

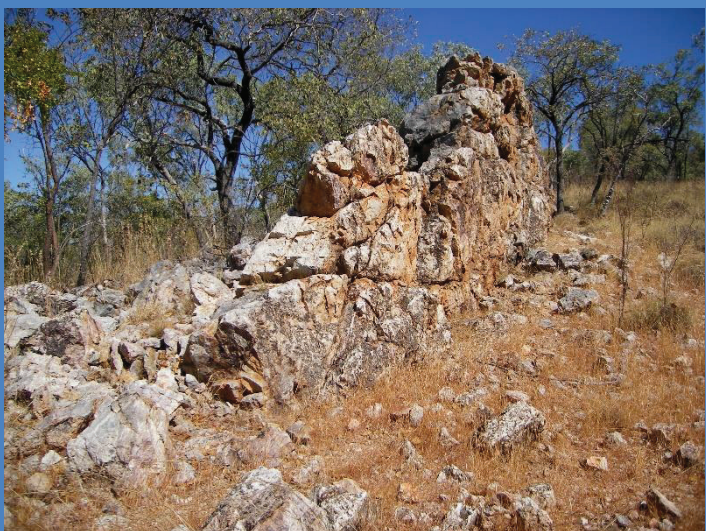


STRATEGIC MINERALS
CORPORATION N.L.

ABN 35 008 901 380

INTERIM FINANCIAL REPORT

30 June 2017



CORPORATE DIRECTORY

Directors

Laif McLoughlin	Executive Chairman
Christopher Wallin	Non-executive Director
Jay Stephenson	Non-executive Director

Company Secretary

Jay Stephenson

Head Office and Registered Office

Registered Office

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SUBIACO WA 6008

Principal Place of Business

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Share Registry

Security Transfer Registrars Pty Ltd

Applecross WA 6153

Telephone: 1300 992 916 (within Australia)

Telephone: +61 (0)3 9628 2200

Facsimile: +61 (0)8 9315 2233

Website: www.securitytransfer.com.au

Securities Exchange

Australian Securities Exchange

Level 40, Central Park, 152-158 St Georges Terrace
PERTH WA 6000

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Auditor

Hall Chadwick QLD Audit

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INTERIM FINANCIAL REPORT

30 JUNE 2017

CONTENTS




■ DIRECTORS' REPORT	1
■ AUDITORS INDEPENDENCE DECLARATION	3
■ CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
■ CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
■ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
■ CONSOLIDATED STATEMENT OF CASH FLOWS.....	7
■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8
■ DIRECTORS' DECLARATION	14
■ INDEPENDENT AUDITOR'S REPORT	15

DIRECTORS' REPORT

Your Directors present their report together with the condensed consolidated financial statements for Strategic Minerals Corporation NL (**the Company**) and its controlled entities (**the Group**) for the half-year ended 30 June 2017.

1. DIRECTORS

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

- | | | |
|---|-----------------------|-------------------------------|
|  | Mr Laif McLoughlin | <i>Executive Chairman</i> |
|  | Mr Christopher Wallin | <i>Non-executive Director</i> |
|  | Mr Jay Stephenson | <i>Non-executive Director</i> |
- (the Board)

2. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

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

3. OPERATING RESULTS

For the half-year ended 30 June 2017 the Group delivered a loss before tax of \$265,651 (30 June 2016: \$464,303 loss).

4. REVIEW OF OPERATIONS

During the half-year ended 30 June 2017 the Company successfully completed a placement and rights issue raising over \$2 million before costs for the purposes of commissioning the Big Vein South exploration program and additional technical studies for 2017.





In line with the on-going strategy of both advancing the BVS deposit and continuing to explore for further mineralisation, the company intends to conduct an extensive program that will be both more varied, intensive and advanced than previous years. This reflects the significant advances made in the deposit over the preceding years and the requirement to conduct numerous additional studies to continue to progress the deposit towards possible production.

At BVS, this will include both drilling and technical studies on the resource itself, and advancing additional studies to both better define its economic viability and commence baseline data gathering for potential environmental impact assessments.

In addition to this, target definition and testing will continue across the project.

During the half year, field preparations were made for the 2017 drill program, which will include both reverse circulation and diamond drilling. The focus will be mainly on the BVS deposit, including both resource definition and additional technical studies aimed at improving the definition of commercial viability and commencing further base-line environmental programs.

Some of the on-site activities and technical experts engaged include:

-  LiDAR radar topographic survey for resource and feasibility studies;
-  Accurate aerial photography to assist development planning and ongoing exploration;
-  Defining scopes and tendering of initial geotechnical and further metallurgical studies; and
-  Defining environmental scopes and tendering of waste-rock, hydrology and ground water baseline studies.

5. DIVIDENDS PAID OR RECOMMENDED

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



DIRECTORS' REPORT

6. FINANCIAL POSITION

The net assets of the Group have increased from 31 December 2016 by \$1,935,095 to \$24,485,973 at 30 June 2017 (31 December 2016: \$22,550,878).

As at 30 June 2017, the Group's cash and cash equivalents increased from 31 December 2016 by \$1,622,033 to \$1,936,126 at 30 June 2017 (31 December 2016: \$314,093) and had working capital of \$1,774,324 (31 December 2016: \$249,570 working capital).

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.

7. AUDITORS INDEPENDENCE DECLARATION

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



Laif Allen McLoughlin

Executive Chairman

Dated this Wednesday, 13 September 2017

Level 19/144 Edward St
Brisbane Qld 4000
GPO Box 389
Brisbane Qld 4001

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Strategic Minerals Corporation NL

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

I declare that, to the best of my knowledge and beliefs, during the period ended 30 June 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Geoffrey Stephens
Director

HALL CHADWICK QLD AUDIT

Dated this13..... day of September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 \$	30 June 2016 \$
Revenue	3	713	795
Administration expenses		(61,564)	(41,021)
Consulting and legal		(26,090)	(35,769)
Depreciation and amortisation	4(a)	(1,440)	(16,771)
Employee benefit expense		(122,285)	(317,791)
Finance costs		(1,415)	-
Impairment of assets		-	(10,537)
Unrealised gain / (loss) on financial assets		6,000	-
Insurance		(14,186)	-
Rental expense		(37,543)	(21,307)
Share registry expenses		(6,146)	(15,938)
Travel expense		(1,695)	(5,964)
(Loss) before income tax		(265,651)	(464,303)
Income tax expense/(benefit)		-	-
(Loss) for the year		(265,651)	(464,303)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(265,651)	(464,303)
Total Comprehensive Loss is attributable to:			
Equity holders of the Company		(265,650)	(464,181)
Non-Controlling Interest		(1)	(122)
		(265,651)	(464,303)
Loss per share attributable to the ordinary equity holders of the Company		¢	¢
Basic (loss) per share	6	(0.43)	(0.80)

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	30 June 2017 \$	31 Dec 2016 \$
Current assets			
Cash and cash equivalents	7	1,936,126	314,093
Trade and other receivables	8	95	95
Financial assets	9	18,000	12,000
Total current assets		1,954,221	326,188
Non-current assets			
Plant and equipment	10	7,166	8,607
Mineral exploration and evaluation assets	11	22,636,973	22,230,117
Other non-current assets	12	67,510	62,584
Total non-current assets		22,711,649	22,301,308
Total assets		24,665,870	22,627,496
Current liabilities			
Trade and other payables	13	50,911	52,008
Borrowings	14	101,391	-
Provisions	15	27,595	24,610
Total current liabilities		179,897	76,618
Total liabilities		179,897	76,618
Net assets		24,485,973	22,550,878
Equity			
Contributed equity	16(a)	51,739,958	49,539,212
Reserves		2,972,522	2,972,522
Accumulated losses		(30,220,496)	(29,954,846)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL		24,491,984	22,556,888
Non-controlling interest		(6,011)	(6,010)
Total equity		24,485,973	22,550,878

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Contributed equity \$	Share based payment reserve \$	Accumulated Losses \$	Sub-total \$	Non Controlling Interest \$	Total Equity \$
Balance at 1 January 2016	48,142,683	2,972,522	(29,375,809)	21,739,396	(5,888)	21,733,508
Total comprehensive loss for the half-year	-	-	(464,181)	(464,181)	(122)	(464,303)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs 16(a)	122,022	-	-	122,022		122,022
Balance at 30 June 2016	48,264,705	2,972,522	(29,839,990)	21,397,237	(6,010)	21,391,227
Balance at 1 January 2017	49,539,212	2,972,522	(29,954,846)	22,556,888	(6,010)	22,550,878
Total comprehensive loss for the half-year	-	-	(265,650)	(265,650)	(1)	(265,651)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs 16(a)	2,200,746	-		2,200,746	-	2,200,746
Balance at 30 June 2017	51,739,958	2,972,522	(30,220,496)	24,491,984	(6,011)	24,485,973

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 \$	30 June 2016 \$
Cash flow from operating activities			
Payments to suppliers & employees		(273,961)	(414,439)
Interest received		713	795
Net cash (outflow) from operating activities		(273,248)	(413,644)
Cash flow from investing activities:			
Payments of security deposits		-	(192)
Payments for exploration expenditure assets		(406,856)	(310,655)
Net cash (outflow) from investing activities		(406,856)	(310,847)
Cash flow from financing activities:			
Proceeds from issue of shares		2,231,350	122,022
Cost of capital raising		(30,604)	
Net cash inflow from financing activities		2,200,746	122,022
Net increase / (decrease) in cash held		1,520,642	(602,469)
Cash and cash equivalents at the beginning of the half-year		314,093	821,489
Cash and cash equivalents at the end of period	7(b)	1,834,735	219,020

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements were authorised for issue on 13 September 2017 by the Directors of the Group.

(a) Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Strategic Minerals Corporations NL and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 31 December 2016, together with any public announcements made during the half-year.

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

i. Statement of compliance

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

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

ii. Going Concern

The 30 June 2017 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of \$265,651 (2016: \$464,303 loss) and a net cash out-flow from operating activities of \$273,248 (2016: \$413,644 out-flow).

As at 30 June 2017, the Company had working capital of \$1,774,324 (2016: \$249,570 working capital).

Following the successful placement and rights issue in April and May 2017 respectively, the Company raised \$2,200,746 net of 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.

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

iii. Accounting Policies

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

iv. Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 2 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:

1. the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
2. substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
3. exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
4. 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.

NOTE 3 REVENUE AND OTHER INCOME

From continuing operations:

Interest – unrelated parties

Total revenue and other income

30 June 2017	30 June 2016
\$	\$
713	795
713	795

NOTE 4 LOSS BEFORE INCOME TAX

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

(a) Depreciation and amortisation:

- Depreciation and amortisation of plant and equipment

(b) Employment costs:

- Employee benefits expense - superannuation

30 June 2017	30 June 2016
\$	\$
1,440	16,771
11,357	24,823



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 5 SEGMENT REPORTING

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

Six months ended 30 June 2017

Segment revenue

Segment loss for the half-year

Reconciliation of segment loss to group loss:

Depreciation expense

Impairment of shares in listed company

Corporate expense

Total group revenue and other income

Segment assets as at the half-year end

Segment assets

Reconciliation of segment assets to group assets:

Property plant and equipment

Financial assets

Receivables and other assets

Total assets

Segment and group liabilities as at half- year end

Six months ended 30 June 2016

Segment revenue

Segment loss for the half-year

Reconciliation of segment loss to group loss:

Depreciation expense

Impairment of other non-current assets

Corporate expense

Total group revenue and other income

Segment assets as at the half-year end

Segment assets

Reconciliation of segment assets to group assets:

Property plant and equipment

Financial assets

Receivables and other assets

Total group revenue and other income

Segment and group liabilities as at half-year end

	Gold \$	Treasury \$	Total \$
Segment revenue	-	713	-
Segment loss for the half-year	-	713	713
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(1,440)
Impairment of shares in listed company	-	-	6,000
Corporate expense	-	-	(270,924)
Total group revenue and other income			(265,651)
Segment assets as at the half-year end			
Segment assets	22,636,973	1,936,126	24,573,099
Reconciliation of segment assets to group assets:			
Property plant and equipment			7,166
Financial assets			18,000
Receivables and other assets			67,605
Total assets			24,665,870
Segment and group liabilities as at half- year end		179,897	179,897
Six months ended 30 June 2016			
Segment revenue	-	75	75
Segment loss for the half-year	-	75	75
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(16,771)
Impairment of other non-current assets	-	-	(10,537)
Corporate expense	-	-	(437,070)
Total group revenue and other income			(464,303)
Segment assets as at the half-year end			
Segment assets	21,410,007	219,022	21,629,029
Reconciliation of segment assets to group assets:			
Property plant and equipment			10,250
Financial assets			63,545
Receivables and other assets			22,052
Total group revenue and other income			21,724,876
Segment and group liabilities as at half-year end		333,652	333,652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 6 EARNINGS PER SHARE (EPS)

(a) Reconciliation of earnings to profit or loss

(Loss) / profit for the half-year

Less: loss attributable to non-controlling equity interest

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

30 June 2017	30 June 2016
\$	\$
(265,651)	(464,303)
(1)	(122)
(265,650)	(464,181)

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

30 June 2017	30 June 2016
No.	No.
62,318,561	57,697,571

(c) Earnings per share

Basic EPS (cents per share)

30 June 2017	30 June 2016
¢	¢
(0.43)	(0.80)

(d) The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the 2017 financial year, the Group had no unissued shares under options that were out of the money which are anti-dilutive (2016: nil).

NOTE 7 CASH AND CASH EQUIVALENTS

(a) Current:

Cash at bank and on hand

30 June 2017	31 Dec 2016
\$	\$
1,936,126	314,093
1,936,126	314,093

(b) Reconciliation of cash

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

 Cash and cash equivalents

 Bank overdrafts

1,936,126	314,093
(101,391)	-
1,834,735	314,093

NOTE 8 TRADE AND OTHER RECEIVABLES

(a) Current

Interest receivable and GST refundable

30 June 2017	31 Dec 2016
\$	\$
95	95
95	95

NOTE 9 FINANCIAL ASSETS

(a) Current:

Shares in listed corporations – “Held for Trading” level 1 financial assets

30 June 2017	31 Dec 2016
\$	\$
18,000	12,000
18,000	12,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 10 PLANT AND EQUIPMENT

Note	30 June 2017 \$	31 Dec 2016 \$
(a) Non-current:		
Plant and equipment at cost	309,422	309,422
Less accumulated depreciation	(302,256)	(300,815)
	7,166	8,607

NOTE 11 MINERAL EXPLORATION AND EVALUATION ASSETS

Note	30 June 2017 \$	31 Dec 2016 \$
(a) Non-current:		
Exploration at cost:		
Balance at the beginning of the half-year	22,230,117	21,109,894
Expenditure during the half-year	406,856	1,120,223
Impairments	-	-
Balance at the end of the financial half-year	22,636,973	22,230,117

- (b) Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest. Capitalised costs of \$406,856 (2016: \$1,120,223) have been included in the cash flows from investing activities in the statements of cash flow.

NOTE 12 OTHER ASSETS

	30 June 2017 \$	31 Dec 2016 \$
(a) Current		
Prepayments	25,063	20,137
(b) Non-current:		
Mineral Specimens	514	514
Security deposits on tenements	41,933	41,933
	67,510	62,584

NOTE 13 TRADE AND OTHER PAYABLES

	30 June 2017 \$	31 Dec 2016 \$
(a) Current:		
Unsecured		
Other creditors and accruals	50,911	52,008
Total unsecured liabilities	50,911	52,008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 14 FINANCIAL LIABILITIES

(a) Current

Bank overdraft

30 June 2017	31 Dec 2016
\$	\$
101,391	-
101,391	-

NOTE 15 PROVISIONS

(a) Current:

Balance at beginning of period

Increase in provision

Leave paid out

Balance at end of period

30 June 2017	31 Dec 2016
\$	\$
24,610	182,375
2,985	-
-	(157,765)
27,595	24,610

(b) 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 16 ISSUED CAPITAL

Note

Fully paid ordinary shares at no par value

16(a)

30 June 2017 No.	31 Dec 2016 No.	30 June 2017 \$	31 Dec 2016 \$
69,061,647	62,383,313	51,739,958	49,539,212
At the beginning of the period	62,383,313	49,539,212	48,142,683
Shares issued during the period:			
29 Jan 2016: Shares issued at \$0.021	5,810,567		122,021
27 May 2016: Effect of 15:1 consolidation	(808,669,672)		-
10 Aug 2016: Shares issued at \$0.28	4,620,990		1,293,877
13 April 2017: Shares issued at \$0.36	916,667	330,000	
23 May 2017: Shares issued at \$0.33	5,761,667	1,901,350	
Transaction costs relating to share issues	-	(30,604)	(19,369)
At reporting date	69,061,647	51,739,958	49,539,212

NOTE 17 COMMITMENTS

There is no change in the Company's commitments or contingencies since the half-year ended 31 December 2016 to date of this report.

NOTE 18 CONTINGENT ASSETS AND LIABILITIES

Strategic Minerals Corporation NL has \$52,851 worth of bank guarantees in relation to exploration licenses as at 30 June 2017 (31 December 2016: \$52,851). There are no other contingent assets or liabilities at period end.

NOTE 19 EVENTS SUBSEQUENT TO REPORTING DATE

On July 17 2017 the company announced that drilling had commenced on the Big Vein South gold deposit at the Woolgar Project in Central North Queensland.



DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The condensed financial statements and notes, as set out on 4 to 13, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the half-year ended on that date of the Company
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Laif Allen McLoughlin

Executive Chairman

Dated this Wednesday, 13 September 2017

Strategic Minerals Corporation NL

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strategic Minerals Corporation NL, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Strategic Minerals Corporation NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 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*.

A handwritten signature in black ink, appearing to read 'G. Stephens', with a long horizontal line extending to the right.

Geoffrey Stephens
Director

HALL CHADWICK QLD AUDIT

Dated this¹³..... day of September 2017



STRATEGIC MINERALS
CORPORATION N.L.