



***Strategic
Minerals
Corporation N.L.***

ABN: 35 008 901 380

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2012**

STRATEGIC MINERALS CORPORATION NL

ABN: 35 008 901 380

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2012**

INDEX

Corporate Directory	3
Directors' Report	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cashflows	8
Notes to the Consolidated Financial Statements	9
Directors' Declaration	13
Auditors' Independence Declaration	14
Auditors' Review Report	15

STRATEGIC MINERALS CORPORATION NL
CORPORATE DIRECTORY

DIRECTORS:

Claude F Guerre
Chairman

Wally A C Martin
Managing Director

Claude Bigeard
Director

Jay Stephenson
Director

COMPANY SECRETARY:

Jay Stephenson

REGISTERED OFFICE:

Suite 4, Level 1
460 Roberts Road
SUBIACO WA 6008

PO Box 66
FLOREAT FORUM WA 6014

Telephone (08) 9388 8399
Facsimile (08) 9388 8511

AUDITORS:

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

HOME BRANCH:

Australian Securities Exchange
Exchange Plaza
2 The Exchange
PERTH WA 6000

ASX Code: SMC

SHARE REGISTRY:

Securities Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

PO Box 535
APPLECROSS WA 6953

Telephone (08) 9315 0933
Facsimile (08) 9315 2233

STRATEGIC MINERALS CORPORATION NL

DIRECTORS' REPORT

Your Directors present their financial report on the consolidated entity consisting of Strategic Minerals Corporation NL and the entities it controlled for the half year ended 30 June 2012.

1. Directors

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

Mr Claude Guerre	Chairman
Mr Walter AC Martin, Dip. Legal Studies	Managing Director
Mr Claude Bigeard	Non-executive Director
Mr Jay Stephenson, MBA, FCPA, CMA, FCIS, MAICD	Non-executive Director

2. Consolidated Results

The net amount of the consolidated loss of the consolidated entity for the half year ended 30 June 2012 after providing for income tax was \$685,464 (30 June 2011: \$361,149).

3. Review of Operations

The Company continued its exploration of its Woolgar project in Queensland. The drilling program for 2012 is expected to total around 10,000 metres of drilling and will target existing and new prospect areas all along or adjacent to the Woolgar fault zone.

4. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity.

5. Events after the reporting period

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

6. Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

This report is made in accordance with a resolution of the Board of Directors.

For and on behalf of the Board.



Wally A C MARTIN

DIRECTOR

Perth, Western Australia

Dated this 7th Day of September 2012.

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2012

	Half Year 30 June 2012 \$	Half Year 30 June 2011 \$
Revenue from continuing operations	69,192	23,251
Administration expense	(98,671)	(53,691)
Employee benefits expense	(101,155)	(125,035)
Share based payment expense	(48,203)	(41,800)
Consulting and legal expense	(87,068)	(77,660)
Depreciation expense	(12,963)	(12,273)
Finance costs	-	(2,637)
Occupancy expense	(50,357)	(46,498)
Travel expense	(9,406)	(4,825)
Shareholder expense	(16,952)	(19,981)
Impairment on tenements	9 (329,881)	-
Loss before income tax	(685,464)	(361,149)
Income tax expense	-	-
Loss for the half-year	(685,464)	(361,149)
Other comprehensive income for the half-year	-	-
Total comprehensive loss for the half-year	(685,464)	(361,149)
Loss and Total comprehensive income for the half year is attributable to:		
Equity holders of Strategic Minerals Corporation NL	(677,262)	(361,009)
Non-Controlling Interest	(8,202)	(140)
	(685,464)	(361,149)

	Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the company		
Basic loss per share	(0.12)	(0.001)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	30 June 2012	31 Dec 2011
	\$	\$
Current Assets		
Cash and cash equivalents	2,402,556	2,842,542
Trade and other receivables	46,872	110,479
Total Current Assets	<u>2,449,428</u>	<u>2,953,021</u>
Non-Current Assets		
Financial assets	65,513	65,513
Plant and equipment	72,114	67,060
Exploration and evaluation expenditure	9 15,979,009	16,117,244
Other non-current assets	60,051	60,051
Total Non-Current Assets	<u>16,176,687</u>	<u>16,309,868</u>
TOTAL ASSETS	<u>18,626,115</u>	<u>19,262,889</u>
Current Liabilities		
Trade and other payables	226,659	228,243
Provisions	70,365	68,289
Total Current Liabilities	<u>297,024</u>	<u>296,532</u>
TOTAL LIABILITIES	<u>297,024</u>	<u>296,532</u>
NET ASSETS	<u>18,329,091</u>	<u>18,966,357</u>
EQUITY		
Contributed equity	40,779,629	40,779,629
Reserves	3,062,525	3,014,322
Accumulated losses	(25,507,176)	(24,830,217)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL	18,334,978	18,963,734
Non controlling interest	(5,887)	2,623
TOTAL EQUITY	<u>18,329,091</u>	<u>18,966,357</u>

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

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2012

	Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$	Non Controlling Interest \$	Total Equity \$
Balance at 1 January 2011	37,411,575	3,242,272	(24,397,059)	16,256,788	2,624	16,259,412
Loss for the half year	-	-	(361,009)	(361,009)	(140)	(361,149)
Total comprehensive loss for the half year	-	-	(361,009)	(361,009)	(140)	(361,149)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Issue of Directors Options	-	41,800	-	41,800	-	41,800
Balance at 30 June 2011	37,411,575	3,284,072	(24,758,068)	15,937,579	2,484	15,940,063
	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
Loss for the half year	-	-	(677,262)	(677,262)	(8,202)	(685,464)
Total comprehensive loss for the half year	-	-	(677,262)	(677,262)	(8,202)	(685,464)
Transactions with owners in their capacity as owners:						
Reclassification of NCI movement from prior period	-	-	303	303	(308)	(5)
Issue of Directors Options	-	48,203	-	48,203	-	48,203
Balance at 30 June 2012	40,779,629	3,062,525	(25,507,176)	18,334,978	(5,887)	18,329,091

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

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2012

	Half Year 30 June 2012 \$	Half Year 30 June 2011 \$
Cash Flows from operating activities		
Payments to suppliers and employees	(298,326)	(212,766)
Net cash outflow from operating activities	(298,326)	(212,766)
Cash Flows from investing activities		
Interest received	67,920	23,251
Purchase of plant and equipment	(16,745)	-
Payments for exploration expenditure	(192,835)	(217,446)
Net cash inflow from investing activities	(141,660)	(194,195)
Cash Flows from financing activities		
Proceeds of capital raising	-	-
Repayment of borrowings	-	-
Net cash inflow from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(439,986)	(406,961)
Cash and cash equivalent at the beginning of the half year	2,842,542	1,714,644
Cash and cash equivalent at the end of the half year	2,402,556	1,307,683

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

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2011 and any public announcements made by Strategic Minerals Corporation NL and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the December 2011 financial report.

These half-year statements do not include full disclosures of the type normally included in the annual financial statements.

2. COMMITMENTS

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

3. SEGMENT REPORTING

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

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

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.

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012

3. SEGMENT REPORTING (continued)

	Gold	Uranium	Treasury	Total
	\$	\$	\$	\$
Six months ended 30 June 2012				
Segment revenue	-	-	69,192	69,192
Segment loss for the year	(47,861)	(282,020)	67,920	(261,961)
Reconciliation to net operating loss:				
Depreciation expense	-	-	-	(12,963)
Corporate expense				(410,540)
Net loss per statement of comprehensive income				(685,464)
Six months ended 30 June 2011				
Segment revenue	-	-	23,251	23,251
Segment loss for the year	-	-	23,251	23,251
Reconciliation to net operating loss:				
Depreciation expense				(12,273)
Corporate expense				(372,127)
Net loss per statement of comprehensive income				(361,149)
Total segment assets at 30 June 2012				
Segment assets	15,979,009	-	2,402,556	18,381,565
Property plant and equipment				72,114
Financial assets				76,564
Receivables and other assets				95,872
Total assets from continuing operations per statement of financial position				18,626,115
Total segment assets at 31 December 2011				
Segment assets	15,835,224	282,020	2,842,542	18,959,786
Property plant and equipment				67,060
Financial assets				65,513
Receivables and other assets				170,530
Total assets from continuing operations per statement of financial position				19,262,889

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012

4. MOVEMENT IN OPTIONS

On 27 June 2011, the Company issued 10,000,000 Options to Directors or their nominees for no cash consideration, exercisable at 4.25 cents on or before 30 April 2013. The exercise price was calculated using the 150% of the 5 day VWAP prior to the date of the Company Annual General Meeting on 31 May 2011.

		2012	2011
Balance at beginning of the period		10,000,000	4,000,000
Options issued	27 June 2011	-	10,000,000
Options expired	30 June 2011	-	(4,000,000)
Balance at end of the period		10,000,000	10,000,000

The values of options issued during the year were calculated using the Black-Scholes option pricing model applying the following inputs:

	Director Options
Number of options issued	10,000,000
Exercise price	\$0.0425
Valuation date	31 May 2011
Expiry date	31 May 2013
Market price of shares at grant date	\$0.03
Expected share price volatility	100%
Risk-free interest rate	4.8%
Valuation per option	\$0.009

5. EVENTS AFTER THE REPORTING PERIOD

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

6. CONTINGENT LIABILITIES

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

7. RELATED PARTY TRANSACTIONS

There are no significant related party transactions not already identified at the 31 December 2011 year end.

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012

8. DIVIDENDS

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

9. EXPLORATION AND EVALUATION

The Group holds several EPL's which provide the legal right to exploration and underpins the carrying amount of the exploration and evaluation expenditure asset recorded at 30 June 2012. Some of these licences are under renewal, or due for renewal within the next 12 months, and the continued capitalisation of these assets depends on the successful renewal of these EPL's otherwise the areas of interest assets may be written off.

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

	30 June 2012	31 December 2011
	\$	\$
Exploration at cost:		
Balance at the beginning of the year	16,117,244	14,628,312
Other expenditure during the year	191,646	1,488,932
Impairments	(329,881)	-
Balance at the end of the financial year	15,979,009	16,117,244

STRATEGIC MINERALS CORPORATION NL

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2012 and its performance for the six months ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Wally A C Martin
DIRECTOR

Perth, Western Australia
Dated this 7th day of September 2012.

7 September 2012

The Board of Directors
Strategic Minerals Corporation NL
Suite 4, Level 1
460 Roberts Road
Subiaco WA 6008

Dear Sirs,

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF STRATEGIC MINERALS CORPORATION NL

As lead auditor for the review of Strategic Minerals Corporation NL for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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



Chris Burton
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strategic Minerals Corporation NL, which comprises the consolidated statement of financial position as at 30 June 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Strategic Minerals Corporation NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO


Chris Burton
Director

Perth, Western Australia
Dated this 7th day of September 2012