

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Strategic Minerals Corporation NL

ACN

008 901 380

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date 9 Months \$A'000 |
|---|----------------------------|-------------------------------------|
| 1.1 Receipts from product sales and related debtors | | |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (454) | (687) |
| (b) development | | |
| (c) production | (226) | (439) |
| (d) administration | | |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 32 | 55 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other – received from Joint Venture Partners | | |
| Net Operating Cash Flows | (648) | (1,071) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | | |
| (b) equity investments | | |
| (c) other fixed assets | (38) | (41) |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | | |
| (b) equity investments | | |
| (c) other fixed assets | | |
| 1.10 Loans to other entities | | |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (provide details if material) | | |
| Net investing cash flows | (38) | (41) |
| 1.13 Total operating and investing cash flows (carried forward) | (686) | (1,112) |

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| | | | |
|------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (686) | (1,222) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. net of costs | 3,368 | 3,368 |
| 1.15 | Proceeds from sale of forfeited shares | | |
| 1.16 | Proceeds from borrowings | | |
| 1.17 | Repayment of borrowings | | |
| 1.18 | Dividends paid | | |
| 1.19 | Other (provide details if material) | | |
| | Net financing cash flows | 3,368 | 3,368 |
| | Net increase (decrease) in cash held | 2,682 | 2,256 |
| 1.20 | Cash at beginning of quarter/year to date | 1,289 | 1,715 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 3,971 | 3,971 |

Note: Company has adopted a 31 December year end for the purposes of the Appendix 5b for this quarter in line with the Company Financial Year End

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 75 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |

1.25 Explanation necessary for an understanding of the transactions

Managing Director, Director Fees, Consulting Fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
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| |
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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| |
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Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | | |
| 3.2 Credit standby arrangements | | |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 450 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 200 |
| Total | 650 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 669 | 130 |
| 5.2 Deposits at call | 3,302 | 1,178 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 3,971 | 1,308 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|----------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | | | |

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6.2 Interests in mining tenements acquired or increased

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|--------------|---------------|---|--|
| 7.1 Preference + securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 565,147,377 | 565,147,377 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 141,286,844 | 141,286,844 | | |
| 7.5 +Convertible debt securities <i>(description)</i> | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |

| | | | | | |
|------|--|------------|--|-------------------------------------|-------------------------------------|
| 7.7 | Options <i>(description and conversion factor)</i> | 10,000,000 | | <i>Exercise price</i> 4.25 cents | <i>Expiry date</i> 30 April 2013 |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures <i>(totals only)</i> | | | | |
| 7.12 | Unsecured notes <i>(totals only)</i> | | | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 31 October 2011

Print name: Jay Stephenson