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

Acquisition of Exploration Tenements in Western Australia and Northern Territory

Strategic Minerals (AIM: SML), the magnetite focused iron ore producer and exploration company, is pleased to announce that it has secured full tenement ownership rights for:

- the Jotanooka group of tenements and the Dragon Rocks tenement in Western Australia (the **"WA Tenements"**); and
- the Roper River and Hodgson groups of tenements located in the Northern Territory of Australia (the **"NT Tenements"**).

All the tenements are highly prospective for iron ore, being in emerging iron ore provinces where significant infrastructure developments are being made.

The acquisitions are in line with the Company's ongoing strategy of developing a portfolio of projects that provide near term production along with those that potentially offer longer term capital gains.

Purchase Terms

Strategic Minerals originally secured in-principle agreements for the exploration rights on the WA Tenements as part of the Ebony Iron Pty Ltd (**"Ebony"**) acquisition announced by the Company on 5 September 2011. The Company has now agreed their acquisition from Quadrio Resources Pty Ltd to be satisfied by the issue of five million fully paid ordinary shares in the Company and AU\$20,000.

At the time of the Ebony acquisition by Strategic Minerals, Ebony also held the rights to explore iron ore on the NT Tenements and has now agreed with the owner to acquire full ownership at no additional cost to the Company. Under the agreement, the previous owner retains rights to explore phosphate and other related fertilizer minerals on the tenements.

The WA Tenements

The Jotanooka Exploration Tenements

The Jotanooka group of tenements (E70/3015 – Jotanooka North and E70/2862, E70/3072 – Jotanooka South) occur in the productive Mid West region of Western Australia, approximately 320 km north of Perth (see Figures 1&2). The Mid West's strategic location close to Perth, existing rail and port infrastructure (Port of Geraldton), planned port and rail upgrades (Oakagee) and substantial iron ore resources, make it an attractive target for investment by iron ore companies.

The Oakagee Port and Rail project has recently completed its bankable feasibility study and has been awarded by the WA Government an Engineering excellence award for its leading edge modeling of the regions planned Iron Ore infrastructure requirements.

The mid-west region already includes several currently producing Direct Shipping Ore (**"DSO"**) operations as well as projects targeting the development of large tonnage magnetite iron ore

resources. Currently producing DSO sites include Sino Steel Mid West Corporation's Koolanooka deposit (1.5 Mtpa), Gindalbie Metals' Blue Hills/Karara deposits (2Mtpa), and Mount Gibson Iron's Talling Peak (3 Mtpa) and Extension Hill (3Mtpa) deposits.

The region is also host to the development of very large magnetite resources including Gindalbie Metals' Karara deposit (2.4 Bt @ 35.9% Fe) and Sino Steel Mid West Corporation's Koolanooka Deposit (430Mt @ 35% Fe). Supported by significant infrastructure developments at the Port of Geraldton and the highly anticipated Oakagee Port and Rail solutions, these projects provide a long term production capacity from the region.

The Company's Jotanooka North tenement (E70/3015) is located within 5km of the DSO production operations underway at Koolanooka. The tenement is considered to contain the northern strike extent of the rocks that host mineralisation at Koolanooka and considered highly prospective for DSO type resources.

During the previous quarter a detailed ground magnetic survey has been completed by the Company on the Jotanooka North tenement and interpretation of the data has identified potential DSO style targets. The targets occur under recent sediment cover. Drill testing of the targets is planned for 2012 and is subject to finalisation of landholder access agreements and heritage assessments.

Dragon Rocks

Also in Western Australia, the Dragon Rocks tenement (E70/2614) is located in the Wheat Belt region, 300 km to the south east of Perth. The site is located within 10 km of existing rail infrastructure and potential access to Port infrastructure at Albany and Esperance.

The Wheat Belt and Yilgarn regions of Western Australia are emerging Iron Ore provinces. Port and Rail infrastructure development has commenced in the region with the West Australian Government committing \$120M towards the Esperance Port upgrade and the formation of infrastructure support groups such as the Yilgarn Producers Association (<http://www.yipa.com.au>).

Iron ore production is underway at Cliffs Natural Resource Koolyanobbing project which exports up to 8.5Mtpa through the port of Esperance (<http://www.cliffsnaturalresources.com>). Development projects include Cazaly Resources Parker Range project (35Mt @ 55.9% Fe) (<http://www.cazalyresources.com.au>) and Grange Resource's South Down project (654Mt @ 36.5% DTC Fe, (Davies Tube Concentrate) (<http://www.grangeresources.com.au>).

Grange's South Down Magnetite Project is based on the development of a large tonnage low grade magnetite resource hosted in high grade metamorphic (gneissic) terrain. The project is planned to export 10 Mtpa through the Port of Albany.

The Dragon Rocks tenement region contains up to 20 km of magnetic anomalies hosted within high grade metamorphic rocks (see Figure 3). During the previous quarter review, the compilation of historical exploration activities undertaken for gold, nickel and base metal mineralisation was completed by Terra Search Pty Ltd ("**Terra Search**") on behalf of the Company and confirmed the presence of a banded iron formation occurring over a 12 km strike in the north of the tenement. The work also determined that the large magnetic anomalies located in the southern area of the tenement appear to be related to highly magnetic mafic gneiss rock types. Ground geophysical surveys are being planned to further define targets over this strike length for drill testing during 2012.

The NT Tenements

Roper and Hodgson Iron Exploration

The four granted tenements comprise 6,122 km² held in three areas located within 200km of the coast and approximately 600km from Darwin. The area held is considered to be underexplored and comprises what is believed to be the extension of prospective rock types of the Proterozoic McArthur River Basin under shallow cover of sediments belonging to the Mesozoic Carpentaria Basin.

The Proterozoic McArthur River Basin, and the adjacent Proterozoic South Nicholson Basin (located on the Northern Territory and Queensland border), are the host to haematitic oolitic sandstones first recognised during the 1950s as potential sources of iron ore (Clinton – type iron ores).

The Company views these regions as being part of an emerging iron ore province in Northern Australia located proximal to the Gulf of Carpentaria. The Gulf of Carpentaria is currently used for significant bulk mineral commodity exports including Bauxite from Weipa, Kaolin from Skardon River, Manganese from Groote Eylandt and mineral concentrates from Borroloola and Karumba. The region also has existing infrastructure including port assets at Darwin and the Alice Springs – Darwin rail line.

Identified mineral resources in the McArthur River Basin include: Western Desert Resources (<http://www.westerndesertresources.com.au>) Roper Bar resource of 311Mt @ 40% Fe including DSO of 14.5Mt @ 57.4% Fe and Sherwin Iron (<http://sherwiniron.com.au>) Hodgson Downs deposit of 107Mt @ 47% Fe. Further East, and near the Northern Territory and Queensland border, the Proterozoic rocks hosted within the South Nicholson Basin host iron ore resources including Kimberly Metals Limited's Constance Range Project which has a combined resource of at least 236Mt @ greater than 53.1% Fe. (<http://www.kimberleymetals.com.au>)

The Company's Hodgson Downs tenement EL 26969 is located 25 km to the south west of the Sherwin Iron Hodgson Downs deposit (107 Mt @ 47% Fe). The Company's Roper River tenements EL 27026 and EL 27027 are located a further 200 km to the south west and are also interpreted to contain favourable Proterozoic host rocks of the McArthur River Basin.

Each of the tenement areas straddles the boundary of Mesozoic Carpentaria Basin sediments that overlay the older and more prospective sedimentary units of the Proterozoic McArthur River Basin. The presence of the younger sediment cover materials has the potential to mask subcropping and near surface mineralisation, which has resulted in limited exploration being conducted in the region.

SML has commissioned Terra Search to undertake a review of regional geophysics, regional geology and bore hole information to identify the extent of favourable rock types. These targets will form part of SML's exploration programme for 2012.

David Weidemier, CEO of Strategic Minerals, commented:

“Outright ownership of these tenements significantly eases the longer term development path of these highly prospective exploration properties. We see significant opportunities in consolidating iron ore assets in emerging regions of Australia and North America where we can bring the benefits of operational scale to both near term production ready stockpile assets and longer-term exploration assets.”

Admission to AIM and Total Voting Rights

Application will be made for the 5,000,000 new ordinary shares to be admitted to trading on AIM ("Admission") and it is anticipated that Admission will occur on or around 30 January 2012. The new ordinary shares will rank *pari passu* with the Company's existing ordinary shares of 0.1 pence each.

Following Admission the total number of Ordinary Shares in issue will be 408,096,393, each with one voting right and no shares held in treasury. Therefore the total number of voting rights in Strategic Minerals will be 408,096,393. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Services Authority's Disclosure and Transparency Rules.

Qualifying Statement: The information in this report that relates to Western Australian exploration results has been compiled by Mr David Jenkins a full time employee of Terra Search, geological consultants employed by Strategic Minerals. Mr Jenkins is a Member of the Australian Institute of Geoscientists and has sufficient experience in respect of the style of mineralization, the type of deposit under consideration and activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Jenkins consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to the Northern Territory has been compiled by Dr Simon Beams a full time employee of Terra Search. Dr. Beams has BSc Honours and PhD degrees in geology; he is a Member of the Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of the Australian Institute of Geoscientists (Member # 2689). Dr Beams has sufficient relevant experience in respect of the style of mineralisation, the type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Dr Beams consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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About Strategic Minerals

Strategic Minerals plc (AIM: SML) is developing portfolio of projects that provide near term production along with those that potentially offer longer term capital gains. Strategic Minerals currently holds iron ore stockpile assets in North America and exploration properties in Australia. www.strategicminerals.net.

Figure 1 – The Jootanooka Tenements

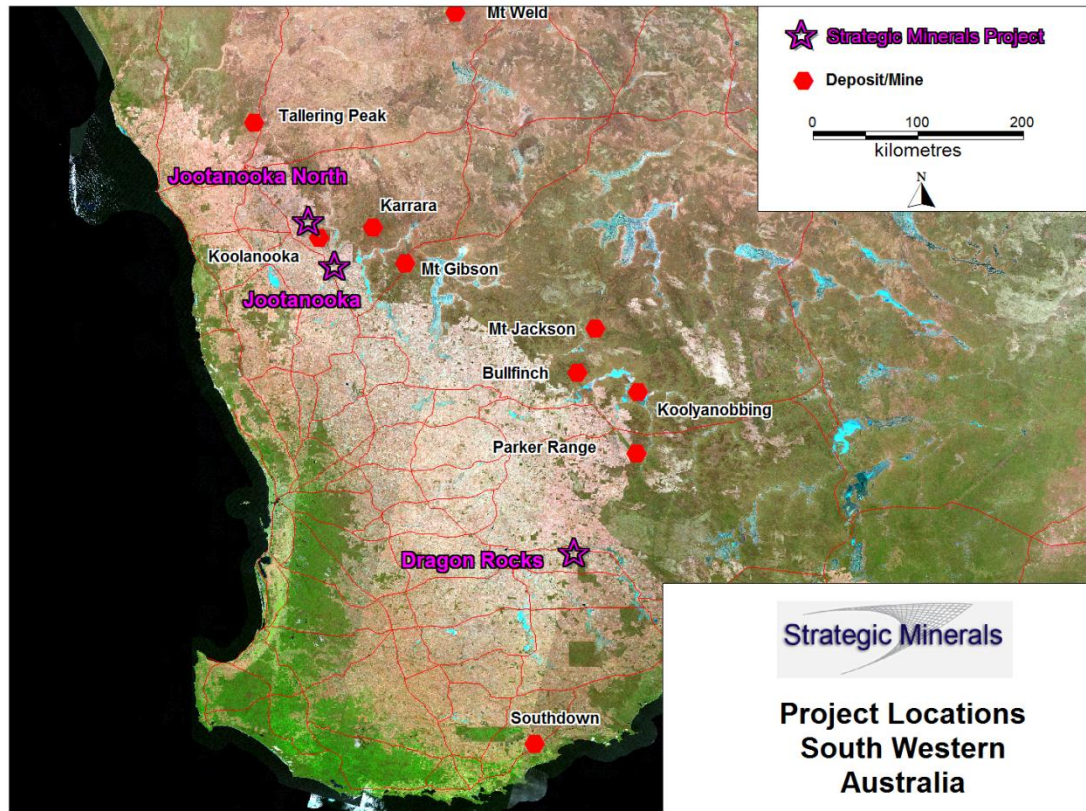


Figure 1 - Jootanooka North Magnetics

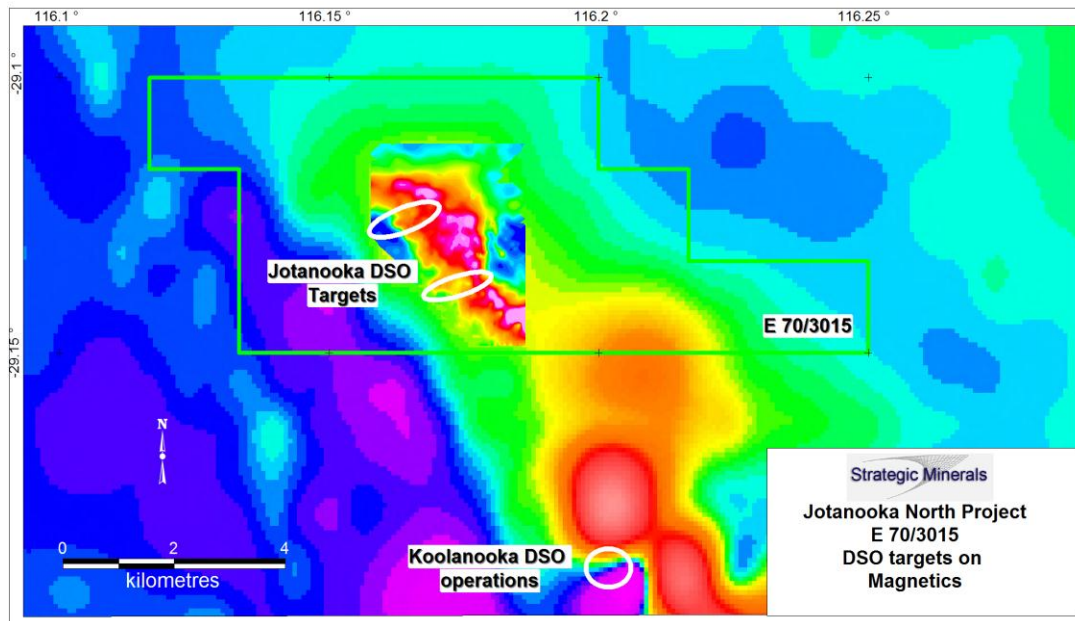


Figure 2 Dragon Rocks Magnetics

