

RNS Number : 8160N
Strategic Minerals PLC
23 January 2019

Market Abuse Regulation (MAR) Disclosure
Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

23rd January 2019

Strategic Minerals plc
("Strategic Minerals", "SML" or the "Company")

Outstanding Conclusion to 2018 Redmoor Drilling Programme with Final Assay Results

Strategic Minerals plc (AIM: SML; USOTC: SMCDY), a producing mineral company actively developing projects prospective for battery materials, is pleased to report further exceptional assay results from the final four holes of the twelve-hole 2018 drilling programme at its Redmoor Tin-Tungsten Project, being undertaken through its 50% owned joint venture vehicle Cornwall Resources Limited ("CRL"). In addition, a further Research and Development refund payment has now been received.

Highlights:-

- All holes in the 2018 programme successful with most surpassing internal expectations, indicating a high likelihood of a substantially expanded Mineral Resource.
- Weighted average tin equivalent grade for full programme 81% higher than current Mineral Resource, arising from significant intercepts of the high-grade zones within the SVS.
- High grade intercepts of up to 26.20%, 12.45% and 10.52% tin equivalent (SnEq).
- includes tin (individual metal) grades of up to 5.13% Sn (CRD029; 366.61 - 367.61 m).
- Latest holes represent some of the highest-grade intercepts to date, consistent with the last update on 27 November 2018.
- Full 2018 drill programme successfully completed on time, under budget, and with a clean safety and environmental record.
- Updating of Mineral Resource Estimate commenced, and results are expected in Q1 2019.
- CRL received a £138,000 Research and Development refund from HMRC on 3 January 2019.

Commenting, Peter Wale, Executive Director, Strategic Minerals and Director, CRL, said:

"These impressive assay results show great scope to increase both the resource tonnage and grade at Redmoor. We anticipate this update and the expected resource upgrade will add further support to the renaissance of mining in Cornwall.

"The Board is delighted by the performance of the CRL team, which has delivered a 2018 outcome which has surpassed expectations. While pleased with the manner in which the programme was run on time and within budget, the level of success in targeting mineralisation is a testament to CRL's

geological model and the team's theories on the anticipated continuation of mineralisation in high-grade zones within the SVS both at depth and along-strike.

"It is also pleasing to note that the Board's long-term view on the impact of supply and demand factors on tin prices has been reflected in the recent recovery in tin prices, which are now above \$20,000 per tonne.

"2019 is anticipated to be a watershed year for SML - this update from Redmoor sets the tone for what the Board expects to be a year of substantial progress."

HIGHLIGHTS FROM FINAL FOUR HOLES OF THE 2018 DRILLING PROGRAMME

Assay results from the final four holes in the Redmoor 2018 programme further reinforced confidence in the grade and continuity of the high-grade zones within the Sheeted Vein System ("SVS"), highlights of which are: -

- CRD029: 5.80m @ 0.87% SnEq from 478.60m, including 1.00m @ 2.82% SnEq
- CRD029: 8.25m @ 0.75% SnEq from 498.64m, including 1.00m @ 4.27% SnEq
- CRD029: 3.86m @ 3.03% SnEq from 538.88m, including 1.00m @ 5.60% SnEq
- CRD029: 1.00m @ 10.34% SnEq from 554.74m
- CRD030: 7.21m @ 0.77% SnEq from 503.80m, including 1.10m @ 2.54% SnEq
- CRD031: 2.63m @ 6.33% SnEq from 413.67m, including 0.88m @ 10.52% SnEq
- CRD031: 1.75m @ 12.45% SnEq from 453.85m
- CRD031: 5.90m @ 4.93% SnEq from 537.95m, including 1.00m @ 26.20% SnEq
- CRD032: 3.58m @ 2.63% SnEq from 660.33m

2018 DRILLING PROGRAMME

In June 2018, CRL began a drilling programme aimed at further increasing the grade and tonnage of the high-grade tin-tungsten-copper resource within the SVS at its Redmoor Project. The Mineral Resource Estimate update announced on 20 March 2018 ("2018 Mineral Resource") reflected an Inferred Resource of 4.5 Mt @ 1.0% tin equivalent (SnEq).

A total of twelve holes were drilled from June to December 2018, for a total of 7,370 m. All assay results have now been received confirming that every hole intersected mineralisation in high-grade zones within the SVS.

On a weighted-average basis for all significant intercepts reported from the 2018 drilling programme, the grade is 81% higher than the results seen through the 2017 drill programme and previous results, as reflected in the 2018 Mineral Resource grade of 1.00% SnEq. An updated Mineral Resource is now being produced by combining the 2018 new drill results with previous data that contributed to the 2018 Mineral Resource.

The 2018 results include: -

- the highest-grade intercepts yet drilled at Redmoor;
- intersection of mineralisation in high-grade zones within the SVS, over 200m deeper than the base of the 2018 Mineral Resource;
- demonstration of continuity of the high-grade zones at closer drill hole spacings (infilling between other holes); and

- □□□□ confirms CRL's confidence in the geological model and the continuation of mineralisation in high-grade zones within the SVS both at depth and along-strike.

These results highlight the potential to increase both the Mineral Resource tonnage and grade at Redmoor.

The results of four holes (CRD029, CRD030, CRD031 and CRD032) are reported in this release. Assay results for holes CRD021 to CRD028 have previously been reported, and are reviewed in this release to provide a complete summary of the strong results seen throughout the 2018 drill programme.

REDMOOR GEOLOGY OVERVIEW: Sheeted Vein System (SVS)

The SVS is a body in which numerous closely-spaced sub-parallel veins carry high-grade tin, tungsten and copper mineralisation. The SVS strikes at approximately 070° and dips at approximately 70° to the north. The SVS has a strike continuity of over 650 m with a thickness of approximately 100 m, and a variable known dip extent (250 - 450 m). The SVS is open down-dip over much of its length. Within this volume are a series of discrete high-grade zones, sub-parallel to the overall SVS envelope. The 2018 drilling programme was designed to test this high-grade material, and all the holes of the Phase 1 programme have successfully intersected it. The 2018 Mineral Resource contained eight volumes in this high-grade material ranging from 135,000 t to 1,200,000 t (at a density of 2.9 g/cm³). Distribution of the various metals is not uniform within the structure. Tin is richer in the western parts, tungsten to the east and at depth, and copper is typically richer higher in the system. All metals overlap to some degree.

SUCCESSFUL CONCLUSION TO THE 2018 EXPLORATION PROGRAMME

A summary of the significant intercepts for holes CRD029, CRD030, CRD031, and CRD032, is provided below with details shown in Appendix 2. The tin equivalent calculation and basis for thicknesses is provided under the heading 'Note on Calculation of Tin Equivalent Values and Supporting Recovery Data' below.

CRD029

A summary of the significant intercepts in CRD029 is provided below:

- □□□ 1.00m @5.19% SnEq from 366.51m
- □□□ 5.80m @0.87% SnEq from 478.60m, including 1.00m @2.82% SnEq, and 0.80m @2.53% SnEq
- □□□ 8.25m @0.75% SnEq from 498.64m, including 1.00m @4.27% SnEq, and 1.67m @1.07% SnEq
- □□□ 3.86m @3.03% SnEq from 538.88 m, including 1.00m @5.60% SnEq, and 1.00m @4.23% SnEq
- □□□ 1.00m @10.34% SnEq from 554.74m

Hole CRD029 provides multiple potentially ore-grade polymetallic intercepts. The hole tests a shallow part of the deposit, in the western tin zone, encountering tin grades of up to 5.13% Sn, the highest-grade tin hit of CRL's drilling. CRD029 also contains significant tungsten grades alongside tin values; this is interpreted to be due to the increased depth of this hole. As the western-most hole of the program it reveals interesting potential for western strike extensions of the orebody, with continuing potential for increasing tungsten at depth.

CRD030

A summary of the significant intercepts in CRD030 is provided below:

- □□□ 5.00m @0.80% SnEq from 492.60m, including 1.00m @1.82% SnEq
- □□□ 7.21m @0.77% SnEq from 503.80m, including 1.10m @2.54% SnEq

Hole CRD030 includes grades to 2.54% SnEq, as a mixture of tin, tungsten and copper, occurring on the overlap between the tin and tungsten zones.

CRD031

A summary of the significant intercepts in CRD031 is provided below:

- 2.63m @6.33% SnEq from 413.67m, including 0.88m @10.52% SnEq
- 1.75m @12.45% SnEq from 453.85m
- 5.90m @4.93% SnEq from 537.95m, including 1.00m @26.20% SnEq

Hole CRD031 successfully intersected multiple zones of exceptionally high-grade tungsten mineralisation, accompanied by copper. The mineralisation is tightly focussed, an expected feature of deeper parts of the deposit. The results represent repeatability of the type of exceptional grades encountered in CRD028. This, importantly, contains the second highest grade section encountered at Redmoor and on a length x grade basis, the intercept from 537.95 in CRD031 (1.00m @ 26.20%) exceeds the previous best hit in CRD028 (0.70m @ 29.68% SnEq).

CRD032

A summary of the significant intercepts in CRD032 is provided below:

- 1.00m @4.07% SnEq from 482.00m
- 3.58m @2.63% SnEq from 660.33m

Hole CRD032 was the longest hole of the programme and has identified some of the deepest mineralisation seen to date at Redmoor, at encouraging grades of up to 4.07% SnEq. This hole has been left cased near-surface, in order to provide the opportunity to re-enter and drill wedged daughter holes to further test this part of the deposit at a future point.

MINERAL RESOURCE UPDATE

Following receipt of the final assays of the 2018 drill programme, CRL has started work on a Mineral Resource update through its resource consultant Paul Gribble of Geologica (UK). The results of this are expected by the end of Q1 2019 and will be used to inform CRL's work programme for 2019 as it seeks to advance the project.

NOTE ON CALCULATION OF TIN EQUIVALENT VALUES AND SUPPORTING RECOVERY DATA

The thicknesses quoted throughout this report are, unless otherwise stated, apparent thicknesses. Estimated true thicknesses are shown in Appendix 1.

For convenience, significant intercepts are expressed in terms of a calculated tin equivalent value (SnEq), as well as their constituent Sn, Cu, WO₃ contents. Equivalent metal calculation formula; SnEq% = Sn%*1 + WO₃%*1.43 + Cu%*0.40.

Commodity price assumptions: WO₃ US\$ 33,000/t, Sn US\$ 22,000/t, Cu US\$ 7,000/t.

Recovery assumptions: WO₃ recovery 72%, Sn recovery 68% & Cu recovery 85% and payability assumptions of 81%, 90% and 90% respectively

The metallurgical recoveries used are directly derived from testwork that was carried out by South West Minerals from 1980 to 1985 through South West Metallurgical Services (SWMS); Penzance, Cornwall U.K, and by Robertson Research International (RRI); North Wales. This work was further reviewed by metallurgical consultants DevLure (Pty) in October 2015 and provides a basis for the recoveries assumed.

The Company and Geologica are of the opinion, as a result, that all three elements of tin, copper, and tungsten, have reasonable potential to be recovered and sold.

The Redmoor deposit has a strong tin content in the upper levels and the area has historically been mined for tin and copper. As a result, the existing Mineral Resource, dated 20 March 2018, and based on drilling in 2017 and previously, considers tin equivalent grades as well as individual metals.

CRD025, CRD026, CRD028, CRD031 and CRD032 are high in tungsten values, which is a characteristic of the zone of the deposit sampled by those holes. CRD027 and CRD029 contain notable tin values. For consistency with the resource and with previous reporting, values have been reported as tin equivalent as well as per individual metals.

The use of a metal equivalent will be reviewed during the 2019 Resource update, which will provide an objective basis using the overall metal content of the deposit.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Paul Gribble C.Eng., a Fellow of the Institute of Materials, Minerals and Mining (FIMMM), and who is Principal Geologist of Geologica UK (Geologica). Paul Gribble has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'. Paul Gribble is also a Competent Person as defined in the Note for Mining and Oil & Gas Companies which form part of the AIM Rules for Companies. Paul Gribble has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This report contains "forward-looking information" that is based on the Company's expectations, estimates and forecasts as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, commodity prices and demand, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "outlook", "anticipate", "project", "target", "likely", "believe", "estimate", "expect", "intend", "may", "would", "could", "should", "scheduled", "will", "plan", "forecast" and similar expressions. The forward-looking information is not factual but rather represents only expectations, estimates and/or forecasts about the future and therefore need to be read bearing in mind the risks and uncertainties concerning future events generally.

APPENDIX 1 - Redmoor 2018 Drillhole Collar Co-Ordinates

Hole No.	Site	Easting*	Northing*	RL/m*	Azimuth	Dip	Length/m	Diameter
CRD021	B	235652	71250	178	104	-72	728.70	HQ: 0-138, NQ: 138-EoH
CRD022	A	235732	71289	181	126	-55	521.90	HQ: 0-EoH
CRD023	B	235652	71253	179	148	-78	728.25	HQ: 0-215.9, NQ: 215.9-EoH

CRD024	A	235733	71290	181	113	-64	658.30	HQ: 0-400.8, NQ: 400.8-EoH
CRD025	C	236067	71201	192	162	-81	444.70	HQ: 0-EoH
CRD026	A	235732	71289	181	107	-56	627.80	HQ: 0-272.7, NQ: 272.7-EoH
CRD027	D	235615	71092	165	228	-79	501.15	HQ: 0-EoH
CRD028	A	235732	71289	181	119	-58	567.72	HQ: 0-368.93, NQ: 368.93-EoH
CRD029	E	235409	71089	163	113	-79	578.60	HQ: 0-182.4, NQ:182.4-EoH
CRD030	A	235734	71292	181	160	-71	640.45	HQ: 0-389.8, NQ: 389.8-EoH
CRD031	F	235735	71177	172	116	-71	569.50	HQ: 0-EoH
CRD032	A	235732	71289	181	101	-69	802.85	HQ: 0-246, NQ:246-EoH

APPENDIX 2 - CRL 2018 Drilling significant intercepts for holes CRD021 - CRD032

This listing includes assay results for all holes completed in the 2018 drill programme. Holes CRD021 to CRD028 have been previously reported; holes CRD029 to CRD032 are reported, for the first time, in this release.

Drillhole	From (m)	To (m)	Intersection Thickness (m)	Est.True Thickness (m)	Cu (%)	Sn (%)	WO ₃ (%)	SnEq (%)
CRD021	312.88	314.18	1.30	1.08	3.94	0.10	3.29	6.38
CRD021	533.32	535.56	2.24	1.75	0.02	0.01	6.24	8.94
CRD021	644.63	658.84	14.21	8.57	0.09	0.01	0.76	1.13
including	644.63	646.22	1.59	0.96	0.02	0.01	3.53	5.06
including	647.04	649.13	2.09	1.26	0.26	0.01	1.70	2.54
including	657.82	658.84	1.02	0.62	0.39	0.01	1.34	2.07
CRD021	670.02	677.67	7.65	4.98	0.06	0.01	1.01	1.48
including	670.02	671.11	1.09	0.71	0.22	0.01	3.32	4.84
including	673.60	674.60	0.99	0.64	0.07	0.01	2.33	3.37
including	676.61	677.67	1.50	0.98	0.02	0.01	1.40	2.01
CRD022	405.00	414.75	9.75	6.05	0.43	0.07	0.54	1.01
including	405.00	406.00	1.00	0.62	1.11	0.25	0.55	1.49
including	409.50	411.00	1.50	0.93	1.20	0.01	2.06	3.42

CRD022	420.25	434.35	14.10	8.74	0.74	0.17	0.68	1.44
including	423.25	424.25	1.00	0.62	2.38	2.12	2.19	6.21
including	432.35	434.35	2.00	1.24	1.19	0.03	2.83	4.55
CRD022	483.36	494.24	10.88	7.41	1.18	0.05	0.28	0.92
including	490.04	494.24	4.20	2.86	2.30	0.09	0.61	1.89
CRD023	650.89	651.94	1.05	0.35	0.34	0.01	3.93	5.76
CRD023	667.10	689.59	22.49	14.83	0.18	0.01	0.64	1.00
including	667.10	669.10	2.00	1.32	0.41	0.01	2.86	4.25
including	674.56	680.79	6.23	4.11	0.18	0.01	0.90	1.36
including	686.59	689.59	3.00	1.98	0.17	0.01	0.77	1.18
CRD024	499.42	505.63	6.21	4.77	0.41	0.02	0.89	1.46
including	501.42	502.42	1.00	0.77	0.52	0.02	2.71	4.11
including	503.92	505.63	1.71	1.31	0.04	0.01	1.21	1.75
CRD024	567.94	573.56	5.62	3.3	0.08	0.01	1.25	1.83
including	567.94	568.94	1.00	0.59	0.14	0.01	5.37	7.74
CRD024	583.95	589.95	6.00	4.00	0.51	0.01	1.68	2.61
including	586.95	589.95	3.00	2.00	0.83	0.02	2.86	4.45
CRD025	277.15	288.15	11.00	5.45	1.01	0.03	0.47	1.10
including	285.05	287.15	2.10	1.04	2.25	0.02	1.45	3.00
CRD025	309.56	311.56	2.00	1.17	0.52	0.05	1.55	2.47
CRD026	478.47	480.67	2.20	1.44	0.93	0.01	1.86	3.04
CRD026	518.60	528.91	10.31	6.4	0.33	0.01	0.72	1.17
including	522.79	524.41	1.62	1.01	0.06	0.01	2.25	3.25
CRD026	537.00	542.00	5.00	3.4	0.13	0.06	1.99	2.95
including	539.00	541.00	2.00	1.36	0.10	0.01	3.29	4.75
and including	540.00	541.00	1.00	0.68	3.60	0.01	2.86	5.18

CRD027	371.35	372.35	1.00	0.62	0.09	2.56	1.36	4.54
CRD027	430.43	434.02	3.59	2.25	1.05	0.73	0.17	1.39
CRD027	442.02	451.12	9.10	5.7	0.65	0.64	0.18	1.15
including	444.02	445.02	1.00	0.63	3.71	2.65	0.03	4.17
and including	449.02	450.02	1.00	0.63	0.99	1.37	0.49	2.47
CRD028	459.41	465.97	6.56	5.1	0.55	0.03	2.14	3.30
including	459.41	460.63	1.22	0.95	1.43	0.06	10.43	15.55
CRD028	493.16	505.17	12.01	8.75	0.52	0.03	1.12	1.84
including	493.16	493.91	0.75	0.55	1.98	0.10	8.58	13.15
and including	504.17	505.17	1.00	0.73	0.20	0.02	4.90	7.10
CRD028	543.61	551.60	7.99	5.3	0.07	0.01	2.39	3.45
including	545.78	546.48	0.70	0.46	0.45	0.02	20.62	29.68
and including	550.60	551.60	1.00	0.66	0.02	0.01	2.82	4.05
CRD029	366.51	367.51	1.00	0.46	0.10	5.13	0.01	5.19
CRD029	478.60	484.40	5.80	2.67	0.28	0.33	0.30	0.87
including	478.60	479.40	0.80	0.37	0.84	2.16	0.03	2.53
and including	483.40	484.40	1.00	0.46	0.75	0.18	1.64	2.82
CRD029	498.64	506.89	8.25	3.80	0.88	0.34	0.04	0.75
including	498.64	499.64	1.00	0.46	4.50	2.16	0.21	4.27
and including	505.22	506.89	1.67	0.77	1.54	0.36	0.06	1.07
CRD029	538.88	542.74	3.86	1.78	0.88	0.77	1.33	3.03
including	538.88	539.88	1.00	0.46	1.86	1.52	1.37	4.23
and including	541.74	542.74	1.00	0.46	0.29	0.15	3.73	5.60
CRD029	554.74	555.74	1.00	0.46	3.14	0.69	5.88	10.34
CRD030	492.60	497.60	5.00	4.00	0.45	0.28	0.24	0.80
including	492.60	493.60	1.00	0.80	1.07	0.12	0.89	1.82

CRD030	503.80	511.01	7.21	5.00	0.49	0.32	0.18	0.77
including	503.80	504.90	1.10	0.76	0.86	0.80	0.97	2.54
CRD031	413.67	416.30	2.63	1.44	5.02	0.17	2.90	6.33
including	415.42	416.30	0.88	0.42	0.37	0.05	7.22	10.52
CRD031	453.85	455.60	1.75	0.75	0.28	0.01	8.62	12.45
CRD031	537.95	543.85	5.90	3.25	0.12	0.01	3.41	4.93
including	541.85	542.85	1.00	0.45	0.32	0.01	18.22	26.20
CRD032	482.00	483.00	1.00	0.66	0.94	0.05	2.55	4.07
CRD032	660.33	663.91	3.58	2.44	0.18	0.01	1.79	2.63

Minimum criteria for selection of broader significant results: minimum grade x width of 4.0m% SnEq, e.g. 5m @ 0.8% SnEq

For further information, please contact:

Strategic Minerals plc

+61 (0) 414 727 965

John Peters

Managing Director

www.strategicminerals.net

Follow Strategic Minerals on:

Vox Markets: <https://www.voxmarkets.co.uk/company/SML/>

Twitter: [@SML_Minerals](https://twitter.com/SML_Minerals)

LinkedIn: <https://www.linkedin.com/company/strategic-minerals-plc>

Facebook: <https://www.facebook.com/search/top/?q=strategic%20minerals%20plc>

SP Angel Corporate Finance LLP

+44 (0) 20 3470 0470

Nominated Adviser and Broker

Ewan Leggat

Laura Harrison

Notes to Editors

Strategic Minerals Plc is an AIM-quoted, operating minerals company actively developing projects prospective for battery materials. It has an operation in the United States of America and development projects in the UK and Australia. The Company is focused on utilising its operating cash

flows, along with capital raisings, to develop high quality projects aimed at supplying the metals and minerals being sought in the burgeoning electric vehicle/battery market.

In September 2011, Strategic Minerals acquired the Cobre magnetite tailings dam project in New Mexico, USA, a cash-generating asset, which it brought into production in 2012 and which continues to provide a revenue stream for the Company. This operating revenue stream is utilised to cover company overheads and invest in development projects orientated to supplying the burgeoning electric vehicle/battery market.

In January 2016, the portfolio was expanded with the acquisition of shares in Central Australian Rare Earths Pty Ltd, which holds tenements in Western Australia and the Northern Territory that are prospective for cobalt, gold, nickel sulphides and rare earth elements. The Company has since acquired all shares in Central Australian Rare Earths Pty Ltd. In September 2018, the Company entered contracts for the sale of certain CARE tenements that have been identified as gold targets.

In May 2016, the Company entered into an agreement with New Age Exploration Limited and, in February 2017, acquired 50% of the Redmoor Tin/Tungsten project in Cornwall, UK. The bulk of the funds from the Company's investment were utilised to complete a drilling programme that year. The drilling programme resulted in a significant upgrade of the resource. The 12-hole 2018 drilling programme has now been completed and a resource update is expected in Q1 2019.

In March 2018, the Company completed the acquisition of the Leigh Creek Copper Mine situated in the copper rich belt of South Australia and is currently working to bring this into operation in 2019.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

DRLSEUFAEFUSELF