



STRATEGIC MINERALS
CORPORATION N.L.

ABN 35 008 901 380

INTERIM FINANCIAL REPORT

30 June 2020

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

Street: Level 23, 333 Ann Street
BRISBANE QLD 4000

Postal: PO Box 52
WEST PERTH WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

Email: admin@stratmin.com.au

Website: www.stratmin.com.au

Share Registry

Automic Pty Ltd

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)

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: www.asx.com.au

ASX Code: [SMC](#)

Auditor

Hall Chadwick QLD

Level 4, 240 Queen Street

BRISBANE QLD 4000

Telephone: +61 (0)7 3212 2500

Facsimile: +61 (0)7 3212 2699



INTERIM FINANCIAL REPORT

30 JUNE 2020

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DIRECTORS' REPORT

Your Directors present their report together with the condensed consolidated financial statements for Strategic Minerals Corporation NL (**the Company**) and its controlled entities (**the Group**) for the half-year ended 30 June 2020.

1. DIRECTORS

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

 Mr Laif McLoughlin	<i>Executive Chairman</i>
 Mr Jay Stephenson	<i>Non-executive Director</i>
 Mr Darren Fooks	<i>Non-executive Director</i>
 Mr Christopher Dunks	<i>Non-executive Director (appointed 24 February 2020)</i>

(the Board)

2. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

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

3. OPERATING RESULTS

For the half-year ended 30 June 2020 the Group delivered a loss before tax of \$407,488 (30 June 2019: \$372,857 loss).

4. REVIEW OF OPERATIONS

During the period, the Company continued to advance various programs associated with Big Vein South ("BVS") deposit at Woolgar. Specifically, the Company in January submitted the Southern Star Mining Lease Application ("MLA") with the Queensland Department of Natural Resources, Mines and Energy¹. The Southern Star MLA provides additional surface areas for infrastructure and other associated activities in support of potential development at Woolgar and adjoins the granted North Star Mining Lease.

The Company received the Woolgar Gold Project – Gold Recovery Testwork Report prepared by Core Metallurgy and released the results in February². The comprehensive first stage metallurgical testwork report program evaluated key aspects including comminution, ore sorting, gravity, flotation, leaching and tails treatment of BVS ore. 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 cyanide leaching.

The final results of the 2019 drilling program at BVS were also released in February³. The 2019 drilling program had three main aims: infilling on the existing BVS resources, exploring high-priority targets adjacent to the resource and improving the geotechnical understanding of the resource. The February announcement contained the final results of the remaining 15 reverse circulation and 4 diamond-core drill holes at BVS. Following the release of the final drill results, the Company announced a new Resource Update for BVS which saw a 35% increase in Measured and Indicated Resources with no material change in gold grade. The BVS deposit now stands at 1.384 Moz. Gold (at a 0.75% cut-off)⁴.

Despite an unsuccessful Takeover Panel application lodged by a shareholder, the Company was successfully able to complete a Share Entitlement Offer which raised over \$3.8m in May⁵. Upon completion of the Entitlement Issue, QGold Pty Ltd informed the Company of its intention to commence the compulsory acquisition process of the outstanding ordinary shares in the Company which it does not already own⁶.

Lastly, the Company overcame the logistical challenges associated with the outbreak of the coronavirus disease (COVID-19) to hold the Annual General Meeting on the 29 June. The outbreak of COVID-19 has impacted many sectors and there have been some impacts on the performance of the Company regarding the restriction of movement and availability of personnel, equipment, contractors and consultants. The directors will continue to monitor the impact of COVID-19 on the Company's business and financial performance. The situation is continuing to evolve, and the long-term consequences are uncertain. As a result, this may impact on the ability of the Company to continue as a going concern.

¹ See ASX Release dated 8 January 2020 – **Mining Lease Application Submitted - Woolgar**

² See ASX Release dated 10 February 2020 – **Metallurgical Testwork Report Received**

³ See ASX Release dated 18 February 2020 – **Final Results of 2019 Drill Program at Big Vein South**

⁴ See ASX Release dated 10 March 2020 – **Resource Update for Big Vein South**

⁵ See ASX Release dated 07 May 2020 – **Entitlement Offer Closure and Notice of Shortfall**

⁶ See ASX Release dated 05 June 2020 – **QGold Intends to Commence Compulsory Acquisition Process**



DIRECTORS' REPORT

5. DIVIDENDS PAID OR RECOMMENDED

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

6. FINANCIAL POSITION

The net assets of the Group have increased from 31 December 2019 by \$3,405,412 to \$31,808,904 at 30 June 2020 (31 December 2019: \$28,403,492).

As at 30 June 2020, the Group's cash and cash equivalents increased from 31 December 2019 by \$2,864,716 to \$3,802,103 at 30 June 2020 (31 December 2019: \$937,387) and had working capital of \$3,597,352 (31 December 2019: \$806,786 working capital).

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

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

7. AUDITORS INDEPENDENCE DECLARATION

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



Laif Allen McLoughlin

Executive Chairman

Dated this Friday, 11 September 2020

Strategic Minerals Corporation NL

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

As lead auditor for the review of the financial report of Strategic Minerals Corporation NL for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and beliefs, there have been no contraventions of:

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

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



Mark Taylor
Director

HALL CHADWICK QLD

Dated at Brisbane this 11th day of September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
Revenue	2	63,700	5,775
Administration expenses		(49,436)	(76,688)
Consulting and legal		(173,778)	(62,227)
Depreciation	3(a)	(27,411)	(2,315)
Employee benefit expense	3(b)	(185,623)	(173,506)
Finance costs	3(c)	(855)	(1,353)
Impairment loss on financial assets		(850)	(3,300)
Insurance		(24,284)	(16,039)
Motor vehicle expenses		(2,133)	(683)
Rental expense		-	(26,690)
Share registry expenses		(3,774)	(11,517)
Travel expense		(3,044)	(4,314)
(Loss) before income tax		(407,488)	(372,857)
Income tax expense/(benefit)		-	-
(Loss) for the period		(407,488)	(372,857)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(407,488)	(372,857)
Total Comprehensive Loss is attributable to:			
☒ Equity holders of the Company		(407,545)	(372,857)
☒ Non-Controlling Interest		57	-
		(407,488)	(372,857)
Loss per share attributable to the ordinary equity holders of the Company		¢	¢
Basic (loss) per share	5	(0.46)	(0.46)

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	30 June 2020 \$	31 Dec 2019 \$
Current assets			
Cash and cash equivalents	6	3,802,103	937,387
Trade and other receivables	7	62,169	94,372
Other current assets	12	31,258	63,682
Total current assets		3,895,530	1,095,441
Non-current assets			
Financial assets	8	67,441	68,291
Plant and equipment	9	10,888	12,688
Mineral exploration and evaluation assets	10	28,147,815	27,548,647
Right-of-use assets	11	21,344	-
Other non-current assets	12	3,147	3,147
Total non-current assets		28,250,635	27,632,773
Total assets		32,146,165	28,728,214
Current liabilities			
Trade and other payables	13	218,826	227,861
Provisions	14	56,265	60,794
Lease liabilities	15	23,087	-
Total current liabilities		298,178	288,655
Non-current liabilities			
Provisions	14	39,083	36,067
Total non-current liabilities		39,083	36,067
Total liabilities		337,261	324,722
Net assets		31,808,904	28,403,492
Equity			
Contributed equity	16	61,452,276	57,637,097
Reserves	17	10,876	10,876
Accumulated losses		(29,648,295)	(29,238,471)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL		31,814,857	28,409,502
Non-controlling interest		(5,953)	(6,010)
Total equity		31,808,904	28,403,492

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Contributed equity \$	Share based payment reserve \$	Accumulated Losses \$	Sub-total \$	Non Controlling Interest \$	Total Equity \$
Balance at 1 January 2019		55,026,942		(28,454,344)	26,572,598	(6,011)	26,566,587
Total comprehensive loss for the half-year		-	-	(372,857)	(372,857)	-	(372,857)
<i>Transactions with owners in their capacity as owners:</i>							
Contributions of equity, net of transaction costs	16	2,610,155	-	-	2,610,155	-	2,610,155
Issue of director options			10,876		10,876		10,876
Balance at 30 June 2019		57,637,097	10,876	(28,827,201)	28,820,772	(6,011)	28,814,761
Balance at 1 January 2020		57,637,097	10,876	(29,238,471)	28,409,502	(6,010)	28,403,492
Cumulative adjustment upon adoption of AASB 16		-	-	(2,279)	(2,279)	-	(2,279)
Balance at 1 January 2020 (restated)		57,637,097	10,876	(29,240,750)	28,407,223	(6,010)	28,401,213
Total comprehensive loss for the half-year		-	-	(407,545)	(407,545)	57	(407,488)
<i>Transactions with owners in their capacity as owners:</i>							
Contributions of equity, net of transaction costs	16	3,815,179	-	-	3,815,179	-	3,815,179
Balance at 30 June 2020		61,452,276	10,876	(29,648,295)	31,814,857	(5,953)	31,808,904

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2020

Note	30 June 2020 \$	30 June 2019 \$
Cash flow from operating activities		
Payments to suppliers & employees	(414,759)	(313,310)
Government Grants	62,500	-
Interest received	968	4,626
Interest paid	(4)	-
Net cash (outflow) from operating activities	(351,295)	(308,684)
Cash flow from investing activities:		
Payments for exploration expenditure assets	(599,168)	(514,346)
Net cash (outflow) from investing activities	(599,168)	(514,346)
Cash flow from financing activities:		
Proceeds from issue of shares	3,822,393	2,612,155
Cost of capital raising	(7,214)	(2,000)
Repayment of borrowings	-	(23,020)
Net cash inflow from financing activities	3,815,179	2,587,135
Net (decrease) / increase in cash held	2,864,716	1,764,105
Cash and cash equivalents at the beginning of the half-year	937,387	860,565
Cash and cash equivalents at the end of the half-year	3,802,103	2,624,670

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements were authorised for issue on 11 September 2020 by the Directors of the Group.

(a) Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Strategic Minerals Corporation NL and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 31 December 2019, together with any public announcements made during the half-year.

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

i. Statement of compliance

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

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

ii. Going Concern

The 30 June 2020 interim financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of \$407,488 (2019: \$372,857 loss) and a net cash out-flow from operating activities of \$351,295 (2019: \$308,684 out-flow).

As at 30 June 2020, the Company had net current assets of \$3,597,352 (2019: \$806,786 net current assets).

On 7 May 2020 the Company announced the results of a renounceable entitlement issue of 2 shares for every 15 shares held by shareholders at an issue price of \$0.36 per share. The total number of shares validly applied for was 10,617,757 raising a total of \$3,815,179 net of costs. As a result of the successful entitlement issue the Board is confident of the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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

iii. Accounting Policies

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

New and amended standards adopted by the Group

A number of new or amended standards become applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting AASB 16 Leases.

The Group has adopted AASB16 Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 January 2020. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117 Leases where the Group is a lessee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 January 2020 was used to discount the lease payments.

The right-of-use assets for remaining leases have been measured and recognised in the statement of financial position as at 1 January 2020 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 January 2020 (that are related to the lease).

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- For a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied
- Leases that have a remaining lease term of less than 12 months as at 1 January 2020 have been accounted for in the same way as short-term leases
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate
- Applying AASB 16 to leases previously identified as leases under AASB 117 and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- Not applying AASB 16 to leases previously not identified as containing a lease under AASB 117

Amounts recognised due to the initial application of AASB 16 at 1 January 2020:

Right of use assets	\$
Leased buildings	72,570
Less: accumulated depreciation	(25,613)
	46,957
Lease liabilities	(49,236)
Retained earnings	2,279

iv. Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(b).

(b) Critical Accounting Estimates and Judgements

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

i. Impairment of Assets

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE (b) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT.)

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

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

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.

ii. Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted and is recognised in equity in the share-based payment reserve. The fair value is independently determined using the Black-Scholes option pricing model.

NOTE 2 REVENUE AND OTHER INCOME

Interest income

Government Grant - Cash Flow Boost

Other income

Total revenue and other income

	30 June 2020	30 June 2019
	\$	\$
Interest income	640	5,775
Government Grant - Cash Flow Boost	62,500	-
Other income	560	-
Total revenue and other income	63,700	5,775

NOTE 3 LOSS BEFORE INCOME TAX

Loss before income tax has been determined after including the following expenses:

(a) Depreciation and amortisation:

- € Depreciation of plant and equipment
- € Depreciation of right-of-use assets

(b) Employee benefits expense:

- € Salaries
- € Superannuation
- € Other

(c) Finance costs

- € Interest – other
- € Interest – AASB 16

	30 June 2020	30 June 2019
	\$	\$
Depreciation of plant and equipment	1,798	2,315
Depreciation of right-of-use assets	25,613	-
Total depreciation and amortisation	27,411	2,315
Salaries	135,716	132,050
Superannuation	25,450	25,845
Other	24,457	15,611
Total employee benefits expense	185,623	173,506
Interest – other	4	1,353
Interest – AASB 16	851	-
Total finance costs	855	1,353

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**
NOTE 4 SEGMENT REPORTING

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

	Gold	Treasury	Total
	\$	\$	\$
Six months ended 30 June 2020			
Segment revenue	-	63,700	63,700
Segment loss for the half-year	-	-	63,700
<i>Reconciliation of segment loss to group loss:</i>			
Depreciation expense	-	-	(27,411)
Impairment of shares in listed company	-	-	(850)
Corporate expense	-	-	(442,927)
Total group revenue and other income			(407,488)
<i>Segment assets as at the half-year end</i>			
Segment assets	28,147,815	3,802,103	31,949,918
<i>Reconciliation of segment assets to group assets:</i>			
Property plant and equipment			10,888
Right-of-use assets			21,344
Financial assets			67,441
Receivables and other assets			96,574
Total assets			32,146,165
Segment and group liabilities as at half- year end		337,261	337,261
Six months ended 30 June 2019			
Segment revenue	-	5,775	5,775
Segment loss for the half-year	-	5,775	5,775
<i>Reconciliation of segment loss to group loss:</i>			
Depreciation expense	-	-	(2,315)
Impairment of other non-current assets	-	-	(3,300)
Corporate expense	-	-	(373,017)
Total group revenue and other income			(372,857)
<i>Segment assets as at the half-year end</i>			
Segment assets	26,213,427	2,624,670	28,838,097
<i>Reconciliation of segment assets to group assets:</i>			
Property plant and equipment			11,906
Financial assets			67,341
Receivables and other assets			60,810
Total assets			28,978,154
Segment and group liabilities as at half-year end		163,393	163,393



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 5 EARNINGS PER SHARE (EPS)

(a) Reconciliation of earnings to profit or loss

(Loss) / profit for the half-year

Less: (loss) / profit attributable to non-controlling equity interest

(Loss) / profit used in the calculation of basic and diluted EPS

30 June 2020	30 June 2019
\$	\$
(407,488)	(372,857)
(57)	-
(407,545)	(372,857)

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

30 June 2020	30 June 2019
No.	No.
89,042,363	80,501,323

(c) Earnings per share

Basic EPS (cents per share)

30 June 2020	30 June 2019
¢	¢
(0.46)	(0.46)

(d) The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the half-year ended 30 June 2020, the Group had 300,000 unissued shares under options that were out of the money which are anti-dilutive (2019: nil).

NOTE 6 CASH AND CASH EQUIVALENTS

(a) Current:

Cash at bank and on hand

30 June 2020	31 Dec 2019
\$	\$
3,802,103	937,387
3,802,103	937,387

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents

3,802,103	937,387
3,802,103	937,387

NOTE 7 TRADE AND OTHER RECEIVABLES

Current

GST refundable

Other receivables

30 June 2020	31 Dec 2019
\$	\$
48,271	92,500
13,898	1,872
62,169	94,372

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 8 FINANCIAL ASSETS

Non-current:

Shares in listed corporations

Term deposits

	30 June 2020	31 Dec 2019
	\$	\$
	3,050	3,900
	64,391	64,391
	67,441	68,291

NOTE 9 PLANT AND EQUIPMENT

Non-current:

Plant and equipment at cost

Less accumulated depreciation

	30 June 2020	31 Dec 2019
	\$	\$
	411,709	327,111
	(400,821)	(314,423)
	10,888	12,688

NOTE 10 MINERAL EXPLORATION AND EVALUATION ASSETS

Non-current:

Exploration at cost:

Balance at the beginning of the half-year

Expenditure during the half-year

Balance at the end of the financial half-year

	30 June 2020	31 Dec 2019
	\$	\$
	27,548,647	25,790,484
	599,168	1,758,163
	28,147,815	27,548,647

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

NOTE 11 RIGHT-OF-USE ASSETS

Non-current:

Right-of-use assets

Less accumulated depreciation

	30 June 2020	31 Dec 2019
	\$	\$
	72,570	-
	(51,226)	-
	21,344	-

NOTE 12 OTHER ASSETS

(a) Current

Prepayments

Security deposit – business premises

	30 June 2020	31 Dec 2019
	\$	\$
	16,258	48,682
	15,000	15,000
	31,258	63,682

(b) Non-current:

Mineral Specimens

Security deposits on tenements

	514	514
	2,633	2,633
	3,147	3,147



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 13 TRADE AND OTHER PAYABLES

Current:

Unsecured

Other creditors and accruals

Total unsecured liabilities

	30 June 2020	31 Dec 2019
	\$	\$
Other creditors and accruals	218,826	227,861
Total unsecured liabilities	218,826	227,861

NOTE 14 PROVISIONS

(a) Current:

Balance at beginning of period

Increase/(decrease) in provision

Balance at end of period

(b) Non-current:

Balance at beginning of year

Increase in provision

Balance at end of year

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

	30 June 2020	31 Dec 2019
	\$	\$
Balance at beginning of period	60,794	50,360
Increase/(decrease) in provision	(4,529)	10,434
Balance at end of period	56,265	60,794
Balance at beginning of year	36,067	20,679
Increase in provision	3,016	15,388
Balance at end of year	39,083	36,067

NOTE 15 LEASE LIABILITIES

Current:

Lease liabilities

Total unsecured liabilities

	30 June 2020	31 Dec 2019
	\$	\$
Lease liabilities	23,087	-
Total unsecured liabilities	23,087	-

NOTE 16 ISSUED CAPITAL

Fully paid ordinary shares at no par value

Ordinary shares

At the beginning of the period

Shares issued during the period:

€ 2 May 2019: Shares Issued at \$0.34

€ 4 May 2020: Shares Issued at \$0.36

Transaction costs relating to share issues

At reporting date

Note	30 June 2020	31 Dec 2019	30 June 2020	31 Dec 2019
	No.	No.	\$	\$
16	96,509,796	85,892,039	61,452,276	57,637,097
At the beginning of the period	85,892,039	78,209,207	57,637,097	55,026,942
Shares issued during the period:				
€ 2 May 2019: Shares Issued at \$0.34	-	7,682,832	-	2,612,155
€ 4 May 2020: Shares Issued at \$0.36	10,617,757	-	3,822,393	-
Transaction costs relating to share issues	-	-	(7,214)	(2,000)
At reporting date	96,509,796	85,892,039	61,452,276	57,637,097

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 17 RESERVES

	30 June 2020	31 Dec 2019
	\$	\$
Share based payment reserve	10,876	10,876
Total reserves	10,876	10,876

NOTE 18 COMMITMENTS

There is no change in the Company's commitments or contingencies since the year ended 31 December 2019 to the date of this report.

NOTE 19 CONTINGENT ASSETS AND LIABILITIES

Strategic Minerals Corporation NL has \$43,803 worth of bank guarantees in relation to exploration licenses as at 30 June 2020 (31 December 2019: \$43,803). There are no other contingent assets or liabilities at period end.

NOTE 20 EVENTS SUBSEQUENT TO REPORTING DATE

In August 2020, QGold commenced the process for compulsorily acquiring the outstanding ordinary shares in the Company.

The outbreak of COVID-19 has impacted many sectors and there have been some impacts on the performance of the Company regarding the restriction of movement and availability of personnel, equipment, contractors and consultants. The directors will continue to monitor the impact of COVID-19 on the Company's business and financial performance. The situation is continuing to evolve, and the long-term consequences are uncertain. As a result, this may impact on the ability of the Company to continue as a going concern.

Other than as noted above, no matters or circumstances have arisen since the end of the reporting period which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the association in future financial years.



DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The condensed financial statements and notes, as set out on 4 to 15, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the half-year ended on that date of the Company
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Laif Allen McLoughlin

Executive Chairman

Dated this Friday, 11 September 2020

Strategic Minerals Corporation NL

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strategic Minerals Corporation NL, which comprises the condensed consolidated statement of financial position as at 30 June 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Strategic Minerals Corporation NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

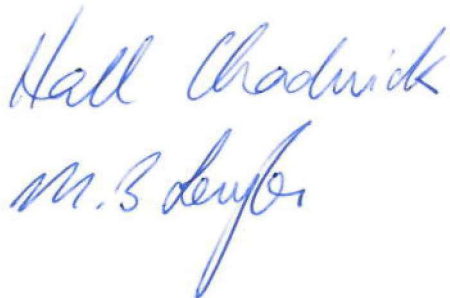
Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty related to going concern

We draw attention to Note 1(a)(ii) in the half-year financial report which indicates that, for the half-year to 30 June 2020, the group incurred a net loss of \$407,488 (2019: half-year loss of \$372,857) and a net cash outflow from operating activities of \$351,295 (2019: half-year outflow of \$308,684). As stated in Note 1(a)(ii), these matters, along with other matters as set forth in Note 1(a)(ii), 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.



Mark Taylor
Director

HALL CHADWICK QLD

Dated at Brisbane this 11th day of September 2020



STRATEGIC MINERALS
CORPORATION N.L.