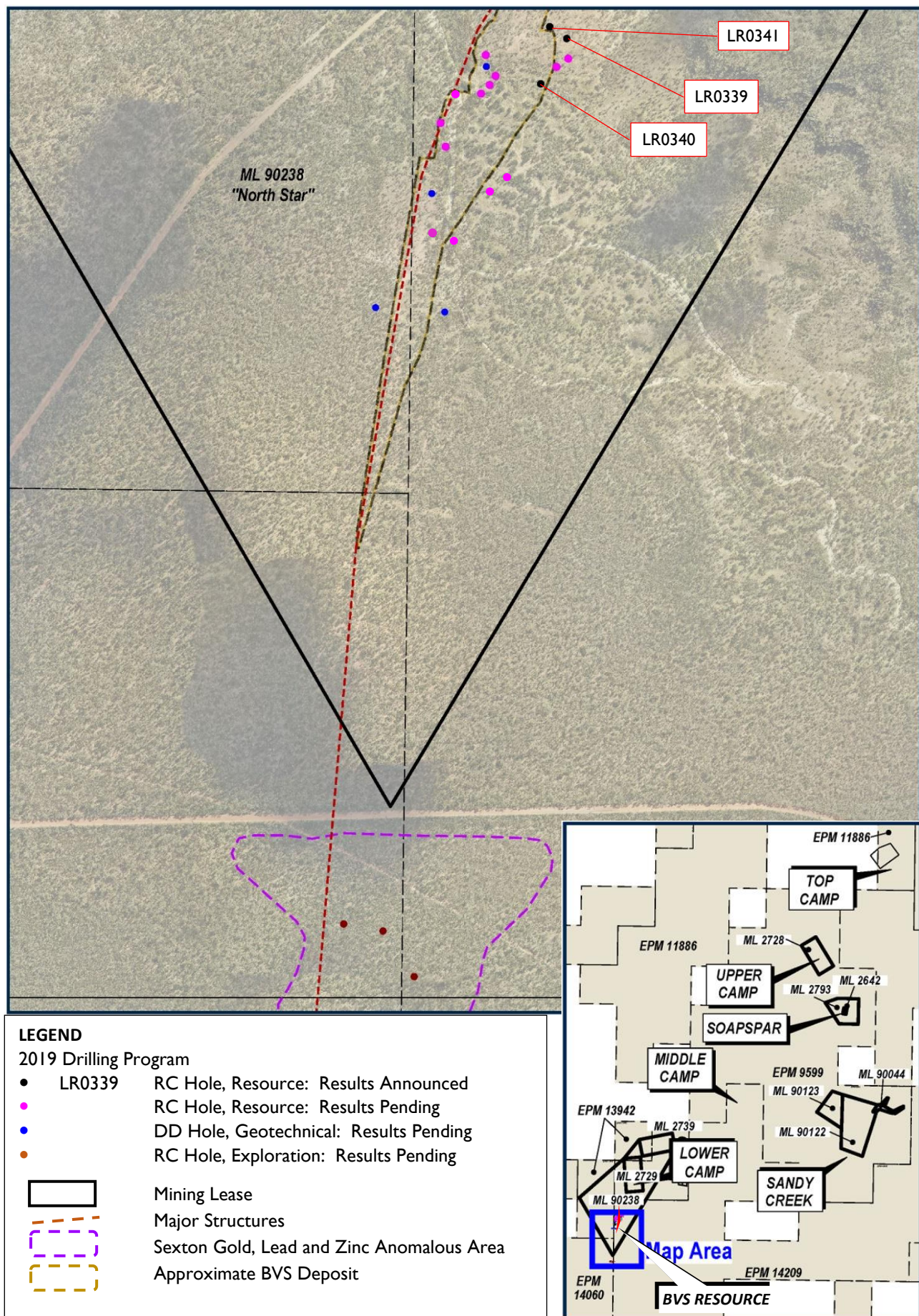


Figure 1: Plan of the BVS and Sexton prospects showing the locations of the twenty-two drillholes. The RC holes in black and DD holes in blue were completed during the previous reporting period with the remainder completed during October.

BVS Project – Infill Program

The 2019 infill drilling program followed-up on the very successful 2017 program that helped define the drill hole spacing required to upgrade the majority of the Resource confidence levels to Measured and Indicated categories required for mine development planning and feasibility studies. In 2017, the majority of the drilling was focussed on the central *Crossover* sector of the resource, where the most significant near-surface mineralisation is located. The 2019 program aimed to infill to the north of and around the *Crossover* to complete infill drilling in the northern half of the deposit, considered likely to be the focus of the first years of mining.

Three RC drillholes were drilled during the Third Quarter and a further eleven RC holes during this reporting period. These were mostly drilled from the north progressively southwards and infill through the northern *Big Vein Central* sector as far as the *Crossover*, with further holes extending from the *Crossover* southwards. The aim of this phase of drilling is to permit the conversion of the majority of the northern portion of the resource to Indicated level or above.

Most drill holes in the resource are drilled 280° GDA and -55° dip in order to be as close to perpendicular to the mineralisation as practically possible. LR0341 was drilled vertically (-90°) in order to accommodate a wireline survey for geotechnical purposes.

These results will be incorporated into a new resource estimate once all the remaining results are available and quality control checks have been completed.

Results Released during the Fourth Quarter

During the Fourth Quarter, the results of the first three drillholes drilled during the Third Quarter were received and published, see SMC ASX Announcement *Initial Drill Results - Big Vein South* published on 13th December 2019. The three holes are all located in the northern portion of the Resource, north of the *Crossover* sector.

All three drill holes intercepted mineralisation reasonably within the predicted grades, widths and depths, as would be expected in a follow-up infill program.

BVS Project – Geotechnical Program

The Geotechnical program for 2019 builds upon the work completed in 2017 and 2018 and consists of four diamond-cored drillholes for 754 metres. The aim of geotechnical drilling is to provide greater detail on the rock strength and failure characteristics that impact upon the design of the conceptual open pit shell and development planning.

Three of the four holes were located along the strike of the BVS resource designed to target the wall rock material of the proposed western pitwall, infilling on the existing data, which will hopefully provide greater confidence on the interslope angles (see Figure 1). One hole targeted the wall rock material on the proposed eastern pitwall south of the two similar holes in 2017.

Under supervision from our geotechnical consultants, Strategic completed detailed logging of the rock's fabric and textures, as well as the number and type of breaks. The 2019 program successfully downhole surveyed all four core holes, one RC hole and an additional core hole that had not been successfully surveyed in the 2017 program. Representative geotechnical samples from the 2019 drilling program have also been sent to labs for testing. Our geotechnical consultant has indicated that the program of work should be completed during the Second Quarter 2020.

BVS Project – Metallurgical Program

The comprehensive metallurgical testwork program evaluating key aspects including comminution, ore sorting, gravity, floatation etc is now progressing toward reporting and Strategic anticipates the program of work to be completed during the First Quarter 2020. The next stage of the metallurgical program is the commencement of Process Engineering which utilises the outcomes from current test work program.

BVS Project – Extension Program

Three RC holes were drilled to test the potential of shallow mineralisation to the west of the current resource. This was located along the eastern edges of the resource, where the *Crossover* sector is closest to surface. The results of these holes remain pending and will be released to market as soon as they have been received and processed. Any mineralisation encountered may be incorporated within the resource if appropriate.

BVS Strike Potential – Sexton Exploration Program

Three RC drillholes were completed during the Fourth Quarter over the Sexton ultratrace soil anomaly identified in 2018, see SMC ASX Announcement *Soil Geochemistry Results at Woolgar* published on the 8th of March 2019. The results of these holes remain pending and will be released to market as soon as they have been received and processed.

Southern Star Mining Lease Application lodged

Subsequent to the Fourth Quarter, the Company successfully lodged the Southern Star Mining Lease Application with the Department of Natural Resources, Mines and Energy on the 7th January. The new MLA abuts the granted North Star Mining Lease and provides additional surface area for infrastructure and other associated activities in support of potential mine development and operations at Woolgar.

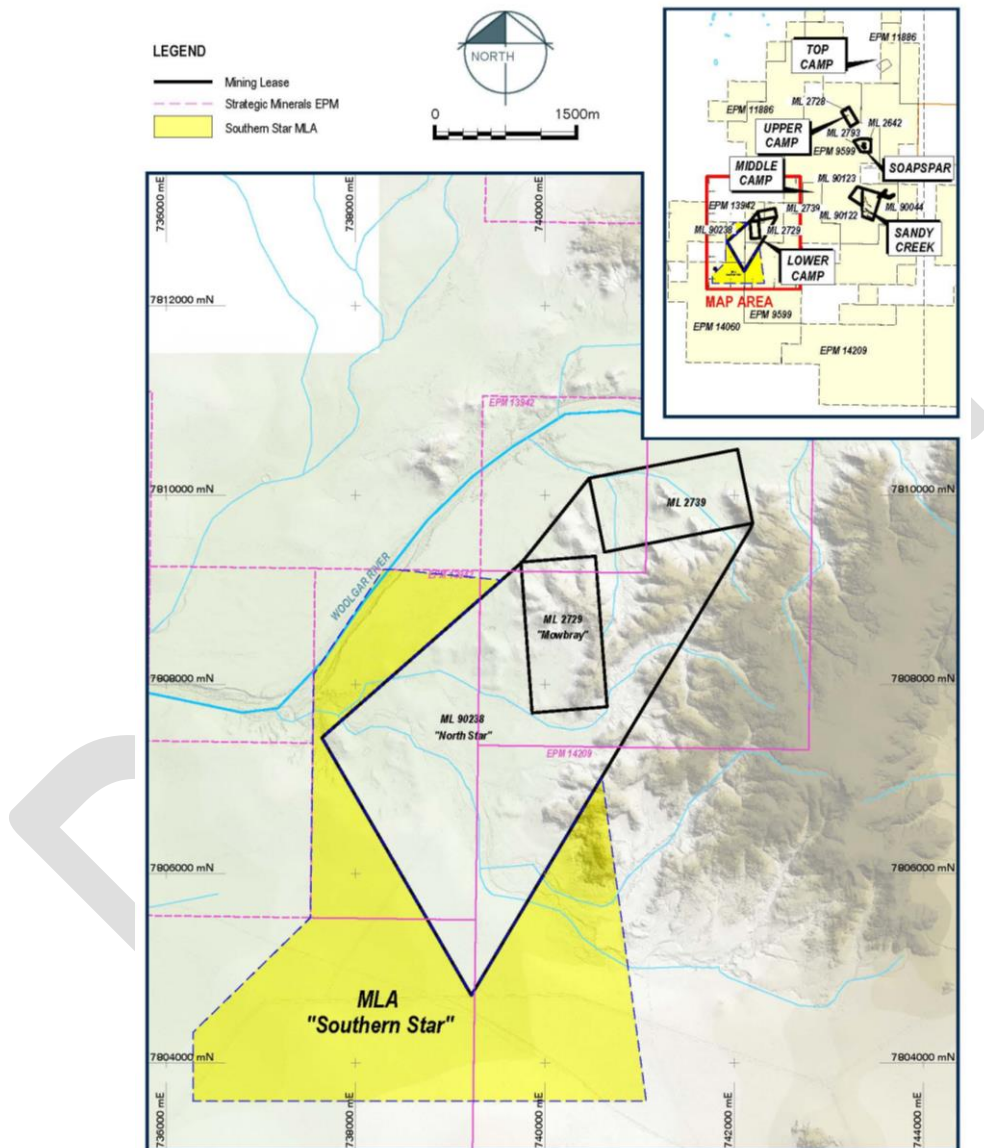


Figure 2: Plan of the Southern Star MLA.

Laif Allen McLoughlin
EXECUTIVE CHAIRMAN

COMPETENT PERSON STATEMENT

The information in the report to which this statement is attached that relates to 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.

Appendix 1: Tenement Schedule:

<i>Tenement</i>	<i>Holder</i>	<i>Project</i>	<i>Status</i>	<i>State</i>
EPM 9599	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
EPM 11886	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
EPM 13942	Strategic Minerals Corporation NL	Steam Engine	Granted	QLD
EPM 14060	Strategic Minerals Corporation NL	Woolgar South	Granted	QLD
EPM 14209	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
EPM 26263	Strategic Minerals Corporation NL	Woolgar	Granted	QLD
EPM 27254	Strategic Minerals Corporation NL	Woolgar	Application	QLD
ML 2642	Strategic Minerals Corporation NL	Soapspar	Granted	QLD
ML 2728	Strategic Minerals Corporation NL	Shamrock	Granted	QLD
ML 2729	Strategic Minerals Corporation NL	Mowbray	Granted	QLD
ML 2739	Strategic Minerals Corporation NL	Mowbray #3	Granted	QLD
ML 2793	Strategic Minerals Corporation NL	New Soapspar	Granted	QLD
ML 90044	Strategic Minerals Corporation NL	Sandy Dam	Granted	QLD
ML 90122	Strategic Minerals Corporation NL	Sandy Creek	Granted	QLD
ML 90123	Strategic Minerals Corporation NL	Flat Creek	Granted	QLD
ML 90238	Strategic Minerals Corporation NL	North Star	Granted	QLD
MLA 100236	Strategic Minerals Corporation NL	Southern Star	Application	QLD
EL 5773	Perilya Freehold Mining Pty Ltd (90%); Signature Resources Pty Ltd (10%) ¹	Mount Frome JV	Granted	SA
EL 6132	Perilya Limited (85%); Paladin Energy Ltd (7.5%); Signature Resources Pty Ltd (7.5%) ²	Reaphook JV	Granted	SA

¹ Signature Resources Pty Ltd is a wholly owned subsidiary of Strategic

² Signature Resources Pty Ltd is a wholly owned subsidiary of Strategic