STRATEGIC MINERALS CORPORATION N.L.

ABN 35 008 901 380

INTERIM FINANCIAL REPORT

30 June 2018

CORPORATE DIRECTORY

Directors

Laif McLoughlin	Executive Chairman
Darren Fooks	Non-executive Director
Jay Stephenson	Non-executive Director

Company Secretary

Jay Stephenson

Head Office and Registered Office

Registered Office

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Securities Exchange

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INTERIM FINANCIAL REPORT
30 JUNE 2018

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DIRECTORS' REPORT

Your Directors present their report together with the condensed consolidated financial statements for Strategic Minerals Corporation NL (**the Company**) and its controlled entities (**the Group**) for the half-year ended 30 June 2018.

1. DIRECTORS

The names of Directors in office at any time during or since the end of the half-year are:

- Mr Laif McLoughlin *Executive Chairman*
- Mr Christopher Wallin *Non-executive Director (Resigned 27 July 2018)*
- Mr Jay Stephenson *Non-executive Director*
- Mr Darren Fooks *Non-executive Director (Appointed 27 July 2018)*

(**the Board**)

2. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the half-year was gold and mineral exploration.

3. OPERATING RESULTS

For the half-year ended 30 June 2018 the Group delivered a loss before tax of $494,040 (30 June 2017: $265,651 loss).

4. REVIEW OF OPERATIONS

As most shareholders would be aware, QGold Pty Ltd announced an on market takeover offer for Strategic on the 5 December 2017. As a result, a Takeover Response Committee was formed, and the Company released an Independent Expert Report ("IER") on the 18 December 2017. Regrettably, the report required amendment and the Company was voluntarily entered into a trading halt on the 2nd January 2018 to address the errors. Before the Company had a chance to release the amended IER, a minority shareholder had lodged an application to the Takeover Panel on the 4 January 2018. The company was suspended from official quotation for 6 months until it was reinstated on the 4 June 2018. During that period, QGold released a supplementary bidders' statement on the 22 March 2018 and Strategic released its supplementary Target Statement on the 31 May 2018. The QGold on market offer expired on the 29 June 2018.

The Company needed to divert considerable time and resources to deal with the Takeover Panel proceedings and responding to the submissions of the shareholder. This along with the suspension and the on-market takeover made it extremely challenging for the Company to raise funds through the normal course of rights issues or placements. As a consequence, the Company was forced to halt numerous feasibility-related studies. It was not until the Company secured a Director Loan on 9 March 2018 that could it finalise the processing of the diamond hole core material.

Notwithstanding the corporate and financial challenges, during the half-year ended 30 June 2018 the Company was able to release the third and final batch of reverse circulation drill hole results[1] and all the diamond hole results from the 2017 program[2]. The Company also released the results from multiple geochemistry and mapping programs completed throughout 2017[3].

5. DIVIDENDS PAID OR RECOMMENDED

The Directors have not paid an interim dividend nor do they recommend the payment of a final dividend.

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[1] See ASX Release dated 29 January 2018 – Final Results of 2017 RC Drill Program

[2] See ASX Release dated 27 June 2018 – Final Results of 2017 Core Drill Program at BVS, Woolgar

[3] See ASX Release dated 14 March 2018 – Soil Chemistry and Exploration Results at Woolgar

DIRECTORS' REPORT

6. FINANCIAL POSITION

The net assets of the Group have decreased from 31 December 2017 by $494,040 to $24,132,695 at 30 June 2018 (31 December 2017: $24,626,735).

As at 30 June 2018, the Group's cash and cash equivalents decreased from 31 December 2017 by $201,897 to $203,805 at 30 June 2017 (31 December 2017: $405,702) and had working capital of $(1,043,109) (31 December 2017: $(149,286) working capital).

The consolidated entity's financial position has enabled the Group to limit its borrowings to related parties and not to external financial institutions. This maintains a satisfactory working capital ratio.

The directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

7. AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under s.307C of the *Corporations Act 2001* (Cth) is set out on page 3.

Laif Allen McLoughlin
Executive Chairman
Dated this Thursday, 13 September 2018

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

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Strategic Minerals Corporation NL

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Strategic Minerals Corporation NL

I declare that, to the best of my knowledge and beliefs, during the period ended 30 June 2018 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick QLD

Geoffrey Stephens
Director

HALL CHADWICK QLD

Dated this ....13........ day of ....September...... 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Note	30 June 2018 $	30 June 2017 $
Revenue	3	2,618	713
Administration expenses		(95,725)	(61,564)
Consulting and legal		(45,540)	(24,000)
Depreciation	4(a)	(2,315)	(1,440)
Employee benefit expense		(147,772)	(122,285)
Finance costs		(2,459)	(1,415)
Unrealised gain / (loss) on financial assets		(10,000)	6,000
Insurance		(15,969)	(14,186)
Motor vehicle expenses		(3,714)	-
Legal expenses		(127,731)	(2,090)
Rental expense		(27,166)	(37,543)
Share registry expenses		(11,912)	(6,146)
Travel expense		(6,355)	(1,695)
(Loss) before income tax		(494,040)	(265,651)
Income tax expense/(benefit)		-	-
(Loss) for the year		(494,040)	(265,651)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(494,040)	(265,651)
Total Comprehensive Loss is attributable to:			
Equity holders of the Company		(494,040)	(265,650)
Non-Controlling Interest		-	(1)
		(494,040)	(265,651)
Loss per share attributable to the ordinary equity holders of the Company		¢	¢
Basic (loss) per share	6	(0.70)	(0.43)

Where diluted earnings per share are anti-dilutive, they are not disclosed.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	30 June 2018 $	31 Dec 2017 (restated) $
Current assets			
Cash and cash equivalents	7	203,805	405,702
Trade and other receivables	8	39,323	115,392
Other current assets	12	11,699	22,630
Total current assets		254,827	543,724
Non-current assets			
Financial assets	9	71,303	81,303
Plant and equipment	10	16,536	18,852
Mineral exploration and evaluation assets	11	25,093,228	24,666,144
Other non-current assets	12	3,147	17,151
Total non-current assets		25,184,214	24,783,450
Total assets		25,439,041	25,327,174
Current liabilities			
Trade and other payables	13	250,518	640,628
Borrowings	14	1,001,028	9,513
Provisions	15	46,390	42,869
Total current liabilities		1,297,936	693,010
Non-current liabilities			
Provisions	15	8,410	7,429
Total non-current liabilities		8,410	7,429
Total liabilities		1,306,346	700,439
Net assets		24,132,695	24,626,735
Equity			
Contributed equity	16(a)	52,236,018	52,236,018
Reserves		-	-
Accumulated losses		(28,097,312)	(27,603,272)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL		24,138,706	24,632,746
Non-controlling interest		(6,011)	(6,011)
Total equity		24,132,695	24,626,735

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2018

		Contributed equity	Share based payment reserve	Accumulated Losses	Sub-total	Non Controlling Interest	Total Equity
		$	$	$	$	$	$
Balance at 1 January 2017		49,539,212	2,972,522	(29,954,846)	22,556,888	(6,010)	22,550,878
Total comprehensive loss for the half-year		-	-	(265,650)	(265,650)	(1)	(265,651)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	16(a)	2,200,746	-	-	2,200,746	-	2,200,746
Balance at 30 June 2017		51,739,958	2,972,522	(30,220,496)	24,491,984	(6,011)	24,485,973
Balance at 1 January 2018		52,236,018	-	(27,603,272)	24,632,746	(6,011)	24,626,735
Total comprehensive loss for the half-year		-	-	(494,040)	(494,040)	-	(494,040)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	16(a)	-	-		-	-	-
Balance at 30 June 2018		52,236,018	-	(28,097,312)	24,138,706	(6,011)	24,132,695

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Note	30 June 2018 $	30 June 2017 $
Cash flow from operating activities			
Payments to suppliers & employees		(442,887)	(273,961)
Interest received		618	713
Net cash (outflow) from operating activities		(442,269)	(273,248)
Cash flow from investing activities:			
Payments for exploration expenditure assets		(751,144)	(406,856)
Net cash (outflow) from investing activities		(751,144)	(406,856)
Cash flow from financing activities:			
Proceeds from issue of shares		-	2,231,350
Cost of capital raising		-	(30,604)
Repayment of borrowings		(8,484)	
Proceeds of borrowing s		1,000,000	-
Net cash inflow from financing activities		991,516	2,200,746
Net (decrease) / increase in cash held		(201,897)	1,520,642
Cash and cash equivalents at the beginning of the half-year		405,702	314,093
Cash and cash equivalents at the end of period	7(b)	203,805	1,834,735

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the consolidated financial statements and notes of Strategic Minerals Corporations NL (**the Company**) and its controlled entities (**the Group**). Strategic Minerals Corporations is a public company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements were authorised for issue on 13 September 2018 by the Directors of the Group.

(a) Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Strategic Minerals Corporations NL and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 31 December 2017, together with any public announcements made during the half-year.

All amounts are presented in Australian Dollars unless otherwise noted. For the purposes of preparing the report, the half year has been treated as a discrete reporting period.

i. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ii. Going Concern

The 30 June 2018 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of $494,040 (2017: $265,651 loss) and a net cash out-flow from operating activities of $442,269 (2017: $273,248 out-flow).

As at 30 June 2018, the Company had net current liabilities of $(1,043,109) (2017: $(149,286) net current liabilities).

On 23 August 2018 the Company announced the results of a renounceable entitlement issue of one share for every eight shares held by shareholders at an issue price of $0.36 per share. The total number of shares validly applied for were 7,758,671 raising a total of $2,793,122. As a result of the successful entitlement issue the Board is confident of the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors recognise that the ability of the Group to continue as a going concern is dependent on its ability to secure additional funding through equity, successful exploration and subsequent exploitation of the Group's tenements and or sale of the non-core assets. Should the entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

iii. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

iv. Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(b) New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i. **AASB 9 *Financial Instruments and associated Amending Standards* (applicable for annual reporting period commencing 1 January 2018)**

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The Directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

ii. ***AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).***

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

iii. ***AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).***

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

The Directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures).

iv. ***Other standards not yet applicable***

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below.

(a) Impairment of Assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

1. the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
2. substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
3. exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
4. as the exploration is still ongoing, there is not sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

(b) Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model.

NOTE 2 PRIOR PERIOD CORRECTION

Capitalised Expenditure

Upon review of the 30 June 2018 interim report it was determined that supplier invoices in relation to exploration and evaluation assets were received during the half year ended 30 June 2018 which related to the 2017 financial year. These supplier invoices, excluding GST, totalled $319,717.

The effect of the correction was contained entirely within the balance sheet, and has no effect on the net asset position or profit or loss of the Company.

Details in relation to the impact of this correction on comparative financial information are disclosed as follows:

Adjustments made to statements of financial position (extract) As at 31 December 2017	Previously reported 31 December 2017 $	Effect of accounting correction $	31 December 2017 (restated) $
Assets			
Exploration and evaluation assets	24,346,337	319,717	24,666,054
Trade and other receivables	111,139	4,253	115,392
Total Assets	25,003,113	323,970	25,327,083
Current Liabilities			
Trade and other payables	316,567	323,970	640,537
Total current liabilities	368,949	323,970	692,919
Net Assets	24,626,735	-	24,626,735

NOTE 3 REVENUE AND OTHER INCOME

	30 June 2018 $	30 June 2017 $
Interest – unrelated parties	618	713
Other income	2,000	-
Total revenue and other income	2,618	713

NOTE 4 LOSS BEFORE INCOME TAX

	30 June 2018 $	30 June 2017 $
Loss before income tax has been determined after including the following expenses:		
(a) Depreciation and amortisation:		
Depreciation of plant and equipment	2,315	1,440
(b) Employment costs:		
Employee benefits expense - superannuation	23,295	11,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 5 SEGMENT REPORTING

Management has identified the operating segments based on the main minerals of the members of the Group as well as the Treasury function that represents the corporate activity aspect to the Group in respect to fund raising and capital transactions. The main mineral type of the Group is Gold. Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

	Gold $	Treasury $	Total $
Six months ended 30 June 2018			
Segment revenue	-	158	158
Segment loss for the half-year	-	158	158
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(2,315)
Impairment of shares in listed company	-	-	(10,000)
Corporate expense	-	-	(481,883)
Total group revenue and other income			(494,040)
Segment assets as at the half-year end			
Segment assets	25,093,228	203,805	25,297,033
Reconciliation of segment assets to group assets:			
Property plant and equipment			16,536
Financial assets			71,303
Receivables and other assets			54,169
Total assets			25,439,041
Segment and group liabilities as at half- year end		1,306,346	1,306,346
Six months ended 30 June 2017			
Segment revenue	-	713	713
Segment loss for the half-year	-	713	713
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(1,440)
Impairment of other non-current assets	-	-	6,000
Corporate expense	-	-	(270,924)
Total group revenue and other income			(265,651)
Segment assets as at the half-year end			
Segment assets	22,636,973	1,936,126	24,573,099
Reconciliation of segment assets to group assets:			
Property plant and equipment			7,166
Financial assets			18,000
Receivables and other assets			67,605
Total group revenue and other income			24,665,870
Segment and group liabilities as at half-year end		179,897	179,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 6 EARNINGS PER SHARE (EPS)

	30 June 2018 $	30 June 2017 $
(a) Reconciliation of earnings to profit or loss		
(Loss) / profit for the half-year	(494,040)	(265,651)
Less: loss attributable to non-controlling equity interest	-	(1)
(Loss) / profit used in the calculation of basic and diluted EPS	(494,040)	(265,650)

	30 June 2018 No.	30 June 2017 No.
(b) Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS	70,450,536	62,318,561

	30 June 2017 ¢	30 June 2016 ¢
(c) Earnings per share		
Basic EPS (cents per share)	(0.70)	(0.43)

(d) The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the 2018 financial year, the Group had no unissued shares under options that were out of the money which are anti-dilutive (2017: nil).

NOTE 7 CASH AND CASH EQUIVALENTS

	30 June 2018 8	31 Dec 2017 $
(a) Current:		
Cash at bank and on hand	203,805	405,702
	203,805	405,702
(b) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	203,805	405,702
	203,805	405,702

NOTE 8 TRADE AND OTHER RECEIVABLES

	30 June 2018 $	31 Dec 2017 $
(a) Current		
GST refundable	39,257	115,326
Other receivables	66	66
	39,323	115,392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 9 FINANCIAL ASSETS

	30 June 2018 $	31 Dec 2017 $
(a) Non-current:		
Shares in listed corporations	7,500	17,500
Term deposits	63,803	63,803
	71,303	81,303

NOTE 10 PLANT AND EQUIPMENT

	Note	30 June 2018 $	31 Dec 2017 $
(a) Non-current:			
Plant and equipment at cost		323,422	323,422
Less accumulated depreciation		(306,886)	(304,570)
		16,536	18,852

NOTE 11 MINERAL EXPLORATION AND EVALUATION ASSETS

	Note	30 June 2018 $	31 Dec 2017 $
(a) Non-current:			
Exploration at cost:			
Balance at the beginning of the half-year		24,666,144	22,230,117
Expenditure during the half-year		427,084	2,436,027
Impairments		-	-
Balance at the end of the financial half-year		25,093,228	24,666,144

(b) Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest. Capitalised costs of $751,144 (2017: $406,856) have been included in the cash flows from investing activities in the statements of cash flow.

NOTE 12 OTHER ASSETS

	30 June 2018 $	31 Dec 2017 $
(a) Current		
Prepayments	11,699	22,630
	11,699	22,630
(b) Non-current:		
Mineral Specimens	514	514
Security deposits on tenements	2,633	16,637
	3,147	17,151

NOTE 13 TRADE AND OTHER PAYABLES

	30 June 2018 $	31 Dec 2017 $
(a) Current:		
Unsecured		
Other creditors and accruals	250,518	640,628
Total unsecured liabilities	250,518	640,628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 14 BORROWINGS

		30 June 2018 $	31 Dec 2017 $
(a) Current:			
Director Loan	14(b)	1,000,000	-
Premium funding		1,028	9,513
Total unsecured liabilities		1,001,028	9,513

(b) The Company borrowed $1,000,000 from a director, Christopher Wallin. The loan is repayable over 8 months following drawdown and was granted on an interest fee basis to be secured over the Company's Queensland mining leases

NOTE 15 PROVISIONS

	30 June 2018 $	31 Dec 2017 $
(a) Current:		
Balance at beginning of period	42,869	24,610
Increase in provision	3,521	18,259
Leave paid out	-	-
Balance at end of period	46,390	42,869
(b) Non-current:		
Balance at beginning of year	7,429	-
Increase in provision	981	7,429
Balance at end of year	8,410	7,429

(c) Provisions relate to annual leave and long service leave and are expected to be used during the employment period of the Group's employees.

NOTE 16 ISSUED CAPITAL

	Note	30 June 2018 No.	31 Dec 2017 No.	30 June 2018 $	31 Dec 2017 $
Fully paid ordinary shares at no par value	16(a)	70,450,536	70,450,536	52,236,018	52,236,018
(a) Ordinary shares					
At the beginning of the period		70,450,536	62,383,313	52,236,018	49,539,212
Shares issued during the period:					
13 Apl 2017: Shares issued at $0.36			916,667		330,000
23 May 2017: Shares issued at $0.36			5,761,667		1,901,350
14 Nov 2017: Shares Issued $0.36			1,388,889		500,000
Transaction costs relating to share issues		-			(34,544)
At reporting date		70,450,536	70,450,536	52,236,018	52,236,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2018

NOTE 17 COMMITMENTS

There is no change in the Company's commitments or contingencies since the half-year ended 31 December 2017 to the date of this report.

NOTE 18 CONTINGENT ASSETS AND LIABILITIES

Strategic Minerals Corporation NL has $52,851 worth of bank guarantees in relation to exploration licenses as at 30 June 2018 (31 December 2017: $52,851). There are no other contingent assets or liabilities at period end.

NOTE 19 EVENTS SUBSEQUENT TO REPORTING DATE

On 27 July 2018 the Company announced on the ASX the appointment of Mr Darren Fooks as non-executive director and the resignation of Mr Christopher Wallin as non-executive director.

On 1 August 2018 the Company announced on the ASX a renounceable entitlement issue of one share for every eight shares held by those shareholders registered at the record date at an issue price of $0.36 to raise up to $3,170,274.

On 23 August 2018 the Company announced on the ASX the results of a renounceable entitlement, the total number of shares validly applied for were 7,758,671 raising a total of $2,793,122.

On 5 September 2018 the Company announced on the ASX the loan facility Christopher Wallin of $1,00,000 has been repaid in full.

There were no other significant events after the end of the reporting period.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The condensed financial statements and notes, as set out on 4 to 16, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and

   (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the half-year ended on that date of the Company

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the Corporations Act 2001 and is signed for and on behalf of the directors by:

Laif Allen McLoughlin
Executive Chairman
Dated this Thursday, 13 September 2018

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

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Strategic Minerals Corporation NL

Independent Auditor's Review Report to the members of Strategic Minerals Corporation NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strategic Minerals Corporation NL, which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Strategic Minerals Corporation NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Strategic Minerals Corporation NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Strategic Minerals Corporation NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Hall Chadwick QLD

Geoffrey Stephens
Director

HALL CHADWICK QLD

Dated this 13 day of September 2018

STRATEGIC MINERALS
CORPORATION N.L.