



The company has lodged over the entire area of the historic Golden Blocks Goldfield on the South Island of New Zealand, which has had no modern exploration.

The 131 sq.km. project encompasses the Golden Blocks Goldfield, which comprises 7 historic mines that produced approximately 39,154 ounces of gold. The largest mine was the Aorangi gold mine, which reportedly produced approximately 30,688 ounces of gold **at an average grade of 36g/t**. Potential exists for further hidden gold discoveries outside of the old mines **that would have not been visible to the old miners** who were focused only on gold in quartz veins.

The project also includes 3 areas which have potential for intrusion-related gold **similar to Oceana Gold's nearby Sam's Creek gold project with a JORC compliant 770,000 ounces of gold**. These areas contain gold mineralised acid porphyry in float and outcrop samples.

Old Gold Mines Exploration

Historically gold in the Golden Blocks Goldfield was only produced from quartz veins. Grades in the upper levels were extremely high, up to approximately 100g/t, inferred to represent supergene enrichment. **Old miners basically chased veins of quartz that contained visible gold and ignored any halo of gold mineralisation that potentially surrounds these areas**. Production ended in 1913 and no modern exploration has been undertaken to explore for gold outside the veins in the surrounding rocks.

The Company is to follow a proven strategy to explore the area. Since Oceana Gold opened the Globe Progress mine in Reefton, they have produced over 250,000 ounces of gold with a significant amount from haloes of gold mineralisation surrounding the quartz veins that were mined historically. Mine workings at the modern open cast pit also indicate **shoots with extensive down plunge extents not mined by early miners**. Shallow faults could also mean **mineralisation that may not be visible at surface**. The company will follow the Oceana Gold approach to explore the Golden Blocks Goldfield for disseminated gold mineralisation.

In 1982, Lime and Marble Ltd reported pan concentrate samples including one sample from Sandhills creek assaying **22.4g/t which "may reflect masked mineralisation in the area"**. This shows potential for further discoveries in the Golden Blocks goldfield.

Sam's Creek Style Gold

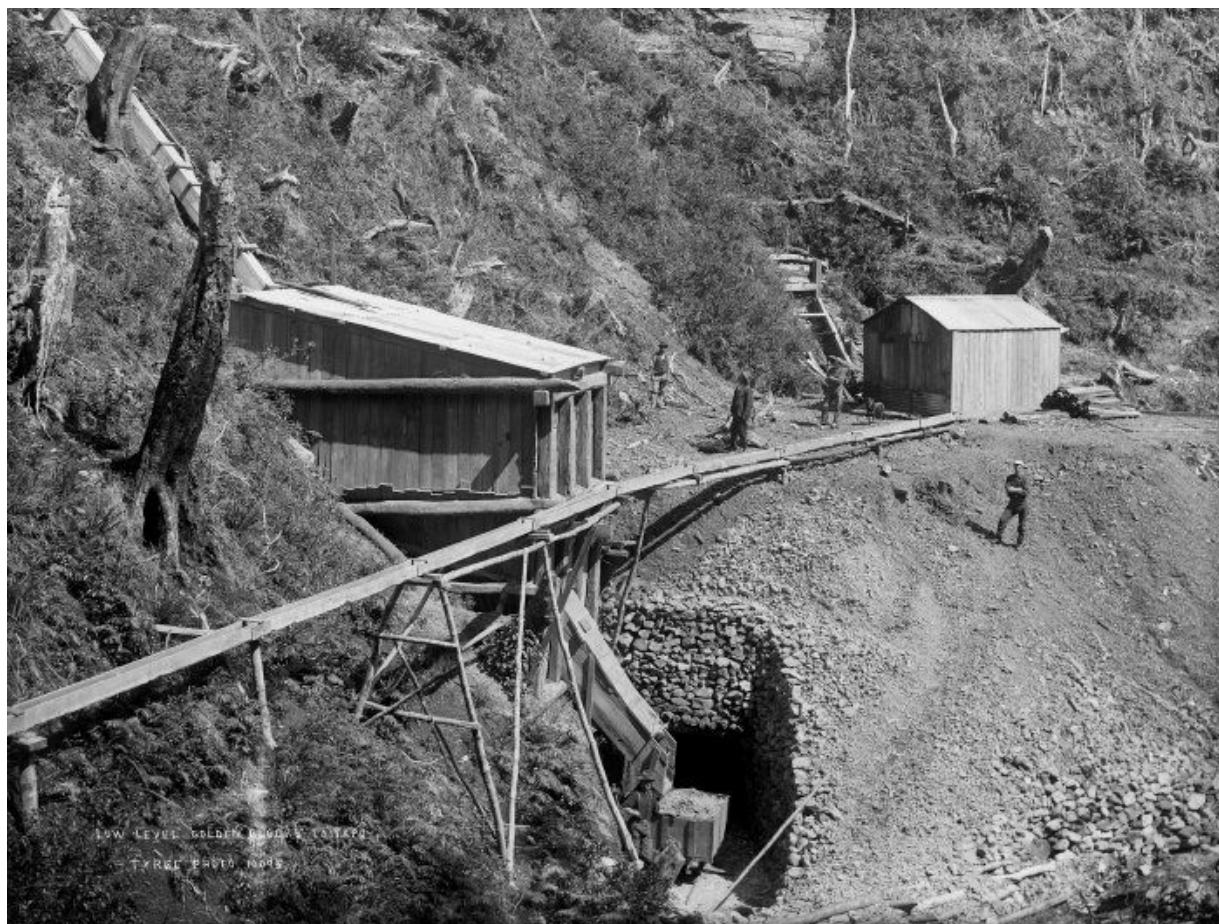
CRA Exploration (now Rio Tinto Exploration) conducted regional exploration outside the area of the old mines but within the company's project area. CRA Exploration undertook regional reconnaissance sampling in 1986 and identified 14 geochemical anomalies of which 11 were recommended for further work. These 11 anomalies were followed up in 1988 with additional sampling. Results showed that 3 areas warranted further work: Anatori River / Frazer Stream, Kaituna and Buck Gully.

Follow up in the Frazer Stream area "identified several drainages with similar microgranite float and some outcrops with a true width of up to 20 metres. **Assay values of these microgranites reached up to 0.99 g/t Au. In addition a float sample of quartz veined siltstone from the south of the anomaly returned 13.7 g/t Au.**

Anatori River / Frazer Stream comprise three areas of gold-arsenic mineralisation that CRA Exploration (now Rio Tinto Exploration) believed had **strong similarities** to the mineralisation type that they discovered at Sam's Creek 20km to the east: "Although the microgranite float in the Frazer Stream area anomaly is only weakly gold-mineralised, its **similarity to the Sam's Creek** porphyry indicates **there is considerable potential for significant gold mineralisation** to occur in this anomaly." **Sam's Creek has a JORC compliant inferred resource of 770,000 ounces of gold, and is currently being drilled by Oceana Gold's joint venture partners, the James Packer backed MOD Resources.** The Company is highly encouraged by the reports of Sam's Creek style mineralization within its project area.

CRA Exploration pulled out of New Zealand in 1989 and follow up of these three targets was never undertaken, and there has been no subsequent exploration for hard rock gold since then.

Managing Director Mr Charles Murphy said "The project contains significant potential upside from two separate styles of gold mineralisation. We have applied for coverage over the entire historic Golden Blocks Goldfields and will use a proven exploration technique to search the old mining areas for a type of gold mineralisation not visible to old miners. We also have a second type of gold mineralisation in the south of the permit with strong similarities to Sam's Creek (as reported by the Company that discovered Sam's Creek). Importantly neither area has had any modern exploration. Once all permits have been received the company intends to conduct an aggressive exploration program of sampling, geophysics and drilling. The project will be progressed by the Company's tungsten/gold entity as described in the recently announced corporate update".



Golden Blocks gold mine in the Taitapu area, ca 1896-1913

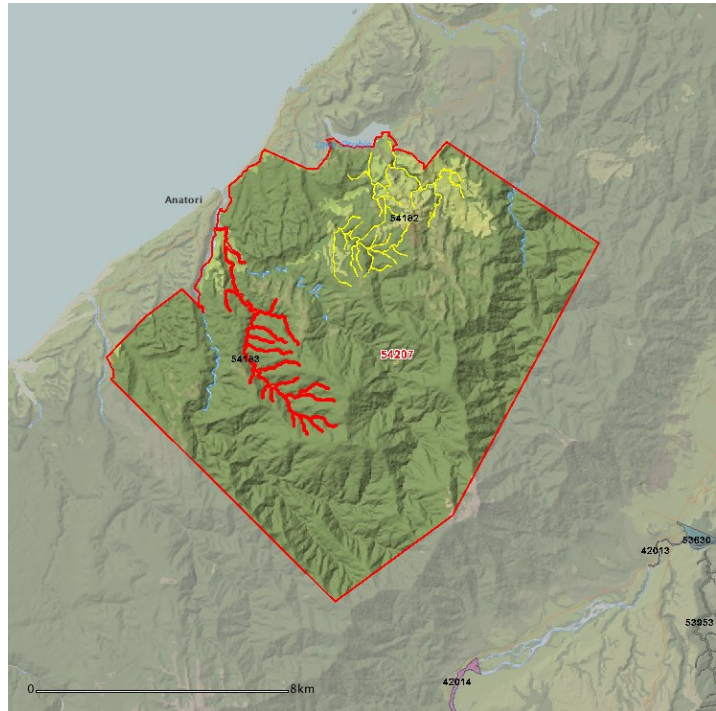
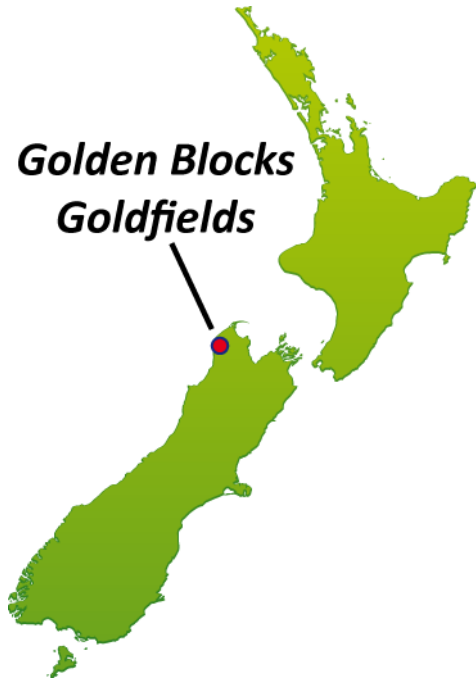


Group of miners at Golden Blocks, 1896-1913



Golden Blocks gold mine in the Taitapu area, ca 1896-1913

Golden Blocks Goldfields



The information in this report that relates to Exploration Results is based on information compiled by Geoff Price, who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Geoff Price is employed by Geopex Ltd. He has sufficient experience that 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Geoff Price consents to the inclusion in the report of the matters based on his information in the form and context in which it appears".

For all enquiries please contact:

Mr. Charles Murphy

Managing Director

Telephone: +61 8 9278 2788

Email: admin@strategicelements.com.au

Web: www.strategicelements.com.au

About Strategic Elements Ltd

The Company generates multi-commodity assets with exposure to rare and precious metals. (e.g. rare earths, tungsten, tin, gold, silver). This includes the development of projects in territories with large-scale potential where modern techniques have yet to be applied. The Company strategically restricts its activities to countries with low political risk.

The Company is registered by the Federal government as a Pooled Development Fund, which enables most shareholders to pay no tax on capital gains or dividend income received from their shareholding in the Company. This structure has the potential to significantly multiply the benefit of any capital gain made by the Company's shareholders.