



## Further High Grade Gold From Historic NZ Goldfield Region

Strategic Elements (ASX: SOR) has reported further high-grade gold anomalies from the Golden Blocks project in New Zealand.

### Aorangi Mine

The No. 3 Level entrance to the Aorangi gold mine was inspected to assess access into No. 3 level, where last exploration assays and production records reported extremely rich gold. Sediment blocking the No. 3 Level entrance needs to be removed to enable access for personnel and equipment.

A panned concentrate sample of **16.27 g/t** gold from the catchment above and to the west of the Aorangi mine may reflect either further gold mineralisation or weathering surface residual gold. Importantly however, the sample location rules out gold being sourced from historic mine workings.

### Upper Webb Stream

The West Wanganui Goldfield region is highly underexplored with modern exploration techniques. Apart from the obvious high-grade target at the Aorangi mine, there are multiple styles of potential gold mineralisation within the wider 132km<sup>2</sup> permit.

The Company identified a potential area of interest in the Upper Webb Stream more than **4km to the south** of the Aorangi mine, and the area was targeted for an initial sampling program. High grade gold was reported in **all 5** panned concentrate samples:

Sample 7319	<b>51.28 g/t gold</b>
Sample 7320	<b>39.99 g/t gold</b>
Sample 7323	<b>39.73 g/t gold</b>
Sample 7322	<b>21.25 g/t gold</b>
Sample 7321	<b>6.85 g/t gold</b>

The geology of the Upper Webb Stream area is quite different to the Aorangi mine area. The source of the gold is currently unknown and there are **no historic mine workings in the area**. Government geological mapping shows potentially favourable structures (faults/folds) that may provide pathways for gold mineralisation. The Company is obviously very pleased with the results of the initial sampling program and Upper Webb Stream has become a key area for future exploration.

Over a hundred years of knowledge, and experience of new gold models needs to be incorporated into the ongoing review of the West Wanganui region. Initial sampling programs such as the one conducted at the Upper Webb Stream area can be used to test different concepts and models.

### West Wanganui

In addition, further samples at West Wanganui, approx. **5km to the southwest** of the Aorangi Mine were taken from a catchment where rich gold was reported in 1905. Despite two shafts being sunk, the source of the gold was never discovered. The Company has previously reported gold within intrusive rocks from this area, a deposit model unknown to the old diggers.

Several panned concentrate samples were taken with Sample 7317 reporting **3.1 g/t** gold and Sample 7316 with **2.5 g/t** gold. Previous rock sampling detected wide spread lower grade intrusive gold up to **0.65 g/t** in float.

Follow-up sampling will lead to a review of the previously conducted geophysical survey to sample any zones of potential higher grade gold.

Information released by the Company relevant to the areas covered in this announcement includes:

Aorangi Mine – historical <sup>1</sup>	<ul style="list-style-type: none"><li>- Average head grade to battery of 46.9g/t gold.</li><li>- Gold reported in floor and continuing at depth.</li><li>- Last exploration assays of 663.8g/t over 0.75m and 5324.5 g/t over 0.25m from No. 3 Level.</li></ul>
Aorangi Mine – upper levels <sup>2</sup>	<ul style="list-style-type: none"><li>- Rock grab samples: 35.85 g/t, 16.53 g/t, 1.47 g/t gold.</li><li>- Representative rock chip: 0.4m @ 13.19 g/t, 0.7m @ 5.62 g/t, 0.7m @ 2.37 g/t, 0.9m @ 1.62 g/t gold.</li><li>- No. 1 Level and No. 2 Level adits open providing access into mine.</li><li>- No. 3 Level adit partially blocked with sediment.</li><li>- Sampling within safe areas of the mine to be conducted</li></ul>
Golden Blocks - mapping <sup>3</sup>	<ul style="list-style-type: none"><li>- Goldfield north south extent of potential mineralisation of some 5 km.</li><li>- East west direction mineralisation extends over some 5km.</li><li>- Potential area of 25 km<sup>2</sup></li></ul>
West Wanganui <sup>4</sup>	<ul style="list-style-type: none"><li>- Key panned concentrate results include 24.33 g/t, 14.49 g/t, 4.07 g/t, 3.54 g/t, 1.83 g/t and 1.17 g/t gold.</li><li>- Geophysical survey flown and initial interpretation completed.</li><li>- Follow up sampling to be conducted.</li></ul>
Upper Webb Stream	<ul style="list-style-type: none"><li>- Panned concentrate results of 51.28 g/t, 39.99 g/t, 39.73 g/t, 21.25 g/t, 6.85 g/t gold.</li><li>- Follow up exploration to be conducted.</li></ul>

### Permit Strategy

The Company has increased its proposed commitment to the area by lodging an additional Prospecting Permit application covering a further 95.2 km<sup>2</sup> adjacent to its current permit. The Company will provide more information on this area after it has compiled records of all historical exploration work.

In view of the potential the Company believes to exist within its current permit and the recent permit application, the Company has now relinquished all other permits held in New Zealand

Managing Director Charles Murphy said, "We obviously have a gold mineralising system within the project area and believe the opportunities are pretty wide open. In comparison to a typical Australian historic goldfield region this is virgin country for modern exploration. Although the high grades at the historic Aorangi mine make it a compelling target, the team is being very careful that we assess all potential styles of gold mineralisation throughout the wider area. After all, we are the first modern explorer to enter many areas within the permit even though there appears to be multiple styles of gold".

### About Strategic Elements Ltd

Strategic Elements shares are listed on the Australian Stock Exchange under the code "SOR". The Company is registered under the Pooled Development Program run by the Australian Federal Government to encourage investment into SME's. To assist Pooled Development Fund's to invest and raise capital, the Federal Government enables most **shareholders in a Pooled Development Fund to make capital gains and receive dividends tax-free**. The Company has approval to provide funding for projects across the material supply chain for technology products in general. This includes **all stages** of development from exploration for minerals to processing, mining, and research to eventual technology product development. Our main initial investment is focused on the mineral exploration stage. The Company is listed in the diversified financial sector on the ASX.

## Competent Person

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Geoff Price, who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Price is employed by Geopex Ltd. Mr Price has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking 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 Price consents to the inclusion in the report of the matters based on his information in the form and context in which it appears"

## References:

1. Announced on 18/03/2014
2. Announced on 26/11/2013
3. Announced on 30/04/2014
4. Announced on 25/09/2013

## Panned Concentrate Sample Results – West Wanganui Permit

Sample	Au ppm (g/t)	Location
7316	2.54	Independent Stream
7317	3.10	Independent Stream
7318	16.27	Waterfall Creek - Aorangi Mine area
7319	51.28	Upper Webb Stream
7320	39.99	Upper Webb Stream
7321	6.85	Upper Webb Stream
7322	21.25	Upper Webb Stream
7323	39.73	Upper Webb Stream

## JORC TABLE 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were taken by Geopex Ltd, within Strategic Materials Pty Ltd's permit.</li> <li>Panned concentrate samples were taken using a gold pan and the gold assay results were normalised to a standard concentrate weight of 75g.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant for data reported.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant for data reported.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant for data reported.</li> </ul>

Criteria	Explanation	Commentary
	<p>estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The reported samples were analysed by Bureau Veritas Minerals.</li> <li>No sub-sampling or splitting of the reported samples was undertaken. The entire sample was analysed.</li> <li>Samples were dried, weighed and pulverised, which is the normal sample preparation technique.</li> <li>Panned concentrate samples were taken from trap sites considered to be representative of the catchments sampled.</li> <li>Grain size of samples is fine sand. The sample size of 10 litres before concentration, is considered appropriate for that grain size.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>The reported samples were assayed for gold by fire assay with AAS finish using a nominal 20g charge.</li> <li>Fire assay is the standard technique for assaying for gold, and is considered to assay total gold.</li> <li>Duplicate assays were undertaken on 3 of the 8 samples reported.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Sample collection and submission for analysis was undertaken by Geopex Ltd, an independent mineral exploration services company, which undertook exploration work on behalf of Strategic Materials Pty Ltd.</li> <li>All documentation of sample locations and sample descriptions and sample handling and storage was undertaken by Geopex Ltd.</li> <li>Panned concentrate gold assay results were normalised to a standard concentrate weight of 75g to eliminate the effect of increased concentration leading to increasing gold values.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Most sample locations were surveyed using a Trimble Geo XT GNSS receiver and data was post-processed to give coordinates with sub-metre accuracy with good satellite configuration, and up to 5m accuracy with poor satellite configuration.</li> <li>GNSS coordinates could not be obtained for samples 7316 and 7317, and coordinates were estimated from topographical features for these samples.</li> <li>Sample coordinates were in terms of the New Zealand Transverse Mercator grid</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The reported samples comprised one panned concentrate sample per catchment sampled, which is adequate for initial sampling.</li> <li>No sample compositing was used.</li> </ul>
Orientation of data in relation to	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the</li> </ul>	<ul style="list-style-type: none"> <li>The reported samples provided initial coverage of the catchments sampled and geological structures</li> </ul>

Criteria	Explanation	Commentary
<i>geological structure</i>	<p>extent to which this is known, considering the deposit type.</p> <ul style="list-style-type: none"> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	were not considered at this stage.
<i>Sample security</i>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>The reported samples were under the control of Geopex Ltd from the point of sampling to the point of delivery to the courier for shipment to the laboratory.</li> <li>Samples were kept in a locked Geopex vehicle or at the secure Geopex office.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The assay results were reviewed by Geoffrey Price, an independent geological consultant and the principal of Geopex Ltd, before being released to Strategic Materials Pty Ltd.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic Materials Pty Ltd holds the West Wanganui Prospecting Permit 54207 over an area of approx 132sq kms in North West Nelson, New Zealand.</li> <li>Prospecting Permit 54207 is within Crown land administered by the Department of Conservation.</li> <li>Strategic Materials Pty Ltd holds 100% of the West Wanganui project.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>Exploration has been previously carried out by :</p> <ul style="list-style-type: none"> <li>CRA Exploration</li> <li>Lime and Marble Ltd</li> <li>Newmont Pty Ltd</li> <li>New Taitapu Gold Prospecting Company Ltd</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Structurally-hosted quartz lode gold mineralisation within metasediments</li> <li>Intrusion-related gold mineralisation within intrusive dykes</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>The Company refers to data in previous announcements: <ul style="list-style-type: none"> <li>Additional referenced documents within this announcement.</li> </ul> </li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant for data reported.</li> </ul>
<i>Relationship</i>	<ul style="list-style-type: none"> <li>These relationships are particularly important in</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant for data reported</li> </ul>

Criteria	Explanation	Commentary
<i>between mineralisation widths and intercept lengths</i>	<p><i>the reporting of Exploration Results.</i></p> <ul style="list-style-type: none"> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Not relevant for data reported</i></li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Reporting of all relevant results has been provided in this announcement</i></li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<i>Not relevant for data reported</i>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Further work is planned, which includes data analysis and additional fieldwork.</i></li> </ul>