Strategic Minerals Corporation N.L.

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ANNUAL REPORT 2013

CONTENTS OF STATUTORY ANNUAL REPORT

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REVIEW OF OPERATIONS

WOOLGAR GOLD PROJECT QUEENSLAND

2013 DRILLING HIGHLIGHTS -BIG VEIN SOUTH AND CENTRAL SYSTEM

- Successful extension of high-grade gold mineralisation to depth and along strike.
- New high-grade gold intersected beneath lower-grade near-surface intersections.
- High-grade gold intersected south under cover, beyond the surface outcrop.
- The system remains open along strike and to depth.

Significant intersections[1]

Big Vein South Prospect

LR0185	50m @ 4.09g/t au from 156m, including 4m @ 8.22g/t au and 4m @ 10.33g/t au.
LR0189	35m @ 2.87g/t au from 89m, including 9m @ 6.75g/t g/t au.
LR0190	26m @ 10.44g/t au from 102m, including 1m @ 219g/t au.
LR0193	16m @ 6.49g/t au from 124m, including 10m @ 9.03g/t au.
LRD0203	49m @ 4.39g/t au from 165m, including 14m @ 8.51g/t au and 4m @ 9.63g/t au.
LR0231	32m @ 4.79g/t au from 168m, including 4m @ 17.5g/t au.
LD0234	15.4m @ 4.44g/t au from 19.5m, including 3.7m @ 15.41g/t au (see figure 14)
LD0235	21.4m @ 8.74g/t au from 54m, including 9.24m @ 17.39g/t au.

Big Vein Central Prospect

LR0209	28m @ 4.35g/t au from 94m, including 3m @ 15.97g/t au.
LR0219	35m @ 1.15g/t au from 92m, 4m @ 2.35g/t Au from 38m & 10m @ 5.74g/t Au from 55m

2013 DRILLING PROGRAM

Three consecutive phases of reverse circulation (RC) drilling and diamond (DDH) drilling were completed between late September and early December 2013.

- Wide intersections were encountered in multiple holes:
  - Significant intersections encountered beneath weaker shallow mineralisation;
  - Both the average width and grade of these appear to increase with depth;
  - The broad intersections often contain higher-grade cores; and
  - The mineralisation appears more continuous at depth.
- The program successfully tested the depth potential and along-strike continuity of the known mesothermal-style mineralisation.
- Three prospects were drilled: Big Vein South, Big Vein Central and Big Vein #2.
- 6581 metres were drilled in 55 holes over the three prospects, including:
  - 5753 metres of RC drilling in 45 holes and 7 pre-collars; and
  - 828 metres of DDH drilling in 3 holes plus 7 pre-collared diamond-holes.

2013 Drilling Program Summary

The drilling program consisted of two phases of RC drilling, followed by a phase of diamond drilling. The program concentrated on the three prospects at the southern end of the previously identified mineralised trend along the Woolgar Fault Zone: Big Vein South, Big Vein Central and Big Vein #2.

[1] All sample widths are Intersection or apparent widths and may not represent the true widths of the mineralisation. Assay results presented are certified final assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width were included in the intersection. No upper cut-off was applied.

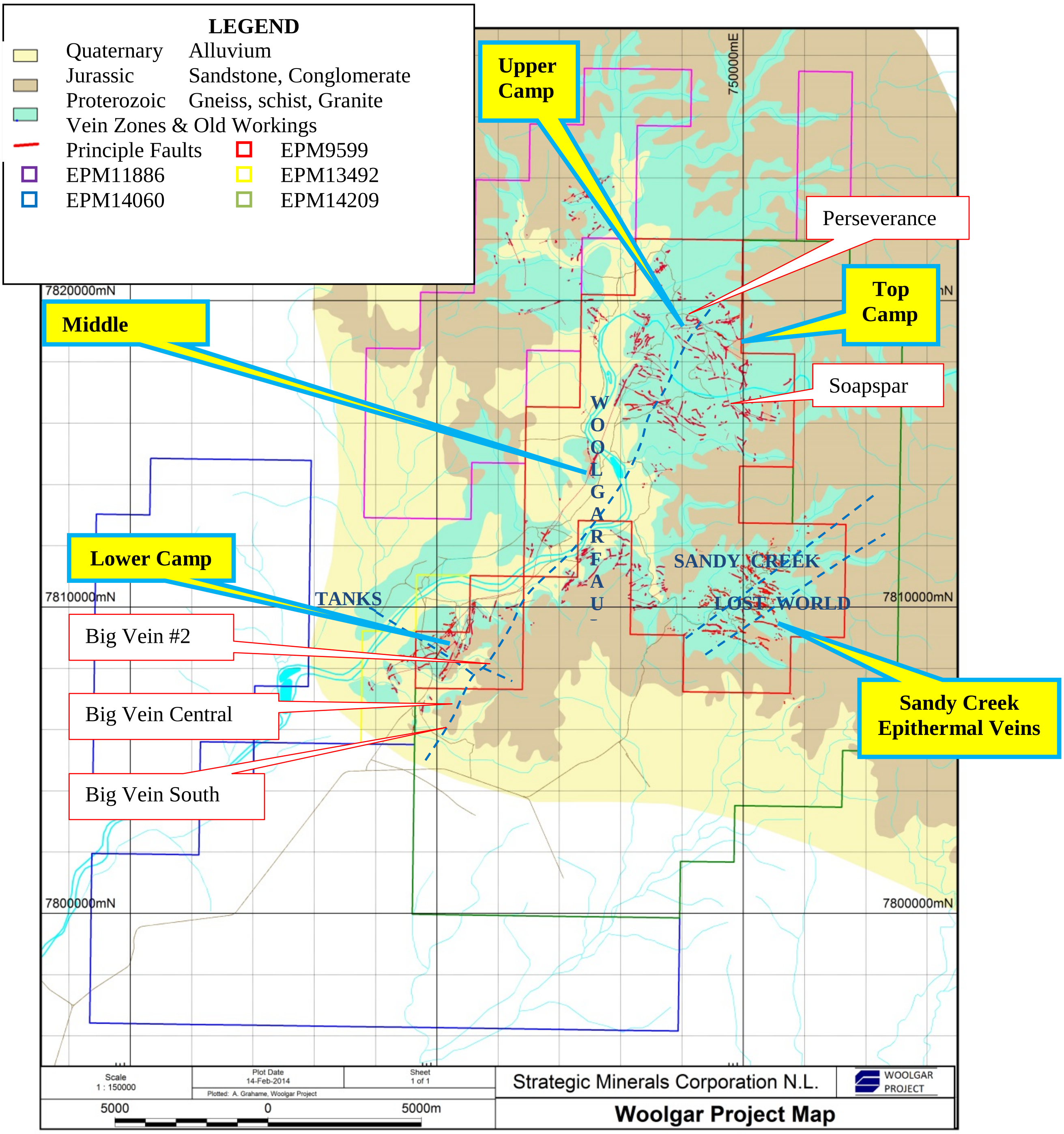

Figure 1: Simplified geological map of principle prospects in the Woolgar Project, highlighting the targets drilled in the recent program.

The drilling successfully tested the depth potential and strike continuity of the mineralisation identified at shallow levels in the previous campaigns.

Phase 1 RC drilling consisted of 4,675 metres in 43 holes between Big Vein South and Big Vein Central. These were aimed at depth extensions below the existing resources or strike extensions to the north and south of the prospects.

Phase 2 RC drilling focussed on infilling or stepping back on anomalies following initial positive indications from the logging of the Phase 1 holes, especially within the Big Vein South prospect.

Table 1: Summary of drilling meterages in 2013.

<table>
<tr><th>Prospect</th><th>Drilling Method</th><th>Number of Holes</th><th>Metres Drilled</th></tr>
<tr><td rowspan="5">Big Vein South</td><td>RC</td><td>28</td><td>3341</td></tr>
<tr><td>DDH</td><td>3</td><td>327.00</td></tr>
<tr><td>RC - pre-collars‡</td><td rowspan="2">4</td><td>403.00</td></tr>
<tr><td>DDH - tails</td><td>257.30</td></tr>
<tr><td>Total</td><td>35</td><td>4328.30</td></tr>
<tr><td rowspan="4">Big Vein Central</td><td>RC</td><td>15</td><td>1706</td></tr>
<tr><td>RC - pre-collars</td><td rowspan="2">3</td><td>193</td></tr>
<tr><td>DDH - tails</td><td>243.80</td></tr>
<tr><td>Total</td><td>18</td><td>2142.80</td></tr>
<tr><td rowspan="2">Big Vein #2</td><td>RC</td><td>2</td><td>110</td></tr>
<tr><td>Total</td><td>2</td><td>110</td></tr>
<tr><td rowspan="5">Totals</td><td>RC</td><td>45</td><td>5157</td></tr>
<tr><td>DDH</td><td>3</td><td>327.00</td></tr>
<tr><td>RC - pre-collars‡</td><td rowspan="2">7</td><td>596.00</td></tr>
<tr><td>DDH - tails</td><td>501.10</td></tr>
<tr><td>Combined</td><td>55</td><td>6581.1</td></tr>
</table>

‡ DDH (pre-collared) start as RC holes to a predetermined depth in order to reduce time and cost, then change to DDH holes through the predicted mineralisation. The RC section is logged and sampled as per RC holes. These do not count as separate holes. This method was also used where RC holes terminated within mineralisation when maximum depth was attained.

The diamond drilling phase mainly consisted of continuing the pre-collared holes from the first two phases A further three DDH holes were drilled within the main ore shoot to improve the quality of geological knowledge and assay data. The 2013 drill program itself was principally aimed at expanding the known mineralisation and to test for potential larger mineralised targets.

All the RC drillholes and geologically selected intervals of the diamond drilling were submitted for analysis for gold and a 32 element ICP suite. The final assays have now been received, checked and compiled for this report. Gold is the dominant mineralisation. Additional elements of interest, include Silver, Lead, Zinc and Cadmium. However these elements occur in relatively lower grades and are not considered as primary targets. Thus, only gold grades are discussed in this report.

Figure 2: RC drilling underway on Big Vein South (left). Where possible collars were relocated to minimise the damage to larger trees. (Right) Core logging and preparation for transport to laboratory for sampling and analysis.

Woolgar Fault Zone Mineralisation

The Woolgar Fault Zone is a regional-scale structure trending east-northeast through the Woolgar project area and is host to mesothermal-style gold mineralisation that was exploited historically from the initial Woolgar gold rush in the 1880's and intermittently thereafter. Most historical production has been from alluvial workings or small-scale, shallow reef mining. The historic workings and subsequent exploration work has identified this district as having strong potential to host significant gold mineralisation (see figure 1).

The Lower Camp area is situated at the southern end of the extensive mesothermal vein field associated with the Woolgar Fault Zone (WFZ). The company has chosen to focus in this area where this regional-scale WFZ structure undergoes localised flexure through an intersection with a district-scale structure. This style of structural location is considered highly prospective due to its potential to create open volumes and geological conditions favourable for the emplacement and deposition of mineralisation.

The decision was taken to concentrate on the two most prospective Southern prospects in order to fully test the potential, rather than spreading the drilling over a larger number of prospects with lesser targeting criteria.

The final assay results have been received and are currently being evaluated in detail.

Figure 3: (Left) Photo of core from LD0235, from 55.85m to 59.47m. Sample 260119 (yellow arrows), 3.24 g/t au and 7.3 g/t silver over 0.75 cm, consists of sheared wallrock with one veinlet (detail on right). Sample 260121 (red arrows) is silicified breccia and vein with 42.6 g/t au, 32.3 g/t ag and 1.3% znc.

Big Vein South

Big Vein South (BVS) is the southernmost outcropping prospect in the project and has been drilled at shallow levels since 2010. It is currently the main target in the Lower Camp.

28 RC, 3 diamond and 4 pre-collared holes were drilled in 2013 in BVS for a total of 4,328.3 metres.

17 of 35 holes intersected gold mineralisation greater than 10 metres wide, including some with relatively high grades, such as:

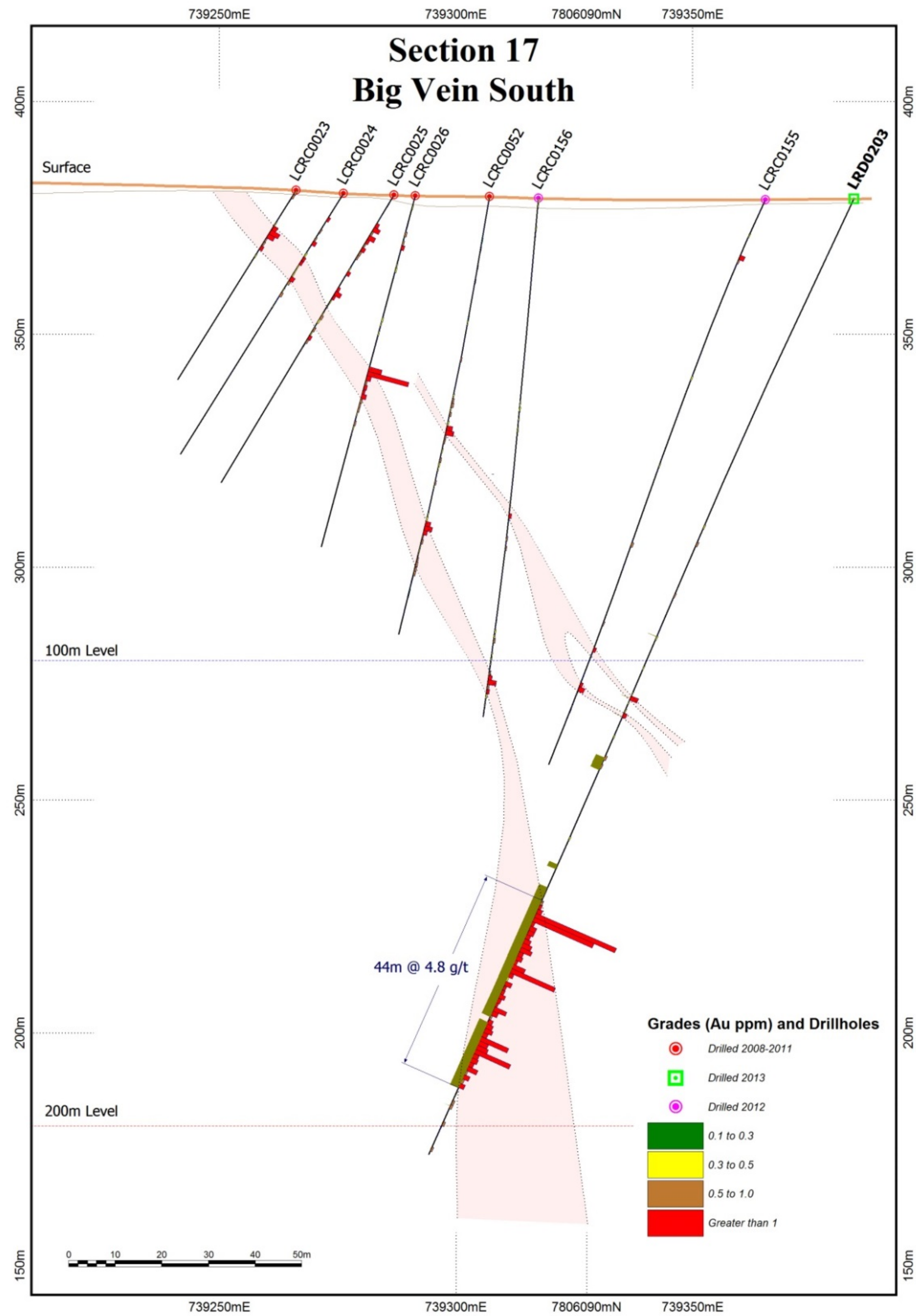

Figure 4: Section showing LRD0203 stepping back under moderate grade, near-surface mineralisation.

This section is located to the north of the previously identified near-surface, high-grade zone and is apparently part of a larger and more continuous zone of mineralisation than was previously recognised.

LR0185	50m @ 4.09g/t au from 156m, including 4m @ 8.22g/t au; and 4m @ 10.33g/t au.
LR0189	35m @ 2.87g/t au from 89m, including 9m @ 6.75g/t au.
LR0190	26m @ 10.44g/t au from 102m, including 1m @ 219g/t au[2].
LR0193	16m @ 6.49g/t au from 124m, including 10m @ 9.03g/t au.
LRD0203	49m @ 4.39g/t au from 165m, including 14m @ 8.51g/t au and 4m @ 9.63g/t au.
LR0231	32m @ 4.79g/t au from 168m, including 4m @ 17.5g/t au (see figure 6).

Additionally, multiple broad, lower-grade intersections were identified. Often these contain higher-grade chutes within, or form a main narrow intersection and a dispersed halo of lower grade mineralisation:

LR0186	8m @ 1.32g/t au from 140m,
	and: 5m @ 1.40g/t au from 156m.
	and: 13m @ 3.03g/t au from 177m, including 4m @ 5.74g/t au.
LR0194	39m @ 0.79g/t au from 21m, including 15m @ 1.43g/t au.
LR0197	18m @ 3.61g/t au from 138m, including 5m @ 8.87g/t au.
LR0200	17m @ 2.01g/t au from 31m, including 4m @ 4.45g/t au.

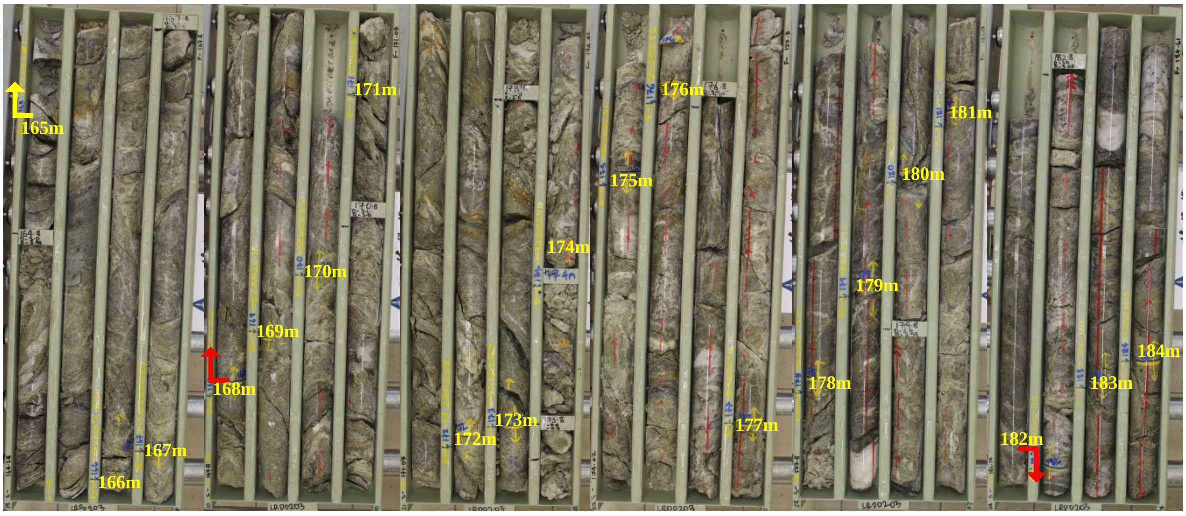

Figure 5: Core photos from drillhole LRD0203 (see section 17 in Figure 4) from 164.28m to 184.61. The main intersection is 49m @ 4.39g/t au from 165m (yellow arrow), including 14m @ 8.51g/t au between 168m and 182 m, shown here with red arrows; and 4m @ 9.63g/t au from 197m. Quartz veinlets, phyllic alteration and locally sheared or brecciated host rock can be seen. The mineralisation is moderate to low in sulphide content, predominantly pyrite and pyrrhotite.

It can be seen that the original high-grade shoot near the centre of the prospect continues to depth as part of an elongate lens with a southerly plunge.

Further higher grade mineralisation has been identified in adjacent shoots and there are some indications that these may merge at depth.

[2] Sample 254791 = 219g/t Au. A Riffle split duplicate returned 98.6g/t Au. The alternate intercept is 26m @ 5.36g/t au from 102m, including 1m @ 98.60g/t au. The discrepancy between values is not unusual for systems with coarse gold. Gravimetric analysis of both samples is underway.

The mineralisation appears to be plunging increasingly steeply with depth, but this may be caused by different mechanisms. It is currently unclear whether it is actually plunging more steeply or broadening of the ore body within the footwall. It may also be due to an unrecognised change in the style and geometry of the mineralisation, such as the intersection of the near-surface mineralisation with a different mineralisation. There is some evidence for either of the latter two options and the planned further drilling should resolve this.

On average, both widths and grades appear to improve with depth which may be interpreted to mean that the current drilling is still above the main potential for bulk tonnage au mineralisation.
In several sections, significant widths and grades of mineralisation have been intersected beneath near-surface, low grade or barren drill holes, as can be seen in Figure 6 below.

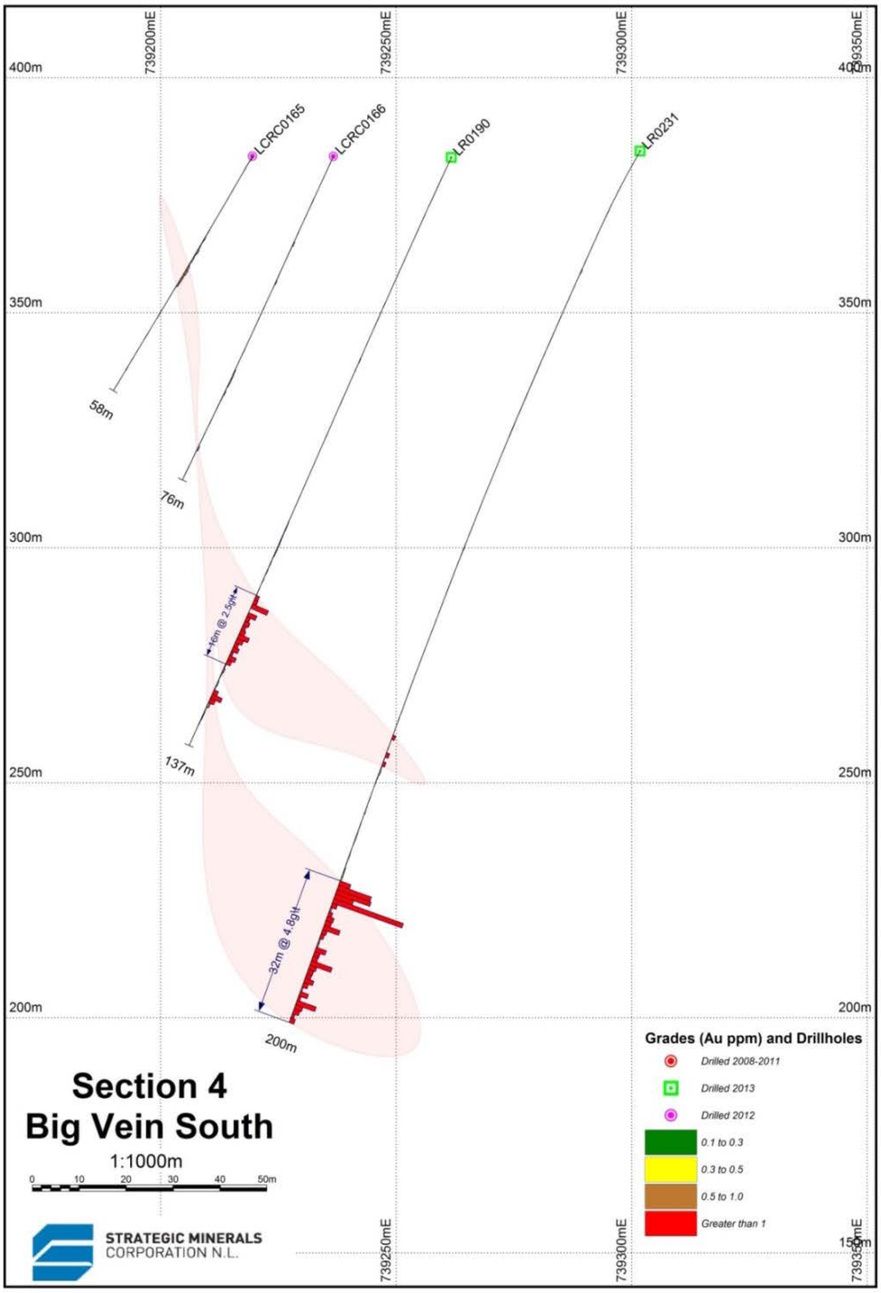

Figure 6: Section showing the distinct increase in mineralisation with depth. LR0190 cut 26m @ 10.44g/t au from 102m, including 1m @ 219g/t au, and LR0231 cut 32m @ 4.79g/t au from 168m, including 4m @ 17.5g/t au. This hole was still in 2g/t mineralisation @ 200 metres, the limit of the drill rig.

This is an example of significant mineralisation intercepted beneath previous low-grade intercepts at shallow levels.

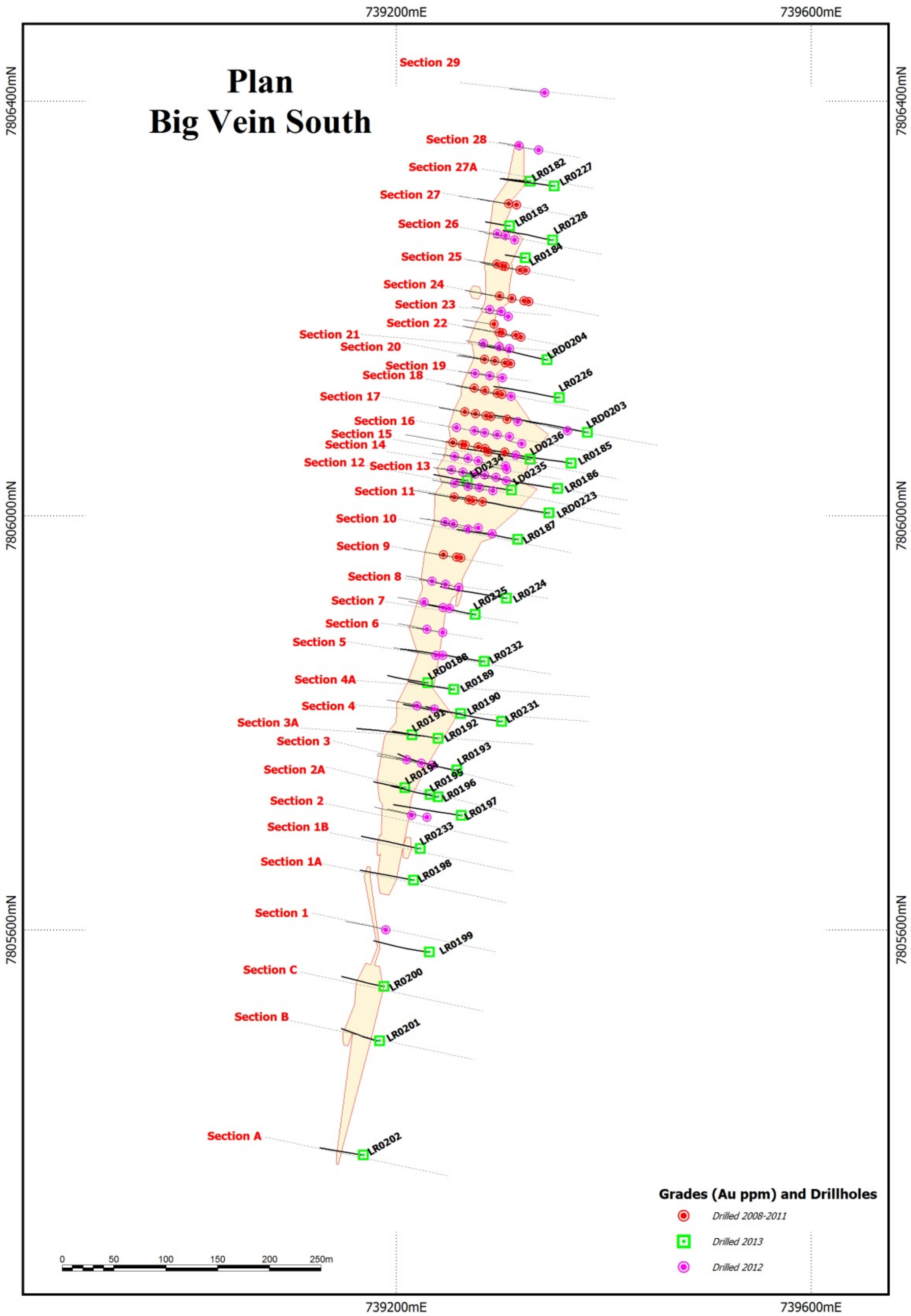

Figure 7: Plan of Big Vein South Prospect showing the distribution of collars from the 2013 drilling compared to previous drilling and the trace of the vein in outcrop.

Diamond Drilling – Big Vein South

Holes LD0234 and LD0235 were intended to test and confirm the previously identified near surface, high-grade mineralisation in the central portion of BVS.

LD0234 Parallel to LCRC0147 (see Figure 8 below)
15.4m @ 4.44g/t au from 19.5m, including 3.7m @ 15.41g/t au.

LD0235 Stepped back to intercept LCRC0149 (see Figure 3).
21.4m @ 8.74g/t au from 54m, including 9.24m @ 17.39g/t au.

In both cases, the mineralised intercepts were robust and confirmed the presence of the high-grade RC mineralisation in this sector, as shown in Figure 8.

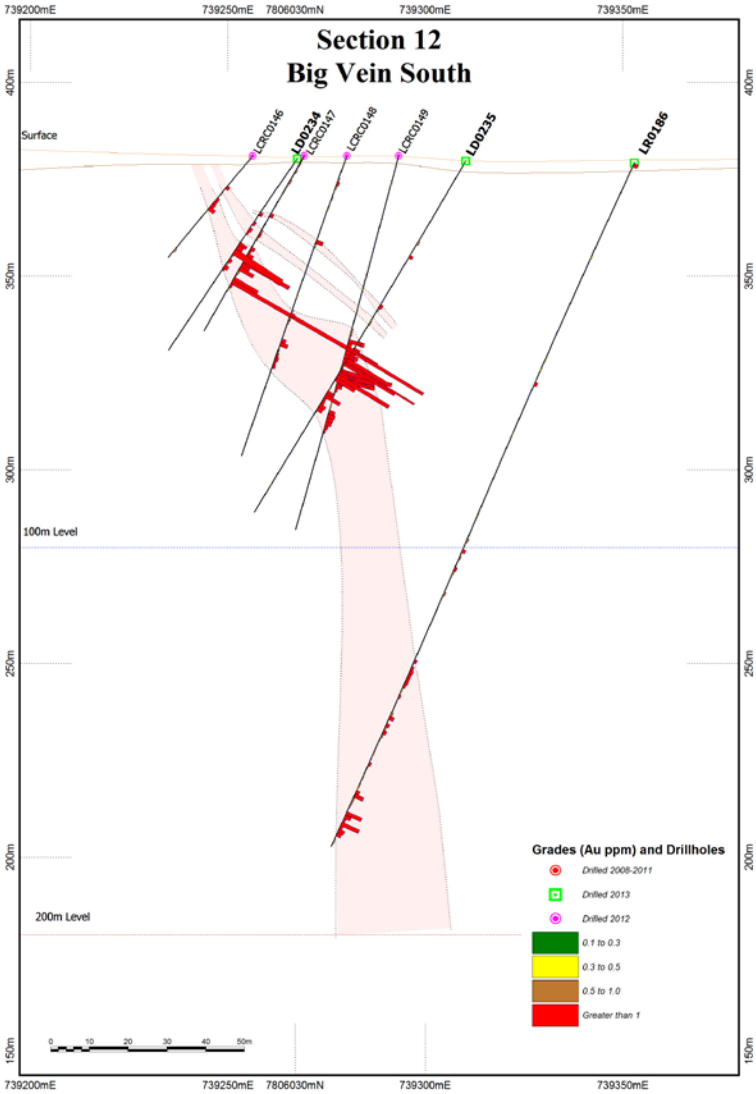

Figure 8: Section showing gold values of the DDH holes twinning and confirming the gold grades within the existing high-grade mineralisation.

The third diamond hole LDO 236 was intended to step forward from a phase 1 RC intersection and test open ground, as well as provide necessary geological information about the geology of the mineralised assemblage. There were no significant intercepts in this hole.

Big Vein Central

Big Vein Central (BVC) lies 300 metres north-northeast of Big Vein South. It is roughly parallel to but offset to the east from the BVS structure. Previous drilling has generally been shallow and close to the outcropping structure.

18 holes were drilled in Big Vein Central for a total of 2143 metres, including three pre-collared holes. Strong mineralisation was encountered and it is considered that the depth potential has been successfully tested (see Figure 10) .

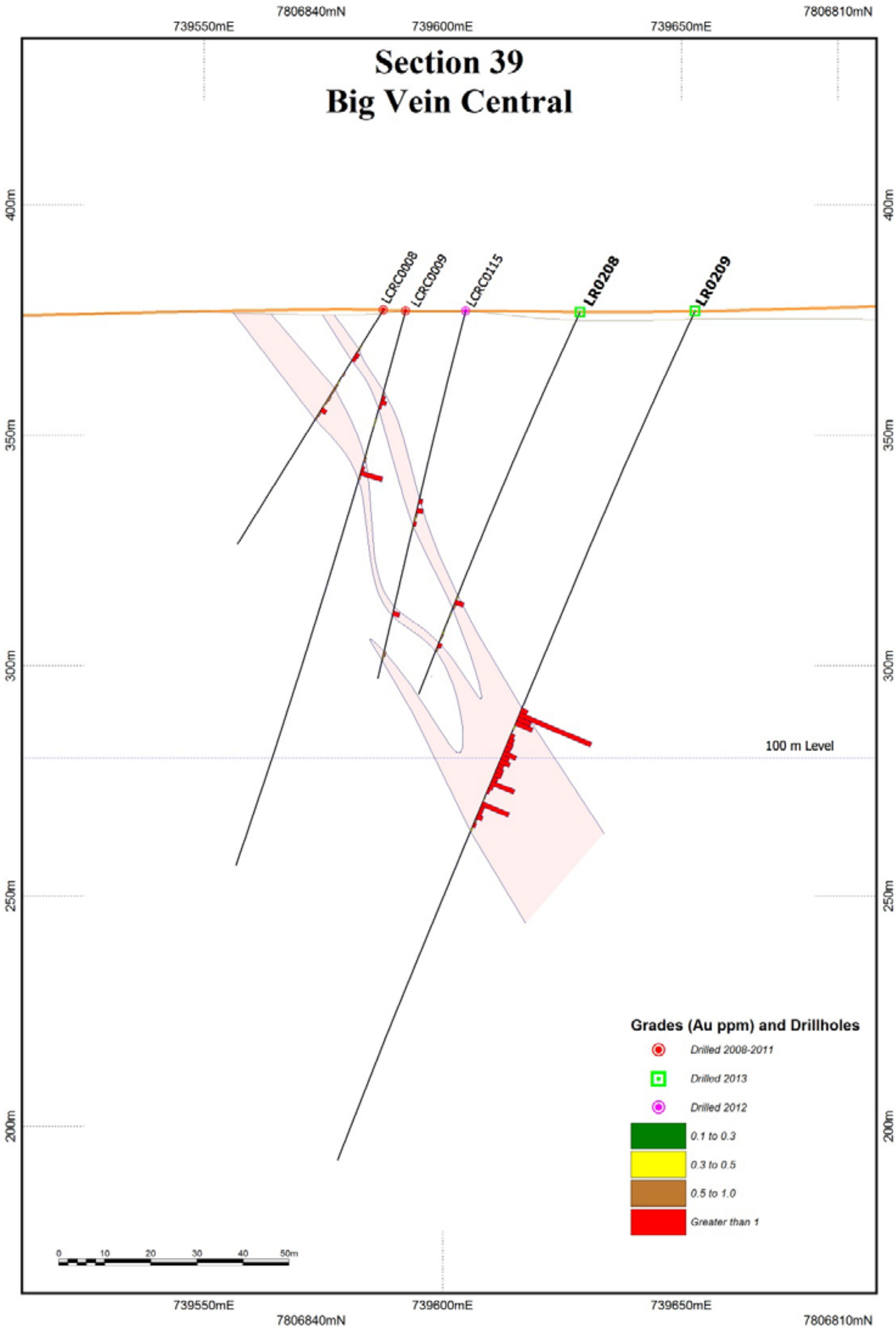

Figure 9: Section showing LR0209 with intersection of 28m at 4.35g/t au from 94m, including 3m @ 15.97g/t au.

LR0209 cut a broad, moderate grade intersection similar to those at BVS:
LR0209 28m @ 4.35g/t au from 94m, including 3m @ 15.97g/t au.

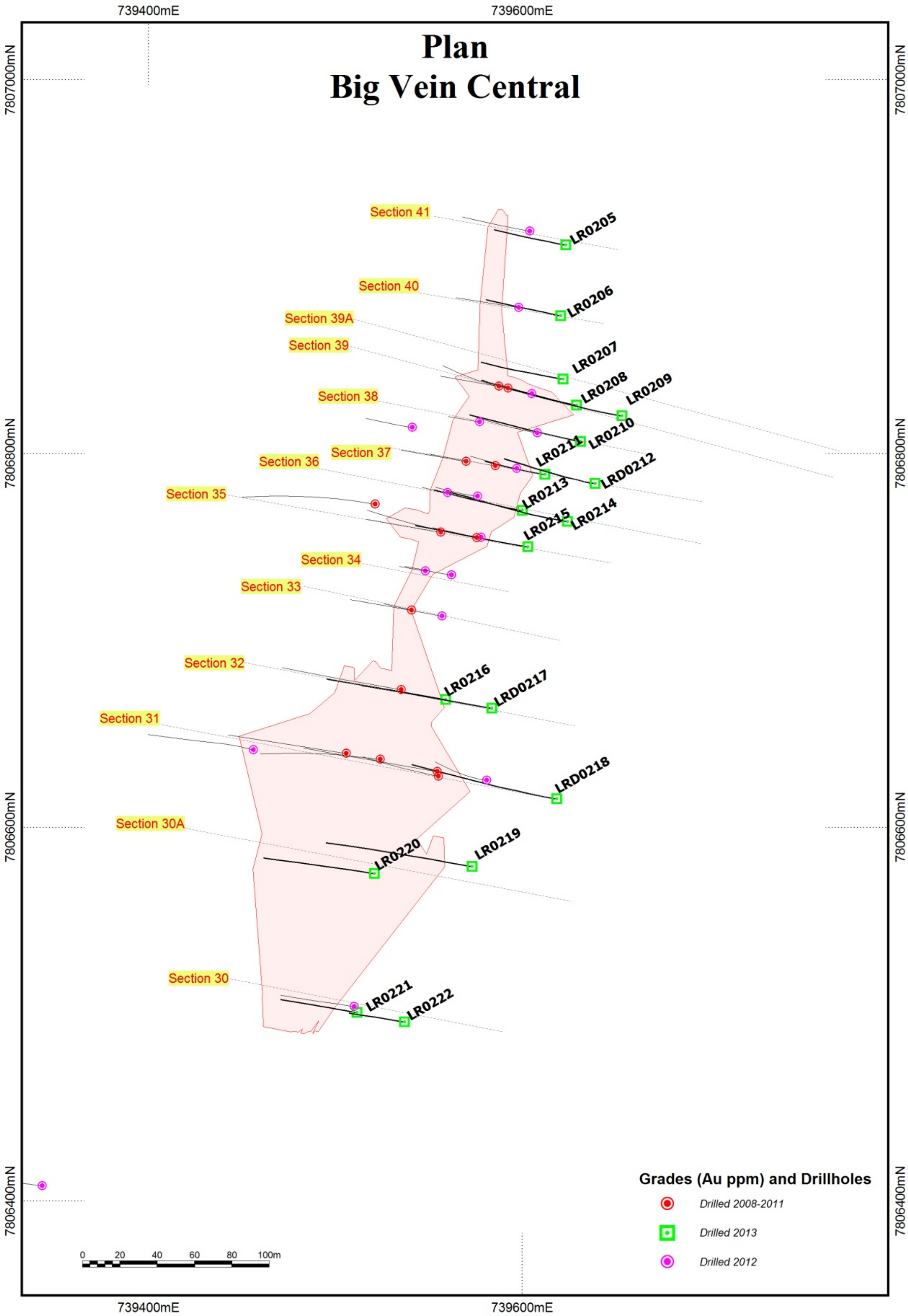

Figure 10: Plan of Big Vein South Prospect showing the distribution of collars from the 2013 drilling compared to previous drilling and the trace of the vein in outcrop.

Overall, grades and widths in BVC are poorer than in BVS, but the drilling was on average shallower due to less previous drilling and are considered broadly comparable to those at similar depths in BVS.

The style and distribution of the mineralisation, and related lithology's and alteration are also similar to BVS, with numerous broad, lower-grade intersections containing higher grade sectors or multiple narrow intersections within a broader envelope.

LRD0212 14.6m @ 2.02g/t au from 91.9m, including 6m @ 3.32g/t au.
LR0214 9m @ 2.61g/t au from 90m, including 5m @ 4g/t au.
LRD0217 4.3m @ 1.72g/t au from 64.7m, 2m @ 1.39g/t au from 76m and 20m @ 1.88g/t au from 86m, including 2.46m @ 5.91g/t au.
LRD0218 16m @ 3.76g/t au from 110.9m, including 1m @ 18.15g/t au and 2m @ 8.77g/t au.
LR0219 4m @ 2.35g/t au from 38m.
and: 10m @ 5.74g/t au from 38m.
and: 35m @ 1.15g/t au from 92m.
LR0220 2m @ 1.66g/t au from 70m.
and: 10m @ 1.39g/t au from 89m, including 4m @ 2.46g/t au.
and: 9m @ 1.55g/t au from 110m, including 4m @ 2.35g/t au.

The mineralisation at BVC also appears to be both open and improving with depth, implying that there still remains significant depth potential at this prospect.

The drill testing along strike in BVC was less successful. Neither the mineralisation nor the strongly altered structure were cut in the two holes on the most northerly section. This implies that. the mineralisation is either cut off, or that the drilling targeted the hanging wall to the structure. Ambiguous cross-cutting and tangential orientations in the southern end of the outcropping mineralisation could be interpreted as either of these scenarios.

Big Vein #2

Big Vein #2 (BV2) is situated one kilometre northeast of BVC and is the next outcropping mineral occurrence along strike from there. The intervening kilometre is of recessive ground exploited by dry creeks, but correlates to the intersection of the WFZ and the northwest trending structure.

Limited drilling was planned here to follow-up on the previous result and historic high-grade ore-chutes. Two RC holes were drilled here for a total of 110 metres.

LR0229 2m @ 0.67g/t au from 15m.
LR0230 NSR

BV2 is located at the base of a rocky escarpment, making it difficult to step-back sufficiently to the east in order to drill deeper without major earthworks. The southern outcrops also exhibit ambiguous tangential orientations, similar to BVS, and the strike extension was not located.

Further drilling at BV2 was postponed pending further earthworks and geological reassessment.

2013 Exploration Program

Soil Geochemistry

A soil sampling program was carried out until suspended in preparation for the drilling program (see Figure 11 below). A total of 942 samples were collected, over half of the planned total for the two year program.

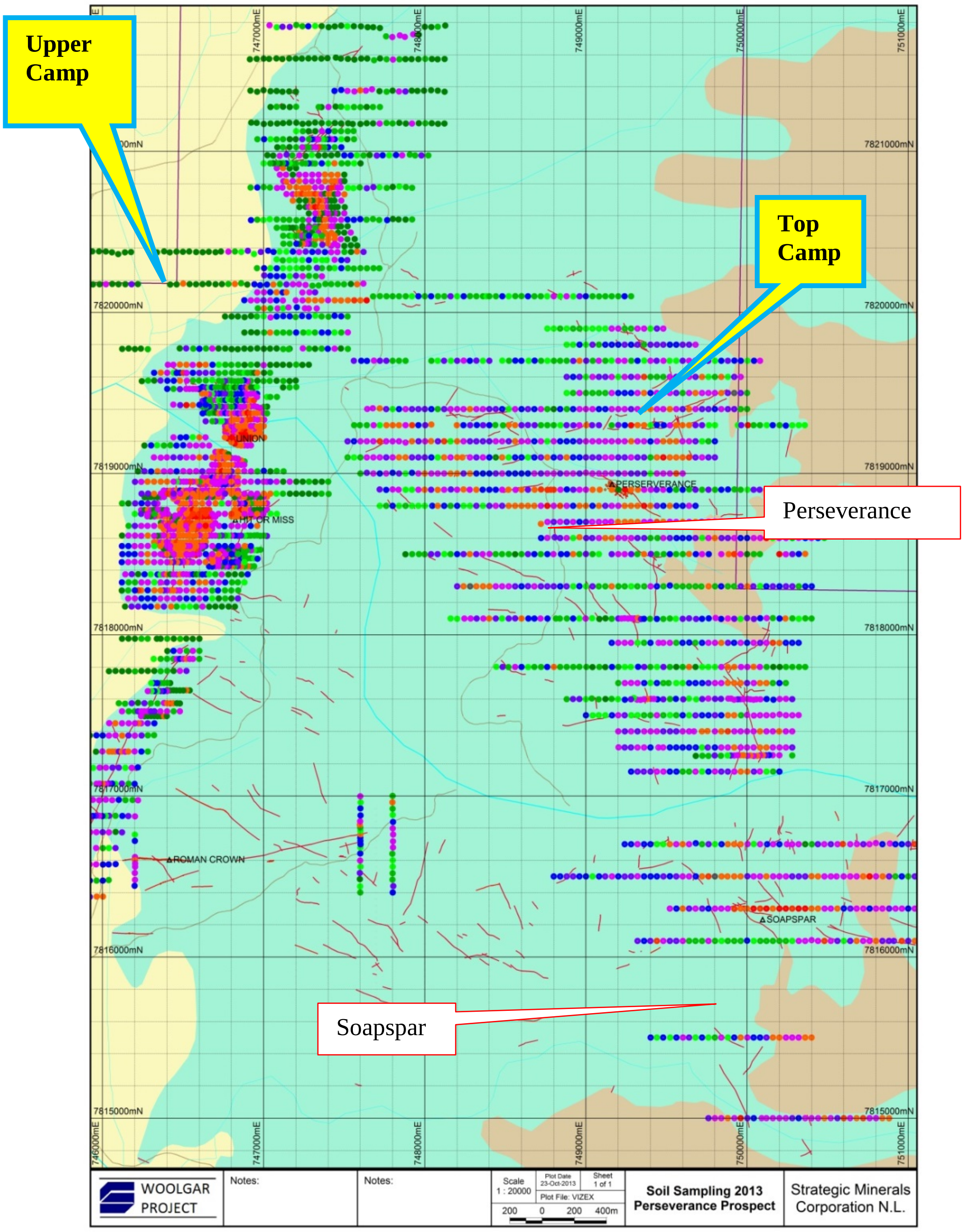

Figure 11: Map of the Upper and Top Camps at Woolgar, showing composite gold results from this year's (Top Camp) and the previous seasons' (Upper and Middle Camps) soil sampling programs.

Results show multiple small anomalies across the area and these correspond to known mineralisation and old workings. Since the results are not showing significant new anomalies or indicator elements, a review of the methodology is underway.

Figure 12: Soil sampling underway over the Top Camp district (left). Typical small outcrops of previously unidentified vein material in outcrop (right). The soil sampling during a drought year helped identify small, low-profile outcrops due to the lack of long grass.

It is planned to run a trial survey over two of the previous lines using a variety of sieve fractions and sampling techniques, including Niton XRF, and also testing for a broader selection of elements. The aim is to develop a methodology that generates new anomalies, in multiple elements in order to potentially discriminate between different styles of mineralisation and thus focus drilling on the most prospective targets. It is hoped that the coarser sieving method will also significantly increase the rate of sample collection.

Geological Mapping

Several areas were reconnoitred as part of the soil sampling program. This helped to identify and compare several mineral occurrences in the Perseverance and Soapspar area, and to highlight an apparent overlap between the mesothermal-style Woolgar structure mineralisation and the epithermal –style Sandy Creek veins. The reconnaissance mapping has also helped highlight the repetitive banded nature of the metamorphic rocks in the area and to subdivide it into mappable units for identification in the drilling. This was aided by the occurrence of a drought year due to the lack of long grass that usually obscures smaller outcrops until at very close range.

Geophysics

During 2013, a ground magnetometry survey was conducted over the Lower Camp of the Woolgar project (see Figure 13). The program comprised approximately two hundred linear kilometres of survey over the Lower Camp district in the southeast of the project and included the Mowbray, Mowbray Northeast, Big Vein and Big Vein South and Central prospects.

The survey has proven a very useful framework for the structural interpretation of the area, of great importance due to the apparent structural control on the emplacement of the mineralisation.
This data will be interpreted in conjunction with the on-going drilling results to assess any potential controls on the mineralisation that could be extrapolated to predict further mineralisation

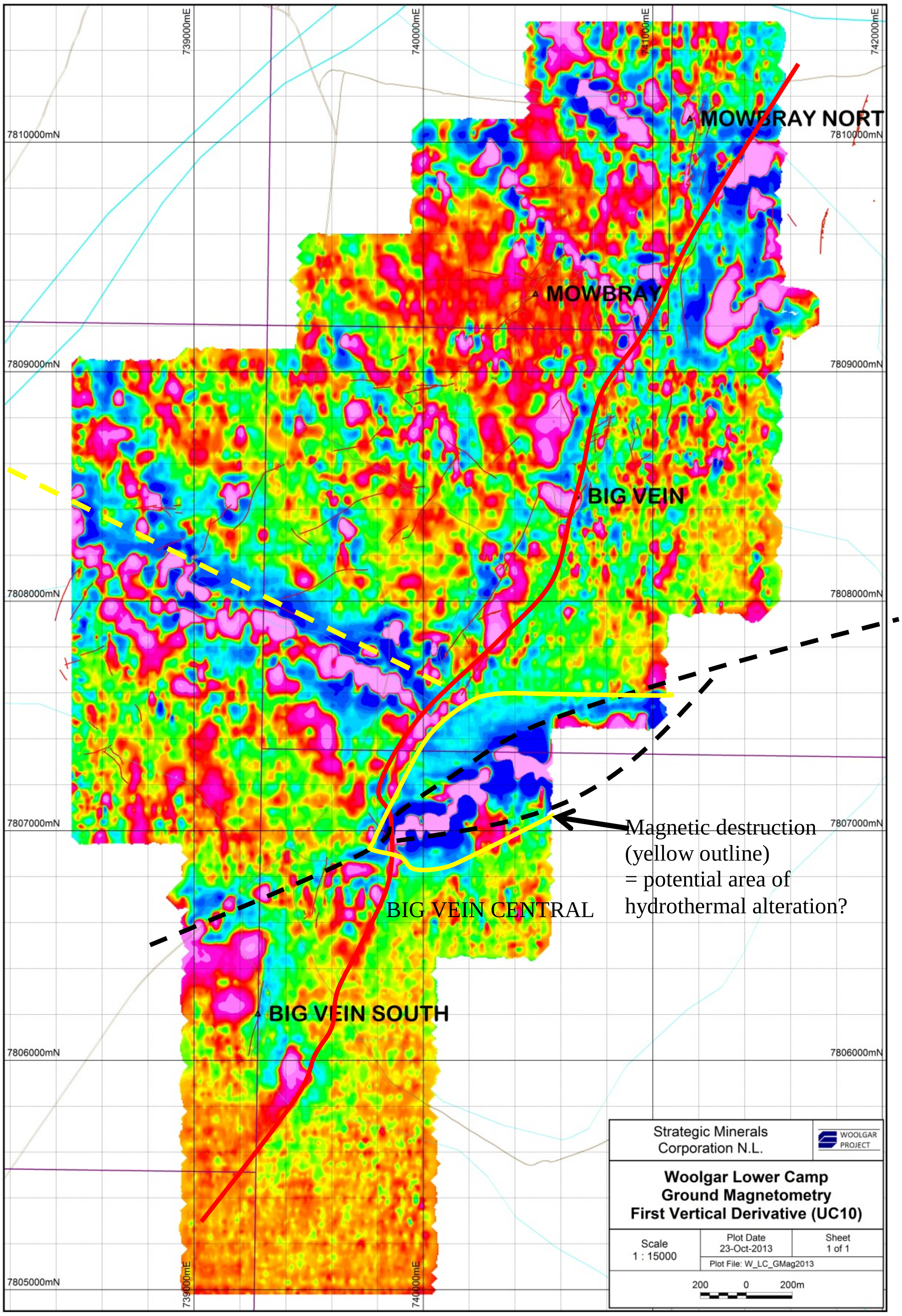

Figure 13: Plan of the Ground Magnetometry 1VD (emphasising changes in field strength). This clearly shows the flexure of the WFZ, the two intersecting structure, the difference in field east and west of the WFZ and the area interpreted as a potential pull-apart structure.

This area surveyed corresponds to the Woolgar Fault splay area, a structural intersection of the Woolgar Fault with a tangential structure. This is related to flexure of the main Woolgar fault that hosts the mesothermal vein mineralisation and is considered to be a prospective target.

Extensive vein occurrences, scattered historic workings and coincident gold in soil anomalies have been identified in previous mapping and sampling surveys by the Company. The aim of this geophysical survey was selected to build up a structural, alteration and geological framework of the area to help identify further areas of potential mineralisation, develop a geological model to predictively target further drill prospects and improve targeting criteria over these.

The results clearly show the main structures and several features that may represent intrusive rocks and potential areas of alteration in close relation to the known mineralisation. This data will be interpreted in conjunction with the drilling and soil results to assess any potential controls on the mineralisation that could be extrapolated to predict further mineralisation.

Conclusions include:

- The presence of multiple structures intersecting in the Lower camp area;
- The presence of a major structural intersection between BVC and BV2:
  - Some complex lineations are visible in this area, but are poorly defined since they are close to the edge of the survey and the wide (50m) survey spacing;
  - The lack of outcrop and local topographic recessiveness may be due to increased alteration;
  - The flexure and apparent displacement of the WFZ indicated that this intersection has potential for significant tensional structures.

Geophysical studies will continue over the target area to build up a structural, alteration and geological framework to help identify additional areas of potential mineralisation develop a geological model to predictively target further drill prospects and improve targeting criteria.

TECHNICAL UPDATE

Geological Observations

The 2013 exploration and drilling program concentrated on the Lower Camp area around the southern end of the previously identified mineralisation and mesothermal resource inventory (see Table 2). This area was selected due to its apparent potential and since it had the most advanced existing resource of the mesothermal veins, see Table 2.

Mineralisation Style

The mesothermal mineralisation appears to consist of several different styles and phases.

The mineralisation at depth occurs as disseminated pyrite and fine sulphides in intensely clay altered wall rock, silicified wall rock, and in veins and silicified breccias:

- The mineralisation often occurs as multiple sub-structures within a lower-grade envelope.
- Phyllic alteration is concentrated within the 40 to 60 metre wide structural corridor;
- The alteration is locally strong to intense around the mineralisation, with a silicified zone overlying the best mineralisation in BVS;
- The vein material includes high-grade silica with fine disseminated sulphides;
- Quartz veins are secondary to these and show multiple phases of brecciation;
- The vein and silicified breccia occur within a broad corridor of sheared, brecciated and altered schist;
- The main outcropping structures are a silicified fault breccia;
- This brecciation appears to be mostly tectonic, although it may be hydrothermal locally, but strong alteration masks the protolith.

Figure 14: Core photos from drillhole LD0234 (see section in Figure 8Figure 4) from 14.65m to 35.10m. The main intersection is 15.4m @ 4.44g/t au from 19.5m, including 3.7m @ 15.41g/t au, shown here with red arrows. Phyllic alteration of the schistose host rock can be seen. The mineralisation is related to the visible oxidation in the hostrock and to moderate to low in sulphide content, predominantly pyrite and pyrrhotite in the quartz vein. The vein occurs in the footwall contact to the mineralised interval. The chloritic shear to the far left marks the start of the footwall.

A full analysis of the geochemical and logging data is underway out to determine:

- The occurrence and distribution of the styles of mineralisation;
- The relative importance of the different styles;
- If there are distinct geochemical signatures to these styles;
- If it is possible to differentiate between barren and mineralised wall rock in RC drill chips and in the field.

Mineralisation Occurrence

- The mineralisation appears to get steeper and continues at depth;
- Both the grades and widths are also increasing at depth;
- The high-grade shoots are seen to have a southerly plunge within the plane of the structure;
- The alteration is stronger with depth.

The focus of the exploration program during 2013 was to test for further mineralisation at greater depths and along strike from the resources identified to date. Thus the drilling program has concentrated on wider spaced and deeper holes, rather than infilling on the previous drilling to define resources. This has strategy has proven successful and has resulted in significant new mineralised intersections, however the spacing and distribution of these is not considered sufficient to reliably report further resource calculations as defined under the JORC code of compliance. Further infill RC and Diamond drilling will be required for this.

Table 2: Lower Camp Resources

Classification	Cut-off Grade	Tonnes	Gold Grade g/t	Gold Metal oz's
BIG VEIN SOUTH (Southern)				
Measured	0.75	286,000	2.46	22,700
Indicated	0.75	340,000	1.53	16,700
Inferred	0.75	122,000	1.85	7,200
SUBTOTAL		748,000	1.94	46,600
BIG VEIN SOUTH (Central)				
Indicated	0.75	50,300	2.09	3,400
Inferred	0.75	51,200	1.56	2,600
SUBTOTAL		101,500	1.82	6,000
BIG VEIN #2				
Indicated	0.75	15,500	2.01	1,000
Inferred	0.75	92,200	3.09	9,100
SUBTOTAL		107,700	2.93	10,100
BIG VEIN #2				
Inferred	0.5	94,000	3.84	11,600
SUBTOTAL		94,000	3.84	11,600
TOTAL FOR THE BIG VEIN STRUCTUREs				
TOTAL		1,051,200	2.20	74,300

Table 2: Summary resource table for the Lower Camp. For full JORC-compliant resource statement please refer to QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st MARCH 2013 issued 30th April 2013, available at www.stratmin.com.au.

NOTE :These resource numbers do not include additional resources outlined during the 2013 drilling program in the mesothermal zone. The drill data is currently being analysed and the inferred and indicated ore calculations will be finalised to upgrade Table 2 once completed.

For the Woolgar JORC- compliant global resource figures please refer to the Company's March 2014 Quarterly report, available at www.stratmin.com.au .

Geological Interpretations

The results from the 2013 program demonstrates that:

- The Big Vein South and Central prospects are now proven to consist of two continuous parallel structures, situated within the broader structural corridor. Previously it was thought that these represented the footwall and hangingwall structures of the broader corridor. Now it is considered more likely that these prospects are actually shorter en echelon lens formed in tension gashes within the structure. If so, this will have significant implications for the planning of future exploration activities.
- The deepening plunge and change to broader mineralised widths may be due to either torsion of the main WFZ, a change in the style of the mineralisation or a change in the geological conditions for some as yet unrecognised factor.

- The robust widths and grades of the intersections at depth combined indicate that the potential for deeper mineralisation has been proven and that yet deeper drilling is still required.
- The lack of outcrop between BVC and BV2, coinciding with the intersection of major structural controls and the flexure of the WFZ highlight this area as potential of major importance.

Conclusions and Recommendations

The 2013 Drill Program has achieved its objectives in that it has:

- Confirmed the depth potential of the known gold mineralisation with broad significant drill intersections at depth along approximately 500 metres of the Big Vein South strike length;
- Intersecting a new apparent high-grade ore-shoot beneath the low-grade near surface mineralisation within this 500 metre section of the BVS structure;
- Demonstrated that further tonnage potential exists with depth;
- Confirming the strike potential of Big Vein South further to the south also extends 500 metres, beyond the limits of the outcrop and beneath the extensive plain. This extension remains open at depth and along strike; and
- Successfully in-filled a portion of the previous RC drilling with several diamond holes.

EXPLORATION AND DRILLING STRATEGY 2014

The assay data received is currently being assessed and evaluated. The drilling strategy for the drilling program will be drafted based on these results. This will include:

- Further deep drilling of both the Big Vein South and Big Vein Central prospects.;
- Additional geophysical programs to increase targeting criteria of these two prospects and the strike portion between Big Vein Central and Big Vein No 2 ;
- Potentially deeper drilling beneath the other prospects of the Big Vein Lower Camp structure;
- Petrographic and metallurgical studies of the mineralisation contained within the higher grade intersections now defined as ore shoots.

It is expected that the Woolgar Goldfield area will continue to show further potential for resource expansion. The mesothermal zone in the lower camp area has significant further target potential, with only a very small proportion of the potential vein-hosting areas having been explored to date. Only two out of the ten most prospective known prospects have been drilled at depth where the high-grade mineralisation has now been identified in the Big Vein South and Central prospects.

Wally Martin
MANAGING DIRECTOR

IMPORTANT: *Summary results presented herein.*

For full JORC-compliant drill results refer to QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st DECEMBER 2013 issued 30th January 2014, available at www.stratmin.com.au.

For full JORC-compliant soil geochemistry results refer to QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 30th SEPTEMBER 2013 issued 29th October 2013, available at www.stratmin.com.au.

For full JORC-compliant resource statement please refer to QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st MARCH 2013 issued 30th April 2013, available at www.stratmin.com.au.

COMPETENT PERSON STATEMENT

The information in the report to which this statement is attached that relates to exploration targets or 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.

Appendices

Appendix One: Big Vein South. Summary of significant intersections 2013.

Table 3:	Big Vein South				Summary of significant intersections using a 0.5 g/t gold cut-off grade							
Hole ID	Prospect	End of Hole	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres)	To (metres)	Width[4] (metres)	Au Grade[5] ppm
LR0182	BVS	58.00	-65	280	739329	7806323	378	RC	37	40	3	2.24
LR0183	BVS	47.00	-65	280	739309	7806280	379	RC	14	25	11	1.26
including:								RC	20	23	3	3.23
LR0184	BVS	41.00	-65	280	739324	7806249	380		NSR[6]			
LR0185	BVS	215.00	-65	280	739369	7806051	379	RC	156	206	50	4.09
including:								RC	184	188	4	8.22
and:								RC	194	198	4	10.33
LR0186	BVS	193.00	-65	280	739355	7806026	379	RC	140	148	8	1.32
and:								RC	156	161	5	1.40
and:								RC	177	190	13	3.03
including:								RC	183	187	4	5.74
LR0187	BVS	143.00	-65	280	739317	7805977	380		NSR			
LRD0188	BVS	80.7	-65	280	739230	7805839	383		NSR			
LR0189	BVS	131.00	-65	280	739255	7805832	383	RC	89	124	35	2.87
including:								RC	91	100	9	6.75
LR0190	BVS	137.00	-65	280	739262	7805809	383	RC	102	128	26	10.44
including:								RC	105	106	1	219.00†
LR0191	BVS	107.00	-60	280	739215	7805789	384		NSR			
LR0192	BVS	113.00	-65	280	739240	7805785	384		NSR			
LR0193	BVS	149.00	-65	280	739258	7805754	384	RC	99	105	6	1.45
and:								RC	124	140	16	6.49
including:								RC	125	135	10	9.03
LR0194	BVS	76.00	-65	280	739208	7805737	382	RC	21	60	39	0.79

Table 3:	Big Vein South				Summary of significant intersections using a 0.5 g/t gold cut-off grade							
Hole ID	Prospect	End of Hole	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres)	To (metres)	Width[4] (metres)	Au Grade[5] ppm
including:								RC	32	47	15	1.43
LR0195	BVS	15.00	-65	280	739232	7805731	383	RC	Hole abandoned @ 11m			
LR0196	BVS	113.00	-65	280	739240	7805729	384	RC	86	92	6	0.87
LR0197	BVS	167.00	-65	280	739263	7805711	384	RC	138	156	18	3.61
including:								RC	141	146	5	8.87
LR0198	BVS	125.00	-65	280	739216	7805648	382	RC	59	67	8	1.64
LR0199	BVS	140.00	-65	280	739231	7805579	383		NSR			
LR0200	BVS	107.00	-65	280	739188	7805546	385	RC	31	48	17	2.01
including:								RC	37	41	4	4.45
LR0201	BVS	101.00	-65	280	739184	7805493	384	RC	35	49	14	2.41
including:								RC	43	46	3	5.19
LR0202	BVS	107.00	-65	280	739168	7805383	383		NSR			
LRD0203	BVS	224.8	-65	280	739384	7806080	379	DDH	117	122	5	1.12
and:								DDH	165	214	49	4.39
including:								DDH	168	182	14	8.51
and:								DDH	197	201	4	9.63
LRD0204	BVS	164.9	-65	280	739345	7806150	379		NSR			
LRD0223	BVS	188.9	-60	280	739347	7806002	381	RC	95	96	1	15.05
and:								RC	111	122	11	1.02
LR0224	BVS	125.00	-60	280	739306	7805920	381	RC	102	105	3	0.80
LR0225	BVS	107.00	-65	280	739276	7805905	381	RC	78	83	5	2.63
LR0226	BVS	131.00	-60	280	739357	7806114	379	RC	94	104	10	0.59
including:								RC	102	104	2	1.79
LR0227	BVS	100.00	-60	280	739352	7806318	378		NSR			
LR0228	BVS	107.00	-60	280	739350	7806266	379	RC	69	73	4	1.08
and:								RC	88	89	1	2.12
and:								RC	98	100	2	2.98
LR0231	BVS	200.00	-70	280	739301	7805801	384	RC	135	142	7	0.59

Table 3:	Big Vein South				Summary of significant intersections using a 0.5 g/t gold cut-off grade							
Hole ID	Prospect	End of Hole	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres)	To (metres)	Width[4] (metres)	Au Grade[5] ppm
and:								RC	168	200	32	4.79
including:								RC	169	173	4	17.52
LR0232	BVS	167.00	-60	280	739285	7805859	383	RC	102	116	14	0.43
LR0233	BVS	119.00	-60	280	739223	7805679	386	RC	26	29	3	1.13
and:								RC	54	66	12	1.32
including:								RC	60	66	6	2.18
including:								RC	64	66	2	2.79
and:								RC	79	80	1	3.04
LD0234	BVS	59.50	-60	280	739268	7806034	380	DDH	19.5	34.9	15.4	4.44
including:								DDH	26	29.7	3.7	15.41
LD0235	BVS	105.80	-60	280	739311	7806025	380	DDH	54	75.4	21.4	8.74
including:								DDH	56	65.24	9.24	17.39
LD0236	BVS	161.70	-65	280	739329	7806055	379	DDH	67	77	10	1.44
and:								DDH	90	94	4	1.09

Notes: *Summary results presented herein. For full JORC-compliant results refer to* QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st DECEMBER 2013 issued 30th January 2014*, available at* www.stratmin.com.au

[1] All Azimuths are reported in degrees relative to the grid (GDA94). Orientation data presented in Appendix 1 represents collar data.

[2] All coordinates are reported in GDA94 and surveyed using a Differential GPS.

[3] Sample Method refers to the actual method for a particular intersection, RC or DDH, particularly in dual-method pre-collared holes.

[4] All intersection widths are length weighted averages. All sample widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation.

[5] Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width within an intersection were included in the intersection. No upper cut-off was applied. All intersection widths are length weighted averages

[6] NSR: No Significant Results.

Table 4:	Big Vein Central				Summary of significant intersections using a 0.5 g/t gold cut-off grade							
Hole ID	Prospect	End of Hole	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres)	To (metres)	Width[4] (metres)	Au Grade[5] ppm (g/t)
LR0205	BVC	80.00	-60	280	739623	7806911	378	RC	69	70	1	6.18
LR0206	BVC	83.00	-60	280	739621	7806874	377		NSR[6]			
LR0207	BVC	95.00	-60	280	739622	7806840	377	RC	77	79	2	1.10
LR0208[7]	BVC	90.00	-65	280	739629	7806826	377	RC	68	70	2	2.34
and:								RC	76	80	4	0.80
LR0209	BVC	200.00	-65	280	739653	7806820	377	RC	94	122	28	4.35
including:								RC	95	98	3	15.97
LR0210	BVC	131.00	-60	280	739631	7806806	377	RC	NSR			
LR0211	BVC	80.00	-65	280	739612	7806789	378	RC	NSR			
LRD0212	BVC	124.00	-65	280	739639	7806784	378	DDH	91.9	106.5	14.6	2.02
including:								DDH	99	105	6	3.32
LR0213	BVC	120.00	-65	280	739600	7806770	379	RC	55	57	2	1.08
LR0214	BVC	161.00	-60	280	739624	7806764	378	RC	90	99	9	2.61
including:								RC	93	98	5	4.00
LR0215	BVC	125.00	-60	280	739603	7806750	380	RC	59	63	4	1.04
LR0216	BVC	131.00	-60	280	739559	7806668	381	RC	44	46	2	3.76
and:								RC	82	85	3	0.93
and:								RC	106	110	4	1.57
LRD0217	BVC	143.8	-60	280	739584	7806664	382	DDH	64.7	69	4.3	1.72
and:								DDH	76	78	2	1.39
and:								DDH	86	106	20	1.88
including:								DDH	101.54	104	2.46	5.91
LRD0218	BVC	167.9	-60	280	739618	7806615	381	DDH	110.9	126.9	16	3.76
including:								DDH	111.9	112.9	1	18.15
and:								DDH	123.9	125.9	2	8.77
LR0219	BVC	149.00	-60	280	739573	7806579	378	RC	38	42	4	2.35

Table 4:	Big Vein Central				Summary of significant intersections using a 0.5 g/t gold cut-off grade							
Hole ID	Prospect	End of Hole	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres)	To (metres)	Width[4] (metres)	Au Grade[5] ppm (g/t)
and:								RC	55	65	10	5.74
and:								RC	92	127	35	1.15
LR0220	BVC	119.00	-60	280	739521	7806575	378	RC	70	72	2	1.66
and:								RC	89	99	10	1.39
including:								RC	94	98	4	2.46
and:								RC	110	119	9	1.55
including:								RC	114	118	4	2.35
LR0221	BVC	83.00	-60	280	739512	7806501	378	RC	35	36	1	2.46
and:								RC	43	44	1	3.28
LR0222	BVC	59.00	-60	280	739537	7806496	378	RC	17	18	1	3.31

Table 5:	Big Vein #2				Summary of significant intersections using a 0.5 g/t gold cut-off grade							
Hole ID	Prospect	End of Hole	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres))	To (metres)	Width[4] (metres)	Au Grade[5] ppm (g/t)
LR0229	BV2	51.00	-75	300	740233	7807920	391	RC	15	17	2	0.67
LR0230	BV2	59.00	-65	300	740225	7807868	391	RC	NSR[6]			

Notes: *Summary results presented herein. For full JORC-compliant results refer to* QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st DECEMBER 2013 issued 30th January 2014*, available at* www.stratmin.com.au.

[1] All Azimuths are reported in degrees relative to the grid (GDA94). Orientation data presented in Appendix 1 represents collar data.
[2] All coordinates are reported in GDA94 and surveyed using a Differential GPS.
[3] Sample Method refers to the actual method for a particular intersection, RC or DDH, particularly in dual-method pre-collared holes.
[4] All sample widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation.
[5] Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width within an intersection were included in the intersection. No upper cut-off was applied. All intersection widths are length weighted averages
[6] NSR: No Significant Results.
[7] LR0208 was planned as a pre-collar, but postponed at the end of the program, hence limited mineralisation

SAMPLE TECHNIQUES, QUALITY CONTROL AND ASSURANCE

All sample widths presented are Intersection or Apparent Widths and may not represent the true widths of the mineralisation. Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width within an intersection were included in the intersection. No upper cut-off was applied. All intersection widths are length weighted averages. Sample intervals were 1.0m for RC samples. RC sampling was carried out by the drill contractor using a cone-splitter integral with the recovery cyclone. Default sample width for DDH was 1.0m and was limited at between 0.4 and 2.0m to geological criteria. No compositing of samples was used. All Diamond holes are HQ3. Samples were selected and marked then photographed, cut and prepared by ALS, Townsville. The core was split equally using a diamond-blade saw. One half of the core was selected for sampling.

Samples were prepared and assayed at the ALS Minerals Division - Geochemistry ("ALS") laboratory in Townsville; an ISO-9001:2013 certified facility. Methods used were: gold by fire assay, AA finish (50 gram charge); and other elements by aqua regia ICP-AES (35 elements). Samples returning greater than 100 g/t gold were automatically re-assayed using a dilution analyses. Standard, blank and duplicates samples are used throughout the sample sequence as checks for the drilling reported in this release. Check assaying of higher-grade samples is underway.

All diamond-core was logged for geological and geotechnical characteristics, core recovery, and orientated using the Reflex digital system. Average core recovery for the DDH program was over 99% in both vein and wall rock. Downhole surveys were conducted using a Reflex single-shot camera at 50 metre spacing's.

Table 6:	Big Vein #2				Summary of significant intersections using a 0.5 g/t gold cut-off grade							
Hole ID	Prospect	End of Hole	Dip	Azimuth[1]	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres))	To (metres)	Width[4] (metres)	Au Grade[5] ppm
LR0229	BV2	51.00	-75	300	740233	7807920	391	RC	15	17	2	0.67
LR0230	BV2	59.00	-65	300	740225	7807868	391	RC	NSR[6]			

Notes: *Summary results presented herein. For full JORC-compliant results refer to* QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31st DECEMBER 2013 issued 30th January 2014*, available at* www.stratmin.com.au.

[1] All Azimuths are reported in degrees relative to the grid (GDA94). Orientation data presented in Appendix 1 represents collar data.
[2] All coordinates are reported in GDA94 and surveyed using a Differential GPS.
[3] Sample Method refers to the actual method for a particular intersection, RC or DDH, particularly in dual-method pre-collared holes.
[4] All sample widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation.
[5] Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width within an intersection were included in the intersection. No upper cut-off was applied. All intersection widths are length weighted averages
[6] NSR: No Significant Results.
[7] LR0208 was planned as a pre-collar, but postponed at the end of the program, hence limited mineralisation.

SAMPLE TECHNIQUES, QUALITY CONTROL AND ASSURANCE

All sample widths presented are Intersection or Apparent Widths and may not represent the true widths of the mineralisation. Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width within an intersection were included in the intersection. No upper cut-off was applied. All intersection widths are length weighted averages. Sample intervals were 1.0m for RC samples. RC sampling was carried out by the drill contractor using a cone-splitter integral with the recovery cyclone. Default sample width for DDH was 1.0m and was limited at between 0.4 and 2.0m to geological criteria. No compositing of samples was used. All Diamond holes are HQ3. Samples were selected and marked by SMC staff, then photographed, cut and prepared by ALS, Townsville. The core was split equally using a diamond-blade saw. One half of the core was selected for sampling.

Samples were prepared and assayed at the ALS Minerals Division - Geochemistry ("ALS") laboratory in Townsville; an ISO-9001:2013 certified facility. Methods used were: gold by fire assay, AA finish (50 gram charge); and other elements by aqua regia ICP-AES (35 elements). Samples returning greater than 100 g/t gold were automatically re-assayed using a dilution analyses. Standard, blank and duplicates samples are used throughout the sample sequence as checks for the drilling reported in this release. Check assaying of higher-grade samples is underway.

All diamond-core was logged for geological and geotechnical characteristics, core recovery, and orientated using the Reflex digital system. Average core recovery for the DDH program was over 99% in both vein and wall rock. Downhole surveys were conducted using a Reflex single-shot camera at 50 metre spacing's.

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TENEMENT DIRECTORY

Prospect	Tenements	License No	Date Granted	Area	Interest	Comments
Woolgar	Perseverance	ML 2728	25/05/89	128 hectares	100%	Granted
Woolgar	Mowbray	ML 2729	25/05/89	128 hectares	100%	Granted
Woolgar	Mowbray 3	ML 2739	25/05/89	128 hectares	100%	Granted
Woolgar	Soapspar	ML 2642	31/01/74	4.05 hectares	100%	Granted
Woolgar	New Soapspar	ML 2793	08/08/91	146.4 hectares	100%	Granted
Woolgar	Sandy Dam	ML 90044	27/04/95	29.2 hectares	100%	Granted
Woolgar	Woolgar	EPM 9599	02/09/93	32 Sub Blocks	100%	Granted
Woolgar	Sandy Creek	ML 90122	02/09/04	350.90 hectares	100%	Granted
Woolgar	Flat Creek	ML 90123	23/11/04	124.70 hectares	100%	Granted
Woolgar	Woolgar West	EPM 11886	21/04/04	23 Sub Blocks	100%	Granted
Woolgar	Woolgar South	EPM 14060	21/04/04	55 Sub Blocks	100%	Granted
Woolgar	Woolgar East	EPM 14209	21/04/04	49 Sub Blocks	100%	Granted
Woolgar	Steam Engine	EPM 13942	09/11/06	3 Sub Blocks	100%	Granted
Woolgar	North Star	MLA 90238	Application	875.39 hectares	100%	
Frome	Siccus JV Lake Frome	EL 4527		672 sq km	10%	Granted
Frome	Reaphook Hill	EL 3346		589 sq km	10%	Granted
Frome	Frome JV	EL 2991		126 sq km	7.5%	Granted
Frome	Martins Well	EL 3508	24/01/06	784 sq km	100%	Expired

DIRECTORS' STATUTORY 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 2013.

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 C F Guerre
Chairman (Non-executive Director). Age 70

Mr Claude Guerre is based in Geneva where he is President of an investment and advisory company offering financial services to private and institutional investors.

Mr Guerre has over 23 years experience as a financial analyst, chief investment officer with a leading international banking group and over 23 years experience as an investment fund manager. Since establishing his financial services company in 1987, he has acted as a financial adviser and fund manager for several banks and financial institutions in Switzerland, Luxembourg, France and Spain.

He does not have any other Australian public company directorships.

Mr W A C Martin, Dip Legal Studies
Managing Director (Executive). Age 73

Mr Wally Martin has had extensive experience at senior management level in both the Government and private enterprise sectors for over 29 years with particular emphasis in the mining industry. Mr Martin was the founding Vice-President of the Association of Mining and Exploration Companies of WA and has, since 1979, been actively involved in the private sector of the mining industry as a managing director and director of a number of public listed mining companies. Mr Martin has been Managing Director of Strategic Minerals Corporation NL since 1991.

Mr Martin also holds a directorship in Hillcrest Litigation Service Ltd, a litigation fund company in Western Australia.

Mr C Bigeard
Director (Non-executive) until his resignation on 31 May 2013. Age 64

Mr Claude Bigeard has extensive financial management and banking experience, including three years with one of the first largest Swiss Banks in Geneva and 15 years in the largest private foreign banking group in Switzerland. Since 1996, he has been the Managing Director of his asset management and financial consulting company, CB Capital Management SA in Geneva, Switzerland.

Mr Bigeard does not have any other Australian public company directorships.

Mr Jay Stephenson MBA, FCPA, CMA, FCIS, MAICD
Director (Non-executive) and Company Secretary. Age 47

Mr Jay Stephenson has been involved in business development for over 20 years including the past 16 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 a directorship in Aura Energy Limited, Drake Resources Limited, Quintessential Resources Limited, Doray Minerals Limited, Parker Resources NL, and Nickelore Limited.

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:

Director	Meetings held	Meetings attended	Circular resolutions	Circular resolutions signed
C F Guerre	-	-	3	3
W A C Martin	-	-	3	3
C Bigeard	-	-	3	3
J Stephenson	-	-	3	3

DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company as at 31 December were as follows:

Director	Shares direct	Shares indirect	Options direct	Options indirect
2013				
C F Guerre	1,095,000	4,050,000	-	-
W A C Martin	281,690	4,142,973	-	-
C Bigeard	-	-	-	-
J Stephenson	-	205,334	-	-
2012				
C F Guerre	895,000	4,050,000	2,500,000	-
W A C Martin	281,690	3,999,658	2,500,000	-
C Bigeard	-	-	2,500,000	-
J Stephenson	-	176,000	1,250,000	-

The aggregate number of shares acquired directly or indirectly by Directors during the year up to the date of this report was:

Shares	Direct	Indirect
C F Guerre	200,000	-
W A C Martin	-	143,315
C Bigeard	-	-
Jay Stephenson	-	29,334

The Directors did not directly or indirectly acquire any options during the year up to the date of this report.

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The net consolidated loss of the Group for the year ended 31 December 2013 after providing for nil income tax was $1,295,548 (2012: Loss of $1,008,556).

REVIEW OF OPERATIONS

During the year, the Group continued its exploration of the Woolgar Project in Queensland. Refer to the detailed Review of Operations contained in this report.

DIVIDENDS

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

FINANCIAL POSITION

The net assets of the consolidated entity have increased by $1,552,795 to $19,558,794 as at 31 December 2013. The major component of this movement was share capital issued in February 2013.

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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In February 2013 the Company offered 94,191,286 shares at 3.2 cents in a fully underwritten non-renounceable entitlements issue. The Company raised $2,848,343 from this issue, net of costs.

There were no other significant changes in the state of affairs of the Group during the year ended 31 December 2013.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In March 2014, the Company offered 164,834,665 shares at 2.4 cents in a fully underwritten non-renounceable entitlements issue, to raise $3,956,000 before costs.

There were no other significant events between the end of the financial year and the date of signing this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Consolidated Entity are referred to in the "Review of Operations".

AUDIT COMMITTEE

The Company did not establish a separate Audit Committee of the Board of Directors in 2013. Refer to the Corporate Governance Statement in this Annual Report.

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 Note 26 of the accounts.

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) Share-based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

(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, in an informal way by the Managing Director who makes recommendations to the Board of the Company. The Chairman of the Board who makes recommendations to the full board undertakes, in an informal way, the review of the Managing Director's performance and remuneration. There is no formal relationship between remuneration and performance due to the Company still being in the exploration phase.

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 2013.

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 $48,000 per annum (2012: $48,000). The Non-Executive Chairman receives a fee of $72,000 per annum (2012: $72,000). Non-Executive Director's remuneration is reviewed annually by the Board.

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.

The executive remuneration framework has two components:
- base pay and benefits, including superannuation where applicable; and
- long-term incentives through Directors options (refer note 23).

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 is 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.

REMUNERATION REPORT (AUDITED) - Continued

(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 and the consolidated entity for the year ended 31 December 2013 are set out in the following tables.

	Short-term benefits		Post-employment benefits	Share based payment options	Total	Options as a percentage of remuneration
	Cash, salary & fees	Non-monetary	Super-annuation			
Year 2013	**$**	**$**	**$**	**$**	**$**	**%**
Executive Director						
Mr W A C. Martin*	461,257	26,338	-	-	487,595	-
Non- Executive Directors						
Mr C F Guerre**	72,000	3,049	-	-	75,049	-
Mr C Bigeard	20,000	1,524	-	-	21,524	-
Mr J Stephenson**	48,000	3,049	-	-	51,049	-
	601,257	33,960	-	-	635,217	-
Year 2012						
Executive Director						
Mr W A C. Martin	140,308	48,767	-	12,051	201,126	6%
Non- Executive Directors						
Mr C F Guerre**	72,000	3,352	-	12,051	87,403	14%
Mr C Bigeard	48,000	3,352	-	12,051	63,403	19%
Mr J Stephenson**	48,000	3,352	-	12,050	63,402	19%
	308,308	58,823	-	48,203	415,334	12%

* Wally Martin's salary includes backpay of $276,694 for annual CPI increases commencing 2003 which were not previously paid. This amount has been accrued, but not yet paid.

** In 2012 and 2013, Mr Guerre and Mr Stephenson were directors of consulting companies which provided consulting services to Strategic Minerals for which fees outlined above were paid.

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.

Share-based compensation – Options:

Further details relating to options issued during the year are set out below:

	A. Remuneration consisting of options	B. Value at grant date	C. Value at exercise date	D. Value at expiry date
	%	**$**	**$**	**$**
Year 2013				
None				
Year 2012				
Mr W A C Martin	6%	12,051	-	-
Mr C F Guerre	14%	12,051	-	-
Mr C Bigeard	20%	12,051	-	-
Mr J Stephenson	20%	12,050	-	-

REMUNERATION REPORT (AUDITED) - Continued

(b) Details of remuneration (cont.)

A. The percentage of the value of remuneration consisting of options, based on the value at grant date set out in column B.
B. The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.
C. The value at exercise date of options that were granted as part of remuneration and were exercised during the year.
D. The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

(c) Service agreements

The Company entered into a service agreement in 2002 with the Managing Director, Mr Wally Martin, who is employed on a salary of $206,500 per annum. The service agreement is for a fixed term, which has been extended until 30 June 2014.

There are no service agreements in place for Non-Executive Directors.

(d) Share-based Compensation

Options

There were no options on issue at 31 December 2013.

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.

END OF AUDITED REMUNERATION REPORT

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.

SHARES UNDER OPTION

There were no options for ordinary shares of Strategic Minerals Corporation NL at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Strategic Minerals Corporation NL issued during or since the end of the financial year ended 31 December 2013 on the exercise of options. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

LIABILITY INSURANCE

The Company, for a premium of $10,670 has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence.

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.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditors experience and expertise with the Company and/or consolidated entity are important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below to the accounts, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reason;

- None of the audit services undermine the general principles relating to auditor independence as set out in APES 110, Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

	CONSOLIDATED	
During the year the following fees were paid or are payable for services provided by BDO for non-audit services provided during the year ended 31 December	**2013** **$**	**2012** **$**
Taxation Services and Accounting Services		
BDO Corporate Tax (WA) Pty Ltd	14,637	15,029
Total remuneration for taxation services	14,637	15,029

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.

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 41.

AUDITORS

The auditor, BDO Audit (WA) Pty Ltd continues in accordance with S. 327 of the Corporations Act 2001.

W A C MARTIN
Managing Director

Signed at Perth this 31st day of March 2014 in accordance with a resolution of Directors.

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

As lead auditor of Strategic Minerals Corporation NL for the year ended 31 December 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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, 31 March 2014

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CORPORATE GOVERNANCE STATEMENT

For the year ended 31 December 2013

The Board of Directors of Strategic Minerals Corporation NL ("Company") is committed to maintaining high standards of Corporate Governance. This statement outlines the main Corporate Governance practices that were adopted or in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;
2 Structure the Board to add value;
3 Promote ethical and responsible decision-making;
4 Safeguard integrity in financial reporting;
5 Make timely and balanced disclosure;
6 Respect the rights of shareholders;
7 Recognise and manage risk;
8 Remunerate fairly and responsibly.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: *Management should establish and disclose the functions reserved to the board and delegated to management.*

Roles and Responsibilities:

The roles and responsibilities carried out by the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

The Board is also governed by the Company's constitution. The day to day management of the Company's affairs and implementation of corporate strategies and policy initiatives are formally delegated by the Board to the Managing Director and senior executives.

Recommendation 1.2 *Companies should disclose the process for evaluating the performance of senior executives.*

There are no formal processes for monitoring senior executive performance as the size of the Company permits ongoing monitoring by the board of senior executive performance.

Recommendation 1.3 *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives has taken place throughout the year.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: *A majority of the Board should be Independent Directors.*

Given the Company's background, nature and size of its business and the current stage of its development, the Board is comprised of three directors, only one of whom is non-executive. The Board believes that this is both appropriate and acceptable.

Recommendation 2.2: *The Chairperson should be an Independent Director.*

The Chairperson, Mr Claude Guerre, is not independent, but due to his experience and expertise in areas the Company operates in, the Board considers he is suitably skilled to perform the role.

Recommendation 2.3: *The roles of the chairperson and chief executive officer should not be exercised by the same individual.*

The positions of Chairman and Managing Director are held by separate persons.

Recommendation 2.4: *The Board should establish a nomination committee.*

The Company will establish a nomination committee charter; however it has not established a nomination committee at this time due to the company's background, nature and size of its business and the current stage of its development. The Board undertakes the process of determining the need for, screening and appointing new directors.

Recommendation 2.5: *Disclose the process for performance evaluation of the Board, its committees and individual Directors, and key executives.*

The Company has adopted self-evaluation processes to manage Board performance. An annual review is undertaken in relation to the composition and skills mix of the Directors of the Company.

Recommendation 2.6: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

The skills and experience for the directors are set out in the company's Annual Report and on its website.

The Company has not included on its website, information on procedures for the selection and appointment of new Directors as these procedures are not formalised.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:*

3.1.1 The practices necessary to maintain confidence in the Company's integrity;

3.1.2 The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;

3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company has adopted a Code of Conduct setting standards expected of directors, officers, employees and contractors and demonstrate the Company's commitment to conducting business in an ethical and accountable manner. Directors, officers, employees and contractors are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Adherence to the code of conduct is expected at all times and the Board actively promotes a culture of quality and integrity.

The Board monitors the implementation of the Code. Breaches are reported by employees or contractors to the Managing Director or Company Secretary.

Recommendation 3.2: *Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.*

The Company has a diversity policy included in its Corporate Governance Policy.

Recommendation 3.3: *Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.*

The Board has established and disclosed its policy concerning diversity. However, the Board considers due to the size of the Company that setting measurable diversity objectives is not appropriate. The Company currently has 3 employees, one of whom is female. The Company utilises external consultants and contractors as and when required.

The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.

Recommendation 3.4: *Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

Currently there is one woman working in the organization, comprising 20% of total staff and directors.

Recommendation 3.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

A summary of both the Company's Code of Conduct and its Share Trading Policy will be included on the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1: *The Board should establish an audit committee.*

The Company has an Audit Committee charter, however it has not established an audit committee at this time. Given the small size of the Board, the Board as a whole perform the functions of an audit committee.

Recommendation 4.2: *Structure the Audit Committee so that it consists of:*

- *Only non-executive directors*
- *A majority of independent directors*
- *An independent chairperson, who is not chairperson of the Board*
- *At least 3 members*

Refer to Recommendation 4.1.

Recommendation 4.3: *The Audit Committee should have a formal charter.*

Refer to Recommendation 4.1

Recommendation 4.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 4.*

Refer to Recommendation 4.1.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: *Establish written policies and procedure designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.*

The Company has a formal continuous disclosure policy. The policy requires all executives and Directors to inform the Managing Director or in his absence the Company Secretary of any potentially material information as soon as practical after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on the ASX in deciding whether to buy, sell or hold the Company's securities.

Information need not be disclosed only if the ASX listing rules provide for non-disclosure.

The Managing Director is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*

Disclosure is reviewed as a routine agenda item at each Board meeting.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

The Company is committed to dealing fairly, transparently and promptly with shareholders. The Board aims to ensure that the shareholders are informed of all major developments.

The annual report is distributed to all shareholders who have specifically requested the document. In addition, the Company makes all ASX announcements, details of shareholder meetings and financial reports available of the Company's website.

Half-year financial reports prepared in accordance with the requirements of Accounting Standards and the Corporations Act 2001 are lodged with the Australian Securities and Investments Commission and the Australian Securities Exchange. The financial reports are sent to any shareholder who requests them and quarterly reports are submitted to the ASX under the requirements of the Exchange relating to mining companies. Copies of the quarterly reports are sent to shareholders whenever sufficient new information in the report warrants distribution.

Recommendation 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.*

The Company's auditor, BDO Audit (WA) Pty Ltd, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: *The Board or appropriate committee should establish policies on risk oversight and management of material business risks and disclose a summary of those policies.*

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level. The Risk Management Policy is reviewed annually. A copy of the Risk Management Policy is available on the Company's website.

Recommendation 7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that:*

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

7.2.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Chief Financial Officer and Company Secretary states in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 7.3: *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

The Company's Managing Director and Chief Financial Officer provide this statement.

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

A description of the Company's risk oversight and management policy and internal compliance and control system is included on the Company's website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: *The Board should establish a remuneration committee.*

The Company has a charter for a remuneration committee however; a committee has not been established at this time. Given the small size of the board, the entire board performs the functions of the remuneration committee.

Recommendation 8.2: *Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.*

The Company outlines the structure of remuneration of non-executive Directors and executives of the Company in the Remuneration report in the annual report.

Recommendation 8.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8*

Refer to Recommendation 8.1 in relation to the remuneration committee.

Refer to the Remuneration report in this Annual Report in relation to the superannuation payments to directors. The Company does not have a superannuation scheme for its employees.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2013

	Notes	2013 $	2012 $
Revenue and other income from continuing operations	6	59,100	106,594
Administration expense		(241,774)	(189,153)
Consulting and legal		(153,352)	(171,458)
Depreciation and amortization	7	(41,435)	(30,916)
Employee benefit expense		(651,046)	(218,217)
Premises expense		(106,469)	(103,149)
Impairment of tenements	15	(108,876)	(329,881)
Impairment of shares in listed company		(46,513)	-
Share based payment expense	23	-	(48,203)
Other expense		(5,183)	(24,173)
(Loss) before income tax		(1,295,548)	(1,008,556)
Income tax expense/(benefit)	9	-	-
(Loss) for the year		(1,295,548)	(1,008,556)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(1,295,548)	(1,008,556)
Total Comprehensive Loss is attributable to:			
Equity holders of the Company		(1,295,548)	(1,000,354)
Non-Controlling Interest		-	(8,202)
		(1,295,548)	(1,008,556)
Loss per share attributable to the ordinary equity holders of the Company		**Cents**	**Cents**
Basic (loss) per share	10	(0.20)	(0.18)

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Notes	2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	11	956,114	641,045
Trade and other receivables	12	130,437	107,928
Total current assets		1,086,551	748,973
Non-current assets			
Financial assets	13	19,000	65,513
Plant and equipment	14	122,938	85,319
Mineral exploration & evaluation expenditure	15	18,965,286	17,417,784
Other non-current assets	16	60,051	60,051
Total non-current assets		19,167,275	17,628,667
TOTAL ASSETS		**20,253,826**	**18,377,640**
LIABILITIES			
Current liabilities			
Trade and other payables	17	590,218	295,672
Provisions	18	104,814	75,969
Total current liabilities		695,032	371,641
TOTAL LIABILITIES		**695,032**	**371,641**
NET ASSETS		**19,558,794**	**18,005,999**
EQUITY			
Contributed equity	19	43,627,972	40,779,629
Reserves	21	3,062,525	3,062,525
Accumulated losses	22	(27,125,817)	(25,830,269)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL		19,564,680	18,011,885
Non-controlling interest	20	(5,886)	(5,886)
TOTAL EQUITY		**19,558,794**	**18,005,999**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed equity	Share based payments reserve	Accumulated Losses	Total	Non Controlling Interest	Total Equity
	$	$	$	$	$	$
Balance at 1 January 2012	**40,779,629**	**3,014,322**	**(24,830,217)**	**18,963,734**	**2,623**	**18,966,357**
Total comprehensive loss for the year	-	-	(1,000,354)	(1,000,354)	(8,202)	(1,008,556)
Transactions with owners in their capacity as owners:						
Reclassification of NCI movement from prior period	-	-	302	302	(307)	(5)
Issue of Directors Options	-	48,203	-	48,203	-	48,203
Balance at 31 December 2012	**40,779,629**	**3,062,525**	**(25,830,269)**	**18,011,885**	**(5,886)**	**18,005,999**
Balance at 1 January 2013	**40,779,629**	**3,062,525**	**(25,830,269)**	**18,011,885**	**(5,886)**	**18,005,999**
Total comprehensive loss for the year	-	-	(1,295,548)	(1,295,548)	-	(1,295,548)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	2,848,343	-	-	2,848,343	-	2,848,343
Balance at 31 December 2013	**43,627,972**	**3,062,525**	**(27,125,817)**	**19,564,680**	**(5,886)**	**19,558,794**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2013

	Notes	2013 $	2012 $
Cash flow from operating activities:			
Payments to suppliers & employees		(873,986)	(679,303)
Interest received		59,100	105,207
Net cash (outflow) from operating activities	27(i)	(814,886)	(574,096)
Cash flow from investing activities:			
Purchase of property, plant, equipment		(79,054)	(48,939)
Proceeds from sale of property, plant, equipment		-	1,387
Payments of security deposits		-	(49,000)
Payments for exploration expenditure assets		(1,639,332)	(1,579,850)
Net cash (outflow) from investing activities		(1,718,386)	(1,676,401)
Cash flow from financing activities:			
Proceeds from issue of shares		3,014,121	-
Cost of capital raising		(165,778)	-
Net cash inflow from financing activities		2,848,343	-
Net increase / (decrease) in cash held		315,069	(2,250,497)
Cash and cash equivalents at the beginning of the period		641,045	2,891,542
Cash and cash equivalents at the end of period	27(ii)	**956,114**	**641,045**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 1 GENERAL INFORMATION

These consolidated financial statements and notes represent those of Strategic Minerals Corporation NL and Controlled Entities (the Consolidated Group or "Group"). Strategic Minerals is a no liability company incorporated and domiciled in Australia. The Group is a for profit entity for the purposes of preparing the financial statements. The addresses of its registered office and principal place of business are disclosed on page 2 of this report.

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

The financial statements were authorised for issue on 31 March 2014 by the Directors of the Company.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

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.

Going concern basis of preparation

The 31 December 2013 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. For the year ended 31 December 2013 the Group recorded a loss after tax of $1,295,548 (2012: $1,008,556) and had a net working capital surplus of $391,519 (31 December 2012: surplus of $377,332).

Following the successful rights issue in February 2013 which raised $2,848,343, and the fully underwritten rights issue announced in March 2014 which will raise $3,956,000 before costs, 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.

Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New and amended standards adopted by the Group.

The Group has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2013:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and other Amendments* which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period
- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*
- AASB 119 *Employee Benefits (September 2011) and* AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* and
- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

The adoption of these standards only affected the disclosures in the notes to the financial statements, and did not result in adjustments to the amounts recognised in the financial statements.

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 5.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Strategic Minerals Corporation NL at the end of the reporting period. Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation (continued)

Non-controlling interest, being the equity in a subsidiary not attributable directly or indirectly to a parent, is reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) Segment reporting

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. 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.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(e) Income tax

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cashflows 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.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income as part of other expenses.

Evidence of impairment may include indications that the customer is experiencing significant financial difficulty, where debt collection procedures have commenced, there is a fair probability that the customer will be put into administration or liquidation, or where balances are outstanding for more than 7 days. Receivables are determined to be uncollectible only when there is no expectation of recovering any additional cash. This may occur when a final distribution has been made from administrators/liquidators, or where unsuccessful attempts have been made to recover the debt through legal actions or debt collection agencies and the prospect of recovering any additional cash is remote.

(i) Financial Instruments

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments (continued)

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.

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.

(j) Property, plant and equipment

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.

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.
Depreciation on other assets 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	10-15 years
- Vehicles	3-5 years
- Furniture, fittings and equipment	3-8 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 (note 4(f)).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trade and other payables

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.

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

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

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 date.

(m) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year.

(n) Provisions

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 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Employee benefits

(i) 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.

(ii) 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.

(iii) Share-based payments
Share-based compensation benefits are provided to employees via the Strategic Minerals Corporation NL Employee Option Plan. Information relating to this Plan is set out in note 23.

The fair value of options granted under the Strategic Minerals Corporation NL Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(p) Contributed equity

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Earnings per share

(i) 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.
(ii) 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.

(r) 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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(s) 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 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 2013

NOTE 3 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following Australian Accounting Standards and interpretations have been issued or amended and are applicable to the consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of the Group.

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date	Impact on Initial Application
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments: Recognition and Measurement* into AASB 9. These include the requirements relating to: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Periods beginning on or after 1 January 2015	Adoption of AASB 9 is only mandatory for the 31 December 2015 year end. The entity has not yet made an assessment of the impact of these amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 4 FINANCIAL RISK MANAGEMENT

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:

	2013 $	2012 $
Financial assets		
Cash and cash equivalents	956,114	641,045
Trade and other receivables	130,437	107,928
Other financial assets	19,000	65,513
	1,105,551	814,486
Financial liabilities		
Trade and other payables	590,218	295,672
	515,333	518,814

(a) Market risk

(i) 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.

(ii) Fair value interest rate risk

Refer to (d) below.

(b) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 4 FINANCIAL RISK MANAGEMENT (continued)

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:

	Credit Quality	2013 $	2012 $
Financial assets			
Cash and cash equivalents			
- held at National Australia Bank	Aa2	956,114	641,045
Trade and other receivables			
Counterparties with external credit rating (Moody's)			
- Sundry receivables	B2	2,500	2,500
Counterparties without external credit rating*			
- Sundry receivables	Group 1	21,372	24,894

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

(c) 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.

(d) Cash flow and fair value 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 2013

NOTE 4 FINANCIAL RISK MANAGEMENT (continued)

2013	***Floating interest rate***	***Fixed interest maturing in 1 year or less***	***Non-interest bearing***	***Total***
Financial assets				
Cash and deposits	133,025	823,089	-	956,114
Receivables	-	-	130,437	130,437
Financial assets	-	-	19,000	19,000
	133,025	823,089	149,437	1,105,551
Weighted average interest rate	-	3.95%		
Financial Liabilities				
Trade and other creditors	-	-	590,218	590,218
	-	-	590,218	590,218

2012	***Floating interest rate***	***Fixed interest maturing in 1 year or less***	***Non-interest bearing***	***Total***
Financial assets				
Cash and deposits	209,851	431,194	-	641,045
Receivables	-	-	107,928	107,928
Financial assets	-	-	65,513	65,513
	209,851	431,194	173,441	814,486
Weighted average interest rate	-	4.33%		
Financial Liabilities				
Trade and other creditors	-	-	295,372	295,672
	-	-	295,372	295,672

(e) Financial risk management

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.

(f) 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.

Fair value hierarchy
AASB 7 *Financial Instruments: 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 2(i) Fair Value Estimation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Impairment of Assets

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

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

i. 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;
ii. substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
iii. 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
iv. as the exploration is still ongoing, there is not sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

(b) Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in Note 23.

NOTE 6 REVENUE

	2013 $	2012 $
From continuing operations:		
Interest – unrelated parties	59,100	105,207
Other income		
Gain on sale of property, plant and equipment	-	1,387
	59,100	106,594
Total revenue and other income	59,100	106,594

NOTE 7 EXPENSES

Loss before income tax has been determined after including the following expenses:		
Depreciation of non-current assets		
- property, plant and equipment	41,435	30,916
Employee benefits expense - superannuation	10,981	3,240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 8 SEGMENT REPORTING

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

2013	Gold $	Uranium $	Treasury $	Total $
Segment revenue	-	-	59,100	59,100
Segment loss for the year	(108,876)	-	59,100	(49,776)
Reconciliation to net operating loss:				
Depreciation expense				(41,435)
Impairment of shares in listed company				(46,513)
Corporate expense				(1,157,824)
Net loss per statement of profit or loss and other comprehensive income				(1,295,548)
Segment assets as at the year end				
Segment assets	18,965,286	-	956,114	19,921,400
Property plant and equipment				122,938
Financial assets				79,051
Receivables and other assets				130,437
Total assets from continuing operations per statement of financial position				20,253,826
Segment liabilities as at year end	109,435	-	585,597	695,032

2012	Gold $	Uranium $	Treasury $	Total $
Segment revenue	-	-	106,594	106,594
Segment loss for the year	(47,861)	(282,020)	106,594	(223,287)
Reconciliation to net operating loss:				
Depreciation expense				(30,916)
Corporate expense				(754,354)
Net loss per statement of profit or loss and other comprehensive income				(1,008,556)
Segment assets as at the year end	17,466,784	-	592,045	18,058,829
Property plant and equipment				85,319
Financial assets				125,564
Receivables and other assets				107,928
Total assets from continuing operations per statement of financial position				18,377,640
Segment liabilities as at year end	92,390	-	279,251	371,641

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 9 INCOME TAX

	2013 $	2012 $
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
	-	-
Income tax benefit is attributable to:		
Loss from continuing operations	-	-
Aggregate income tax benefit	-	-
Deferred income tax (revenue) expense comprises:		
Decrease (increase) in deferred tax assets	-	-
Decrease (increase) in deferred tax liabilities	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Unused tax losses for which no deferred tax asset has been recognised	(1,295,550)	(1,008,556)
Potential tax benefit @ 30%	(388,665)	(302,567)
Income tax benefit not recognised	388,665	302,567
Income tax benefit	-	-
(c) Deferred tax liabilities/(assets) not recognised		
Tax Losses	(1,295,550)	(1,008,556)
Potential tax benefit @ 30%	388,665	302,567
Total deferred tax assets not brought to account	7,912,424	6,498,095

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 $7,912,424 (2012: $6,498,095) 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 2013 are contingent upon the Group satisfying the following conditions:

(a) deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
(b) the conditions for deductibility imposed by tax legislation continuing to be complied with and the company can meeting either its continuity of ownership test or in the absence of satisfying that test the company can satisfy the same business test; and
(c) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 10 LOSS PER SHARE

	2013	2012
Basic loss per share (cents per share)	(0.20)	(0.18)
The loss used in calculating basic loss per share is the loss attributed to members of Strategic Minerals Corporation NL	$1,295,548	$1,008,354
Weighted average number of shares in the calculation of the EPS	637,661,764	565,147,377

Where diluted earnings per share are not diluted, they are not disclosed.

NOTE 11 CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank and on hand	133,025	209,774
Bank term deposits	823,089	431,271
	956,114	641,045
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	956,114	641,045

The effective interest rate on cash at bank and bank term deposits is 3.95%. These deposits have an average maturity of less than one year. The Group's exposure to interest rate risk is discussed in note 4.

NOTE 12 TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
Current		
Sundry receivables	23,872	27,394
Interest receivable and GST refundable	106,565	80,534
	130,437	107,928

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 4.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 13 FINANCIAL ASSETS

	2013 $	2012 $
Shares in listed corporations – "Available for sale" financial assets	19,000	65,513
	19,000	65,513

"Available for sale" financial assets, and other financial assets, comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. Refer to Note 4 for an analysis of price risk.

NOTE 14 PLANT & EQUIPMENT

	2013 $	2012 $
Plant and Equipment		
Plant and equipment at cost	380,712	301,658
Less accumulated depreciation	(257,774)	(216,339)
	122,938	85,319
MOVEMENTS:		
Owned plant & equipment at cost:		
Brought forward	301,658	255,083
Additions	79,054	49,175
Disposals / adjustments to cost	-	(2,600)
Closing Balance	380,712	301,658
Accumulated Depreciation:		
Brought forward	(216,339)	(188,023)
Depreciation expense	(41,435)	(30,916)
Disposals / adjustments to cost	-	2,600
Closing Balance	(257,774)	(216,339)

NOTE 15 EXPLORATION AND EVALUATION ASSETS

	2013 $	2012 $
Exploration at cost:		
Balance at the beginning of the year	17,417,784	16,117,244
Other expenditure during the year	1,656,378	1,630,421
Impairments	(108,876)	(329,881)
Balance at the end of the financial year	18,965,286	17,417,784

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest. Capitalised costs of $1,639,332 (2012: $1,579,850) have been included in the cash flows from investing activities in the statements of cash flow. Impairments relate to expenses which were written off during the year which could not be allocated to a specific tenement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 16 OTHER NON-CURRENT ASSETS

	2013 $	2012 $
Mineral Specimens	11,051	11,051
Security deposits on tenements	49,000	49,000
	60,051	60,051

NOTE 17 TRADE AND OTHER PAYABLES

	2013 $	2012 $
Unsecured		
Current – other creditors and accruals	590,218	295,672
Total unsecured liabilities	590,218	295,672

NOTE 18 PROVISIONS – CURRENT

	2013 $	2012 $
Balance at beginning of year	75,969	68,289
Increase in provision	53,216	7,680
Leave paid out	(24,371)	-
Balance at end of year	104,814	75,969

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

NOTE 19 CONTRIBUTED EQUITY

	2013 $	2012 $
(a) Paid Up Capital		
Issued capital 659,338,663 (2012: 565,147,377)	40,425,696	37,411,575
Placement	3,534,264	3,534,264
Less costs of capital	(331,988)	(166,210)
	43,627,972	40,779,629

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 19 CONTRIBUTED EQUITY (continued)

(b) Movements in ordinary share capital of the Company

Date	Details	Number of shares	Issue Price	$
1 Jan 2012	Opening balance	565,147,377		40,779,629
31 Dec 2012	Balance at end of year	565,147,377		40,779,629
25 March 2013	Shares issued at 3.2 cents	94,191,286	$0.032	3,014,121
	Capital raising costs	-		(165,778)
31 Dec 2013	Balance at end of year	659,338,663		43,627,972

(c) Options

	Number of Options 2013	2012
The number of unissued ordinary shares relating to options not exercised at year end:	-	10,000,000

(d) Option issues
During the financial year no Options were issued.

(e) Option exercise
During the financial year no Options were exercised.

(f) Option expiry
During the financial year 10,000,000 Options expired.

(g) Option cancellation
During the financial year no Options were cancelled.

(h) 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 as disclosed in Notes 21 and 22.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 19 CONTRIBUTED EQUITY (continued)

The working capital position of the Group at 31 December 2013 and 31 December 2012 are as follows.
The consolidated entity is not subject to any externally imposed capital requirements.

	2013 $	2012 $
Cash and cash equivalents	956,114	641,045
Trade and other receivables	130,437	107,928
Trade and other payables	(590,218)	(295,672)
Working capital position	496,333	453,301

NOTE 20 NON-CONTROLLING INTERESTS

	2013 $	2012 $
Balance at the beginning of the year	(5,886)	2,623
Share of profit / (loss) for the year	-	(8,202)
Adjustment to non-controlling interest	-	(307)
Balance at the end of the year	(5,886)	(5,886)

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

NOTE 21 RESERVES

		2013 $	2012 $
	Reserves		
(a)	Executive options issued	90,003	90,003
(b)	Option Premium reserve	2,972,522	2,972,522
		3,062,525	3,062,525
	Movements		
(a)	Executive options issued		
	Balance 1 January	90,003	41,800
	Options Issued	-	48,203
	Transfer to accumulated losses (options expired)	-	-
	Balance 31 December	90,003	90,003
(b)	Option premium reserve		
	Balance 1 January	2,972,522	2,972,522
	Premium to Reserve	-	-
	Balance 31 December	2,972,522	2,972,522

The reserves created in prior years relate to the premium paid on an options issue and to the fair value of employee incentive options issued to an executive director.

NOTE 22 ACCUMULATED LOSSES

	2013 $	2012 $
Accumulated losses at 1 January	25,830,269	24,830,217
Net loss for the year	1,295,548	1,000,354
Adjustment to non-controlling interest	-	(302)
Transfer expired options	-	-
Accumulated losses at the end of the year	27,125,817	25,830,269

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 23 SHARE BASED PAYMENTS

There were no options on issue at the end of the year (2012: 10,000,000).

The establishment of the Strategic Minerals Corporation NL Executives Option Plan was approved by shareholders at the May 2007 Annual General Meeting. The Plan is designed to provide long term incentives for senior executives, including executive directors, to deliver positive minerals exploration results. Participation is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. Options granted under the Plan carry no dividend or voting rights.

	2013 $	2012 $
Share based payment expense	-	48,203

NOTE 24 PARENT ENTITY INFORMATION

(a) Financial Position of Strategic Minerals Corporation NL	**2013 $**	**2012 $**
ASSETS		
Current assets		
Cash and cash equivalents	901,661	586,899
Trade and other receivables	130,743	107,928
Total current assets	1,032,404	694,827
Non current assets		
Other financial assets	19,000	65,513
Property, plant & equipment	122,938	85,319
Mineral exploration & evaluation expenditure	18,423,084	16,875582
Other non-current assets	59,537	59,537
Total non current assets	18,624,559	17,085,951
TOTAL ASSETS	**19,656,963**	**17,780,778**
LIABILITIES		
Current liabilities		
Trade and other payables	589,639	295,093
Provisions	104,814	75,969
Total current liabilities	694,453	371,062
TOTAL LIABILITIES	**694,453**	**371,062**
NET ASSETS	**18,962,510**	**17,409,716**
EQUITY		
Contributed equity	43,627,972	40,779629
Reserves	3,062,525	3,062,525
Accumulated losses	(27,727,987)	(26,432,438)
TOTAL EQUITY	**18,962,510**	**17,409,716**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 24 PARENT ENTITY INFORMATION (Continued)

(b) Controlled Entities

	2013 $	2012 $
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	-	-

Shares in controlled entities are unlisted and comprise:

	Place of Incorporation	2013 Holding %	2013 Amount $	2012 Holding %	2012 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.

(c) Financial Performance of Strategic Minerals Corporation NL	2013 $	2012 $
Loss for the year	(1,295,549)	(723,508)
Total comprehensive loss	(1,295,549)	(723,508)

(d) 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 2013 (2012: none).

(e) Contingent liabilities of Strategic Minerals Corporation NL

There are no contingent liabilities as at 31 December 2013 (2012: none).

(f) Commitments of Strategic Minerals Corporation NL

	2013 $	2012 $
Capital expenditure commitments payable:		
- not later than 12 months	1,162,681	866,595
- between 12 months and five years	2,708,776	3,910,071
- later than five years	531,290	564,949
Total Exploration tenement minimum expenditure requirements	4,402,747	1,727,423
Operating lease commitments for premises due:		
- not later than 12 months	31,442	68,359
- between 12 months and five years	-	-
- later than five years	-	-
Total Operating lease commitments	31,442	68,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 25 RELATED PARTIES TRANSACTIONS

During the year ended 31 December 2013 the Company reimbursed office rental expenses to Mr Claude Guerre totalling $9,000 (2012: $12,000).

There are no other related party transactions other than those payments to Directors as stated in note 26 below.

NOTE 26 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

Names and positions held of parent entity directors and key management personnel in office at any time during the financial year are:

Mr C F Guerre	Chairman, Non-Executive, part-time representative
Mr W A C Martin	Managing Director
Mr C Bigeard	Director, Non-Executive - part-time representative
Mr J Stephenson	Director, Non-Executive

The consolidated entity currently has no executive officers other than executive directors concerned in, or who take part in the management of the consolidated entity.

(b) Other key management personnel

Mr J Stephenson	Company Secretary

All the above persons are key management persons during the year ended 31 December 2013.

(c) Key Management Personnel Compensation

	2013 $	2012 $
Short term employee benefits	635,217	367,131
Post employment benefits	-	-
Share based payments	-	48,203
	635,217	415,334

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 26 KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(d) Equity instruments disclosure relating to Key Management Personnel

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.

2013		Balance at Start of the year	Received during the year on the exercise of options	Other changes during the year **	Balance at the end of the year
Directors:					
Mr W A C Martin	- direct	281,690	-	-	281,690
Mr W A C Martin	- indirect	3,999,658	-	143,315	4,142,973
Mr C F Guerre	- direct	895,000	-	200,000	1,095,000
Mr C F Guerre	- indirect	4,050,000	-	-	4,050,000
Mr C Bigeard	- direct	-	-	-	-
Mr C Bigeard	- indirect	-	-	-	-
Mr J Stephenson	- direct	-	-		-
Mr J Stephenson	- indirect	176,000	-	29,334	205,334

2012		Balance at Start of the year	Received during the year on the exercise of options	Other changes during the year **	Balance at the end of the year
Directors:					
Mr W A C Martin	- direct	281,690	-		281,690
Mr W A C Martin	- indirect	3,899,658	-	100,000	3,999,658
Mr C F Guerre	- direct	795,000	-	100,000	895,000
Mr C F Guerre	- indirect	4,050,000	-	-	4,050,000
Mr C Bigeard	- direct	-	-	-	-
Mr C Bigeard	- indirect	-	-	-	-
Mr J Stephenson	- direct	-	-		-
Mr J Stephenson	- indirect	176,000	-		176,000

* Mr C Bigeard resigned as a Director on 31 May 2013.

** Other changes during the year include other acquisitions and disposals for Directors and their related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 26 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Option Holdings

All options vest over a 12 month period and were vested and exercisable on 31 May 2012.

2013	Balance at Start of the year	Granted as remuneration during the year	Other changes during the year **	Balance at the end of the year
Directors:				
Mr W A C Martin	2,500,000	-	(2,500,000)	-
Mr C F Guerre	2,500,000	-	(2,500,000)	-
Mr C Bigeard	2,500,000	-	(2,500,000)	-
Mr J Stephenson	1,250,000	-	(1,250,000)	-

2012	Balance at Start of the year	Granted as remuneration during the year	Other changes during the year **	Balance at the end of the year
Directors:				
Mr W A C Martin	2,500,000	-	-	2,500,000
Mr C F Guerre	2,500,000	-	-	2,500,000
Mr C Bigeard	2,500,000	-	-	2,500,000
Mr J Stephenson	1,250,000	-	-	1,250,000

* Mr C Bigeard resigned as a Director on 31 May 2013.

** Other changes during the year include reductions due to exercise or expiry of options for Directors and their related parties or transfer of options to nominees.

(e) Loans to / from Key Management Personnel

There were no loans to / from Key Management Personnel for the year ended 31 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 27 NOTES TO STATEMENT OF CASH FLOW

	2013 $	2012 $
(i) **Reconciliation of operating loss after income tax to net cash provided by operating activities**		
Operating loss after income tax	(1,295,548)	(1,008,556)
Add / (less) non cash items:		
Depreciation	41,435	30,916
Profit on disposal of property, plant and equipment	-	(1,387)
Impairment of mining tenements	108,876	329,881
Impairment of shares in listed company	46,513	-
Share based payment	-	48,203
Non cash changes in assets & liabilities:		
Decrease/(increase) in receivables & prepayments	(22,509)	2,314
Increase/(decrease) in provisions	28,845	7,680
Increase in payables	277,500	16,853
Net cash (outflow) from operating activities	(814,888)	(686,087)

(ii) **Reconciliation of cash**

For the purposes of this statements of cash flow, cash includes cash on hand and at bank and short term deposits at call and commercial bills, net of outstanding bank overdrafts

	2013	2012
Cash	133,025	209,851
Deposits at call	823,089	431,194
	956,114	641,045

There are no credit standby arrangements with any banks as at year ended 31 December 2013 (2012: nil).

Non cash Financing and investing activities

There are no non-cash financing and investing activities for the year ended 31 December 2013 (2012: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2013

NOTE 28 COMMITMENTS

Exploration expenditure

In order to maintain current rights of tenure to exploration tenements, the Consolidated Entity is required to outlay lease rentals and to meet the minimum expenditure requirements of the Queensland Department of Natural Resources and Minerals. These obligations are subject to renegotiation upon expiry of the exploration tenements or when application for a mining licence is made. These commitments are not provided for in the accounts as they are associated with retention of title and payable at some time in the future.

	2013 $	2012 $
Not later than one year	1,162,681	1,111,146
Later than one year but not later than two years	1,253,800	1,474,286
Later than two years but not later than five years	1,454,976	2,675,784
Later than five years	531,290	564,949
Total exploration commitments	4,402,747	5,826,165

Operating lease

The Subiaco property lease was terminated in December 2013.
The lease of the Jolimont property commenced on 1 December 2014 and is for a twelve month period. Rent is payable monthly in advance.

	2013 $	2012 $
Operating lease commitment for premises due:		
Not later than one year	31,442	68,359
Later than two years but not later than five years	-	-
Later than five years	-	-
Total property lease commitments	31,442	68,359

NOTE 29 CONTINGENT ASSETS AND LIABILITIES

Strategic Minerals Corporation NL has $31,700 worth of bank guarantees in relation to exploration licenses as at 31 December 2013 (2012: $35,000). There are no other contingent assets or liabilities at year end.

NOTE 30 AUDITORS' REMUNERATION

	2013 $	2012 $
Amounts paid and payable to the auditors of the consolidated entity in respect of		
BDO Audit (WA) Pty Ltd		
- auditing or reviewing the accounts	37,714	43,282
BDO Corporate Tax (WA) Pty Ltd		
- tax related services (non-audit services)	14,637	15,029
Total fees	52,351	58,311

NOTE 31 EVENTS AFTER THE REPORTING PERIOD

In March 2014, the Company offered 164,834,665 shares at 2.4 cents in a fully underwritten non-renounceable entitlements issue, to raise $3,956,000 before costs.

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

DIRECTORS DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 47 to 77 are in accordance with the Corporations Act 2001 and:

    (a) Comply with Australian Accounting Standards, which as stated in Note 2(a) to the financial statements constitute explicit and unreserved compliance with International Financial Reporting Standards (IFRS), and comply with the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    (b) Give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the consolidated entity.

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.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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:

Wally Martin
MANAGING DIRECTOR

Signed at Perth this 31st day of March 2014

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Strategic Minerals Corporation NL

Report on the Financial Report

We have audited the accompanying financial report of Strategic Minerals Corporation NL, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

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 report.

Opinion

In our opinion:

(a) the financial report of Strategic Minerals Corporation NL is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2013. 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.

Opinion

In our opinion, the Remuneration Report of Strategic Minerals Corporation NL for the year ended 31 December 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll

Director

Perth, 31 March 2014

ADDITIONAL SHAREHOLDER INFORMATION
As at 31 March 2014

1. DISTRIBUTION OF SHAREHOLDERS

			Number of Shareholders
1	-	1,000	597
1,001	-	5,000	574
5,001	-	10,000	224
10,001	-	100,000	456
100,001	and over		199
			2,050

Percentage holding of twenty largest holders	83.17%
Number of shareholders holding less than a marketable parcel	1,492

2. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders are as follows:

	Shareholder	Number of Shares	% of Issued Capital
1	Mr Christopher Wallin (Christopher Wallin Super Fund)	217,519,418	32.99
2	JP Morgan Nominees Australia Ltd (Cash Income A/C)	80,005,570	12.13
3	Mr C I Wallin & Ms F K Wallin (Chris Wallin Superfund A/C)	51,633,773	7.83
4	HSBC Custody Nominees Australia Ltd	41,864,741	6.35
5	HSBC Custody Nominees Australia Ltd	24,599,714	3.73
6	Citicorp Nominees Pty Limited	21,715,046	3.29
7	National Nominees Limited	18,657,707	2.83
8	Mr C I Wallin & Ms F K Wallin (Christopher Wallin S/F A/C)	17,092,776	2.59
9	Mr Miguel Missionario & Miss Teresa Missionario	12,540,585	1.90
10	Ventureline Pty Ltd	12,303,412	1.87
11	Field Ltd	9,204,054	1.40
12	Energy World International Ltd	6,583,344	1.00
13	Altamarda Pty Ltd	6,315,557	0.96
14	Yandal Investments Pty Ltd	6,284,672	0.95
15	Mr D L Wood & Mrs A Wood (The Wood Investment A/C)	5,541,667	0.84
16	Mr Bernard Thomas Hooley	3,733,334	0.57
17	Mr Ianaki Semerdziev	3,500,000	0.53
18	L Dilizio & Co Pty Ltd	3,199,602	0.49
19	Jingie Investment Pty Ltd	3,009,705	0.46
20	Mr M P De Jong & Mrs J I De Jong (W G Fertilisers S/Fund A/C)	3,000,000	0.46
	TOTAL OF TOP 20	**548,304,677**	**83.17**
	TOTAL SHARES	**659,338,663**	**100.00**

3. SUBSTANTIAL SHAREHOLDERS

As at 31 March 2014 the substantial shareholders registered with the Company were:

Shareholder	No of Shares	% of issued capital
Mr Christopher Wallin (Christopher Wallin Super Fund)	217,519,418	32.99
JP Morgan Nominees Australia Ltd (Cash Income A/C)	76,428,932	11.59
Mr C I Wallin & Ms F K Wallin (Chris Wallin Superfund A/C)	51,633,773	7.83
HSBC Custody Nominees Australia Ltd	46,549,655	7.06

4. VOTING RIGHTS

Ordinary Shares
On a show of hands every member present in person or by proxy or attorney or being a corporation by its authorised representative who is present in person or by proxy, shall have one vote for every fully paid ordinary share of which he is a holder.

Listed Options
Listed options have no voting rights until such options are exercised as fully paid ordinary shares.

Unlisted Options
These options have no voting rights until such options are exercised as fully paid ordinary shares.