



Roadmap to High Grade Shoot Under Historic NZ Gold Mine

April 30, 2015: ASX Listed Strategic Elements (ASX: SOR) is pleased to announce that since the discovery of lost documents on the forgotten Golden Blocks goldfield within the archives of New Zealand, vast amounts of historical information has been combined with targeted fieldwork to identify a high grade target beneath the historic Aorangi Mine that has been formally titled the “**Pioneer Shoot**”.

The Company has funded a comprehensive program at the over 100-year-old goldfield combining **modern technology, targeted field programs and the wealth of historical data** discovered buried in the archives. The Company deliberately pursued an exploration strategy that could utilise all the rich historical information in addition to data generated by the field team. Historic documents contained vast amounts of valuable information regarding the **nature of mines, their reef systems and the high-grade shoots that were mined**. This approach has been validated numerous times in the discovery of important data on geology and gold mineralisation gained from historic workings. The Company believes this approach has **saved substantial amounts of capital and time**.

Targeting The Pioneer Shoot

As a result of the cumulative work to date, the Company has resolved to conduct a drilling program targeting the potential continuation of the **Pioneer Shoot** being mined on Level 4 in 1914 when the mine closed due to water, gas and labour shortages¹. **High-grade ore** was mined from the internal incline shaft down from Level 3 and on Level 4 itself².

Exploration assays from within the 200m of unmined workings left in Level 3 of the mine contained gold grades of **663.9 g/t over 0.75m** including **5342.5 g/t over 0.25m**. Unmined stone around this shoot was also exceptionally good. Gold was also showing in the floor of Level 3 and government mine inspectors believed that the reef continued at depth and that valuable ore shoots may be looked for in the deeper ground².

Through its sampling and mapping programs with a number of consultants and insight gained from numerous field trips, the Company is confident that higher grade gold in any potential continuation of the Pioneer Shoot would be contained within a shale unit named the “Mine Bed”. **Fieldwork confirmed** that the Mine Bed should be easily recognised in drill core as it is consistently positioned between much lighter sandstone and siltstone units¹.

Commencement of 3D Mine Model of Aorangi Mine

The Company is to **immediately commence** a field program to enable the development of the first **3D Mine Model** of the historic high-grade mine to assist positioning of **drill holes intended to intersect the Pioneer Shoot** and guide further ‘near mine’ surface exploration. The Company has contracted well-regarded Mine Engineer Mr John Taylor to conduct the survey work and generate the 3D model.

The field survey and mapping program will provide the required third dimension information of the mine workings and mineralisation to develop a robust conceptual model for testing by a future exploration drilling programme. The development of a robust conceptual mineralisation model will greatly enhance the effectiveness of drill hole targeting and help to maximise the returns from any planned drilling budget.

¹ ASX Announcement 30/04/14

² ASX Announcement 18/03/14

The purpose of the proposed programme is to transfer accurate survey control to the immediate vicinity of Aorangi Mine workings and to use this control to accurately survey the portals and to establish bearings along the various adits into the mine. This survey of the Aorangi Mine portals and adits will enable the only existing mine plan of the workings to be **spatially positioned** with a known degree of accuracy.

Once this plan is spatially rectified, all the details of the underground workings and stoping blocks can be used to create an accurate 3D model of the existing underground development, the stoped ground and the developed, but unmined, stoping blocks. Since the ore passes between the mine levels were developed within the mineralised "Mine Bed", the 3D mine model will accurately depict the orientation and dip of the "Mine Bed" which will greatly facilitate future surface and underground exploration within and around the Aorangi Mine.

The accurate rectification of the existing mine plan will allow all the information on the plan to be used to build an relatively accurate **3D of the mine workings, including stoping blocks, ore passes and the "Mine Bed"** (as depicted by the attitude of the ore passes driven in the "Mine Bed") and faulting. The mine workings are not being surveyed underground at this stage but will be obtained from the rectified historic mine plan. The necessary survey control will be put in place to do the underground surveying at a later date.

Successful Progression to Drilling Approvals

The Company is also pleased to report that the board of Strategic Elements Ltd has approved investee Strategic Materials Pty Ltd to apply for **drilling approvals** at the Golden Blocks project. The type of license required for drilling, along with the additional permits and approvals are expected to be applied for within the next few weeks. The New Zealand government system states that such exploration licenses should be granted within 6 months of application. Other approvals to drill are negotiated during that period with stakeholders such as the Department of Conservation, however no time frame is legislated.

Continuation of Fieldwork

Whilst licenses and approvals are being sought **exploration will continue** to complete the 3D Mine Model, position intended drill holes and continue surface exploration on exciting targets along strike from the Aorangi Mine and at other locations outlined by prior fieldwork/structural studies. One of the priority targets is located close to the upper Webb stream area where the Company has recently reported geochemical sampling of gold in panned concentrates of **51.28 g/t, 39.99 g/t, 39.73 g/t, 21.25 g/t** and **6.85 g/t³**. There are no old mine workings in the area and drainages higher up have never been sampled to identify the source of the gold.

Company Comment

Managing Director Charles Murphy said "a lot of work has gone in over the last 12 months to extract as much data as possible out of records, field sampling and most importantly the many underground workings. We have invested the time to build our geological knowledge of the goldfield without needing to drill our own holes. This has given us the confidence to target the Pioneer Shoot with the very first drill program. The last exploration tilt at the mine drove into a shoot and hit 663.8 g/t over 0.75m – so the team has a clear goal ahead of them. With the average head grade of primary ore to the battery estimated to be 46.9 g/t² gold, free milling and easily recoverable, the combination of exceptional grade and simple recovery is a significant potential feature of the project".

Pooled Development Fund

The Company is a Federal Government registered Pooled Development Fund providing enabling most shareholders to **pay no capital gains tax on profits made when they sell the shares they hold** in the Company. More information can be found at www.strategicelements.com.au or email admin@strategicelements.com.au or phone (08) 9278 2788.

³ Announced on 20/11/2014

Overview of Work Completed⁴

Aorangi Mine – historical	<ul style="list-style-type: none">- Average head grade to battery of 46.9g/t gold.- Gold reported in floor and continuing at depth.- Last exploration assays of 663.8g/t over 0.75m and 5324.5 g/t over 0.25m from No. 3 Level.
Aorangi Mine – upper levels	<ul style="list-style-type: none">- Rock grab samples: 35.85 g/t, 16.53 g/t, 1.47 g/t gold.- 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.- No. 1 Level and No. 2 Level adits open providing access into mine.- No. 3 Level adit partially blocked with sediment.
Golden Blocks - mapping	<ul style="list-style-type: none">- Goldfield north south extent of potential mineralisation of some 5 km.- East west direction mineralisation extends over some 5km.- Potential area of 25 km²
West Wanganui	<ul style="list-style-type: none">- 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.- Geophysical survey flown and initial interpretation completed.- Follow up sampling to be conducted.
Upper Webb Stream	<ul style="list-style-type: none">- 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. Follow up exploration to be conducted.
GIS Data Acquisition	<ul style="list-style-type: none">- Established a comprehensive digital database combining modern fieldwork with historical exploration and mining information.
Geophysical Data Acquisition	<ul style="list-style-type: none">- Flew the first geophysical survey over part of the goldfield and identified a large dyke system. Float sample with visible gold.
Detailed Historical Review	<ul style="list-style-type: none">- Collated over 1000 pages of key historic information relating to the history of the permit including – mine statements, annual reports, mine production records, academic publications, prospectus documents, maps and government geological reports.
Historical Mine Workings	<ul style="list-style-type: none">- Investigation of the Aorangi, Anthill, Morning Star, New Find and Golden Ridge mines and multiple old workings. Mapped stratigraphy north and south. Sampled tailings area.
Structural Analysis	<ul style="list-style-type: none">- Eleven structural targets were identified with five of these untested by any previous sampling.

⁴ Announced on 20/11/2014