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*Strategic  
Minerals  
Corporation N.L.*

ABN: 35 008 901 380

INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
30 JUNE 2013

# STRATEGIC MINERALS CORPORATION NL

ABN: 35 008 901 380

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2013

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**STRATEGIC MINERALS CORPORATION NL**  
**CORPORATE DIRECTORY**

**DIRECTORS:**

Claude F Guerre  
Chairman

Wally A C Martin  
Managing Director

Jay R Stephenson  
Director

**HOME BRANCH:**

Australian Securities Exchange  
Exchange Plaza  
2 The Exchange  
PERTH WA 6000

ASX Code: SMC

**COMPANY SECRETARY:**

Jay Stephenson

**AUDITORS:**

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

**REGISTERED OFFICE:**

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Securities Transfer Registrars Pty Ltd  
770 Canning Highway  
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**SOLICITORS:**

Steinepreis Paganin  
Level 4 The Read Building  
16 Milligan Street  
PERTH WA 6000

Telephone (08) 9321 4000

**BANKERS:**

NAB  
1232 Hay Street  
WEST PERTH WA 6005

# STRATEGIC MINERALS CORPORATION NL

## DIRECTORS' REPORT

Your Directors present their financial report on the consolidated entity consisting of Strategic Minerals Corporation NL and the entities it controlled for the half year ended 30 June 2013.

### 1. Directors

The following persons were directors of Strategic Minerals Corporation NL during the whole of the half year and up to the date of this report:

Claude Guerre	Chairman
Walter Martin, Dip. Legal Studies	Managing Director
Jay Stephenson, MBA, FCPA, CMA, FCIS, MAICD	Non-executive Director
Claude Bigeard	Non-executive Director until 31 May 2013

### 2. Consolidated Results

The net amount of the consolidated loss of the consolidated entity for the half year ended 30 June 2013 after providing for income tax was \$811,798 (30 June 2012: \$685,464).

### 3. Review of Operations

The Company has reviewed the results of the 2012 drilling program during the relevant period and has conducted extensive soil sampling and mapping over selective areas within the Woolgar project for the purpose of designing the 2013 drill program.

The drill targets for the 2013 drill program have now been defined and drill pads have been prepared for the drilling which is expected to commence shortly. At this stage the program will consist of approximately 7-8,000 metres of both RC and diamond drilling in the mesothermal area along the Woolgar fault zone.

Additionally during the period substantial rehabilitation work has been carried out on the Woolgar camp itself to upgrade the accommodation and other infrastructure.

### 4. Significant Changes in the State of Affairs

In March 2013 the Company issued 94,191,230 ordinary shares at 3.2 cents, which raised \$2,848,343 net of costs. There were no other significant changes in the state of affairs of the consolidated entity.


### 5. Events after the reporting period

There has not arisen any significant events after the end of the reporting period.

### 6. Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

This report is made in accordance with a resolution of the Board of Directors.  
For and on behalf of the Board.



WAC MARTIN

**DIRECTOR**

Perth, Western Australia

Dated this 13<sup>th</sup> day of September 2013.

**STRATEGIC MINERALS CORPORATION NL**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 30 JUNE 2013**

	<b>Half Year 30 June 2013 \$</b>	<b>Half Year 30 June 2012 \$</b>
<b>Revenue from continuing operations</b>	9,282	69,192
Administration expense	(65,374)	(98,671)
Employee benefits expense	(406,823)	(101,155)
Share based payment expense	-	(48,203)
Consulting and legal expense	(89,789)	(87,068)
Depreciation expense	(18,315)	(12,963)
Occupancy expense	(50,021)	(50,357)
Travel expense	(2,323)	(9,406)
Shareholder expense	(33,780)	(16,952)
Impairment of tenements	9 (108,642)	(329,881)
Impairment on financial assets	(46,013)	-
	(811,798)	(685,464)
Loss before income tax		
Income tax expense	-	-
	<b>(811,798)</b>	<b>(685,464)</b>
Loss for the half-year		
Other comprehensive income for the half-year	-	-
	<b>(811,798)</b>	<b>(685,464)</b>
<b>Total comprehensive loss for the half-year</b>		
Loss and Total comprehensive income for the half year is attributable to:		
Equity holders of Strategic Minerals Corporation NL	(811,796)	(677,262)
Non-Controlling Interest	(2)	(8,202)
	<b>(811,798)</b>	<b>(685,464)</b>
	<b>Cents</b>	<b>Cents</b>
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the company</b>		
Basic loss per share	(0.13)	(0.12)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**STRATEGIC MINERALS CORPORATION NL**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	<b>30 June 2013</b>	<b>31 Dec 2012</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	2,786,612	641,045
Trade and other receivables	60,719	107,928
<b>Total Current Assets</b>	<u>2,847,331</u>	<u>748,973</u>
<b>Non-Current Assets</b>		
Financial assets	19,500	65,513
Plant and equipment	67,003	85,319
Exploration and evaluation expenditure	9 17,606,274	17,417,784
Other non-current assets	60,051	60,051
<b>Total Non-Current Assets</b>	<u>17,752,828</u>	<u>17,628,667</u>
<b>TOTAL ASSETS</b>	<u>20,600,159</u>	<u>18,377,640</u>
<b>Current Liabilities</b>		
Trade and other payables	451,122	295,672
Provisions	106,493	75,969
<b>Total Current Liabilities</b>	<u>557,615</u>	<u>371,641</u>
<b>TOTAL LIABILITIES</b>	<u>557,615</u>	<u>371,641</u>
<b>NET ASSETS</b>	<u>20,042,544</u>	<u>18,005,999</u>
<b>EQUITY</b>		
Contributed equity	43,627,972	40,779,629
Reserves	3,062,525	3,062,525
Accumulated losses	(26,642,065)	(25,830,269)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL	20,048,432	18,011,885
Non controlling interest	(5,888)	(5,886)
<b>TOTAL EQUITY</b>	<u>20,042,544</u>	<u>18,005,999</u>

The above Consolidated Statement of Financial Position should be read  
in conjunction with the accompanying notes.

**STRATEGIC MINERALS CORPORATION NL**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2013**

	Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$	Non Controlling Interest \$	Total Equity \$
<b>Balance at 1 January 2012</b>	40,779,629	3,014,322	(24,830,217)	18,963,734	2,623	18,966,357
Loss for the half year	-	-	(677,262)	(677,262)	(8,202)	(685,464)
<b>Total comprehensive loss for the half year</b>	-	-	<b>(677,262)</b>	<b>(677,262)</b>	<b>(8,202)</b>	<b>(685,464)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Reclassification of NCI movement from prior period	-	-	303	303	(308)	(5)
Issue of Directors Options	-	48,203	-	48,203	-	48,203
<b>Balance at 30 June 2012</b>	40,779,629	3,062,525	(25,507,176)	18,334,978	(5,887)	18,329,091
	Contributed Equity \$	Share based payments reserve \$	Accumulated Losses \$	Total \$	Non Controlling Interest \$	Total Equity \$
<b>Balance at 1 January 2013</b>	40,779,629	3,062,525	(25,830,269)	18,011,885	(5,886)	18,005,999
Loss for the half year	-	-	(811,796)	(811,796)	(2)	(811,798)
<b>Total comprehensive loss for the half year</b>	-	-	<b>(811,796)</b>	<b>(811,796)</b>	<b>(2)</b>	<b>(811,798)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Contributions of equity, net of transaction costs	2,848,343	-	-	2,848,343	-	2,848,343
<b>Balance at 30 June 2013</b>	43,627,972	3,062,525	(26,642,065)	20,048,432	(5,888)	20,042,544

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**STRATEGIC MINERALS CORPORATION NL**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 30 JUNE 2013**

	<b>Half Year 30 June 2013 \$</b>	<b>Half Year 30 June 2012 \$</b>
<b>Cash Flows from operating activities</b>		
Payments to suppliers and employees	(353,770)	(298,326)
<b>Net cash outflow from operating activities</b>	(353,770)	(298,326)
<b>Cash Flows from investing activities</b>		
Interest received	9,282	67,920
Purchase of plant and equipment	-	(16,745)
Payments for exploration expenditure	(358,288)	(192,835)
<b>Net cash outflow from investing activities</b>	(349,006)	(141,660)
<b>Cash Flows from financing activities</b>		
Proceeds of capital raising, net of costs	2,848,343	-
<b>Net cash inflow from financing activities</b>	2,848,343	-
<b>Net increase (decrease) in cash and cash equivalents</b>	2,145,567	(439,986)
Cash and cash equivalent at the beginning of the half year	641,045	2,842,542
<b>Cash and cash equivalent at the end of the half year</b>	2,786,612	2,402,556

The above Consolidated Statement of Cash Flows should be read  
in conjunction with the accompanying notes.



# STRATEGIC MINERALS CORPORATION NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2013

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### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Preparation**

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2012 and any public announcements made by Strategic Minerals Corporation NL and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the December 2012 financial report. These half-year statements do not include full disclosures of the type normally included in the annual financial statements.

#### **(a) Changes in accounting policy**

The adoption of the revised AASB 119 Employee Benefits standard has not changed the accounting for the Group's annual leave obligations. As the entity expects all annual leave to be taken within 12 months of the respective service being provided, annual leave obligations have not been split into a short-term and a long-term portion. The revised accounting policy has been disclosed at Note 1 (b).

#### **(b) Employee benefits**

##### *(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

##### *(ii) Other long-term employee benefit obligations*

The liabilities for long service leave and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in current liabilities in the provision for employee benefits. The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in non-current liabilities in the provision for employee benefits and are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

# STRATEGIC MINERALS CORPORATION NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2013

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### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### **New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period from 1 January 2013.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of Accounting Standards and Interpretations applicable from 1 January 2013 did not have any significant impact on the financial performance or position of the consolidated entity. The following adopted Accounting Standards and Interpretations are most relevant to the consolidated entity:

- *AASB 2011-9 Amendment to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*
- *AASB 10 Consolidated Financial Statements*
- *AASB 11 Joint Arrangements*
- *AASB 12 Disclosure of Interests in Other Entities*
- *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*
- *AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*
- *AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

### 2. COMMITMENTS

The Group has annual minimum obligations in relation to maintaining its granted tenements in good standing. There have been no changes in commitments since the last annual reporting date.

### 3. SEGMENT REPORTING

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Board of Directors has identified the operating segments based on the main minerals of the members of the Group.

# STRATEGIC MINERALS CORPORATION NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2013

### 3. SEGMENT REPORTING (continued)

The two main mineral types of the Group are Uranium and Gold. The Uranium projects are held within the subsidiary Alpha Uranium Pty Ltd and the Gold projects are held in Strategic Minerals Corporation NL.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

	Gold	Uranium	Treasury	Total
	\$	\$	\$	\$
<b>Six months ended 30 June 2013</b>				
Segment revenue	-	-	9,282	<u>9,282</u>
Segment loss for the half year	(108,642)	-	9,282	(99,360)
Reconciliation to net operating loss:				
Depreciation expense				(18,315)
Impairment of financial assets				(46,013)
Corporate expense				<u>(648,110)</u>
Net loss per statement of profit or loss and other comprehensive income				<u>(811,798)</u>
<b>Six months ended 30 June 2012</b>				
Segment revenue	-	-	69,192	<u>69,192</u>
Segment loss for the half year	(47,861)	(282,020)	67,920	(261,961)
Reconciliation to net operating loss:				
Depreciation expense				(12,963)
Corporate expense				<u>(410,540)</u>
Net loss per statement of profit or loss and other comprehensive income				<u>(685,464)</u>
<b>Total segment assets at 30 June 2013</b>				
Segment assets	17,655,274	-	2,737,612	20,392,886
Property plant and equipment				67,004
Financial assets				79,551
Receivables and other assets				<u>60,719</u>
Total assets from continuing operations per statement of financial position				<u>20,600,159</u>
<b>Total segment assets at 31 December 2012</b>				
Segment assets	17,466,784	-	592,045	18,058,829
Property plant and equipment				85,319
Financial assets				125,564
Receivables and other assets				<u>107,928</u>
Total assets from continuing operations per statement of financial position				<u>18,377,640</u>

# STRATEGIC MINERALS CORPORATION NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2013

### 4. MOVEMENT IN OPTIONS

		<b>2013</b>	<b>2012</b>
Balance at beginning of the period		10,000,000	10,000,000
Options expired	30 April 2013	(10,000,000)	-
Balance at end of the period		<u>-</u>	<u>10,000,000</u>

### 5. EVENTS AFTER THE REPORTING PERIOD

There have not arisen any significant events after the end of the reporting period.

### 6. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

### 7. RELATED PARTY TRANSACTIONS

At 30 June 2013 an amount of \$276,695 was accrued as backpay owing to the Managing Director, Walter Martin.

There are no other significant related party transactions not already identified at the 31 December 2012 year end.

### 8. DIVIDENDS

There were no dividends declared or paid to shareholders during the half year.

# STRATEGIC MINERALS CORPORATION NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2013

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### 9. EXPLORATION AND EVALUATION

The Group holds several EPL's which provide the legal right to exploration and underpins the carrying amount of the exploration and evaluation expenditure asset recorded at 30 June 2013. Some of these licences are under renewal, or due for renewal within the next 12 months, and the continued capitalisation of these assets depends on the successful renewal of these EPL's otherwise the areas of interest assets may be written off.

The Group intends to submit the licence renewal applications for all tenements held within the required timeframe, and see no reason why they should not be granted.

	<b>30 June 2013</b>	<b>31 December 2012</b>
	\$	\$
<b>Exploration at cost:</b>		
Balance at the beginning of the year	17,417,784	16,117,244
Other expenditure during the year	297,132	1,630,421
Impairments	(108,642)	(329,881)
Balance at the end of the period	<u>17,606,274</u>	<u>17,417,784</u>

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploitation or the sale of the respective areas.

# STRATEGIC MINERALS CORPORATION NL


## DIRECTORS' DECLARATION

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The Directors of the Company declare that:

1. the financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the Company's financial position as at 30 June 2013 and its performance for the six months ended on that date.
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.



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WAC Martin  
**DIRECTOR**

Perth, Western Australia  
Dated this 13<sup>th</sup> day of September 2013.

13 September 2013

The Board of Directors  
Strategic Minerals Corporation NL  
Level 4, 66 Kings Park Road  
WEST PERTH WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF  
STRATEGIC MINERALS CORPORATION NL

As lead auditor for the review of Strategic Minerals Corporation NL for the half-year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of 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 period.



Peter Toll  
Director

BDO Audit (WA) Pty Ltd  
Perth, Western Australia

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

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strategic Minerals Corporation NL, which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year 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 2013 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 2013 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*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Peter Toll', with the BDO logo above it.

Peter Toll  
Director

Perth, Western Australia  
Dated this 13<sup>th</sup> day of September 2013