

QUARTERLY ACTIVITY REPORT

FOR THE PERIOD ENDED

31th March 2019

ASX Code: SMC

ASX Release:
30 April 2019

Issued Capital:
78,209,207

Market Capitalisation:
\$23.46 Million

BOARD:

Laif McLoughlin
Executive Chairman

Darren Fooks
Non-Executive Director

Jay Stephenson
Non-Executive Director &
Company Secretary

Head Office:
Level 29, Waterfront Place
1 Eagle Street
Brisbane
Queensland 4000

Registered Office:
283 Rokeby Road
Subiaco
Western Australia 6008

ACN: 008 901 380

ABN: 35 008 901 380

Email:
admin@stratmin.com.au

www.stratmin.com.au

Highlights

During the first quarter the Company released the preliminary results from the exploration program, including the ultra-trace soils surveys and the Belle Brandon and Ada sector drilling completed during the 2018 field program. The results from the Belle Brandon and Ada drilling have already been released to the market originally on the 14 January 2019¹ and again in the Quarterly Activity Report for period ended 31 December 2018².

Ultra-trace (Partial-leach) Results

On the 8 March 2019³ the Company released to market the preliminary results from the ultra-trace (partial leach) soil program and district-scale exploration conducted throughout 2018. The programs were designed to follow-up on the positive results of test programs in 2017, the results of which were released to market on the 14 March 2018⁴.

Highlights include:

- ☐ 2,228 partial leach ultra-trace soil samples across the project;
- ☐ 150 rock chip samples;
- ☐ Positive results from the large-scale roll-out of target generation techniques over covered targets;
- ☐ Three main target generation surveys;
- ☐ Three targeted infill surveys for definition within known anomalous areas;
- ☐ Multiple targets generated for follow-up and potential drill testing;
- ☐ Geochemical domaining has identified the potential for multiple, previously unrecognised mineralised systems.

Ultra-trace (Partial-leach) Soil Sampling Program

Following on from a successful trial over the blind southern extent of the BVS deposit in 2017, Strategic completed a series of larger surveys in the latter half of 2018. A total of 2,228 ultra-trace soil samples have been collected to date and further sampling is planned. Surveys have consisted of a mix of detailed lines over known prospective areas, plus regional, broad spaced lines over areas with significant cover.

In the Big Vein South (BVS) area, the survey has successfully identified a coincident gold, lead, and zinc anomaly on the eastern side of the interpreted fault. The location of the anomaly, approximately 500 metres directly along strike from known gold, lead and zinc mineralisation at BVS makes it a high priority target for future exploration. In addition, given the proximity of this anomaly to the BVS resource, any discovery would be expected to

¹ See ASX Announcement dated 14 January 2019 – **Drill Results - Belle Brandon and Ada**

² See ASX Announcement dated 29 January 2019 – **Quarterly Activities Report**

³ See ASX Announcement dated 8 March 2019 – **Soil Geochemistry Results and Woolgar**

⁴ See ASX Announcement dated 14 March 2018 – **Soil Chemistry and Exploration Results at Woolgar**

have a positive effect on the project economics.

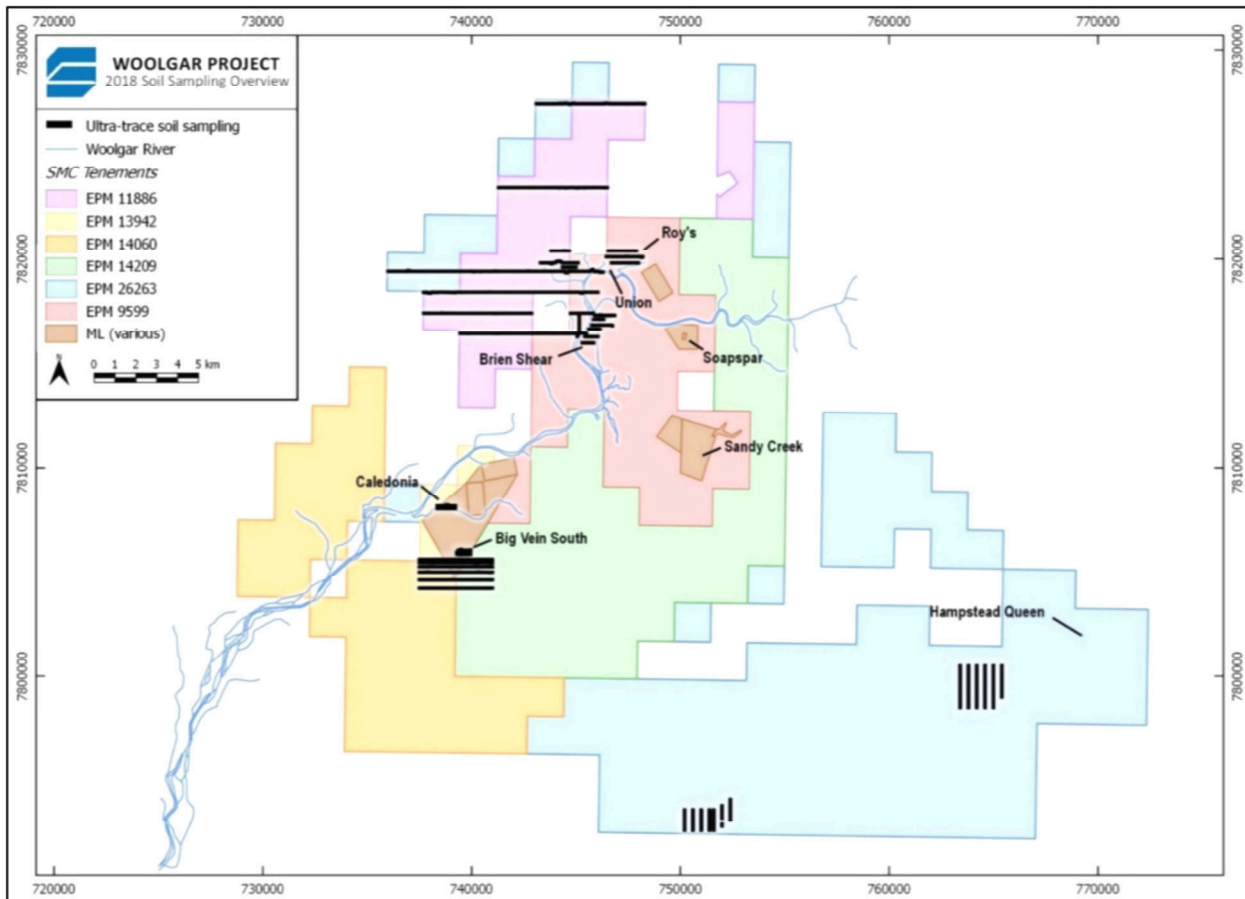


Figure 1: Ultra-trace soil sampling and mapping across the Woolgar Project Area, as at 31th December 2018

In the Caledonia area, the survey identified a coincident multi-element anomaly with a broader zone of zinc (Zn), cadmium (Cd) and manganese (Mn), plus a central zone of lead (Pb) and bismuth (Bi). This suite of elements could indicate either epithermal or IRGS mineralisation. The anomaly directly overlies a circular magnetic feature.

In the Upper Camp, Union area, the ultra-trace survey has delineated an area of zoned, roughly concentric anomalies in multiple elements at Roy's. The zoning consists of a central core of gold and copper, surrounded by zinc, molybdenum, tellurium, tungsten and arsenic. This combination of elements is considered indicative of a potential IRGS system, however further work is required to better understand the soil types and potential source of the anomaly.

The Company has plans to evaluate the drill testing of the best presenting ultra-trace anomalies during the course of the 2019 field program with the priority on those potential targets proximal to the BVS deposit.

Corporate

The Annual Report was released to market on the 29th March 2019⁵ and a renounceable rights issue for the upcoming 2019 field program was released to market on the 9th April 2019⁶. The Company is looking to raise approx. \$2.9 Million from the rights issue to fund a series of activities in line with the published prospectus.

During the Quarter the Company also lodged a new Exploration Permit Application (EPMA 27254) which covers the Eulo Queen prospect and areas to the north of the Woolgar Project.

⁵ See ASX Announcement dated 29 March 2019 – **Annual Report to shareholders**

⁶ See ASX Announcement dated 9 April 2019 – **Renounceable Rights Issue**

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
EL 5773	Perilya Freehold Mining Pty Ltd (90%); Signature Resources Pty Ltd (10%) ⁷	Mount Frome JV	Granted	SA
EL 6132	Perilya Limited (85%); Paladin Energy Ltd (7.5%); Signature Resources Pty Ltd (7.5%) ⁸	Reaphook JV	Granted	SA

⁷ Signature Resources Pty Ltd is a wholly owned subsidiary of Strategic

⁸ Signature Resources Pty Ltd is a wholly owned subsidiary of Strategic

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

STRATEGIC MINERALS CORPORATION NL (ASX:SMC)

ABN

35 008 901 380

Quarter ended (Current quarter)

31 March 2019

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for:	-	-
(a) exploration and evaluation	(205)	(205)
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(43)
(e) administration and corporate costs	(94)	(94)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material):	-	-
1.9 Net cash from / (used in) operating activities	(340)	(340)
2. Cash flows from investing activities		
2.1 Payments to acquire:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 Months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	860	860
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(340)	(340)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	520	520
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	520	860
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	520	860
6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2		44
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	Directors salary, fees, superannuation	
7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2		-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	Nil	

8. Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Nil

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	425
9.2 Development	-
9.3 Production	-
9.4 Staff costs	45
9.5 Administration and corporate costs	160
9.6 Other (provide details if material):	-
9.7 Total estimated cash outflows	630

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter %	Interest at end of quarter %
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		N/A		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		N/A		

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.



Signed:

Dated: Tuesday, 30 April 2019

Company Secretary

Print name: Jay Stephenson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.