



**STRATEGIC MINERALS
CORPORATION N.L.**

ABN 35 008 901 380

INTERIM FINANCIAL REPORT

30 June 2019

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

Street: 283 Rokeby Road
SUBIACO WA 6008

Principal Place of Business

Street Level 23
333 Ann Street
BRISBANE QLD 4000

Postal: PO Box 1288
SUBIACO WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

Email: admin@stratmin.com.au

Website: www.stratmin.com.au

Share Registry

Security Transfer Registrars Pty Ltd

Applecross WA 6153

Telephone: 1300 992 916 (within Australia)

Telephone: +61 (0)3 9628 2200

Facsimile: +61 (0)8 9315 2233

Website: www.securitytransfer.com.au

Securities Exchange

Australian Securities Exchange

Level 40, Central Park, 152-158 St Georges Terrace
PERTH WA 6000

Telephone: 131 ASX (131 279) (within Australia)

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: www.asx.com.au

ASX Code: SMC

Auditor

Hall Chadwick QLD

Level 4, 240 Queen Street

BRISBANE QLD 4000

Telephone: +61 (0)7 3221 2416

Facsimile: +61 (0)7 3221 8341



INTERIM FINANCIAL REPORT

30 JUNE 2019

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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 2019.

1. DIRECTORS

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

 Mr Laif McLoughlin	<i>Executive Chairman</i>
 Mr Jay Stephenson	<i>Non-executive Director</i>
 Mr Darren Fooks	<i>Non-executive Director</i>

(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 2019 the Group delivered a loss before tax of \$372,857 (30 June 2018: \$494,040 loss).

4. REVIEW OF OPERATIONS

During the first 6 months to 30 June 2019 the Company successfully completed a Share Entitlement Offer and raised over \$2.6m in May 2019¹. The proceeds will go towards the planned activities at Woolgar which commenced in August 2019. This will include additional geotechnical and metallurgical work as well as an infill drill program on the Big Vein South (BVS) deposit.

The Company received a Default Judgement from the District Court of Western Australia against Ravensgate International for their negligence in preparing an Independent valuation report in December 2017. The company engaged Bennett and Co to commence formal proceedings earlier this year and is presently considering its options in pursuing damages notwithstanding the proposed deregistration of Ravensgate International by ASIC for non-payment of fees. The company has also joined the author of the valuation report to the court proceedings.

The Company released the results from the Belle Brandon and Ada drilling program completed during the 2018 exploration field season. Most holes intersected the targeted structure with some high-grade intercepts². This included the expected styles of alteration and mineralisation, although the results were weaker and less continuous than expected..

The Company also released preliminary results from the comprehensive ultra-trace (partial Leach) soil program conducted throughout 2018 at its wholly-owned Woolgar Project³. The program completed in 2018 was designed to follow-up on the positive results of the test programmes in 2017. Over 2,200 partial leach samples were taken across the project area and several potentially significant anomalies have been identified for further evaluation.

5. DIVIDENDS PAID OR RECOMMENDED

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

¹ See ASX Release dated 07 May 2019 – Results of Entitlement Issue

² See ASX Release dated 14 January 2019 – Drill Results – Belle Brandon and Ada

³ See ASX Release dated 8 March 2019 – Soil Geochemistry Results and Woolgar



DIRECTORS' REPORT

6. FINANCIAL POSITION

The net assets of the Group have increased from 31 December 2018 by \$2,248,174 to \$28,814,761 at 30 June 2019 (31 December 2018: \$26,566,587).

As at 30 June 2019, the Group's cash and cash equivalents increased from 31 December 2018 by \$1,764,105 to \$2,624,670 at 30 June 2019 (31 December 2018: \$860,565) and had working capital of \$2,545,020 (31 December 2018: \$708,773 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 Friday, 13 September 2019

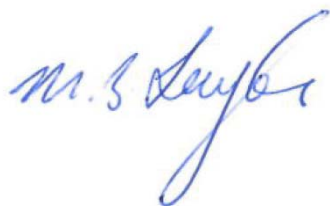
Strategic Minerals Corporation NL

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

As lead auditor for the review of the financial report of Strategic Minerals Corporation NL for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and beliefs, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Strategic Minerals Corporation NL and the entities it controlled during the financial period.



Mark Taylor
Partner

HALL CHADWICK QLD

Dated at Brisbane this 13th day of September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 \$	30 June 2018 \$
Revenue	2	5,775	2,618
Administration expenses		(76,688)	(95,725)
Consulting and legal		(34,547)	(45,540)
Depreciation	3(a)	(2,315)	(2,315)
Employee benefit expense		(173,506)	(147,772)
Finance costs		(1,353)	(2,459)
Unrealised gain / (loss) on financial assets		(3,300)	(10,000)
Insurance		(16,039)	(15,969)
Motor vehicle expenses		(683)	(3,714)
Legal expenses		(27,680)	(127,731)
Rental expense		(26,690)	(27,166)
Share registry expenses		(11,517)	(11,912)
Travel expense		(4,314)	(6,355)
(Loss) before income tax		(372,857)	(494,040)
Income tax expense/(benefit)		-	-
(Loss) for the period		(372,857)	(494,040)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(372,857)	(494,040)
Total Comprehensive Loss is attributable to:			
■ Equity holders of the Company		(372,857)	(494,040)
■ Non-Controlling Interest		-	-
		(372,857)	(494,040)
Loss per share attributable to the ordinary equity holders of the Company		¢	¢
Basic (loss) per share	5	(0.46)	(0.70)

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 2019

	Note	30 June 2019 \$	31 Dec 2018 \$
Current assets			
Cash and cash equivalents	6	2,624,670	860,565
Trade and other receivables	7	44,694	63,075
Other current assets	11	12,969	43,758
Total current assets		2,682,333	967,398
Non-current assets			
Financial assets	8	67,341	70,641
Plant and equipment	9	11,906	14,221
Mineral exploration and evaluation assets	10	26,213,427	25,790,484
Other non-current assets	11	3,147	3,147
Total non-current assets		26,295,821	25,878,493
Total assets		28,978,154	26,845,891
Current liabilities			
Trade and other payables	12	76,697	174,324
Borrowings	13	10,921	33,941
Provisions	14	49,695	50,360
Total current liabilities		137,313	258,625
Non-current liabilities			
Provisions	14	26,080	20,679
Total non-current liabilities		26,080	20,679
Total liabilities		163,393	279,304
Net assets		28,814,761	26,566,587
Equity			
Contributed equity	15(a)	57,637,097	55,026,942
Reserves		10,876	-
Accumulated losses		(28,827,201)	(28,454,344)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL		28,820,772	26,572,598
Non-controlling interest		(6,011)	(6,011)
Total equity		28,814,761	26,566,587

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 2019

	Contributed equity	Share based payment reserve	Accumulated Losses	Sub-total	Non Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
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)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs 15(a)	-	-	-	-	-	-
Balance at 30 June 2018	52,236,018	-	(28,097,312)	24,138,706	(6,011)	24,132,695
Balance at 1 January 2019	55,026,942	-	(28,454,344)	26,572,598	(6,011)	26,566,587
Total comprehensive loss for the half-year	-	-	(372,857)	(372,857)	-	(372,857)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs 15(a)	2,610,155	-	-	2,610,155	-	2,610,155
Issue of director options		10,876	-	10,876	-	10,876
Balance at 30 June 2019	57,637,097	10,876	(28,827,201)	28,820,772	(6,011)	28,814,761

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 2019

Note	30 June 2019 \$	30 June 2018 \$
Cash flow from operating activities		
Payments to suppliers & employees	(313,310)	(442,887)
Interest received	4,626	618
Net cash (outflow) from operating activities	(308,684)	(442,269)
Cash flow from investing activities:		
Payments for exploration expenditure assets	(514,346)	(751,144)
Net cash (outflow) from investing activities	(514,346)	(751,144)
Cash flow from financing activities:		
Proceeds from issue of shares	2,612,155	-
Cost of capital raising	(2,000)	-
Repayment of borrowings	(23,020)	(8,484)
Proceeds of borrowings	-	1,000,000
Net cash inflow from financing activities	2,587,135	991,516
Net (decrease) / increase in cash held	1,764,105	(201,897)
Cash and cash equivalents at the beginning of the half-year	860,565	405,702
Cash and cash equivalents at the end of the half-year	2,624,670	203,805

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 2019

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the consolidated financial statements and notes of Strategic Minerals Corporation NL (**the Company**) and its controlled entities (**the Group**). Strategic Minerals Corporation 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 2019 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 Corporation NL and its 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 2018, 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 2019 interim 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 \$372,857 (2018: \$494,040 loss) and a net cash out-flow from operating activities of \$308,684 (2018: \$442,269 out-flow).

As at 30 June 2019, the Company had net current assets of \$2,545,020 (2018: \$708,773 net current assets).

On 7 May 2019 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 \$0.34 per share. The total number of shares validly applied for was 7,682,832 raising a total of \$2,610,155 net of costs. 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 debt, 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.

a) New and amended standards adopted by the Group

The group has adopted AASB 16 *Leases* from 1 January 2019 and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

The adoption of AASB16 has not had a material impact on the Group's recognition of leases and disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 has 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. substantial 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 recognised in equity in the share-based payment reserve. The fair value is independently determined using the Black-Scholes option pricing model.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 2 REVENUE AND OTHER INCOME

	30 June 2019	30 June 2018
	\$	\$
Interest – unrelated parties	5,775	618
Other income	-	2,000
Total revenue and other income	5,775	2,618

NOTE 3 LOSS BEFORE INCOME TAX

	30 June 2019	30 June 2018
	\$	\$
Loss before income tax has been determined after including the following expenses:		
(a) Depreciation and amortisation:		
Depreciation of plant and equipment	2,315	2,315
(b) Employee benefits expense:		
Salaries	132,050	119,550
Superannuation	25,845	23,295
Other	15,611	4,502

NOTE 4 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.

Six months ended 30 June 2019

	Gold	Treasury	Total
	\$	\$	\$
Segment revenue	-	5,775	5,775
Segment loss for the half-year	-	5,775	5,775
<i>Reconciliation of segment loss to group loss:</i>			
Depreciation expense	-	-	(2,315)
Impairment of shares in listed company	-	-	(3,300)
Corporate expense	-	-	(373,017)
Total group revenue and other income			(372,857)
<i>Segment assets as at the half-year end</i>			
Segment assets	26,213,427	2,624,670	28,838,097
<i>Reconciliation of segment assets to group assets:</i>			
Property plant and equipment			11,906
Financial assets			67,341
Receivables and other assets			60,810
Total assets			28,978,154
Segment and group liabilities as at half-year end		163,393	163,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 4 SEGMENT REPORTING (CONT.)

	Gold \$	Treasury \$	Total \$
Six months ended 30 June 2018			
Segment revenue	-	158	158
Segment loss for the half-year	-	158	158
<i>Reconciliation of segment loss to group loss:</i>			
Depreciation expense	-	-	(2,315)
Impairment of other non-current assets	-	-	(10,000)
Corporate expense	-	-	(481,883)
Total group revenue and other income			(494,040)
<i>Segment assets as at the half-year end</i>			
Segment assets	25,093,228	203,805	25,297,033
<i>Reconciliation of segment assets to group assets:</i>			
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

NOTE 5 EARNINGS PER SHARE (EPS)

(a) Reconciliation of earnings to profit or loss

	30 June 2019 \$	30 June 2018 \$
(Loss) / profit for the half-year	(372,857)	(494,040)
Less: loss attributable to non-controlling equity interest	-	-
(Loss) / profit used in the calculation of basic and diluted EPS	(372,857)	(494,040)

(b) Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS

	30 June 2019 No.	30 June 2018 No.
	80,501,323	70,450,536

(c) Earnings per share

	30 June 2018 ¢	30 June 2017 ¢
Basic EPS (cents per share)	(0.46)	(0.70)

(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 2019 financial year, the Group had 300,000 unissued shares under options that were out of the money which are anti-dilutive (2018: nil).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 6 CASH AND CASH EQUIVALENTS

(a) Current:

Cash at bank and on hand

(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

	30 June 2019	31 Dec 2018
	\$	\$
	2,624,670	860,565
	2,624,670	860,565
	2,624,670	860,565
	2,624,670	860,565

NOTE 7 TRADE AND OTHER RECEIVABLES

(a) Current

GST refundable

Other receivables

	30 June 2019	31 Dec 2018
	\$	\$
	43,546	60,597
	1,148	2,478
	44,694	63,075

NOTE 8 FINANCIAL ASSETS

(a) Non-current:

Shares in listed corporations

Term deposits

	30 June 2019	31 Dec 2018
	\$	\$
	2,950	6,250
	64,391	64,391
	67,341	70,641

NOTE 9 PLANT AND EQUIPMENT

(a) Non-current:

Plant and equipment at cost

Less accumulated depreciation

	30 June 2019	31 Dec 2018
	\$	\$
	323,422	323,422
	(311,516)	(309,201)
	11,906	14,221

NOTE 10 MINERAL EXPLORATION AND EVALUATION ASSETS

(a) Non-current:

Exploration at cost:

Balance at the beginning of the half-year

Expenditure during the half-year

Balance at the end of the financial half-year

	30 June 2019	31 Dec 2018
	\$	\$
	25,790,484	24,666,144
	422,943	1,124,340
	26,213,427	25,790,484

(b) Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 11 OTHER ASSETS

(a) Current

Prepayments

(b) Non-current:

Mineral Specimens

Security deposits on tenements

	30 June 2019	31 Dec 2018
	\$	\$
	12,969	43,758
	12,969	43,758
	514	514
	2,633	2,633
	3,147	3,147

NOTE 12 TRADE AND OTHER PAYABLES

(a) Current:

Unsecured

Other creditors and accruals

Total unsecured liabilities

	30 June 2019	31 Dec 2018
	\$	\$
	76,697	174,324
	76,697	174,324

NOTE 13 BORROWINGS

(a) Current:

Premium funding

Total unsecured liabilities

	30 June 2019	31 Dec 2018
	\$	\$
	10,921	33,941
	10,921	33,941

NOTE 14 PROVISIONS

(a) Current:

Balance at beginning of period

Increase/(decrease) in provision

Balance at end of period

(b) Non-current:

Balance at beginning of year

Increase in provision

Balance at end of year

	30 June 2019	31 Dec 2018
	\$	\$
	50,360	42,869
	(665)	7,491
	49,695	50,360
	20,679	7,429
	5,401	13,250
	26,080	20,679

(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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 15 ISSUED CAPITAL	Note	30 June 2019	31 Dec 2018	30 June 2019	31 Dec 2018
		No.	No.	\$	\$
Fully paid ordinary shares at no par value	15(a)	85,892,039	78,209,207	57,637,097	55,026,942
(a) Ordinary shares					
At the beginning of the period		78,209,207	70,450,536	55,026,942	52,236,018
Shares issued during the period:					
20 Aug 2018: Shares Issued at \$0.34		-	7,758,671	-	2,793,122
2 May 2019: Shares Issued at \$0.34		7,682,832	-	2,612,155	-
Transaction costs relating to share issues		-	-	(2,000)	(2,198)
At reporting date		85,892,039	78,209,207	57,637,097	55,026,942

NOTE 16 RESERVES	30 June 2019	31 Dec 2018
	\$	\$
Share based payment reserve	10,876	-
Total reserves	10,876	-

NOTE 17 COMMITMENTS

There is no change in the Company's commitments or contingencies since the year ended 31 December 2018 to the date of this report.

NOTE 18 CONTINGENT ASSETS AND LIABILITIES

Strategic Minerals Corporation NL has \$43,803 worth of bank guarantees in relation to exploration licenses as at 30 June 2019 (31 December 2018: \$43,803). There are no other contingent assets or liabilities at period end.

NOTE 19 EVENTS SUBSEQUENT TO REPORTING DATE

There are no 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 14, 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 2019 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 Friday, 13 September 2019

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 condensed consolidated statement of financial position as at 30 June 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed 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 gives a true and fair view and 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 2019 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.

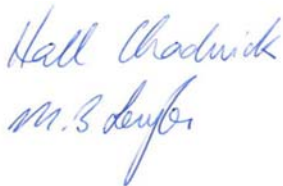
Independence

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 2019 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.



Mark Taylor
Partner

HALL CHADWICK QLD

Dated at Brisbane this 13th day of September 2019



STRATEGIC MINERALS
CORPORATION N.L.