STRATEGIC MINERALS CORPORATION N.L.

ABN 35 008 901 380

ANNUAL REPORT

31 December 2019

CORPORATE DIRECTORY

Directors

Laif McLoughlin	Executive Chairman
Darren Fooks	Non-executive Director
Jay Stephenson	Non-executive Director
Christopher Dunks	Non-executive Director (*appointed on 24 February 2020)*

Company Secretary

Jay Stephenson

Head Office and Registered Office

Registered Office

Street: Level 4, 240 Queen Street
BRISBANE QLD 4000

Principal Place of Business

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BRISBANE QLD 4000

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Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

Email: admin@stratmin.com.au

Website: www.stratmin.com.au

Share Registry

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Level 2, 267 St Georges Terrace
PERTH AUSTRALIA 6000
Telephone: 1300 288 664 (within Australia)
Telephone: +61 (0) 2 8072 1400
Website: www.automicgroup.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)

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ASX Code: SMC

Auditor

Hall Chadwick QLD
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ANNUAL REPORT
31 DECEMBER 2019

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CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the Board of Directors of Strategic Minerals Corporation NL ("Strategic", "SMC" or "the Company"), I am pleased to report on the activities for the year ended 31 December 2019.

Strategic made substantial progress in advancing the Big Vein South ("BVS") deposit located within the Woolgar Gold Project towards Prefeasibility assessment and undertaking necessary field studies to facilitate regulatory and statutory approvals.

At the start of the year, the company released the Belle Brandon drilling program and soil geochemistry results from the 2018 exploration season before moving to undertake the comprehensive metallurgical program of testwork on the BVS drill core samples collected in 2017. The first stage metallurgical testwork program evaluated key aspects including comminution, ore sorting, gravity, floatation, leaching and tails treatment etc. The Company initially released the highlights from the Report on 10 February 2020 where gold recoveries exceeding 90% can be achieved utilising a conventional gold comminution and process flowsheet including crushing and milling, gravity separation, and leaching.

The other area being addressed by the company is to assess the opportunity of improving the geotechnical parameters for future open pit development. The work completed in 2017 was a good first step in providing a baseline but also identified opportunities that the Board considers essential in following-up due to potential impacts on mining economics. Strategic geologists are working closely with our geotechnical consultants to develop a geotechnical model incorporating the major lithological units of the BVS deposit. The results of which will feed directly into the Prefeasibility study.

Concurrent to the development and execution of the geotechnical program, Strategic, in consultation with our resource consultants, designed another drilling program to convert more Inferred BVS material to Indicated or Measured Resources. The Company followed the same very successful infill drilling strategy that was developed for the 2017 exploration season. Initial drilling results were released toward the end of 2019 for the first three RC infill holes and the remainder released in early 2020 after substantial delays at the labs. On the 10th March 2020 I was very pleased to announce that the Company had successfully delivered a 35% increase in the Indicated and Measured Resources. The BVS resource stands at over 1.38 Mt gold at a 0.75 cut off with 64% of the contained ounces now reporting as either Indicated or Measured.

Overall, it was another successful drilling program for both the infill RC and geotechnical diamond core phases without any major incidents to report.

During the course of 2019, Strategic identified the need for additional mining lease area in which to support potential mining and associated activities with the BVS deposit located within the granted North Star Mining Lease. Therefore, in late 2019 Strategic developed the requisite material in support of the Southern Star Mining Lease Application which is located immediately to the south of the North Star Mining Lease. In March, the Company applied for an additional exploration tenement along the strike of the Woolgar Fault to the north of the existing tenement package. Additionally, exploration mineral tenement 26263 was incorporated into the Woolgar Project for Project Based Tenure Administration, allowing joint exploration and administration across six exploration tenures.

Laif Allen McLoughlin
EXECUTIVE CHAIRMAN
Strategic Minerals Corporation NL

REVIEW OF OPERATIONS - OVERVIEW

Strategic Minerals Corporation NL ("Strategic", "SMC" or "the Company") is a mineral exploration company focused on exploiting the potential of the historic Woolgar Gold precinct located in central Northern Queensland, Australia.

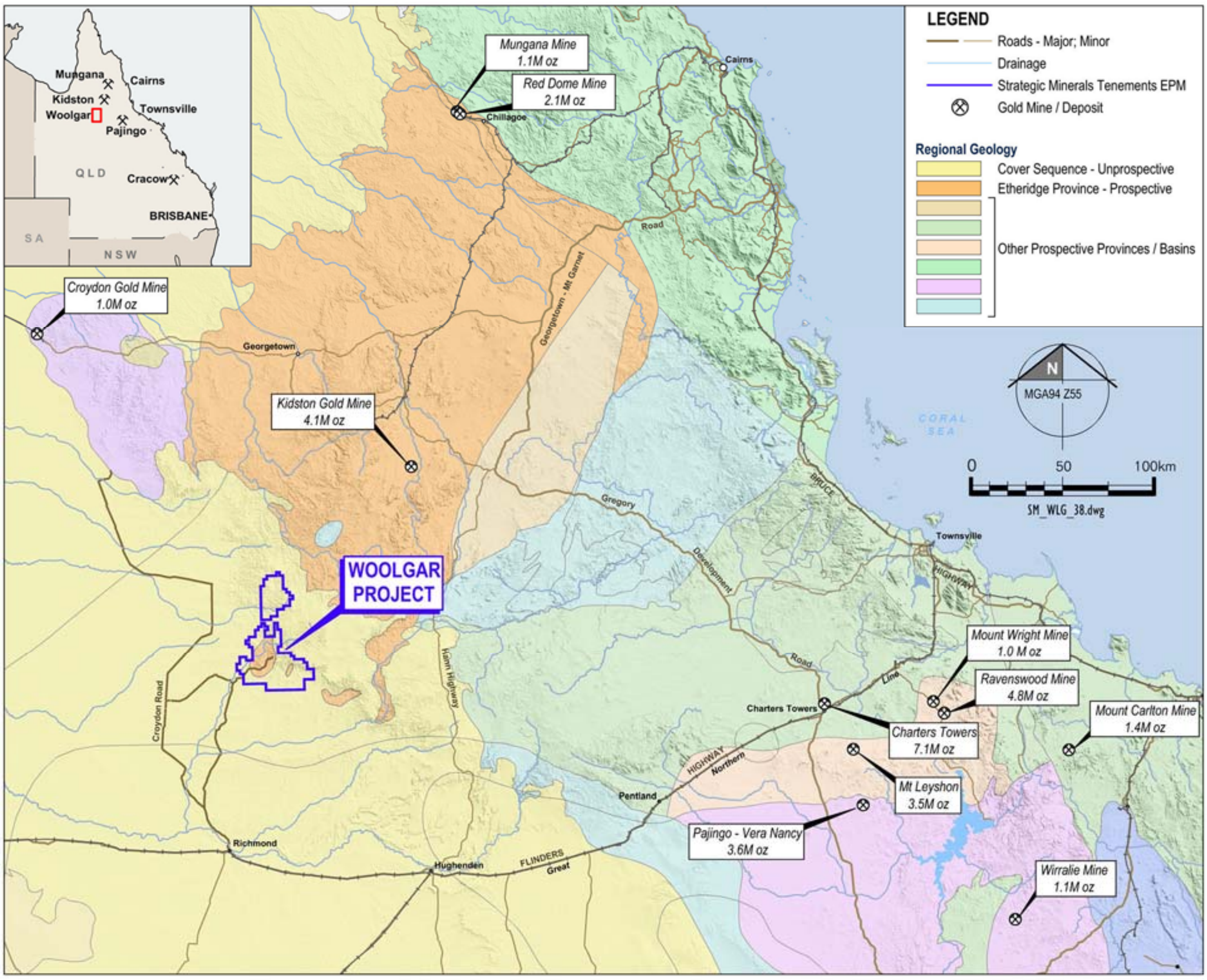

Figure 1: Strategic's Woolgar project location in northern Queensland

WOOLGAR GOLD PROJECT

Strategic's core objective is to become a significant gold producer through mine development at its 100% owned and managed Woolgar Project. The project, which includes all mining titles and exploration permits, is located 130 kilometres north of Richmond, in north Queensland; an area of high gold endowment where several multi-million ounce gold deposits have been developed over a number of years.

The Woolgar Project consists of exploration permits and mining leases, in central north Queensland over a window of older basement rocks within younger sedimentary cover. Initial exploration targeted widespread historic workings from alluvial and reef mining from a gold rush in the 1880's.

Strategic has identified three styles of mineralisation at Woolgar: epithermal vein deposits at Sandy Creek, mesothermal veins along the Woolgar Fault Zone and intrusive related mineralisation ("IRGS") in the Upper Camp. The Company has published resources from all three styles of mineralisation.

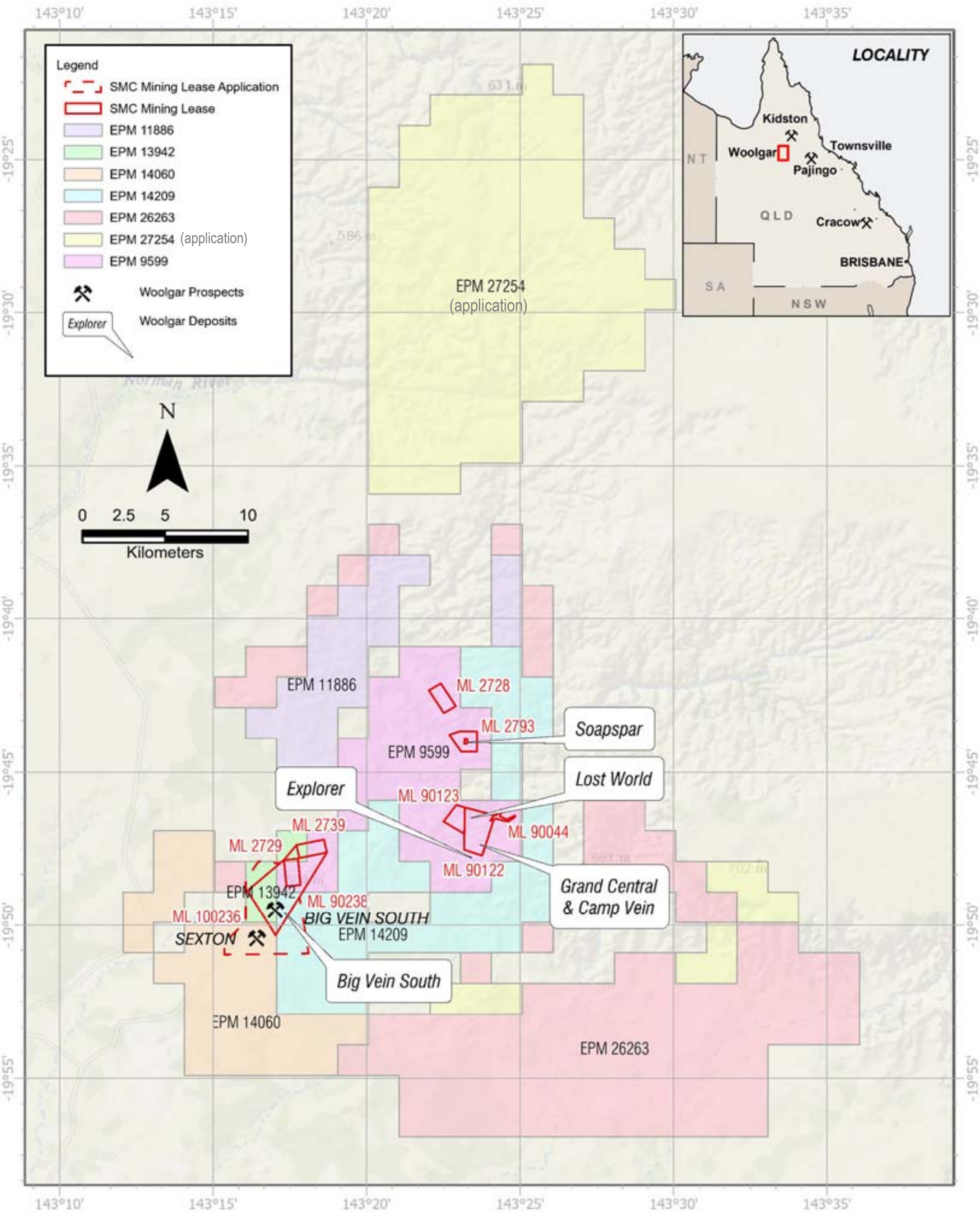

Figure 2: Woolgar Project Tenements and Deposits

BIG VEIN SOUTH PROSPECT

The Big Vein South ("BVS") mesothermal gold prospect in the southern *Lower Camp* sector has been a major focus for the Company since the significant discovery of the depth potential in 2014. Subsequent follow up drilling programs have resulted in substantial increases in resources which now stands over 1.384 Moz. gold (at a 0.75% cut-off), see SMC ASX Announcement *Resource Update for Big Vein South* published on 10th March 2020.

After the significant interruptions to the 2018 field season resulting from the Takeover Panel application proceedings and suspension from trading, the Company was able recommence exploration and resource advancement on the BVS deposit at Woolgar during 2019.

The 2019 drilling program concentrated on resource infill and exploration drilling, in and around the BVS Resource. Additional programs of work, including core drilling for geotechnical data, were also conducted at BVS.

Infill Drilling Program

The 2019 infill drilling program of 15 reverse circulation ("RC") holes for 2,368 metres was designed to follow-up on the very successful 2017 program that helped define the drill hole spacing required to upgrade the majority of the Resource confidence levels to Measured and Indicated categories required for Prefeasibility studies and Probable Ore Reserve determination.

In 2017, the majority of the drilling was focussed on the central *Crossover* sector of the resource, where the most significant near-surface mineralisation is located. The 2019 program aimed to infill to the north of and around the Crossover to complete infill drilling in the northern half of the deposit, considered likely to be the initial focus for mine planning.

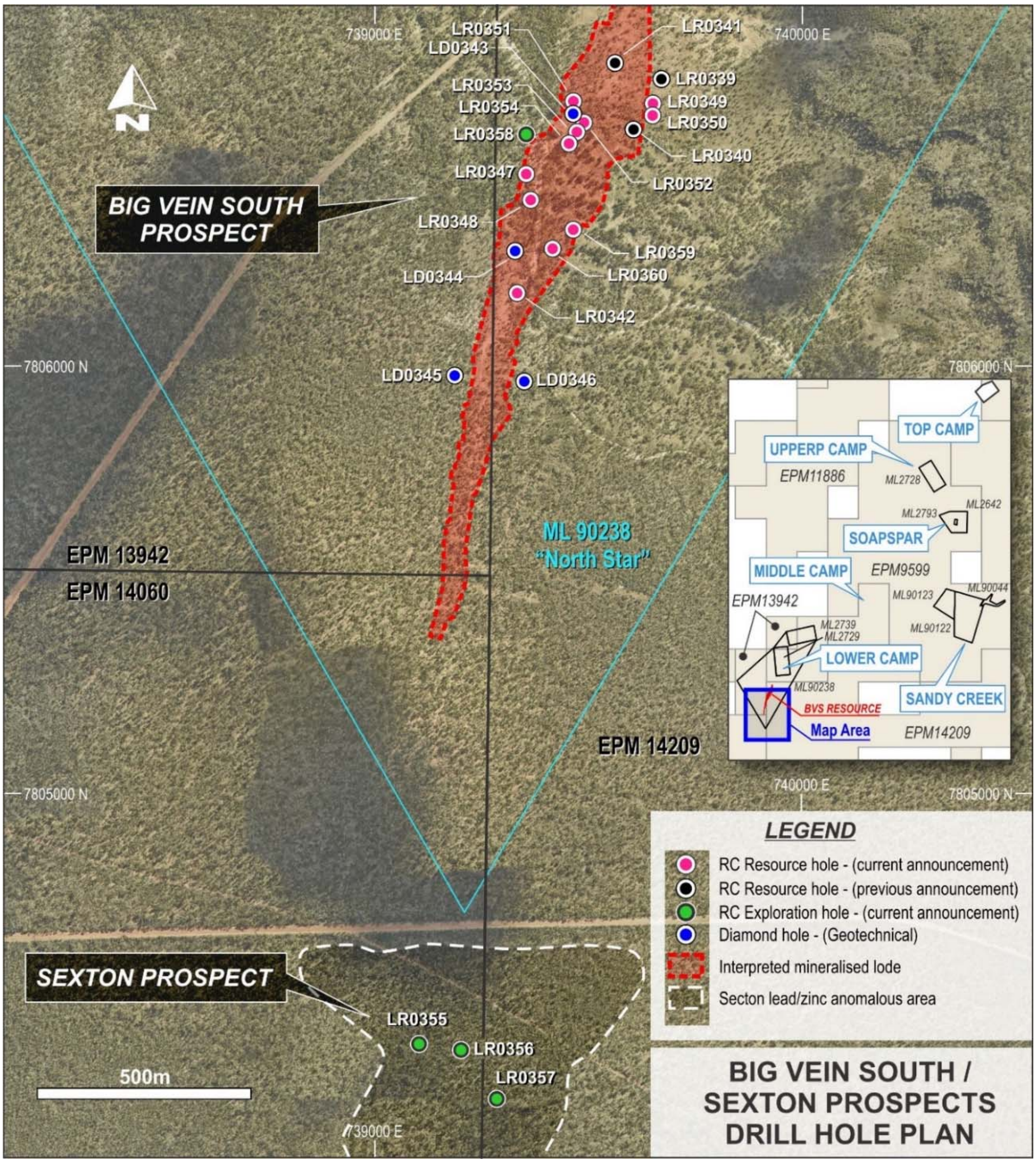

Figure 3: Plan of all drillholes from the 2019 program relative to the BVS resource and tenements.

On the 13th December 2019 and the 18th February 2020, Strategic reported the results of the 2019 drill programme, which had three main aims: infilling on the existing BVS resource, exploring high-priority targets adjacent to the resource and improving geotechnical understanding of the resource.

Standout intersects from the 2019 drilling program at BVS include:

- LR0339 14 metres at 1.62 g/t gold from 145 to 159 metres
- LR0340 40 metres at 1.56 g/t gold from 99 to 139 metres
- LR0341 16 metres at 2.24 g/t gold from 73 to 89 metres
- LR0342 16 metres at 5.23 g/t gold from 102 to 118 metres
- LD0343 10.92 metres at 2.27 g/t gold from 97.91 to 108.83 metres
- LR0347 17 metres at 2.03 g/t gold from 59 to 76 metres
- LR0349 37 metres at 3.35 g/t gold from 117 to 154 metres
- LR0350 26 metres at 4.3 g/t gold from 104 to 130 metres
- LR0354 9 metres at 2.85 g/t gold from 112 to 121 metres
- LR0359 48 metres at 1.12 g/t gold from 112 to 160 metres

For full details of drilling results, see SMC ASX Announcements *Initial Drill Results - Big Vein South* published on 13th December 2019 and *Final Results of 2019 Drill Program at Big Vein South* published on 18th February 2020.

In general, the results were largely within expectations based on extrapolations of the previous data.

In the shallow drillholes, testing the resource closer to surface, where previous drilling was relatively sparse, the geological logging clearly identifies the structure, or lode, that hosts the mineralisation, but these holes fall below expectations for gold grade. This may indicate either that the gold distribution weakens near the upper pinching termination of the shear structure, or is evidence of a deeper weathering profile locally.

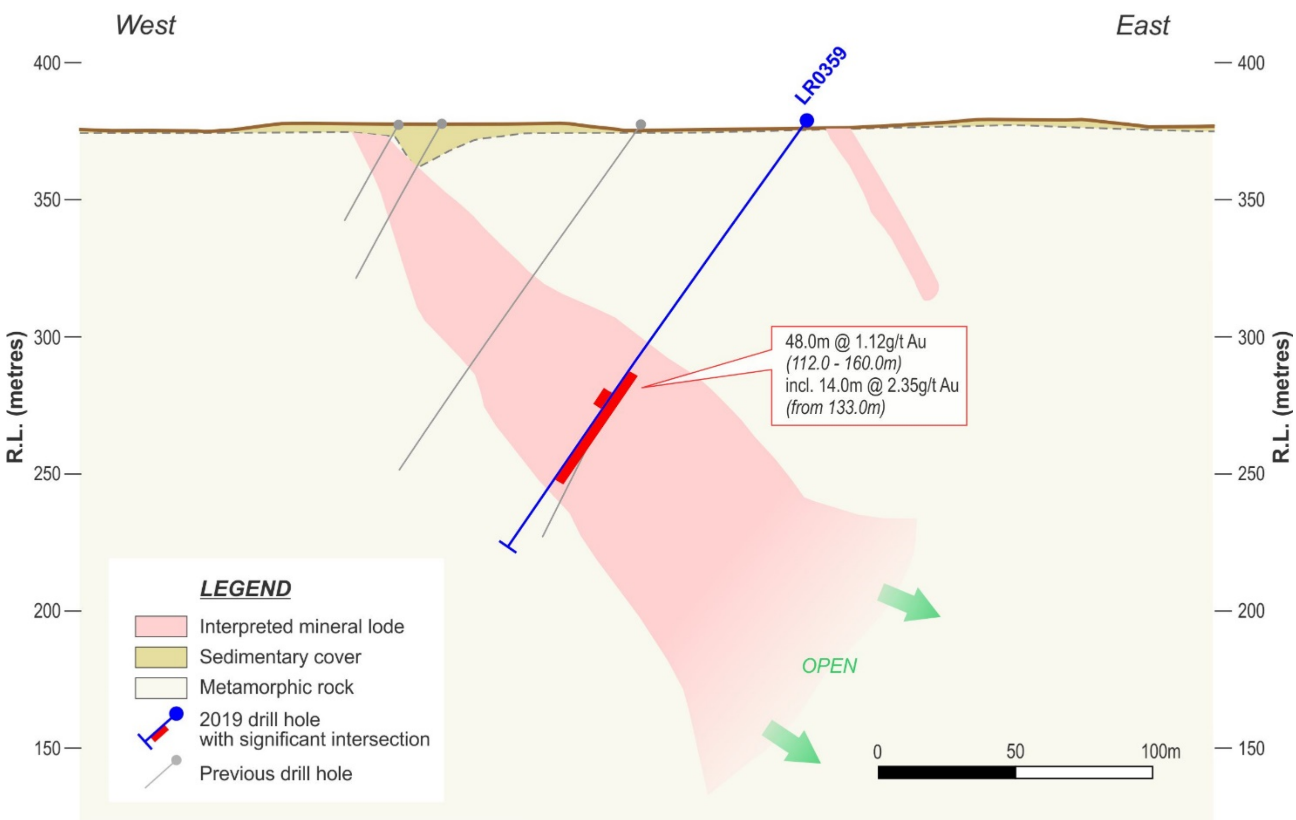

Figure 4: Graphic cross section through the southern (Big Vein South) sector of the BVS resource showing LR0359 relative to the interpreted lode.

Geotechnical Drilling Program

A four-hole diamond core drilling program for 754 metres was designed to infill detail for the geotechnical study of the BVS Resource augmenting the four geotechnical diamond core holes completed in 2017.

All 2019 diamond holes were logged for geotechnical information and downhole optical surveys were successfully completed. This technique was also successfully applied to LD0320, which had not been surveyed in 2017, and two RC drillholes, LR0341 and the upper half of LR0342.

Two of the geotechnical holes intersected the resource. These were sampled and assayed in accordance with resource requirements and incorporated into the subsequent estimation.

The other two geotechnical diamond holes are proximal to the resource, but too distal to extrapolate. These were also logged in accordance with resource requirements and sampled where justified:

An unexpected, narrow structure was intersected in LD0345 is noteworthy in the context of the BVS-deposit due to both its grade and location: The gold assays, 1.23 metres at 13.0 g/t gold from 43.72, are relatively high for secondary structures and the lead, zinc and cadmium are all amongst the highest returned within the deposit. In addition, its measured orientation is roughly parallel to both the footwall and hangingwall lodes with a comparable displacement west of the footwall.

Although this may be only a secondary structure, it is a possibility that this represents a previously unrecognised third parallel structure with potential to host further mineralisation along strike to the south.

Resource Update

Following receipt of all assay results and QAQC the Company released on the 10th March 2020 a new BVS Resource estimation of 1.384 Moz. Gold (at a 0.75% cut-off) including a 35% increase in Measured and Indicated ("M&I") Resources to 64% of the contained ounces (see SMC ASX Announcement *Resource Update for Big Vein South* published on 10th March 2020)

Table 1: Resource Update – Big Vein South, 10th March 2020, at 0.75 g/t cut-off (minor rounding errors)

Category	Mt	Au g/t	Au Koz	Density t/m3
Measured	1.4	1.91	87	2.7
Indicated	12.9	1.93	799	2.7
Inferred	9.5	1.64	498	2.7
Total	**23.8**	**1.81**	**1,384**	**2.7**

These results confirm the suitability of the drill holes spacings developed from the 2017 program to efficiently convert lower confidence material to M&I. Importantly, the BVS resource continues to convert to M&I in a predictable manner, increasing confidence in the Company's modelling of the deposit. The results of this program continue to reinforce the drilling approach undertaken by the company in developing the resource base at Big Vein South ("BVS").

Metallurgical Testwork Program

On the 10th February 2020, Strategic announced that it had received the *Woolgar Gold Project – Gold Recovery Testwork Report* ("the Report") from its consultants, Core Metallurgy Pty Ltd.

The comprehensive first stage metallurgical testwork program evaluated key aspects including comminution, ore sorting, gravity, floatation, leaching and tails treatment etc. The Report highlights that gold recoveries exceeding 90% can be achieved utilising a conventional gold comminution and process flowsheet including crushing and milling, gravity separation, and leaching.

In summary, the key outcomes of the Report included:

- Comminution testwork has shown that BVS ore is readily crushed, but the ore is hard to grind (high Bond Ball Mill Work Index and Finer Grind Work Index). Additional testwork will be required during the next stage of work to define an optimal comminution circuit.
- Ore sorting testwork successfully removed low grade and waste rock materials from the ore.

Additional testwork and trials will be required during the next stage of work to define an optimal grade engineering solution.

- Gravity concentrator tests successfully recovered about one third of the gold from the ore.
- Agitated leaching tests successfully recovered over 90% of the gold and over 80% of the silver from the ore. Additional testwork will be required during the next stage of work to define optimal leach characteristics (i.e. residence time and grind size).
- Alternatively, the “un-optimised” Glycine-assisted CIL (Glycine CIL) approach gave a slightly inferior gold recovery of less than 90%. Additional testwork will be required to define if Glycine CIL characteristics can be optimised and incorporated into the flowsheet.
- Flotation tests did not produce acceptable gold recoveries from the ore as an alternative to cyanide leaching.
- Heap leaching tests of primary low- and high-grade ores did not produce acceptable gold recoveries from the ore at the crush sizes tested.
- Dewatering tests on the testwork residues (“tails”) showed that over 80% of the process water could be recovered from the tails. Additional testwork will be required during the next stage of work to assess tails neutralisation and long-term storage amenability.

SEXTON PROSPECT

The target at Sexton was identified after the company completed a partial leach soil geochemistry program in 2018 with results and interpretations released in early 2019. The drilling program for the Sexton prospect which lies on strike from BVS consisted of 3 RC holes for 624m. This was considered a high-priority target to drill test due to its high potential location as a strike extension to the BVS and close proximity. The three holes all intercepted fresh wallrock with minor weakly patchily altered structures, but no evidence of a significant structure, alteration or mineralisation.

Given the strength of the multielement anomaly and the high potential of the overall target, it was decided to postpone further drilling at Sexton pending a re-interpretation of the targeting criteria. As part of this, further partial-leach soil samples were collected to both test the repeatability of the original anomaly and its continuity southwards.

CORPORATE ACTIVITIES

The Company successfully completed a renounceable rights issue on a 1 for 9 ratio at 34 cents on the 2 May 2019 to raise $2,610,155 (net of costs).

Laif Allen McLoughlin

EXECUTIVE CHAIRMAN

Strategic Minerals Corporation NL

COMPETENT PERSON AND GOVERNANCE CONTROL STATEMENT

The information in the report to which this statement is attached that relates to Exploration Results is based on information compiled by Alistair Grahame, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Grahame is a full-time employee of Strategic Mineral Corporation NL. Mr Grahame has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr Grahame consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to Mineral Resources and Exploration Targets for the BVS Deposit is based on information compiled by Simon Tear, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Tear is a Director of H&SC Consultants Pty Ltd. Mr Tear has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr Tear consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to 2012 JORC Code Resource Updates for Lost World, Explorer, Camp and Grand Central and Soapspar is based on information compiled by Danny Kentwell, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Kentwell is a Principal Consultant (Resource Evaluation) of SRK Consulting (Australasia) Pty Ltd. Mr Kentwell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr Kentwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Strategic Minerals has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources and Exploration Targets reported have been generated by suitably qualified personnel who are experienced in best practices in modelling and estimation methods, and undertakes reviews of the quality and suitability of the underlying information used to determine the resource estimate.

MINERAL RESOURCE AND ORE RESERVE STATEMENT 2019

There has been no drilling nor reinterpretation work conducted on the other four resources and the Company does not believe that any significant changes have occurred to significantly affect the standing resources on these deposits. For the full resource statement for these resources, please refer to "Amendment to Resource Update" published 30th October 2017, available at www.stratmin.com.au

Table 2: Combined table of JORC Resources for the Woolgar Project as at 10th March 2020 (rounding errors). Note: only the BVS Deposit resource estimate changed during 2019.

Deposit	Category	Cut off (g/t)	Local Tonnage (kt)	Au Local (ppm)	Au Local (oz.)
Big Vein South (BVS) Deposit (Mesothermal)	Measured	0.75	1400	1.91	87,000
	Indicated	0.75	13,000	1.93	799,000
	Inferred	0.75	10,000	1.64	498,000
	Total	0.75	24,000	1.81	1,384,000
Soapspar Deposit (Vein-hosted and mesothermal)	Category	Cut off (g/t)	Local Tonnage (kt)	Au Local (ppm)	Au Local (oz.)
	Measured	0.4	1,667	0.91	49,000
	Indicated	0.4	1,175	0.9	34,000
	Inferred	0.4	472	0.82	12,000
	Total	0.4	3,314	0.89	95,000
Camp Vein & Grand Central Deposits (Low-sulphidation Epithermal)	Category	Cut off (g/t)	Local Tonnage (kt)	Au Local (ppm)	Au Local (oz.)
	Measured	-	-	-	-
	Indicated	0.4	2,157	1.18	82,000
	Inferred	0.4	607	1.02	20,000
	Total	0.4	2,764	1.14	102,000
Explorer Deposit (Low-sulphidation Epithermal)	Category	Cut off (g/t)	Local Tonnage (kt)	Au Local (ppm)	Au Local (oz.)
	Measured	1	395	3.61	46,000
	Indicated	1	149	2.22	11,000
	Inferred	1	351	1.45	16,000
	Total	1	895	2.55	73,000
Lost World Deposit (Low-sulphidation Epithermal)	Category	Cut off (g/t)	Local Tonnage (kt)	Au Local (ppm)	Au Local (oz.)
	Measured	0.4	3,474	0.87	97,000
	Indicated	0.4	8,074	0.68	177,000
	Inferred	0.4	3,155	0.66	66,000
	Total	0.4	14,703	0.72	340,000
Woolgar Project Global Total:		**0.4–0.75**	**45,676**	**1.36**	**1,983,000**

Table 3 – Comparison table showing BVS resources as reported in the Annual Report for 2018 and 2020:

	December 2018				March 2020			
Category	Mt	Au g/t	Au Koz	Density t/m3	Mt	Au g/t	Au Koz	Density t/m3
Measured	0.6	1.90	33.7	2.61	1.4	1.91	87	2.7
Indicated	10.0	1.93	621.4	2.71	12.9	1.93	799	2.7
Inferred	13.5	1.76	762.6	2.70	9.5	1.64	498	2.7
Total	**24.0**	**1.84**	**1,417.7**	**2.71**	**23.8**	**1.81**	**1,384**	**2.7**

TENEMENT SCHEDULE

Table 4: Woolgar Tenement Holdings as at 15 March 2020. All tenements are held by Strategic 100%.

Tenement	Tenement Name	Status	Area (Sub-blocks)	Area (HA)	Date of Grant	Date of Expiry
EPM 9599	Woolgar	Granted	32	-	02.09.1993	01.09.2019
EPM 11886	Woolgar	Renewal Pending	23	-	21.04.2004	20.04.2018
EPM 13942	Steam Engine	Granted	3	-	09.11.2006	08.11.2021
EPM 14060	Woolgar South	Granted	40	-	21.04.2004	20.04.2021
EPM 14209	Woolgar	Granted	49	-	21.04.2004	20.04.2021
EPM 26263	Woolgar	Granted	100	-	05.12.2016	04.12.2021
EPM(A) 27254	Woolgar	Application	100		n/a	n/a
ML 2642	Soapspar	Granted	-	4.05	31.01.1974	31.08.2029
ML 2728	Shamrock	Granted	-	128	25.05.1989	31.08.2029
ML 2729	Mowbray	Granted	-	128	25.05.1989	31.08.2029
ML 2739	Mowbray #3	Granted	-	128	25.05.1989	31.08.2029
ML 2793	New Soapspar	Granted	-	146.4	08.08.1991	31.08.2029
ML 90044	Sandy Dam	Granted	-	29.2	27.04.1995	30.04.2029
ML 90122	Sandy Creek	Granted	-	350.8927	02.09.2004	30.09.2029
ML 90123	Flat Creek	Granted	-	124.7277	23.11.2004	30.11.2029
ML 90238	North Star	Granted	-	882.6	19.09.2017	30.09.2034
ML(A) 100236	South Star	Application		1,144	n/a	n/a

TENEMENT LOCATION

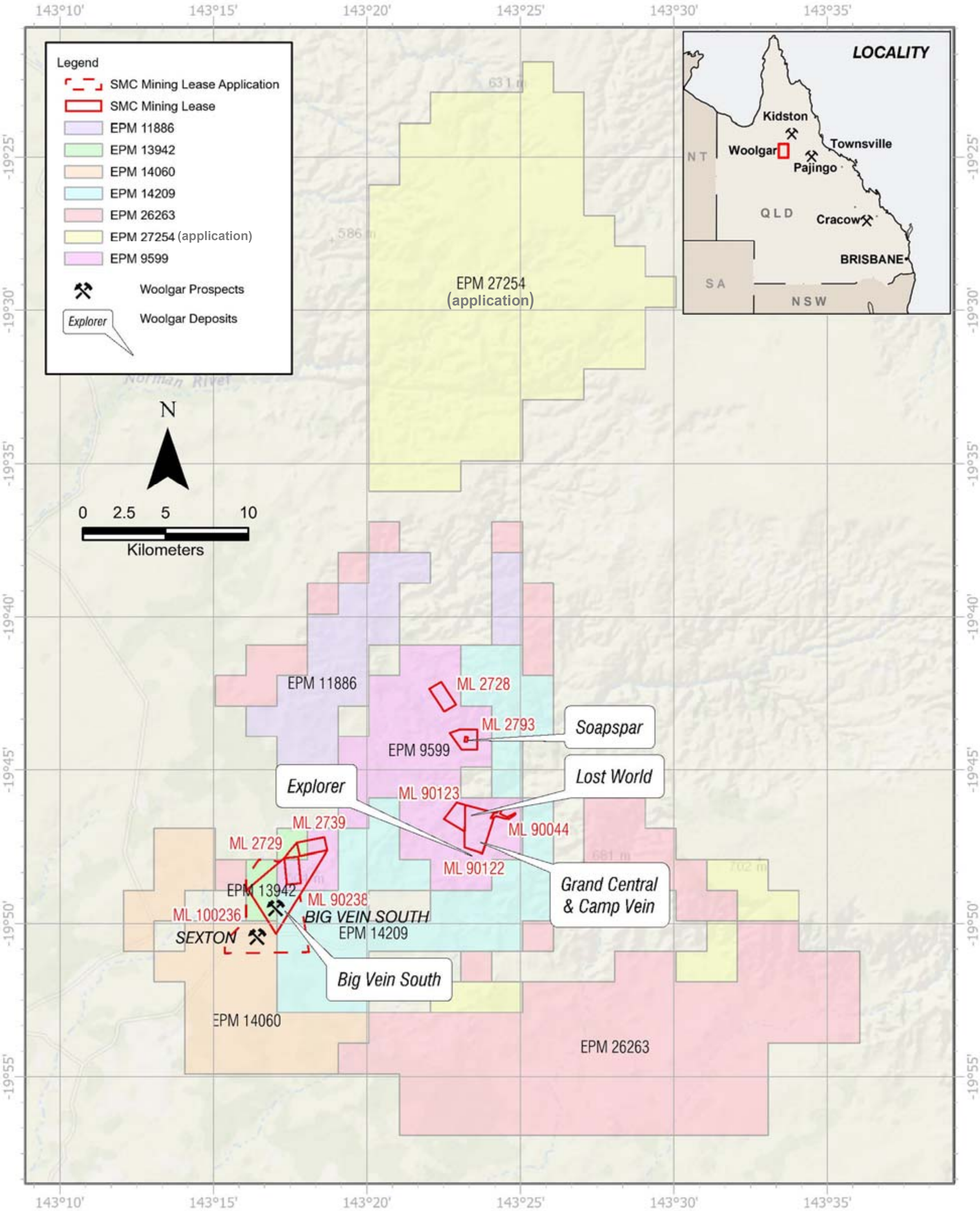

Figure 5: Woolgar Project Tenements and Deposits

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 31 December 2019.

1. DIRECTORS

The names, qualifications, experience and special responsibilities of the Directors in office at any time during or since year-end are as follows:

- **Mr. Laif Allen McLoughlin** *Chairman (Executive Chairman) (Non-independent) (appointed 1 June 2014)*

  BBus (Economics), MBA

  Mr McLoughlin's work experiences span across a number of industries in both private and public sectors and in various leadership roles. Mr McLoughlin is currently Executive Chairman of Strategic Minerals Corporation and is an advisor for the QCoal Group. Prior to this Mr McLoughlin held senior positions at The Suncorp Group, SMS Management and Technology and the Department of Defence where he was Officer in Charge of the Management Consulting Team.

  He is a member of the Australian Institute of Company Directors and AusIMM and has not held any other Australian public company directorships in the past three years.

- **Mr Darren Fooks** *Non-executive Director (Independent) (appointed 27 July 2018)*

  LLB

  Mr Fooks is a Partner of Thomson Geer Lawyers and has been practicing energy, resources and infrastructure law for more than 25 years and has advised on all Australian legal issues relevant to energy, resources and infrastructure activities. He is recognised as one of Australia foremost experts in relation to Mining, Oil & Gas and Electricity projects and developments.

  Mr Fooks has personally acted in the development and operation of over 80 Mineral and Coal projects throughout Queensland, the rest of Australia, China, Vanuatu and Argentina.

  A material level of Mr Fooks' work is foreign direct investment into Australia. Mr Fooks has attained a Bachelor of Laws (LLB) at QUT, is a Solicitor of the Queensland Supreme Court, Federal Court of Australia and High Court of Australia. He is also a member of Australia Mining and Petroleum Law Association and Infrastructure Association of Queensland.

- **Mr Jay Richard Stephenson** *Non-executive Director (Independent) and Company Secretary (appointed 4 August 2009)*

  MBA, FCPA, CMA, FCIS, MAICD

  Mr Stephenson has been involved in business development for over 30 years including the past 25 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels, and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

  Mr Stephenson also holds or has held the following directorships over the past three years: Stonehorse Energy Limited, Non-Executive Director since July 2011; Dragon Mountain Gold, Non-Executive Director since February 2011; Fiji Kava Limited, Non-Executive Director since January 2019. Doray Minerals Limited, August 2009 to April 2019; Auctus Alternative Investments Limited, February 2011 to March 2019; Blina Minerals Limited, May 2015 to April 2019, and Drake Resources Limited, March 2004 to January 2017

- **Mr Christopher Dunks** *Non-executive Director (Independent) (appointed 24 February 2020)*

  BEng (Mech), GAICD Mr Dunks, is currently the Managing Director of Synergen Met Pty Ltd, a Brisbane-based company that is commercialising novel minerals processing technology.

  Mr Dunks was a Founder and Managing Director of Rockwell Minerals Pty Ltd, the company that merged with Elementos Limited in 2013. Mr Dunks' experience over the last 20 years has been dominated by working on major minerals processing, refining and power projects both in Australia and the USA.

  Mr Dunks' experience has been in mechanical design, construction management and supervision, project controls, project management, contract negotiation, business development and new technology commercialisation. He has worked extensively with Bechtel, Worley Parsons, SNC Lavaalin and Jacobs (Aker Kvaerner).

  Mr Dunks is also a Director of Elementos Limited.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

DIRECTORS' REPORT

2. DIRECTORS' MEETINGS

The number of directors' meetings attended by each of the Directors of the Company who hold or held office during the financial year was:

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
L A McLoughlin	6	6	*At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*							
J Stephenson	6	6								
D Fooks	6	6								

3. DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company up to the date of this report were as follows:

	Shares (Direct) No.	Shares (Indirect) No.	Options (Direct) No.	Options (Indirect) No.
2019				
L A McLoughlin	256,380	-	300,000	-
J Stephenson	-	-	-	-
D Fooks	-	-	-	-
	256,380	-	300,000	-
2018				
L A McLoughlin	210,461	-	-	-
J Stephenson	-	-	-	-
D Fooks (*appointed 27 July 2018)*	-	-	-	-
C I Wallin (*resigned 27 July 2018*)		68,758,751	-	-
	210,461	68,758,751	-	-
The aggregate number of shares acquired/(disposed or consolidated) directly or indirectly by Directors during the year since the date of the prior year report, up to the date of this report was:				
L A McLoughlin	45,919	-	300,000	-
C I Wallin	-	-	-	-
D Fooks	-	-	-	-
J Stephenson	-	-	-	-
	45,919	-	300,000	-

4. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was gold and mineral exploration.

5. OPERATING RESULTS

For the 2019 financial year the Group delivered a loss before tax of $784,126 (2018: $851,072 loss).

6. REVIEW OF OPERATIONS

During the year, the Group continued its exploration of the Woolgar Project in Queensland. Refer to the detailed review of operations - overview on page 4 of the Annual Report.

7. DIVIDENDS

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

DIRECTORS' REPORT

8. FINANCIAL POSITION

The net assets of the Group have increased from 31 December 2018 by $1,836,905 to $28,403,492 at 31 December 2019 (2018: $26,566,587).

As at 31 December 2019, the Group's cash and cash equivalents increased from 31 December 2018 by $76,822 to $937,387 at 31 December 2019 (2018: $860,565) and had working capital of $806,786 (2018: $708,773 working capital), as noted in Note 10.

The consolidated entity's financial position has enabled the Group to limit its borrowings to internal 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.

9. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group during the year ended 31 December 2019.

10. EVENTS SUBSEQUENT TO REPORTING DATE

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are closely monitoring the impact of COVID-19 and are considering the effect on the Company's business and financial performance. However, the situation is evolving daily, and the consequences are uncertain. As a result, this may further impact on the ability of the company to continue as a going concern. Refer to Note 21.3.3 Going Concern.

Other than as noted above, there were no other significant events after the end of the reporting period.

11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Consolidated Entity are referred to in the review of operations - overview on page 4 of the Annual Report.

12. DIRECTORS' SHAREHOLDINGS, CONTRACTS AND BENEFITS

Since the end of the previous financial year no Director of the Company has received, or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or a Company in which the Director has a substantial financial interest, other than as disclosed in the remuneration report below.

13. REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

(a) Principles used to determine the nature and amount of remuneration

(b) Details of remuneration

(c) Service agreements

(d) Equity instruments disclosure relating to Key Management Personnel

(e) Share-based compensation

(f) Loans to / from Key Management Personnel

(g) Transactions with Related Parties of Key Management Personnel

The information provided in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).

(a) Principles used to determine the nature and amount of remuneration

The following report determines the principles used to determine the nature and amount of remuneration. The Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Board will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Executives capable of managing the Company's activities.

The practices of negotiation and annual review of Executive Directors' performance and remuneration are carried out by the Non-Executive Directors of the Board. The Chairman of the Board who makes recommendations to the full board, undertakes, in an informal way, the review of the Non-Executive Directors remuneration.

The Board will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director and or Executive. At these meetings, the particular Director and/or Executive will declare his/her interest and not vote, as well he/she will depart from the meeting, so as not to be present whilst the issue is being discussed.

Given the nature and size of the Company there has been no requirement to engage the services of a remuneration consultant for the year ending 31 December 2019.

i. Remuneration of Non-executive Directors

Total remuneration for Non-executive Directors is not to exceed $250,000 per annum, excluding options which are approved separately at a general meeting. Non-Executive Directors' fees are set with reference to fees paid to other Non-Executive Directors of comparable companies and are presently $40,000 per annum plus superannuation (2018: $40,000 plus superannuation). From 1 July 2019, the Executive Chairman receives a fee of $250,000 per annum plus superannuation (2018: $220,000 inclusive of superannuation). Non-Executive Director's remuneration is reviewed annually by the Non-executive Directors of the Board.

ii. Share trading policy

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy, publicly available via the ASX on 20 December 2010.

iii. Remuneration Framework

The executive remuneration framework has two components:

- base pay and benefits, including superannuation where applicable; and
- long term incentives through Directors options.

The executive remuneration mix is consistent with that of an exploration company in that pay is currently not based on the performance of the Company and both components of the executives target pay are not at risk. The table below sets out the percentage of long term incentives by way of options which contribute to the executive's remuneration mix.

(b) Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Company for the year ended 31 December 2019 are set out in the following tables.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:		
	Cash, salary & fees	Non- monetary	Super-annuation	Options	Total	Options as a percentage of remuneration
	$	$	$	$	$	%
2019						
Mr L A McLoughlin[(1)]	224,550	-	18,915	10,876	254,341	4.28
Mr D Fooks	40,000	-	3,800	-	43,800	-
Mr J Stephenson	25,000	-	2,375	-	27,375	-
	289,550	-	25,090	10,876	325,516	3.34

DIRECTORS' REPORT

(1) In respect to Mr McLoughlin's equity-settled share-based payments, Mr McLoughlin was issued 300,000 options in accordance with terms and conditions detailed in note 19.2.1a.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:		
	Cash, salary & fees	Non- monetary	Super-annuation	Options	Total	Options as a percentage of remuneration
	$	$	$	$	$	%
2018						
Mr L A McLoughlin	199,474	-	18,915	-	218,389	-
Mr D Fooks	16,667	-	1,583	-	18,250	-
Mr C I Wallin	23,066	-	2,191	-	25,257	-
Mr J Stephenson	10,417	-	990		11,407	-
	249,624	-	23,679	-	273,303	-

Long term incentives are provided through the Strategic Minerals Option Plan. The issue of options is not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted provides incentive for management to improve the Group's performance.

(c) Service agreements

There are no service agreements in place for Directors.

(d) Equity instruments disclosure relating to Key Management Personnel

i. Shareholdings

Number of shares held by Parent Entity Directors and other key management personnel of the Group, including their personally related parties, are set out below.

2019	Balance at start of year No.	Effect of 15:1 Consolidation No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No	Balance at end of year No.
Executive Chairman						
Mr L A McLoughlin[(1)]	210,461	-	-	-	45,919	256,380
Non-Executive Directors						
Mr D Fooks	-	-	-	-	-	-
Mr J Stephenson	-	-	-	-	-	-
	210,461	-	-	-	45,919	256,380

(1) Other changes during the year represent shares acquired on market

2018	Balance at start of year No.	Effect of 15:1 Consolidation No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No	Balance at end of year No.
Executive Chairman						
Mr L A McLoughlin[(1)]	146,739	-	-	-	63,722	210,461
Non-Executive Directors						
Mr C I Wallin[(1)]	56,684,380	-	-	-	12,074,371	68,758,751
Mr J Stephenson	-	-	-	-	-	-
	56,831,119	-	-	-	12,138,093	68,969,212

(1) Other changes during the year represent shares acquired on market

DIRECTORS' REPORT

ii. Options

2019	Balance at start of year No.	Granted as remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No	Vested and exercisable No.	Not vested No.
Executive Chairman							
Mr L A McLoughlin	-	300,000	-	-	300,000	300,000	-
Non-Executive Directors							
Mr D Fooks	-	-	-	-	-	-	-
Mr J Stephenson	-	-	-	-	-	-	-
	-	300,000	-	-	300,000	300,000	300,000

2018	Balance at start of year No.	Granted as remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No	Vested and exercisable No.	Not vested No.
Executive Chairman							
Mr L A McLoughlin	-	-	-	-	-	-	-
Non-Executive Directors							
Mr C I Wallin	-	-	-	-	-	-	-
Mr J Stephenson	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

iii. Equity Instruments issued on exercise of remuneration options

There were no equity instruments issued during the period to Directors or other key management personnel as a result of options exercised that had previously been granted as compensation.

(e) Loans to / from Key Management Personnel

There were no loans owing to / from Key Management Personnel at 31 December 2019.

(f) Transactions with Related Parties of Key Management Personnel

There are no other significant related party transactions not already identified at the 31 December 2019 year end.

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

14. LOANS TO DIRECTORS AND EXECUTIVES

No loans have been made to Directors of Strategic Minerals Corporation NL and the specified executives of the consolidated entity, including their personally-related entities.

15. SHARES UNDER OPTION

There were 300,000 options for ordinary shares of Strategic Minerals Corporation NL at the date of this report.

16. LIABILITY INSURANCE

The Company has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence.

DIRECTORS' REPORT

17. ENVIRONMENTAL REGULATION

The mining leases granted to the Company pursuant to Mining Acts are granted subject to various conditions, which include standard environmental requirements. The Company adheres to these conditions and the Directors are not aware of any contraventions of these requirements.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the first measurement period the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

18. NON-AUDIT SERVICES

During the year, Hall Chadwick QLD, the Group's auditor, did not perform any services other than their statutory audits.

Details of remuneration paid to the auditor can be found within the financial statements at Note 17 Auditor's Remuneration on page 48

In the event that non-audit services are provided by Hall Chadwick QLD, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Group' and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Directors are satisfied that the provision of non-audit services by Hall Chadwick QLD (or by another person or firm on Hall Chadwick QLD's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

19. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

20. AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under s307C of the *Corporations Act 2001* (Cth) is set out on page 21.

21. AUDITORS

The auditor, Hall Chadwick QLD continues in accordance with s327 of the *Corporations Act 2001* (Cth).

22. ROUNDING OF AMOUNTS

The Company is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s298(2) of the *Corporations Act 2001* (Cth).

LAIF ALLEN McLOUGHLIN
Executive Chairman
Dated this Tuesday, 31 March 2020

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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 belief during the year ended 31 December 2019 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

This declaration applies in respect of Strategic Minerals Corporation NL and the entities it controlled during the year.

Geoffrey Stephens
Hall Chadwick QLD
Chartered Accountants

Dated this 31st day of March 2020

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 4**th** edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's Corporate Governance Plan has been posted on the Company's website at www.stratmin.com.au.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which: (a) sets out the respective roles and responsibilities of the board, the chair and management; and (b) includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	YES	a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director. b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that director's or senior executive's appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.	YES	a) The Company has adopted a Diversity Policy. i. The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality. ii. The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives. b) The Diversity Policy is stated in Schedule 9 of the Corporate Governance Plan which is available on the company website. c) i. The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment. ii. The Board will include in the annual report each year, the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board Level.
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	NO	a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan. b) The Company's Corporate Governance Plan requires the Board to disclosure whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Reports.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives where appropriate. b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Report.
Principle 2: Structure the board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	NO	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee. The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website. The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules. The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	YES	See Board Skills Matrix below. (1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements. (2) Skill gap noticed however an external IT firm is employed on an ad hoc basis to maintain IT requirements.
Recommendation 2.3 **A listed entity should disclose:** (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director	YES	a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports. b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors' interests, positions associations and relationships are provided in the Annual Reports. c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	YES	The Board Charter requires that where practical the majority of the Board will be independent. Details of each Director's independence are provided in the Annual Reports.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	NO	The Board believes that the current Chairman can and does make quality and independent judgements in the best interest of the Company and other stakeholders notwithstanding that he is not an independent director in accordance with the criteria set out in the recommendations.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	YES	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	YES	Details of the Company's values is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.
Recommendation 3.2 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	a) The Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.

Board Skills Matrix (Recommendation 2.2):

Board Skills Matrix	Number of Directors that Meet the Skill
Executive and Non- Executive experience	4
Industry experience and knowledge	4
Leadership	4
Corporate governance and risk management	4
Strategic thinking	4
Desired behavioural competencies	4
Geographic experience	3
Capital Markets experience	4
Subject matter expertise:	
- accounting	3
- capital management	3
- corporate financing	3
- industry taxation [1]	3
- risk management	3
- legal	3
- IT expertise [2]	0

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 3.3 A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board is informed of any material incidents reported under that policy.	YES	a) The Whistblower policy applies to the Company's Directors, senior executives and employees. b) The Company's Whistleblower policy is in Schedule 11 of the Corporate Governance Plan which is on the Company's website.
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board is informed of any material breaches of that policy.	YES	a) The Anti-bribery and corruption policy applies to the Company's Directors, senior executives and employees. b) The Company's Anti-bribery and corruption policy is in Schedule 12 of the Corporate Governance Plan which is on the Company's website.
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	NO	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	The Company's protocol for continuous disclosure ensures that all members of the Board receive copies of all material market announcements promptly after they have been made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	The Company holds briefing sessions with analysts and investors which only authorised Company spokespersons may conduct such sessions in accordance with the Company's 'Continous disclosure' obligations. Presentation materials are released on the ASX Market Announcements Platform ahead of the presentation.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	YES	The Company ensures that all substantive resolutions at shareholder meetings are decided by poll.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	NO	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	NO	Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures The Company will monitor and periodically review the need for a formal internal audit function and its scope and will consider comments from the Company's external auditors from time to time.
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	NO	Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee. The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior Directors. The Company arranges for a performance evaluation of the Board, its Directors and senior executives on an annual basis as appropriate. A independent advisor may be used to assist in the process. Details of the Company's remuneration is disclosed in Performance Evaluation in schedule 6 of the Corporate Governance Plan which can be found on the Company's website.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans. b) A copy of the Company's Corporate Governance Plan is available on the Company's website.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Revenue and other income	2	11,190	8,988
Administration expense		(235,686)	(234,028)
Consulting and legal		(91,410)	(213,290)
Depreciation and amortisation	3.1	(5,222)	(4,631)
Employee benefit expense	3.2	(392,839)	(323,782)
Finance costs		(2,706)	(3,623)
Impairment loss on financial assets	3.3	(2,350)	(11,250)
Premises expense		(58,412)	(53,197)
Travel expense		(6,691)	(16,259)
Loss before income tax		(784,126)	(851,072)
Income tax expense/(benefit)		-	-
Loss for the year		(784,126)	(851,072)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(784,126)	(851,072)
Total Comprehensive Loss is attributable to:			
Equity holders of the Company		(784,127)	(851,072)
Non-Controlling Interest		1	-
		(784,126)	(851,072)
Loss per share attributable to the ordinary equity holders of the Company		¢	¢
Basic (loss) per share	18	(0.94)	(1.16)

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 31 DECEMBER 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	6.1	937,387	860,565
Trade and other receivables	6.2	94,372	63,075
Other current assets	6.4	63,682	43,758
Total current assets		1,095,441	967,398
Non-current assets			
Financial assets	6.3	68,291	70,641
Plant and equipment	7.1	12,688	14,221
Mineral exploration and evaluation assets	7.2	27,548,647	25,790,484
Other non-current assets	6.4	3,147	3,147
Total non-current assets		27,632,773	25,878,493
Total assets		28,728,214	26,845,891
Current liabilities			
Trade and other payables	6.5	227,861	174,324
Provisions	7.3	60,794	50,360
Borrowings	6.6	-	33,941
Total current liabilities		288,655	258,625
Non-current liabilities			
Provisions	7.3	36,067	20,679
Total non-current liabilities		36,067	20,679
Total liabilities		324,722	279,304
Net assets		28,403,492	26,566,587
Equity			
Contributed equity	8.1.1	57,637,097	55,026,942
Reserves	8.3	10,876	-
Accumulated losses		(29,238,471)	(28,454,344)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL		28,409,502	26,572,598
Non-controlling interest		(6,010)	(6,011)
Total equity		28,403,492	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 YEAR ENDED 31 DECEMBER 2019

	Note	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 year		-	-	(851,072)	(851,072)	-	(851,072)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	8.1.1	2,790,924	-	-	2,790,924	-	2,790,924
Options previously expired			-	-	-		-
Balance at 31 December 2018		55,026,942	-	(28,454,344)	26,572,598	(6,011)	26,566,587
Balance at 1 January 2019		55,026,942	-	(28,454,344)	26,572,598	(6,011)	26,566,587
Total comprehensive loss for the year		-	-	(784,127)	(784,127)	1	(784,126)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	8.1.1	2,610,155	-	-	2,610,155	-	2,610,155
Options issued to directors			10,876	-	10,876		10,876
Balance at 31 December 2019		57,637,097	10,876	(29,238,471)	28,409,502	(6,010)	28,403,492

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Cash flow from operating activities			
Payments to suppliers & employees		(732,958)	(790,704)
Interest received		10,418	6,855
Net cash (outflow) from operating activities	6.1.2a	(722,540)	(783,849)
Cash flow from investing activities:			
Purchase of property, plant, equipment		(3,689)	-
Refunds /(payments) of security deposits		(15,000)	14,004
Payments for exploration expenditure assets		(1,758,163)	(1,590,645)
Net cash (outflow) from investing activities		(1,776,852)	(1,576,641)
Cash flow from financing activities:			
Proceeds from issue of shares		2,612,155	2,793,123
Cost of capital raising		(2,000)	(2,198)
Proceeds/repayments of borrowings		(33,941)	24,428
Net cash inflow from financing activities		2,576,214	2,815,353
Net increase / (decrease) in cash held		76,822	454,863
Cash and cash equivalents at the beginning of the period		860,565	405,702
Cash and cash equivalents at the end of period	6.1	937,387	860,565

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

In preparing the 2019 financial statements, Strategic Minerals Corporation NL has grouped notes into sections under five key categories:

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

(a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction

(b) analysis and sub-totals, including segment information

(c) *information about estimates and judgements made in relation to particular items.*

NOTE 2 REVENUE AND OTHER INCOME

	2019 $	2018 $
From continuing operations:		
Interest – unrelated parties	10,190	6,988
Other income	1,000	2,000
Total revenue and other income	11,190	8,988

2.1.1 *Accounting Policy*

a. *Interest revenue*

Interest revenue is recognised in accordance with Note 4.1 Finance income and expenses.

b. *Other income*

Other income is recognised when the Group obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST (Note 21.5 Goods and Services Tax (GST)).

NOTE 3 LOSS BEFORE INCOME TAX

	Note	2019 $	2018 $
Loss before income tax has been determined after including the following expenses:			
3.1 Depreciation and amortisation:			
Depreciation and amortisation of plant and equipment	7.1.3c	5,222	4,631
3.2 Employment costs:			
Superannuation expense		51,690	49,154
Employee benefits expense – Long service leave		15,388	13,250
3.3 Impairment on financial assets			
Impairment on financial assets		2,350	11,250

3.3.1 *Accounting Policy*

a. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

b. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

c. Long service leave

Any liability for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

NOTE 4 OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO ITEMS OF PROFIT AND LOSS

4.1 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method

NOTE 5 INCOME TAX

	Note	2019 $	2018 (restated) $
5.1 The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Loss before income tax		(784,126)	(851,072)
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2018: 27.5%)		(235,238)	(255,322)
Non-deductible expenses		4,403	-
Change in income tax rate		-	-
Movement on deferred tax assets not recognised		230,835	255,322
Income tax benefit		-	-
5.2 Deferred tax liability			
Exploration and evaluation expenditure – Australia Mining Properties		8,301,488	7,765,979
		8,301,488	7,765,979
Off-set of deferred tax assets		(8,301,488)	(7,765,979)
Net deferred tax liability recognised		-	-
5.3 Unrecognised deferred tax assets arising on timing			
Tax Losses		11,948,575	11,442,407
Temporary Differences		123,575	82,995
Expenses taken to equity		6,054	8,811
		12,078,204	11,534,213
Off-set of deferred tax liabilities		(8,301,488)	(7,765,979)
Net deferred tax assets unrecognised		3,776,716	3,768,234

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group has tax losses of $12,589,051 (2018: $13,702,671) that have the ability to be carried forward indefinitely for offset against future taxable profits of the Group. The recoupment of available tax losses as at 31 December 2019 are contingent upon the Group satisfying the following conditions:

- deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by tax legislation continuing to be complied with and the company meeting either its continuity of ownership test or in the absence of satisfying that test the company can satisfy the same business test; and
- there being no changes in tax legislation which would adversely affect the Group from realising the benefits from the losses.

In the event that the Group fails to satisfy these conditions above or the Commissioner of Taxation challenges the Group's ability to utilise its losses, the Group may be liable for future income tax on assessable income derived by the company.

NOTE 5 INCOME TAX (CONT.)

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

5.4 Accounting Policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Cash and cash equivalents	2019 $	2018 $
Cash at bank and on hand	937,387	860,565
	937,387	860,565

6.1.1 The effective interest rate on cash at bank and bank term deposits is 2.25%. These deposits have an average maturity of less than 6 months. The Group's exposure to interest rate risk is discussed in Note 9.

6.1.2 *Cash Flow Information*

a. Reconciliation of cash flow from operations to (loss)/profit after income tax

	2019 $	2018 $
Operating loss after income tax	(784,126)	(851,072)
Add / (less) non-cash items:		
Depreciation	5,222	4,631
Share based payments	10,876	-
Impairment of shares in listed company	2,350	11,250
Non-cash changes in assets & liabilities:		
Decrease/(increase) in receivables & prepayments	(36,221)	30,601
Increase/(decrease) in provisions	25,822	20,741
Increase/(decrease) in payables	53,537	-
Cash flow from operations	(722,540)	(783,849)

b. Non-cash Financing and investing activities

There are no non-cash financing and investing activities for the year ended 31 December 2019 (2018: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.1 Cash and cash equivalents (cont.)

6.1.3 Accounting Policy

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

6.2 Trade and other receivables

	2019 $	2018 $
6.2.1 Current		
GST refundable	92,500	60,597
Other receivables	1,872	2,478
	94,372	63,075

6.2.2 The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, and leases. Risk exposure arising from current receivables is set out in Note 9.

The main purpose of non-derivative financial instruments is to raise finance for Group operations. Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

6.2.3 At reporting date, there are no receivables past their due date.

6.2.4 Accounting Policy

Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

6.3 Financial assets

	Note	2019 $	2018 $
6.3.1 Non-current:			
Shares in listed corporations	6.3.1a	3,900	6,250
Term deposits		64,391	64,391
		68,291	70,641

a. The Group currently holds 50,000 EWC shares. The fair value of EWC fully paid ordinary shares at 31 December 2019 was based on the ASX quoted market value. These shares are classified as Tier 1 financial assets. These shares are measured at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.4 Other Assets

	Note	2019 $	2018 $
6.4.1 Current:			
Prepayments		48,682	43,758
Security deposit – business premises		15,000	-
		63,682	43,758
6.4.2 Non-current:			
Mineral Specimens		514	514
Security deposits on tenements		2,633	2,633
		3,147	3,147

6.5 Trade and other payables

	Note	2019 $	2018 $
6.5.1 Current:			
Unsecured			
Other creditors and accruals		227,861	174,324
Total unsecured liabilities		227,861	174,324

6.5.2 Accounting Policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables expected to be collected within 12 months of the end of the reporting period are classified as current liabilities. All other payables are classified as non-current liabilities.

Trade and other payables are classified as financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

6.6 Interest-bearing loans and borrowings

	Note	2019 $	2018 $
6.6.1 Current:			
Premium funding		-	33,941
		-	33,941

6.6.2 Accounting Policy

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.7 Other Significant Accounting Policies related to Financial Assets and Liabilities

6.7.1 Initial recognition and measurement

Financial Instruments are initially recognised at fair value plus transaction costs. Subsequent to initial recognition they are measured as follows:

- Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.
- Available for sale financial assets are measured at fair value. Listed shares are valued at closing bid price.

6.7.2 Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments are not reversed through the statement of profit or loss and other comprehensive income.

6.7.3 Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities) the Group establishes fair value by using a variety of valuation techniques. Where the fair value of a financial asset cannot be reliably measured, it will be measured at cost.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

7.1 Plant and equipment	Note	2019 $	2018 $
7.1.1 Non-current:			
Plant and equipment at cost		327,111	323,422
Less accumulated depreciation		(314,423)	(309,201)
		12,688	14,221
7.1.2 Movements in Carrying Amounts			
Owned plant & equipment at cost:			
Brought forward		323,422	323,422
Additions		3,689	-
Disposals / adjustments to cost		-	-
Closing Balance		327,111	323,422
Accumulated Depreciation:			
Brought forward		(309,201)	(304,570)
Depreciation expense		(5,222)	(4,631)
Disposals / adjustments to cost		-	-
Closing Balance		(314,423)	(309,201)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

7.1 Plant and equipment (cont.)

7.1.3 *Accounting Policy*

a. Recognition and measurement

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

b. Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

c. Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

- Machinery 4-5 years
- Vehicles 3-8 years
- Furniture, fittings and equipment 5-11 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

d. Derecognition and disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

7.2 Mineral Exploration and Evaluation Assets

	Note	2019 $	2018 $
7.2.1 *Non-current:*			
Exploration at cost:			
Balance at the beginning of the year		25,790,484	24,666,144
Expenditure during the year		1,758,163	1,124,340
Balance at the end of the financial year		27,548,647	25,790,484

7.2.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

7.2.3 *Key Estimate – Impairment*

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:

- 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;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- 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
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

7.2 Mineral Exploration and Evaluation Assets (cont.)

7.2.4 *Key Judgments – Exploration and evaluation expenditure*

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is $27,548,647 (2018: $25,790,484).

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that no impairment of its exploration assets was necessary.

7.2.5 *Accounting Policy*

a. Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

b. Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively sale, of the respective area of interest.

7.3 Provisions

	Note	2019 $	2018 $
7.3.1 *Current:*			
Balance at beginning of year		50,360	42,869
Increase in provision		10,434	7,491
Balance at end of year		60,794	50,360
7.3.2 *Non-current:*			
Balance at beginning of year		20,679	7,429
Increase in provision		15,388	13,250
Balance at end of year		36,067	20,679

7.3.3 *Description of Provisions*

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

7.3.4 *Accounting Policy*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

7.4 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

7.4.1 *Impairment of non-financial assets*

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTE 8 EQUITY

8.1 Issued capital	Note	2019 No.	2018 No.	2019 $	2018 $
Fully paid ordinary shares at no par value	8.1.1	85,892,039	78,209,207	57,637,097	55,026,942

8.1.1 *Ordinary shares*

	2019 No.	2018 No.	2019 $	2018 $
At the beginning of the year	78,209,207	70,450,536	55,026,942	52,236,018
Shares issued during the year:				
20 Aug 2018: Shares issued at $0.36	-	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

8.1.2 *Terms and Conditions*

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

8.1.3 *Accounting Policy*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

8.2 Options	Note	2019 No.	2018 No.
At the beginning of the year		-	-
Options issued during the year:			
Options exercisable at 66c before 28 May 2022		300,000	-
At reporting date		300,000	-

8.3 Reserves	Note	2019 $	2018 $
Option reserve	8.3.1	10,876	-
Balance at the end of the financial year		10,876	-

8.3.1 *Option reserve*

The option reserve records the fair value of options issued to an executive director. Further details of the calculation are detailed at note 19.1.

8.4 Non-Controlling Interests

Management have assessed that the Fair Value of non-controlling interests is not materially different to the carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

NOTE 9 FINANCIAL RISK MANAGEMENT

9.1 Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable, loans to and from subsidiaries, leases and hire purchase for motor vehicles. The main purpose of non-derivative financial instruments is to raise finance for Group operations. The Group does not speculate in the trading of derivative instruments.

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Group holds the following financial instruments:	2019 $	2018 $
Financial assets		
Cash and cash equivalents	937,387	860,565
Trade and other receivables	94,372	63,075
Other financial assets	68,291	70,641
	1,100,050	994,281
Financial liabilities		
Trade and other payables	227,861	174,324
Borrowings	-	33,941
	227,861	208,265
Net financial instruments	872,189	786,016

9.2 Specific Financial Risk Exposures and Management

9.2.1 *Market risk*

a. Price risk

The Group is currently exposed to equity securities by way of shares held in listed companies. The price risk for listed securities is immaterial in terms of the possible impact on profit or loss or total equity as a result of any increase/decrease in the price of traded securities. All listed investments are classed as level 1 of the fair value hierarchy. The Group is not currently exposed to commodity price risk.

b. Interest rate risk

Refer to 9.2.4 below

9.2.2 *Credit risk*

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises from cash held at bank and principally from trade and other receivables including intercompany loans. The objective of the consolidated entity is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant.

The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated above.

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available). The table below details the credit quality of the financial assets:

NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)

Financial assets	Credit Quality	2019 $	2018 $
Cash and cash equivalents	Aa2	937,387	860,565
Trade and other receivables		-	-
Counterparties without external credit rating			
- Sundry receivables	Group 1	94,372	63,075

Group 1 – Existing customers (more than 6 months) with no defaults in the past.

9.2.3 *Liquidity risk*

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the consolidated entity is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

All liabilities are current and will be repaid in normal trading terms

- *Contractual Maturities*

The following are the contractual maturities of financial assets and liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2019 $	2018 $	2019 $	2018 $	2019 $	2018 $
Financial liabilities due for payment						
Trade and other payables	227,861	174,324	-	-	227,861	174,324
Borrowings	-	33,941	-	-	-	33,941
Total contractual outflows	227,861	208,265	-	-	227,861	208,265
Financial assets						
Cash and cash equivalents	937,387	860,565	-	-	937,387	860,565
Trade and other receivables	94,372	63,075	-	-	94,372	63,075
Other financial assets	68,291	70,641	-	-	68,291	70,641
Total anticipated inflows	1,100,050	994,281	-	-	1,100,050	994,281
Net (outflow)/inflow on financial instruments	872,189	786,016	-	-	872,189	786,016

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

9.2.4 *Cash flow and interest rate risk*

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances. As such, this is not considered a material exposure and no sensitivity analysis has been prepared.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)

2019	Floating interest rate $	Fixed interest maturing in 1 year or less $	Non-interest bearing $	Total $
Financial assets				
Cash and deposits	937,387	-	-	937,387
Receivables	-	-	94,372	94,372
Financial assets	-	64,391	3,900	68,291
	937,387	64,391	98,272	1,100,050
Financial Liabilities				
Trade and other creditors	-	-	227,861	227,861
Borrowings	-	-	-	-
	-	-	227,861	227,861
2018				
Financial assets				
Cash and deposits	860,565	-	-	860,565
Receivables	-	-	63,075	63,075
Financial assets	-	64,391	6,250	70,641
	860,565	64,391	69,325	994,281
Financial Liabilities				
Trade and other creditors	-	-	174,324	174,324
Borrowings	-	33,941	-	33,941
	-	33,941	174,324	208,265

9.2.5 *Net fair value of Financial Assets and Liabilities*

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

a. Fair value hierarchy

AASB 13 *Fair Value Measurement: Disclosures* requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

All financial assets are classified as Level 1 and their value has been calculated in line with accounting policy note 21.7 Fair Value.

NOTE 10 CAPITAL MANAGEMENT

Management controls the capital of the Group. Their objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulative losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The consolidated entity is not subject to any externally imposed capital requirements.

The working capital position of the Group at 31 December 2019 and 31 December 2018 is as follows:

	Note	2019 $	2018 $
Cash and cash equivalents	6.1	937,387	860,565
Trade and other receivables	6.2	94,372	63,075
Other current assets	6.4.1	63,682	43,758
Trade and other payables	6.5	(227,861)	(174,324)
Provisions	7.3.1	(60,794)	(50,360)
Borrowings	6.6.1	-	(33,941)
Working capital position		806,786	708,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

(a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation

(b) transactions with non-controlling interests, and

(c) interests in joint operations.

A list of significant subsidiaries is provided in note 11. This note also discloses details about the group's equity accounted investments.

NOTE 11 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Place of Incorporation	2019 Holding %	2019 Amount $	2018 Holding %	2018 Amount $
Alpha Uranium Pty Ltd	WA	98	320,000	98	320,000
Signature Resources Pty Ltd	WA	100	235,250	100	235,250
Spencer Mining Pty Ltd	WA	100	4,000,002	100	4,000,002
Strategic Metals Corporation Pty Ltd	NSW	100	100	100	100
Strategic Mineral Investments Pty Ltd	WA	100	4,456,005	100	4,456,005
Telluride Mining Pty Ltd	NSW	100	260,304	100	260,304
Bayfield Mineral Sands Pty Ltd *	WA	100	-	100	-

**100% owned and controlled by Strategic Mineral Investments*

Investments in subsidiaries are accounted for at cost and have been written down to nil.

The group has no equity accounted investments at 31 December 2019 (31 December 2018: Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SECTION D. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 12 COMMITMENTS

	2019 $	2018 $
12.1 Capital expenditure commitments payable:		
Within one year	573,733	708,733
After one year but not more than five years	1,073,930	2,447,930
After five years	818,607	1,058,072
Total Exploration tenement minimum expenditure requirements	2,466,270	4,214,735
12.2 Operating lease commitments for premises due:		
Within one year	66,000	22,275
After one year but not more than five years	-	-
After five years	-	-
Total Operating lease commitments	66,000	22,275

The commitments of Strategic Minerals Corporation NL above are the same as those for the Group.

The Directors consider the current leases in place not to be material hence they have decided not to recognise any right-of-use asset and lease liabilities in accordance with AASB 16.

NOTE 13 CONTINGENT ASSETS AND LIABILITIES

Strategic Minerals Corporation NL has $19,300 worth of bank guarantees in relation to exploration licenses as at 31 December 2019 (2018: $43,803). There are no other contingent assets or liabilities at year end.

NOTE 14 EVENTS SUBSEQUENT TO REPORTING DATE

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are closely monitoring the impact of COVID-19 and are considering the effect on the Company's business and financial performance. However, the situation is evolving daily, and the consequences are uncertain. As a result, this may further impact on the ability of the company to continue as a going concern. Refer to Note 21.3.3 Going Concern.

Other than as noted above, there were no other significant events after the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

	2019 $	2018 $
Short term employee benefits	289,550	249,624
Post-employment benefits	25,090	23,679
Share based payments	10,876	-
	325,516	273,303

NOTE 16 RELATED PARTY TRANSACTIONS

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

NOTE 17 AUDITORS' REMUNERATION

	2019 $	2018 $
Remuneration of the auditors, Hall Chadwick QLD of the Group for:		
- Auditing or reviewing the accounts (Hall Chadwick QLD)	31,750	35,000
	31,750	35,000

NOTE 18 EARNINGS PER SHARE (EPS)

		2019 $	2018 $
18.1 Reconciliation of earnings to profit or loss			
Loss for the year		(784,127)	(851,072)
Less: profit attributable to non-controlling equity interest		1	-
Loss used in the calculation of basic and diluted EPS		(784,126)	(851,072)
		2019 No.	**2018 No.**
18.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		83,324,079	73,277,668
		2019 ¢	**2018 ¢**
18.3 Earnings per share			
Basic EPS (cents per share)	18.4	(0.94)	(1.16)

18.4 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).

18.5 Accounting Policy

18.5.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

18.5.2 Diluted earnings per share

Potential shares as a result of options outstanding at the end of the year are not dilutive and therefore have not been included in the calculation of diluted earnings per share.

NOTE 19 SHARE-BASED PAYMENTS

	2019 $	2018 $
19.1 Share-based payments		
Recognised as Share-based payment expense	10,876	-
Gross share-based payments	10,876	-

19.2 Share-based payment arrangements in effect during the period

19.2.1 Share-based payments recognised in profit or loss

a. Director options – Laif McLoughlin

As approved by the shareholders on 28 June 2019, the Company issued 300,000 Director Options to provide a performance linked incentive component in the Directors' remuneration package to assist the Company in rewarding his performance, and to align his interest with those of Shareholders on terms as detailed below

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
300,000	28 June 2022	$0.66	Immediately upon issue

19.3 Movement in share-based payment arrangements during the year

As summary of the movements of all Company options issued as share-based payments is as follows:

	2019		2018	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding at beginning of the year	-	-	-	-
Granted	300,000	$0.0363	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of the year	300,000	$0.0363	-	-
Exercisable at the end of the year	300,000	$0.0363	-	-

19.4 Fair value of options granted during the period

The fair value of options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $0.0363 (2018: nil). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued during the year:

Reference	19.2.1.a
Grant Date:	28 June 2019
Grant date share price:	$0.405
Option exercise price:	$0.660
Number of options issued:	300,000
Remaining life (years):	3.00
Expected share price volatility:	33.95%
Risk-free interest rate:	0.96%
Value per option:	$0.0363

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise pattern, which may not eventuate in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19 SEGMENT REPORTING

Management has identified the operating segments based on the main minerals of the members of the Group. 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.

2019	Gold $	Treasury $	Total $
Segment revenue and other income	-	11,190	11,190
Segment profit for the year	-	11,190	11,190
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(5,222)
Impairment of shares in listed company	-	(2,350)	(2,350)
Corporate expense	-	-	(787,744)
Total group revenue and other income			(784,126)
Segment assets as at the year end			
Segment assets	27,548,647	937,387	28,486,034
Reconciliation of segment assets to group assets:			
Property plant and equipment			12,688
Financial assets			68,291
Receivables and other assets			161,201
Total assets			28,728,214
Segment and group liabilities as at year end		324,722	324,722
2018			
Segment revenue and other income	-	8,988	8,988
Segment profit for the year	-	8,988	8,988
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(4,631)
Impairment of shares in listed company	-	(11,250)	(11,250)
Corporate expense	-	-	(844,179)
Total group revenue and other income			(851,072)
Segment assets as at the year end			
Segment assets	25,790,484	860,565	26,651,049
Reconciliation of segment assets to group assets:			
Property plant and equipment			14,221
Financial assets			70,641
Receivables and other assets			109,980
Total assets			26,845,891
Segment and group liabilities as at year end		279,304	279,304

19.3 Accounting Policy

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis. Management has identified the operating segments based on the main minerals of the members of the Group as well as the Treasury function. The main mineral type of the Group is Gold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 20 PARENT ENTITY DISCLOSURES

	2019 $	2018 $
20.3 Financial Position of Strategic Minerals Corporation NL		
Current assets	1,046,171	918,160
Non-current assets	27,630,055	25,875,776
Total assets	28,676,226	26,793,936
Current liabilities	288,655	258,625
Non-current liabilities	36,067	20,679
Total liabilities	324,722	279,304
Net assets	28,351,504	26,514,632
Equity		
Contributed equity	57,647,974	55,026,943
Accumulated losses	(29,296,470)	(28,512,311)
TOTAL EQUITY	28,351,504	26,514,632
20.4 Controlled Entities		
Loans to subsidiaries	1,741,691	1,741,691
Less provision for impairment	(1,741,691)	(1,741,691)
Net carrying value	-	-
Investment in controlled entities at cost	12,027,401	12,027,401
Less provision	(12,027,401)	(12,027,401)
Net carrying value	-	-
20.5 Financial Performance of Strategic Minerals Corporation NL		
Loss for the year	(784,158)	(851,086)
Total comprehensive loss	(784,158)	(851,086)

20.6 Guarantees entered into by Strategic Minerals Corporation NL

There are no guarantees entered into by Strategic Minerals Corporation NL for the debts of its subsidiaries as at 31 December 2019 (2018: none).

20.7 Contingent liabilities of Strategic Minerals Corporation NL

There are no contingent liabilities as at 31 December 2019 (2018: none).

20.8 Commitments of Strategic Minerals Corporation NL

The commitments of Strategic Minerals corporation NL are the same as those for the Group disclosed in note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

21.3 Basis of preparation

21.3.1 *Reporting Entity*

Strategic Minerals Corporation NL is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Level 4, 240 Queens Street Brisbane, Queensland. These are the consolidated financial statements and notes of Strategic Minerals Corporation NL (the Company) and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Strategic Minerals Corporation NL, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

21.3.2 *Basis of accounting*

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 31 March 2020 by the directors of the Company.

21.3.3 *Going Concern*

The 31 December 2019 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 year of $784,126 (2018: $851,072 loss) and a net cash out-flow from operating and investing activities of $2,499,392 (2018: $2,360,490 out-flow).

As at 31 December 2019, the Company had working capital of $806,786 (2018: $708,773 working capital), as disclosed in Note 10.

This financial report is prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Group's ability to generate positive cash flows through its existing business and/ or raising of further equity.

During the year the Group raised $2,610,155 through an entitlement rights issues announced on 7 May 2019. The board is confident in its ability to raise additional funds and 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. Management are currently putting plans in place to raise capital during the year.

The ability of the company to execute its planned exploration and evaluation activities, requires the Company to raise additional capital within the next 12 months. Due to the nature of its operations the directors recognise that there is a need on an ongoing basis for the Company to regularly raise additional cash to fund future exploration activity and meet other necessary corporate expenditure. Accordingly, when necessary, the Company investigates various options for raising additional funds which may include but not limited to an issue of shares or the sale of exploration assets where increased value has been created through previous exploration activity.

Refer also to Note 14 Events subsequent to reporting date regarding the possible impact of the COVID-19 event on the ability of the Company to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in raising additional funds through various methods. In the event that the Group is not successful in raising funds from the issue of new equity or sale of exploration assets, there exists material uncertainty that may cast significant doubt on 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.

21.3.4 *Comparative Figures*

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

21.4 Principles of Consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

21.4.1 *Subsidiaries*

The consolidated financial statements incorporate the assets, liabilities and results of the parent, Strategic Minerals Corporation NL, and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

21.5 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

21.6 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 21.6.1

21.6.1 *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 further at Note 7.2.3.

21.7 Fair Value

21.7.1 *Fair Value of Assets and Liabilities*

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

21.7.2 *Fair value hierarchy*

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

i. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

21.8 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has adopted the new accounting pronouncements which have become effective this year, and are as follows:

21.8.1 *Leases*

AASB 16 Leases replaces AASB 117 Leases along with three Interpretations (AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from AASB 117 and AASB Interpretation 4 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117 and AASB Interpretation 4.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.

The following is a reconciliation of total operating lease commitments at 31 December 2018 to the lease liabilities recognised at 1 January 2019:

Total operating lease commitments disclosed at 31 December 2018	22,275
Recognition exemptions:	
▪ Leases of low value assets	-
▪ Leases with remaining lease terms of less than 12 months	22,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
	-
Operating lease liabilities before discounting	-
Discounted using incremental borrowing rate	-
Reasonably certain extension options	-
Finance lease obligations	-
Total Lease liabilities recognised under AASB 16 at 1 January 2019	-

Upon adoption of AASB16, it did not have a significant impact on the group's recognition or disclosures and did not have a material impact on its financial performance or position.

NOTE 22 COMPANY DETAILS

The registered office of the Company is:

Address:

Street: Level 4 240 Queens Street
BRISBANE QLD 4000

Postal: GPO Box 389
BRISBANE QLD 4001

Telephone: +61 (0)7 3212 2500

Facsimile: *+61 (0)7 3212 2699*

The principle place of business of the Company is:

Address:

Street: Level 23
333 Ann Street
BRISBANE QLD 4000

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 28 to 56, are in accordance with the *Corporations Act 2001* (Cth) and:

   (a) comply with Accounting Standards;

   (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and

   (c) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Company and Consolidated Group.

   (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);

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 and is signed for and on behalf of the directors by:

Laif Allen McLoughlin
EXECUTIVE CHAIRMAN

Dated this Tuesday, 31 March 2020

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATEGIC MINERALS CORPORATION NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strategic Minerals Corporation NL, including the company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Strategic Minerals Corporation NL and controlled entities is in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 21.3.3 in the financial report which indicates the group incurred a net loss of $784,126 (2018: loss of $851,072) and a net cash outflow from operating and investing activities of $2,499,392 (2018: outflow of $2,360,490) during the year ended 31 December 2019. As stated in Note 21.3.3 these events or conditions, along with other matters as set forth in Note 21.3.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for Exploration and Evaluation Assets At 31 December 2019 the carrying value of Exploration and Evaluation Assets was $27,548,647 (2018: $25,790,484) as disclosed in Note 7.2. The Groups accounting policy with respect to Exploration and Evaluation assets is disclosed in Note 7.2.5. The carrying value of exploration and evaluation expenditures represents a significant asset of the group and judgment is applied in considering whether facts and circumstances indicate that the exploration expenditure should be tested for impairment as disclosed in Note 7.2. As a result, the asset was assessed for impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.	We have critically evaluated management's assessment of each impairment trigger under AASB 6 Exploration and Evaluation of Mineral Resources, including but not limited to: • Obtaining from management a schedule of areas of interest held by the Group and selected a sample of tenements, and assessed as to whether the Group had rights to tenure over the relevant exploration areas and also considered whether the Group maintains the tenements in good standing; • Reviewed cash flow forecasts indicating the Group's commitment to continue to explore the specific areas of interest; • Considered whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Checked mining leases had been renewed and exploration permits had not expired; and • Considered whether there are any other facts or circumstances that exist to indicate impairment testing is required. We have also assessed the adequacy of the related disclosures in Note 7.2 to the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the Directors also state, in accordance with Australian Accounting Standards AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Groups internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 41 to 43 of the Directors' report for the year ended 31 December 2019.

In our opinion the remuneration report of Strategic Minerals Corporation NL for the year ended 31 December 2019 complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick QLD.

Geoffrey Stephens
Hall Chadwick QLD
Chartered Accountants

Dated this 31st day of March 2020

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 SHAREHOLDING AS AT 14 FEBRUARY 2020

a. Distribution of Shareholders

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	107	29,971	0.03
1,001 – 5,000	180	414,479	0.48
5,001 – 10,000	34	256,657	0.30
10,001 – 100,000	44	1,254,237	1.46
100,001 – and over	15	83,936,695	97.73
	380	85,892,039	100.00

b. Unmarketable Parcels

	Number Ordinary	Holders
Minimum $500.00 parcel at $0.36 per unit	97,512	161
Minimum $2,000.00 parcel at $0.36 per unit	457,011	290

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

d. 20 Largest Shareholders — Ordinary Shares as at 14 February 2020

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	QGold Pty Ltd	76,893,666	89.52
2.	HSBC Custody Nominees (Australia) Limited	2,784,819	3.24
3.	J P Morgan Nominees Australia Limited	697,399	0.81
4.	McNeil Nominees Pty Limited	506,707	0.59
5.	Terrafund Pty Ltd <Kempnich Super Fund No 2 A/C>	498,068	0.58
6.	Energy World International Ltd	438,890	0.51
7.	Yandal Investments Pty Ltd	418,979	0.49
8.	Citicorp Nominees Pty Ltd	359,926	0.42
9.	Ms Veronica Patricia Mary Oma	279,862	0.33
10.	Terena Pty Ltd <Terena Super Fund A/C>	260,790	0.30
11.	Mr Laif A McLoughlin & Mrs F Wallin	256,380	0.30
12.	HSBC Custody Nominees (Australia) Limited	200,000	0.23
13.	Mr Kerry Desmond Kolinac	125,657	0.15
14.	Acezone Agents Limited	109,883	0.13
15.	Tseung Limited	105,669	0.12
16.	Mr Kerry Desmond Kolinac	99,121	0.12
17.	Mr Cameron Fawckner Skinner	95,388	0.11
18.	E Gutzwiller & Cie Banquiers	83,334	0.10
19.	Bond Street Custodians Limited	83,334	0.10
20.	Mrs Eri Takahashi	73,300	0.08
		84,371,172	**98.23**

2 COMPANY SECRETARY

The name of the Company Secretary is Jay Stephenson.

3 PRINCIPAL REGISTERED OFFICE

As disclosed in the Corporate Directory of this Annual Report.

4 REGISTERS OF SECURITIES ARE HELD AT THE FOLLOWING ADDRESSES

As disclosed in the Corporate Directory of this Annual Report.

5 STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory of this Annual Report.

6 UNQUOTED SECURITIES

a. Options over Unissued Shares

The Company currently has 300,000 options on issue (2018: nil).

7 USE OF FUNDS

The Company has used its funds in accordance with its initial business objectives.

STRATEGIC MINERALS
CORPORATION N.L.