STRATEGIC MINERALS
CORPORATION N.L.

ABN 35 008 901 380

ANNUAL REPORT

31 December 2018

CORPORATE DIRECTORY

Directors

Laif McLoughlin	Executive Chairman
Darren Fooks	Non-executive Director
Jay Stephenson	Non-executive Director

Company Secretary

Jay Stephenson

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Registered Office

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ANNUAL REPORT
31 DECEMBER 2018

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CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of Directors of Strategic Minerals, I am pleased to present the 2018 Annual Report for year to 31 December 2018.

2018 was a challenging year for the Company and its Directors in the wake of positive developments and announcements regarding the BVS deposit. Your Board had major plans to continue advancing the project toward a prefeasibility assessment during 2018 after completing the ambitious field program in 2017 where the company completed a suite of site-based activities including reverse circulation, diamond core, geotechnical and ground water programs etc. These plans were severely curtailed due to the impacts arising from the Takeovers Panel application made by a Shareholder of the Company during the takeover bid made by QGold Pty Ltd (**QGold**) and the associated six-month suspension from trading. As a result, the Board was forced to postpone seasonally dependent studies and various technical programs like the processing of the diamond hole core material from the 2017 field program until the proceedings had been finalised and Strategic was able to undertake a necessary capital raising. By the time the company emerged from the suspension, completed the assay and additional quality control of the 2017 diamond hole material, conducted a rights issue and repaid a Director Loan, there was only 3 to 4 months to complete a field program in 2018.

The Company moved quickly to undertake a capital raising so that it could maximise the limited window remaining to complete a compressed field exploration program at Woolgar for 2018. After focussing much of the company's resources in recent years toward the successful delineation of the Big Vein South (**BVS**) deposit, the Board decided to concentrate resources on servicing the other highly prospective and important exploration tenements within the Wooglar portfolio. Most shareholders would be aware that exploration tenements have statutory work and expenditure commitments which, if not substantially met, place them at risk. Therefore, the company embarked on a drilling program to drill test the Belle-Brandon and Ada sector prospects and undertook a comprehensive ultra-trace soil and rock chip sampling program over several prospects. Environmental and technical studies were also progressed during the 2nd half of the year.

Upon completion of the field program for 2018 and referencing the additional geochemical, geotechnical and provisional metallurgical worked completed, an updated BVS resource was released. The BVS resource now stands at 1.417 Mt oz (at a 0.75 gt cut off) with uplift in Indicated Resources of 92% compared to the last resource update. Whilst this represents a significant conversion, Strategic will be required to convert considerably more of the BVS resources to at least Indicated before embarking on a pre-feasibility assessment and determination of a probable ore reserve. To this end, Strategic will complete a moderate infill drilling program during 2019 along with a small drill program to test some of the best presenting ultra-trace anomalies. The priority will be on those ultra-trace targets which are in close proximity of the BVS deposit or located in areas which could be subject to proposed infrastructure.

After concluding the first phase of the geotechnical work, the Company considers it a priority to complete the second phase during 2019. The additional geotechnical holes will provide greater confidence on the geotechnical parameters for potential open cut mine development. This will be a significant driver behind the project economics of a potential BVS development given the moderate depth to access the best grades and the competency of the host rock. The company will advance the various studies required for environmental approvals and prefeasibility assessment with the metallurgical, ground water monitoring and waste rock work continuing. Importantly, our metallurgical partners are assessing the suitability of BVS ore for modern ore sorting technologies, cyanide substitution, flotation and gravity circuits. The inclusion of these in the BVS flowsheet could potentially see a reduction in the water and power requirements and reduce the handling and processing of waste.

Despite the corporate challenges experienced in the first 6 months of 2018, the Board has been able to deliver another sizeable resource upgrade to shareholders. We have utilised the limited opportunity to complete an exploration program which will serve to demonstrate statutory compliance with the company's portfolio of Woolgar tenements and importantly provide prospective targets for further evaluation and testing.

Laif Allen McLoughlin
EXECUTIVE CHAIRMAN
Strategic Minerals Corporation NL

OPERATIONS REVIEW 2018

WOOLGAR GOLD PROJECT QUEENSLAND

(Strategic Minerals Corporation N.L. (Strategic) 100%)

The operational 2018 objectives were significantly impacted by the Takeover Panel Application made at the start of the year. The company was unable to significantly advance the initiatives originally undertaken during the ambitious 2017 field exploration program due to the 6-month suspension and the difficulty of accessing funding via the normal rights entitlement issue.

During the first 6 months of 2018, the company continued to keep the market informed with release of the results from the very successful BVS infill and extension drilling program and Woolgar soil and geochemistry results. After securing a Director loan in March 2018 the company was able to recommence the processing and handling of the diamond core and released these results to the market in June 2018.

Upon the finalisation of the Takeover Panel proceedings, the lifting of the suspension and completion of a rights issue in August 2018, the company had approximately three months remaining to complete a field program for 2018. The board decided on the following objectives:

- ✓ To meet the statutory commitments for Exploration Permit Minerals ("EPM") 9599 and the other EPMs including the design of the drill program to drill test Belle Brandon and Ada prospects
- ✓ To continue the project wide ultra trace soil sampling, rock-chip sampling and mapping
- ✓ To continue advancing evaluation studies where appropriate
- ✓ To undertake the release of the BVS resource update upon completion of field activities and availability of additional QAQC

2018 HIGHLIGHTS INCLUDE:

- The release of the results from the 2017 diamond drilling of BVS[1], including:
  - LD0317 77.47 metres at 1.37 g/t gold from 128 to 205.47 metres
  - LD0322 31.45 metres at 2.31 g/t gold from 97 to 128.45 metres
  - LD0323 40.31 metres at 2.18 g/t gold from 130 to 170.31 metres
  - LD0324 31.79 metres at 3.54 g/t gold from 107.51 to 139.3 metres
- A new BVS resource update of 1.417 Moz gold (at a 0.75g/t cut-off) representing a 21% increase in global resources at BVS gold deposit and a 92% increase in Indicated Resources[2].
- Strategic completed 1,340 metres of reverse circulation drilling of Belle Brandon and Ada[3]. Results include:
  - MR0335 2 metres at 23.36 g/t gold from 19 to 21 metres
  - MR0330 2 metres at 11.0 g/t gold from 103 to 105 metres
- 2,228 ultra-trace soil samples across the Woolgar Project[4]
- Targeted reconnaissance mapping and 150 rock chip samples across the Woolgar Project.

[1] See ASX Release dated 27 June 2018 – **Final Results of 2017 Core Drill Program at BVS, Woolgar**

[2] See ASX Release dated 21 December 2018 – **Resource Update for Big Vein South**

[3] See ASX Release dated 14 January 2019 – **Drill Results – Belle Brandon and Ada**

[4] See ASX Release dated 8 March 2019 – **Soil Geochemistry Results at Woolgar**

BIG VEIN SOUTH DRILLING – FINAL RESULTS FROM THE 2017 DIAMOND HOLE PROGRAM

The 2017 drilling program consisted of 22 RC and 8 diamond (DD) holes for a total of 6,332 metres focused primarily over the Cross Over area of the Big Vein South (BVS) deposit as seen in Figure 1. The RC program which consisted of 4,720m was broken down as follows:

- Twenty of these are infill holes in the Crossover Sector to decrease the existing hole spacing to both upgrade the category of the existing resource, if justified, and increase the confidence and precision of the resource modelling.
- The shallower drillholes also tested the potential for near-surface mineralisation. These generally intercepted relatively narrow and low-grade mineralisation, confirming that the high-grade material does not reach surface in this sector.
- Two additional holes infill in the northern portion of the existing resource (Big Vein Central), testing potentially open mineralisation between broader-spaced drillholes.

The eight diamond hole program which consisted of 1,612m was broken down as follows:

- Four diamond holes were primarily drilled for geotechnical, geochemical and some resource information.
- Four holes were primarily drilled for metallurgical, resource and some geochemical and geotechnical information.

The RC results were progressively announced to market over three batches with the last ASX announcement made on the 29 January 2018, as reported in the previous annual report.

Unfortunately, the release of the diamond hole program was initially delayed to allow detailed logging and hyperspectral scanning prior to destructive sampling and later due to financial constraints arising from the extended suspension of the Company's shares from trading. The company was able to commission the processing and assay of the diamond core material after securing funding via a director loan in March 2018 and the diamond hole results were announced to market on the 27 June 2018.

The results from the 8 diamond holes include:

- **LD0317** **5.8 metres at 1.29 g/t gold from 77.32 to 83.12 metres** (Resource)
  and **77.47 metres at 1.37 g/t gold from 128 to 205.47 metres**
  - including 5.5 metres at 3.96 g/t gold from 140 metres
  - and 3.8 metres at 4.37 g/t gold from 164.4 metres
- **LD0318** **5.54 metres at 1.04 g/t gold from 119.8 to 125.34 metres** (Geotechnical)
- **LD0319** No significant Results (Geotechnical)
- **LD0320** **1.87 metres at 1.83 g/t gold from 144.13 to 146 metres** (Geotechnical)
- **LD0321** **6.53 metres at 1.85 g/t gold from 20.66 to 27.19 metres** (Geotechnical)
- **LD0322** **31.45 metres at 2.31 g/t gold from 97 to 128.45 metres** (Resource)
- **LD0323** **5.1 metres at 1.49 g/t gold from 112.9 to 118 metres** (Resource)
  and **40.31 metres at 2.18 g/t gold from 130 to 170.31 metres**
  - including 9.52 metres at 4.22 g/t gold from 134 metres
- **LD0324** **3.6 metres at 1.8 g/t gold from 39.6 to 43.2 metres** (Resource)
  and **4.3 metres at 0.68 g/t gold from 78.6 to 82.9 metres**
  and **11.87 metres at 1.37 g/t gold from 87.5 to 99.37 metres**
  and **31.79 metres at 3.54 g/t gold from 107.51 to 139.3 metres**

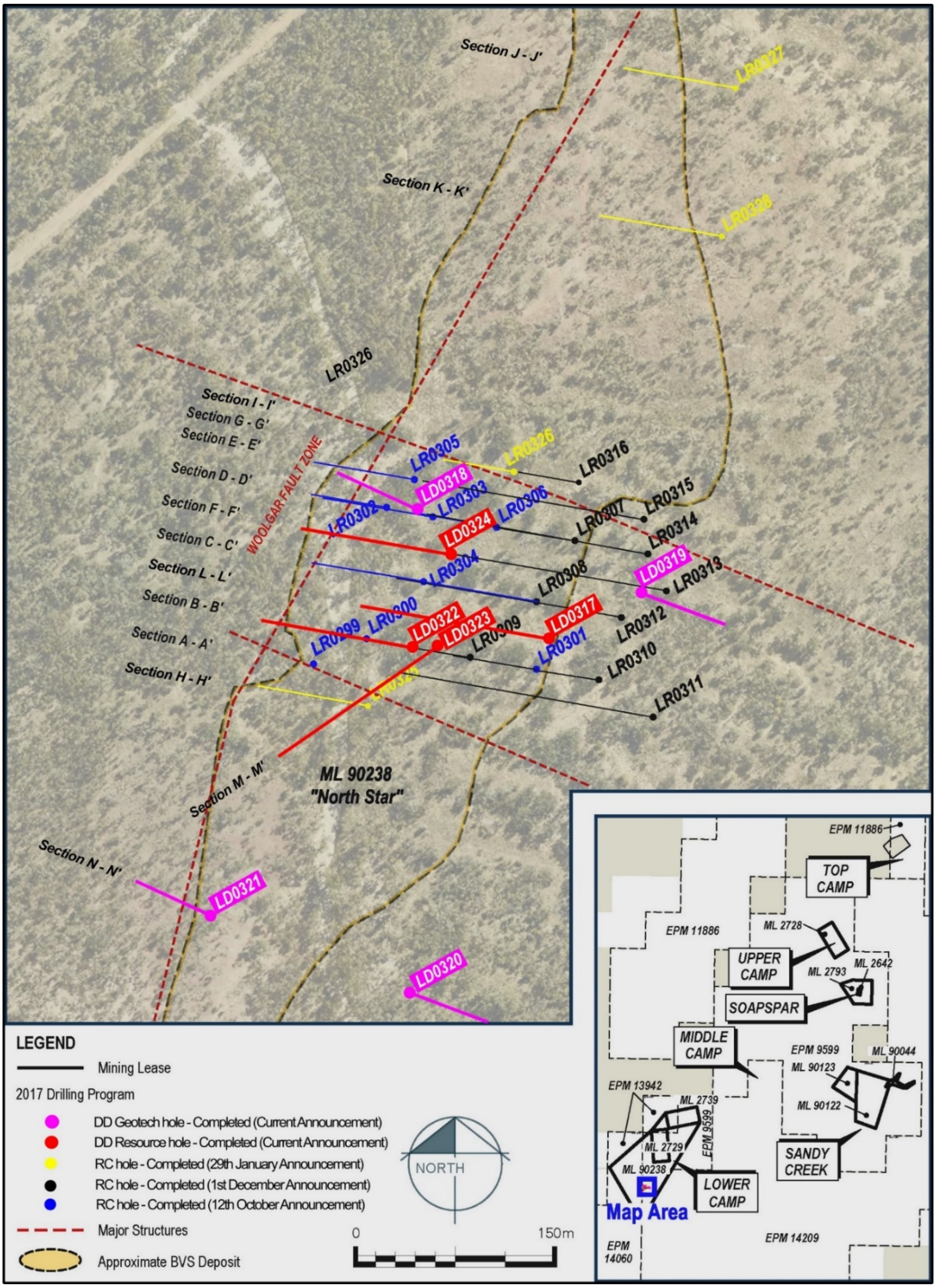


Figure 1: Plan of the northern portion of the BVS prospect showing the location of the four resource DD holes (in red) and the four geotechnical DD holes (in purple) in relation to the BVS resource, and the 2017 RC drill holes – refer ASX announcement 27th March 2018

EXPLORATION DRILLING – BELLE BRANDON AND ADA (EPM 9599)

Regional exploration drilling in 2018 focused on the Belle Brandon and Ada prospects, located approximately six kilometres along strike from BVS in an interpreted structural jog in the Woolgar Fault Zone (WFZ). The prospects share many similar features with BVS and were postulated to be the northern antithetical equivalent, sitting on either side of the structural intersection between the WFZ and cross-cutting Mowbray trend. Holes were designed to follow up on previous shallow drilling beneath historic workings, high-grade samples from outcrop and mullock, zonation interpreted from surface sampling, and geophysical interpretations.

Strategic completed 1,340 metres of RC drilling in 10 drill holes, with significant results including:

- MR0335 2 metres at 23.36 g/t gold from 19 to 21 metres
- MR0330 2 metres at 11.0 g/t gold from 103 to 105 metres
- MR0332 2 metres at 3.66 g/t gold from 92 to 94 metres
- MR0334 3 metres at 1.6 g/t gold from 65 to 68 metres
- MR0338 3 metres at 1.3 g/t gold from 153 to 156 metres
- MR0336 1 metres at 2.0 g/t gold from 95 to 96 metres
- MR0329 1 metres at 1.6 g/t gold from 90 to 91 metres

Most holes intersected the structure targeted with some high-grade intercepts. This included the expected styles of alteration and mineralisation, although the results were weaker and less continuous than expected. The complete multi-element results will be fully interpreted in due course, but initial assessments appear to indicate that this section of the structure is less likely to host potentially economic BVS-style mineralisation.

Figure 2: RC drilling at the Ada prospect.

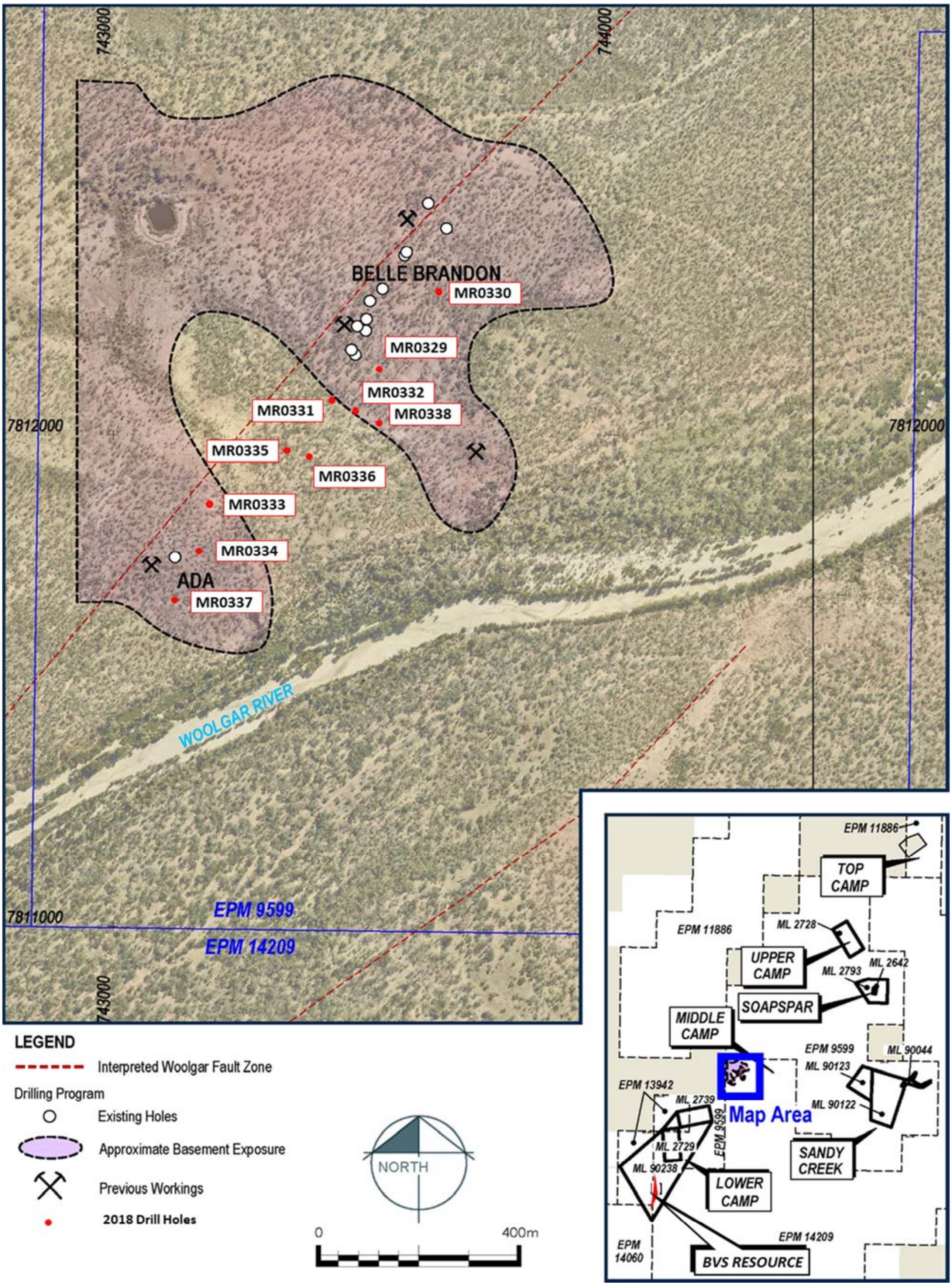


Figure 3: Belle Brandon and Ada Drill Holes for 2018

BIG VEIN SOUTH – UPDATED RESOURCE

On the 21st December 2018, Strategic released the BVS resource update incorporating the results from the 2017 reverse circulation (RC) and diamond drilling (DD) programmes.

Highlights included:

- 21% increase in global resources to 24Mt at 1.84 g/t containing 1,417,700 oz gold at 0.75 g/t cut -off
- 108% increase in tonnes and a 92% increase in gold ounces for a drop of an 8% drop in gold grade for the new Indicated Resource category, mostly within the Crossover Zone where the Measured and Indicated (M&I) Resources locally increased from 18% to 91% of contained ounces
- The results from the Crossover zone indicate that 50m drill spacing with localised 25m infill should be sufficient for future programs to convert Inferred to M&I

Table 1: Big Vein South Resource, 21st December 2018, at 0.75 g/t cut-off (minor rounding errors)

Category	Mt	Au g/t	Au Koz	Density t/m3
Measured	0.6	1.90	33.7	2.61
Indicated	10.0	1.93	621.4	2.71
Inferred	13.5	1.76	762.6	2.70
Total	**24.0**	**1.84**	**1,417.7**	**2.71**

BVS Resource Update

Based on the 2017 drilling, the updated global resource for the BVS deposit has been increased to 24.0Mt at 1.84g/t for 1,417,700 oz contained (Table 1).

The new global resource estimate represents a 31% increase in tonnes relative to the February 2017 estimate and a 21% increase in the number of ounces. This increase is partly due to a new geological interpretation that has joined the Southern, Central, and Northern zones into a single, continuous, sigmoidal deposit (Figure 4). The Central or Crossover sector was previously interpreted as a fault offset, however based on the 2017 drilling results can now be seen as a flexure within the main sigmoid. The Crossover sector is a key a part of the BVS deposit because it contains a significant portion of the overall resource, is relatively close to surface, and was flagged in initial scoping studies as potentially the most suitable area to commence mining.

Accordingly, much of the 2017 drilling focused on the Crossover sector with the aim of upgrading the resource estimate in this area to Measure and Indicated (M&I) categories, which are required to model a Probable Ore Reserve. The results of this programme can be used as a guide to estimate the additional drilling required to upgrade the remainder of the deposit. Within the Crossover sector, the resource update has resulted in a conversion from 17% Indicated Resource within 6.6Mt resource in 2017 to 88% of a 7.3Mt resource currently, shown graphically in Figure 5 and Figure 6. The results indicate that 50m drill spacing with localised 25m infill should be sufficient for M& I. This is a significant improvement from historical work, which included shallow holes spaced at 15m, and indicates that the amount of drilling required and the costs associated with upgrading the remainder of the resource could be lower than previously anticipated.

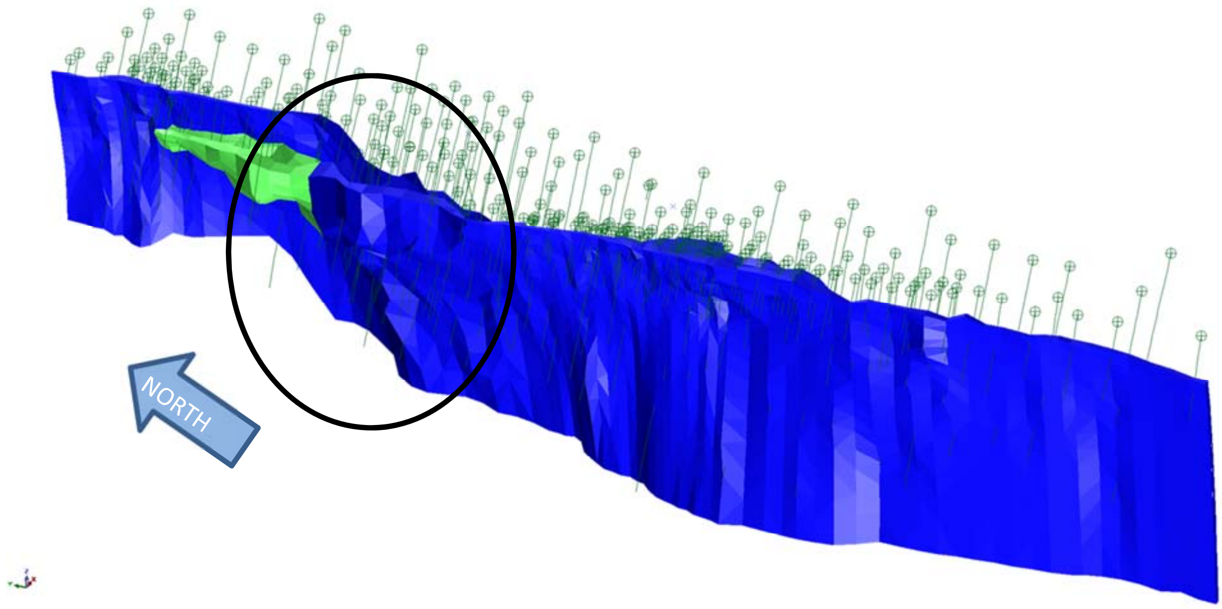


Figure 4: (above) Mineral Lode Interpretation looking down grid to northeast, showing how the three main lodes of previous resources are now consolidated into one, shown in blue. The Crossover sector (circled), which was previously interpreted as predominantly a fault offset, can now be seen as a flexure within the main sigmoid. (Blue = Main zone; Green = Splay zone)

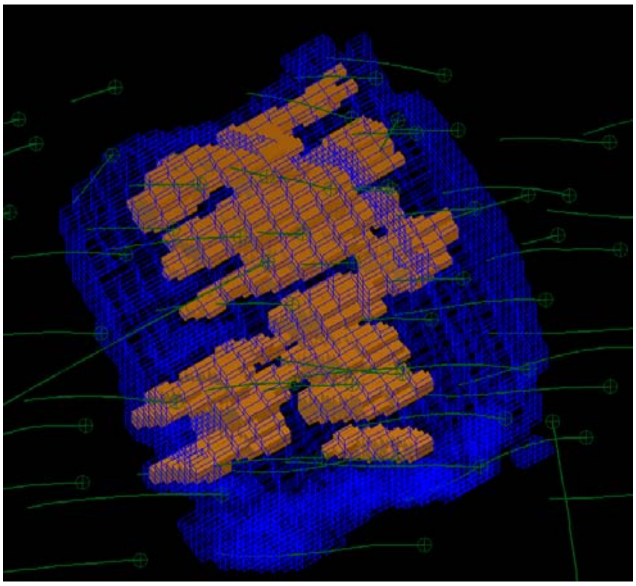
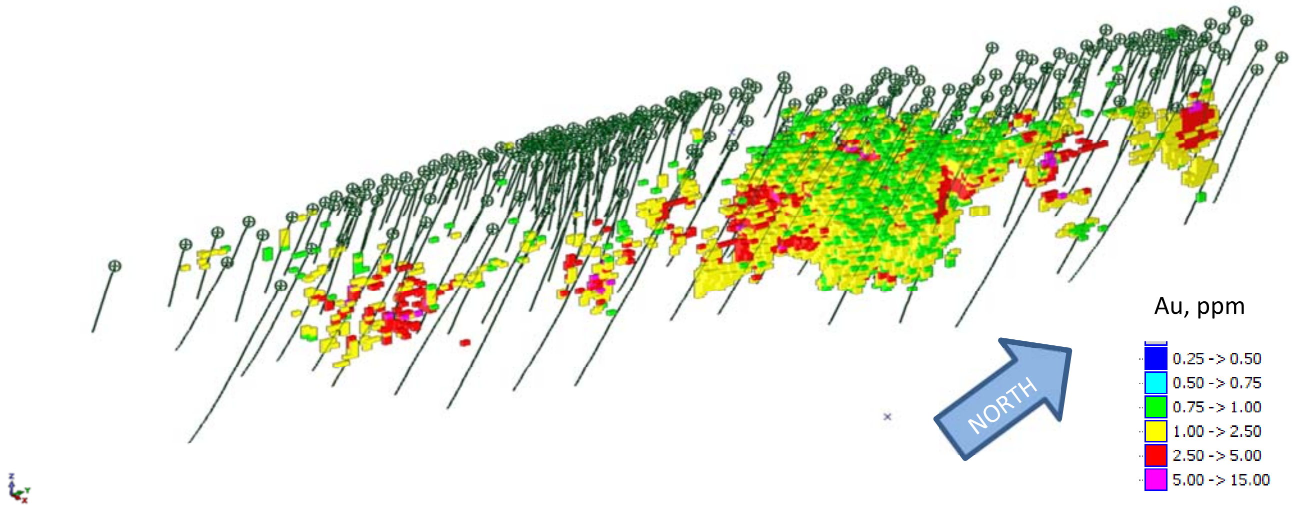


Figure 5: (right) 3D representation of the central "Crossover" sector of the BVS resource from above. The old (Feb 2017) Indicated Resource is in solid orange within the current Indicated Resource in blue. This clearly demonstrates the effectiveness of the infill drilling at converting the lower resource classifications to Measured and Indicated.

Figure 6: (below) View of the BVS resource looking down to grid north west showing blocks of Inferred Resource from the 2017 Resource that have been converted to Indicated Resource.



A summary of the progress of resource increases during the recent Strategic exploration campaigns is included as Figure 7.

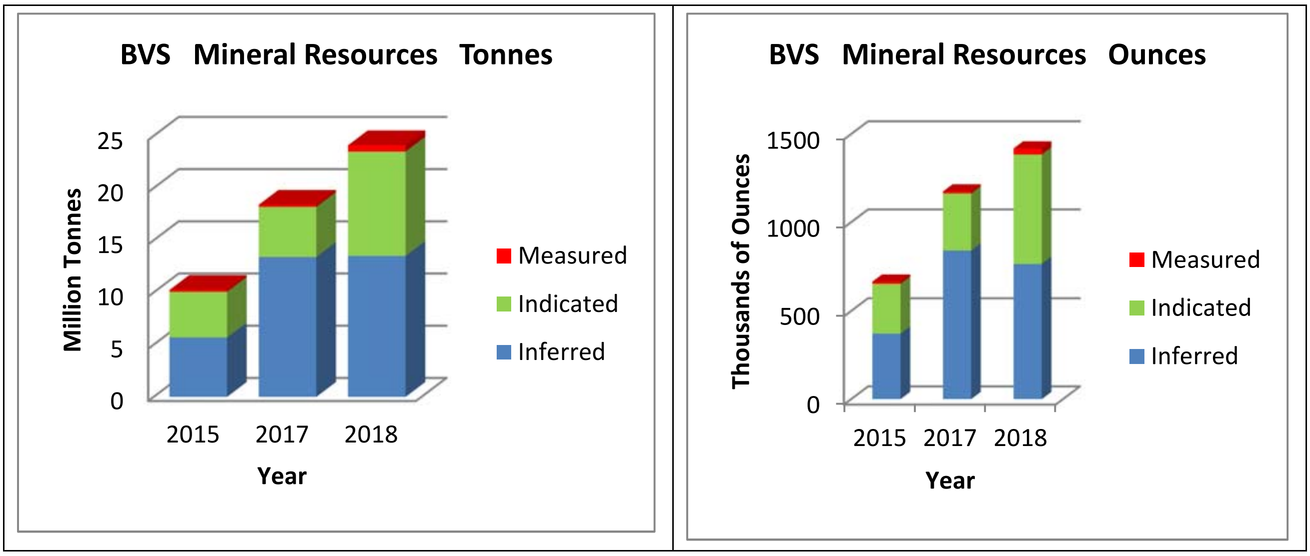


Figure 7: Strategic Resource Estimates 2015, 2017 and 2018

Further exploration potential exists at BVS, with the resource remaining open at depth. An Exploration Target of 5 to 9 Mt at 1.2 to 1.6g/t for 0.15 to 0.25Moz has been calculated, based on down-dip extensions within the existing mineral wireframe (Figure 8).

The potential quantity and grade of the Exploration Target is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

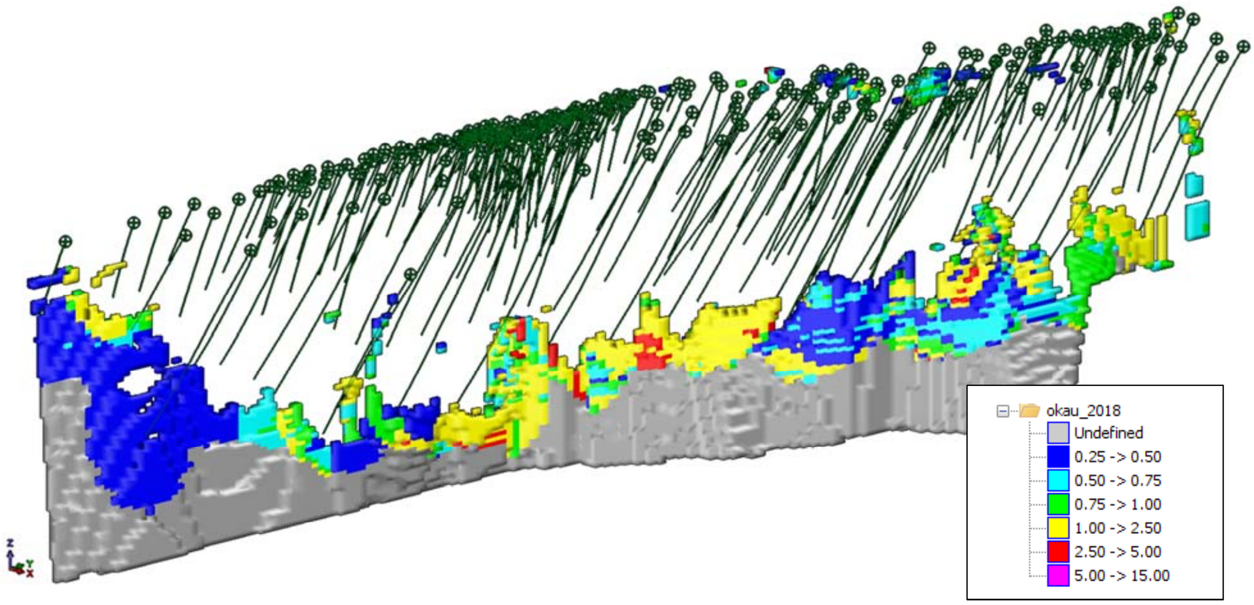


Figure 8: BVS Exploration Potential

PROJECT-WIDE EXPLORATION – ULTRATRACE AND SAMPLING PROGRAM

Strategic have completed an extensive geochemical program throughout the Woolgar Project in 2018, following positive results of the orientation programme conducted in 2017[5].

Highlights include:

- 2,228 partial leach ultra-trace soil samples across the project;
- 150 rock chip samples;
- Positive results from the large-scale roll-out of target generation techniques over covered targets;
- Three main target generation surveys;
- Three targeted infill surveys for definition within known anomalous areas;
- Drill targets identified from several surveys;
- Geochemical domaining has identified the potential for multiple, previously unrecognised mineralised systems;

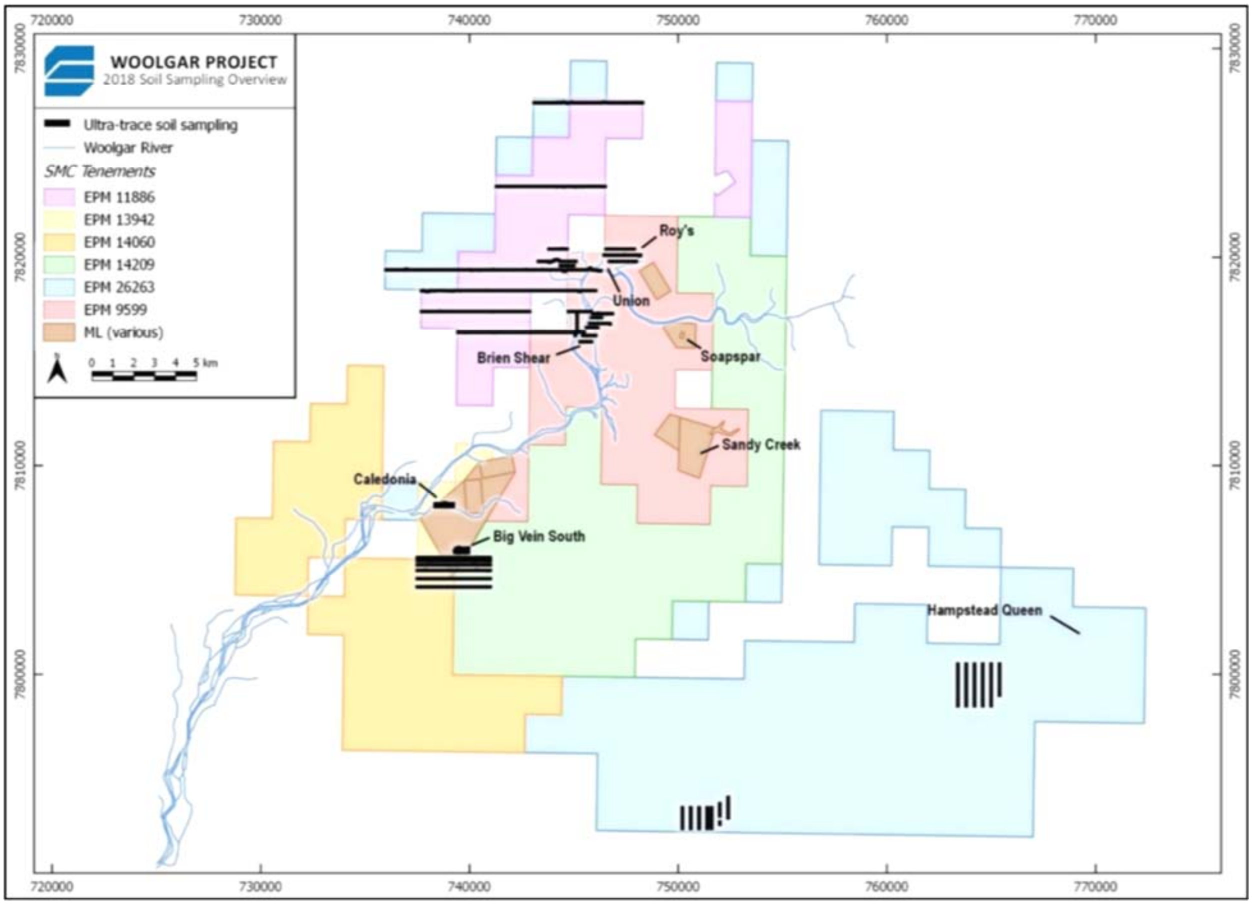


Figure 9: Locations of ultra-trace soil sampling completed throughout 2018

5 See ASX release dated 14th March 2018 – **Soil Chemistry and Exploration Results at Woolgar**

Ultra-trace Soil Sampling

Ultra-trace soil sampling is a partial-leach technique that aims to detect buried mineralisation through transported and secondary sediments. This is significant for the Woolgar Goldfield, where large areas of the prospective Proterozoic basement are partially or completely covered by younger sediments and alluvium. Ultra-trace soil sampling provides a method to explore within these areas, where standard geochemical techniques and geophysical methods have proven unreliable due to local conditions.

Following on from a successful trial to the south of the BVS deposit in 2017, Strategic have completed a series of larger surveys in the latter half of 2018. A total of 2,228 ultra-trace soil samples have been collected to date and further sampling is planned. Surveys have consisted of a mix of detailed lines over known prospective areas, plus regional, broad spaced lines over areas with significant cover.

Significant results are summarised below.

BVS Southern Extensions

This tightly-focussed soil survey (Figure 10) was designed to test for additional mineralisation along the Woolgar Fault Zone (WFZ) to the south of BVS. The area has extensive sedimentary cover with limited outcrop. Prospective metamorphic rocks were identified in groundwater bores to the south and east and the location of the WFZ was interpreted from aeromagnetic data.

The survey has successfully identified a coincident gold, lead, and zinc anomaly on the eastern side of the interpreted fault. The location of the anomaly directly along strike from known gold, lead and zinc mineralisation at BVS makes it a high priority target for future exploration. In addition, given the proximity of this anomaly to the BVS resource, any mineralisation discovered would be expected to have a positive effect on the project economics.

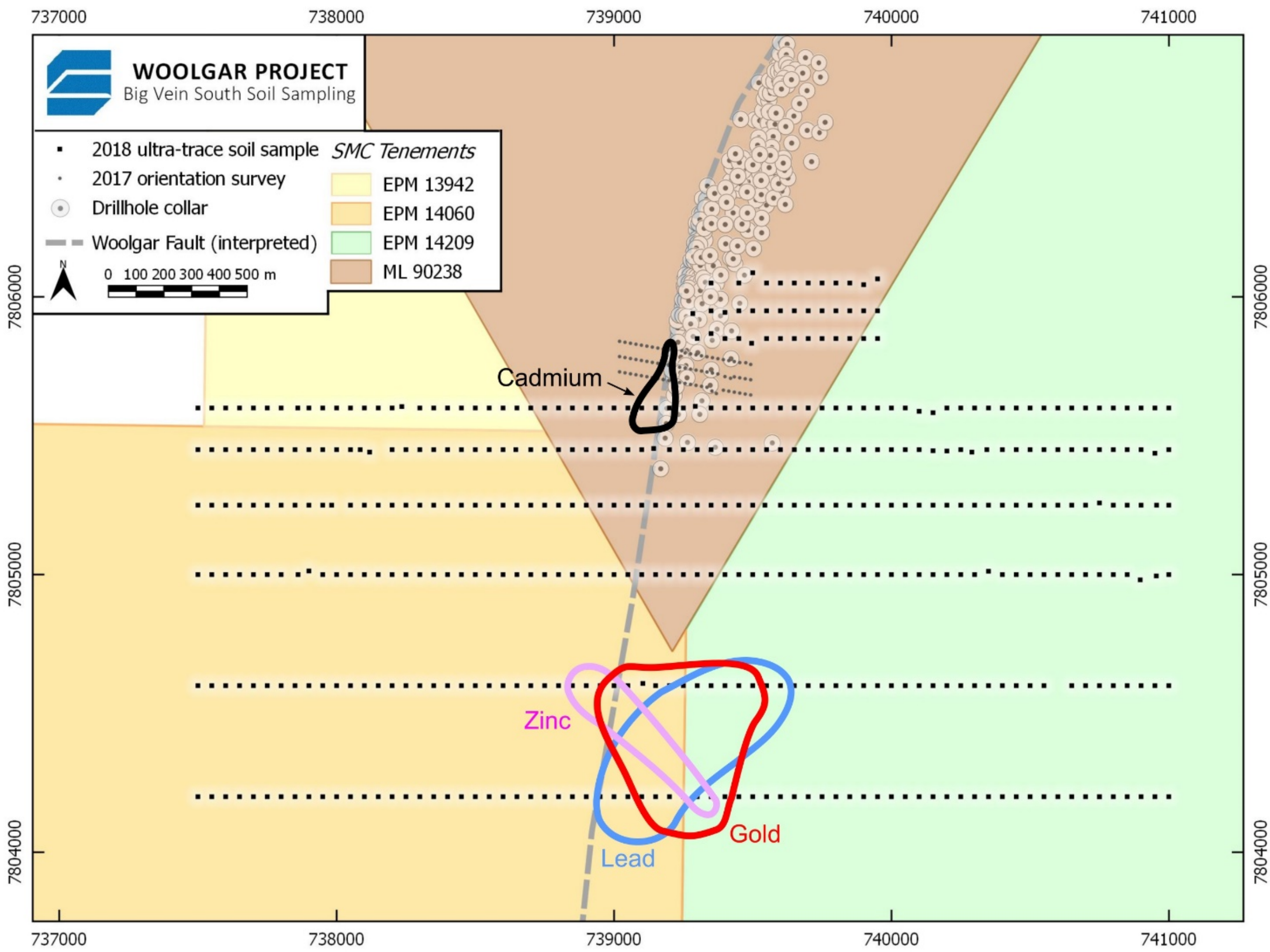


Figure 10: Plan of the main Lower Camp survey showing the extent of previous drilling at BVS, the interpreted southern strike extension of the WFZ where it may host a strike extension of the BVS deposit. The black outline represents the Cd anomaly from the 2017 & 2018 surveys. The coincident gold, lead and zinc anomalies are marked in the south.

Caledonia/Mayday Flats

This was a small survey consisting of two lines, completed between the Caledonia and Exeter workings on the Mowbray Trend. The area is considered prospective for epithermal mineralisation based on quartz textures in mullock surrounding the old workings, molybdenite intersected in previous drilling, and a circular magnetic feature that may indicate an underlying intrusion (Figure 11).

The survey identified a coincident multi-element anomaly with a broader zone of zinc (Zn), cadmium (Cd) and manganese (Mn), plus a central zone of lead (Pb) and bismuth (Bi). This suite of elements could indicate either epithermal or IRGS mineralisation. The anomaly directly overlies the circular magnetic feature.

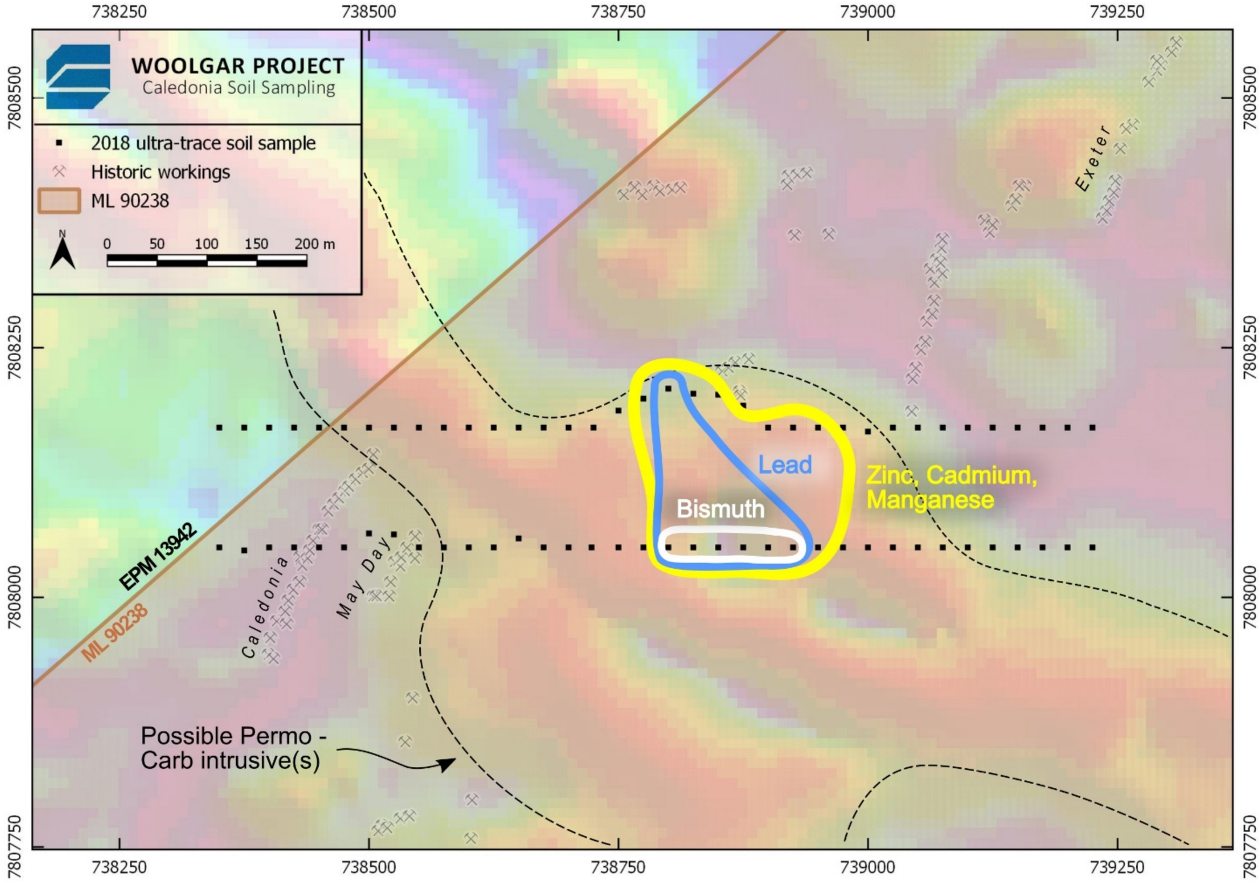


Figure 11: Plan of the Caledonia ultratrace soil survey overlain on the aeromagnetic image with an interpretation of the possible Permo-Carboniferous intrusion and showing the location of the multielement anomalies.

Upper Camp Surveys

The Upper Camp survey was a broad-spaced, district-scale programme designed to test an extensive area of predominantly Jurassic cover with minor discontinuous basement outcrop. Targeted infill was conducted over the Roy's and Brien Shear prospects, which are interpreted to be the north and south strike extensions of the Union prospect on the WFZ.

The proposed survey is extensive, with only 40% completed to date, so all interpretations are tentative at this stage. The most significant result is from the Western Upper Camp area, where four lines have been completed at broad 1km spacings. All four lines have identified anomalous Ag, Zn, and Cd along an interpreted structure that can be identified on hyperspectral and aeromagnetic data (Figure 12). A full interpretation will be conducted once the survey is completed.

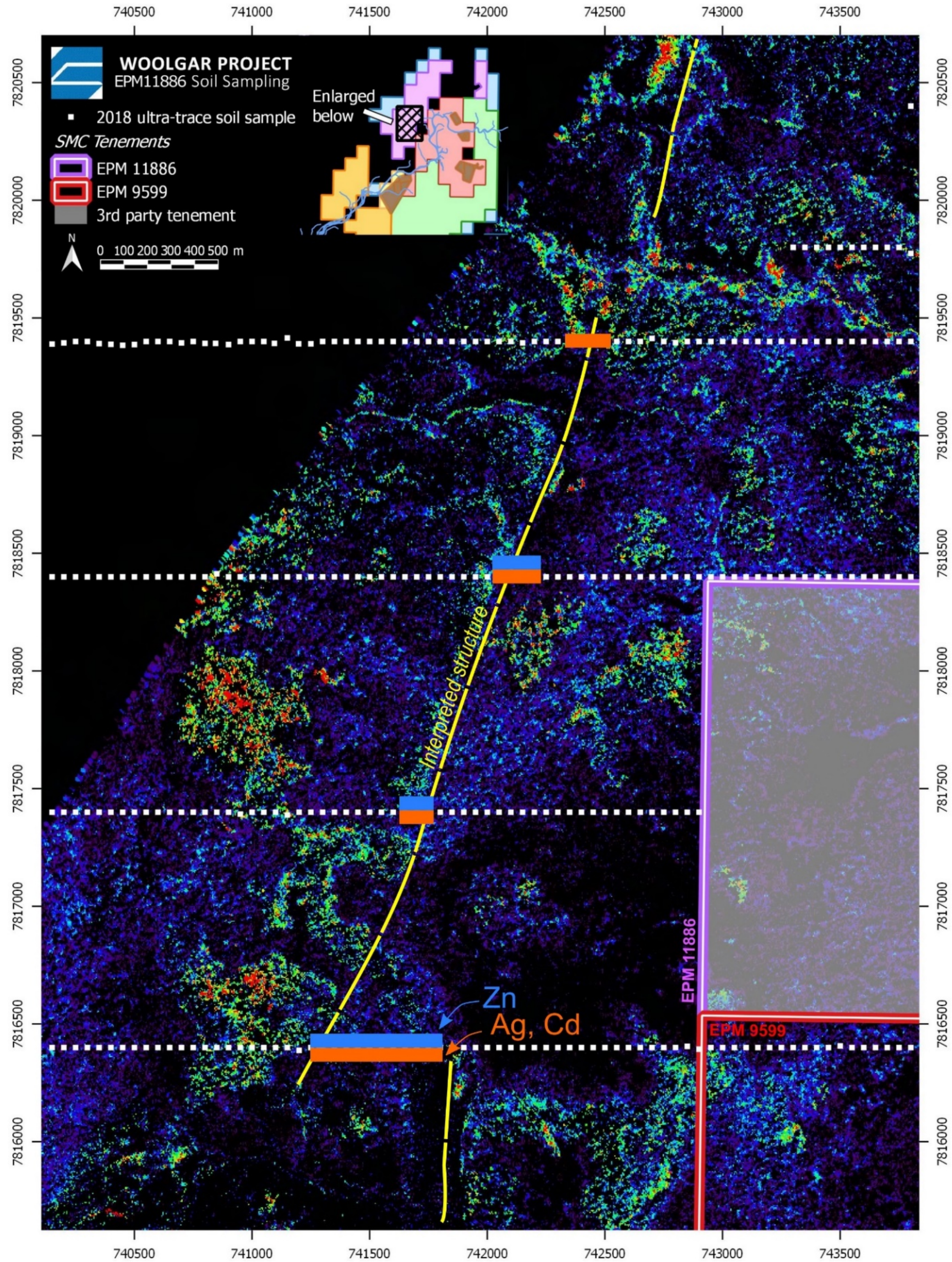


Figure 12: 2018 soils data from the Upper Camp area, showing silver, zinc, and cadmium ultra-trace anomalies overlain on a hyperspectral image of kaolinite concentrations. The kaolinite is strongest in areas of the Jurassic unconformity over the basement.

Union – Roy's Prospect

The Upper Camp Survey was extended locally with targeted infill lines at the Brien Shear and Roy's prospects in the Union area. Based on aeromagnetic interpretations, these prospects are located at a zone of flexure in the WFZ caused by the intersection of two cross-cutting, district-scale structures. This structural intersection is a favourable potential site for mineralisation. Traditional soil sampling had identified gold and lead anomalies over low hills, however follow-up had been limited by the lack of outcrop on the open flats.

The ultra-trace survey has delineated an area of zoned, roughly concentric anomalies in multiple elements at Roy's (Figure 13). The zoning consists of a central core of gold and copper, surrounded by zinc, molybdenum, tellurium, tungsten and arsenic. This combination of elements is considered indicative of a potential IRGS system, however further work is required to better understand the soil types and potential source of the anomaly.

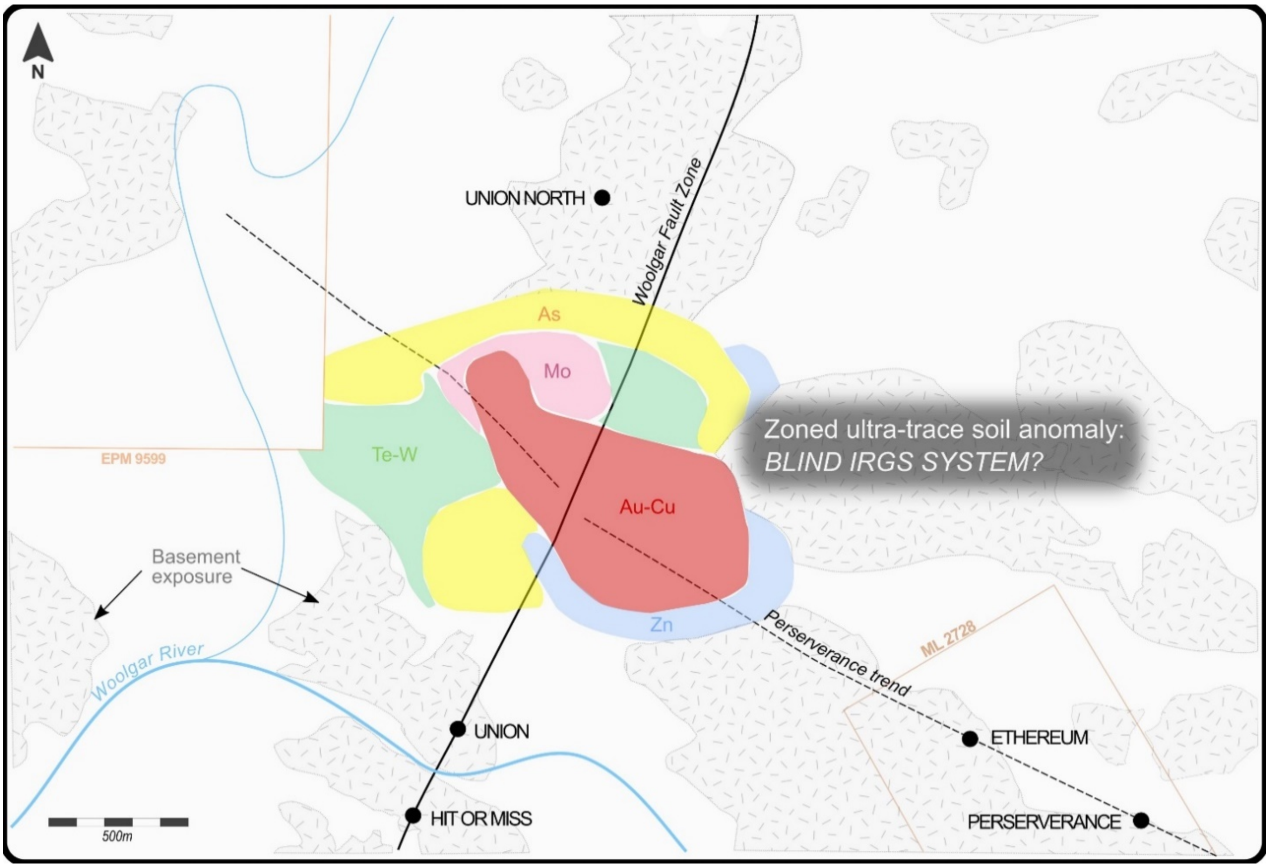


Figure 13: Detailed map showing the principal pathfinder element anomalies in the Roy's prospect, part of the Union sector.

Rock Chip Sampling Results

Rock chip sampling and reconnaissance mapping was also conducted throughout 2018, with the aim of assessing and prioritising areas for follow-up exploration. A total of 150 rock chip samples were collected, including sampling around historic workings (Figure 14). A secondary aim of the programme was to continue to build a project-wide database of multi-element geochemical data to enable domaining and assessment of the mineralisation styles.

There were no unexpected new discoveries and the results are therefore not discussed here in detail.

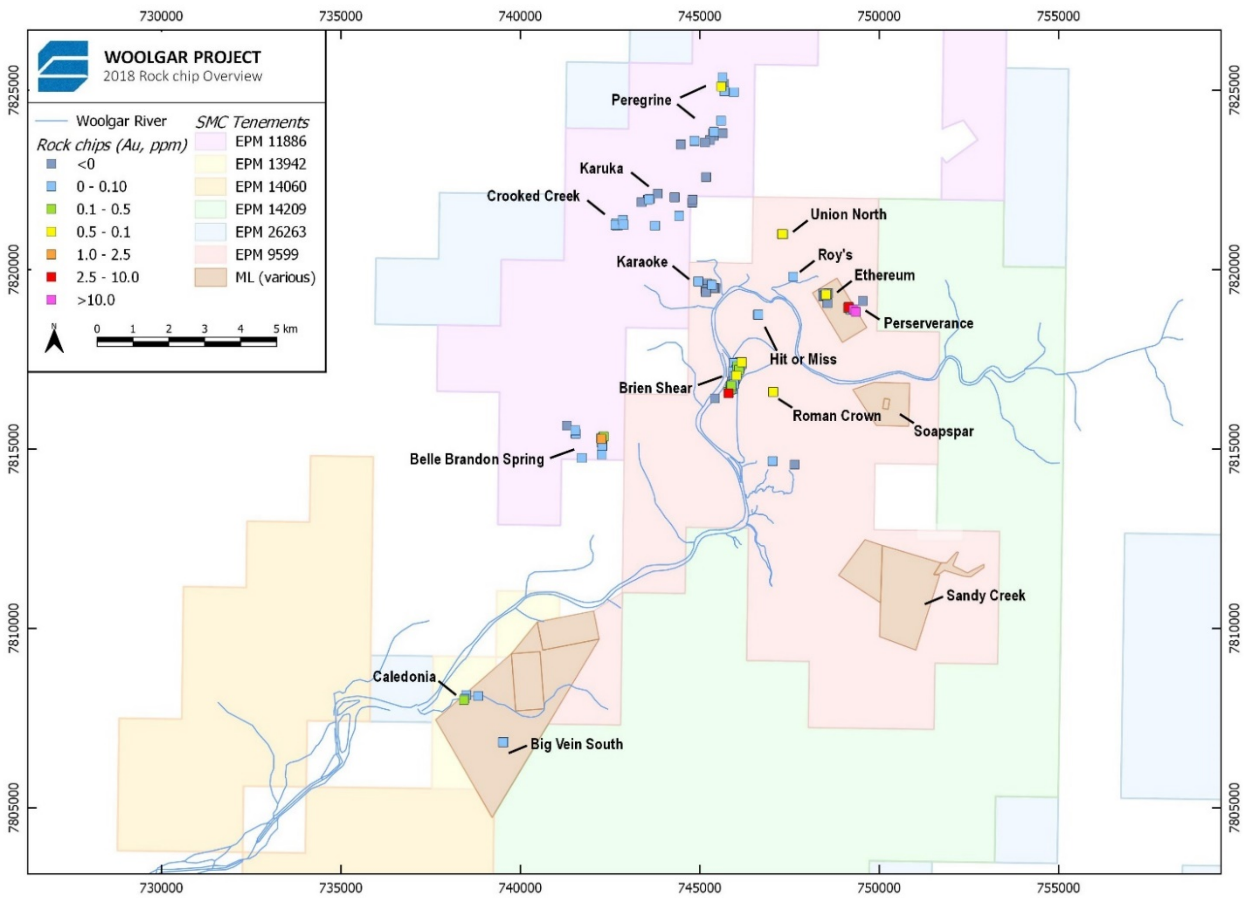


Figure 14: Map showing distribution of gold results in rockchip sampling.

Geochemical Domaining

The Woolgar Project is a complex system with multiple overlapping styles of gold mineralisation (namely mesothermal, epithermal, and IRGS) that represent several different mineralisation events. Strategic is progressively building a database of multi-element geochemical data that can be used to determine what style of mineralisation has occurred at a given prospect, and where in the system it lies. The analysis uses enrichment levels of known pathfinder elements, as well as economic metals such as gold, lead and zinc, and their correlations to each other in a given sample area.

As shown in Figure 15, Strategic has been able to use this data to differentiate with confidence between mineral styles and to map their distribution, producing a powerful regional interpretation tool.

The style of mineralisation has implications for exploration methodology and targeting. Of particular significance is the identification of Intrusive Related Gold Systems (IRGS), not previously confirmed at Woolgar, but related to many important gold deposits in north Queensland.

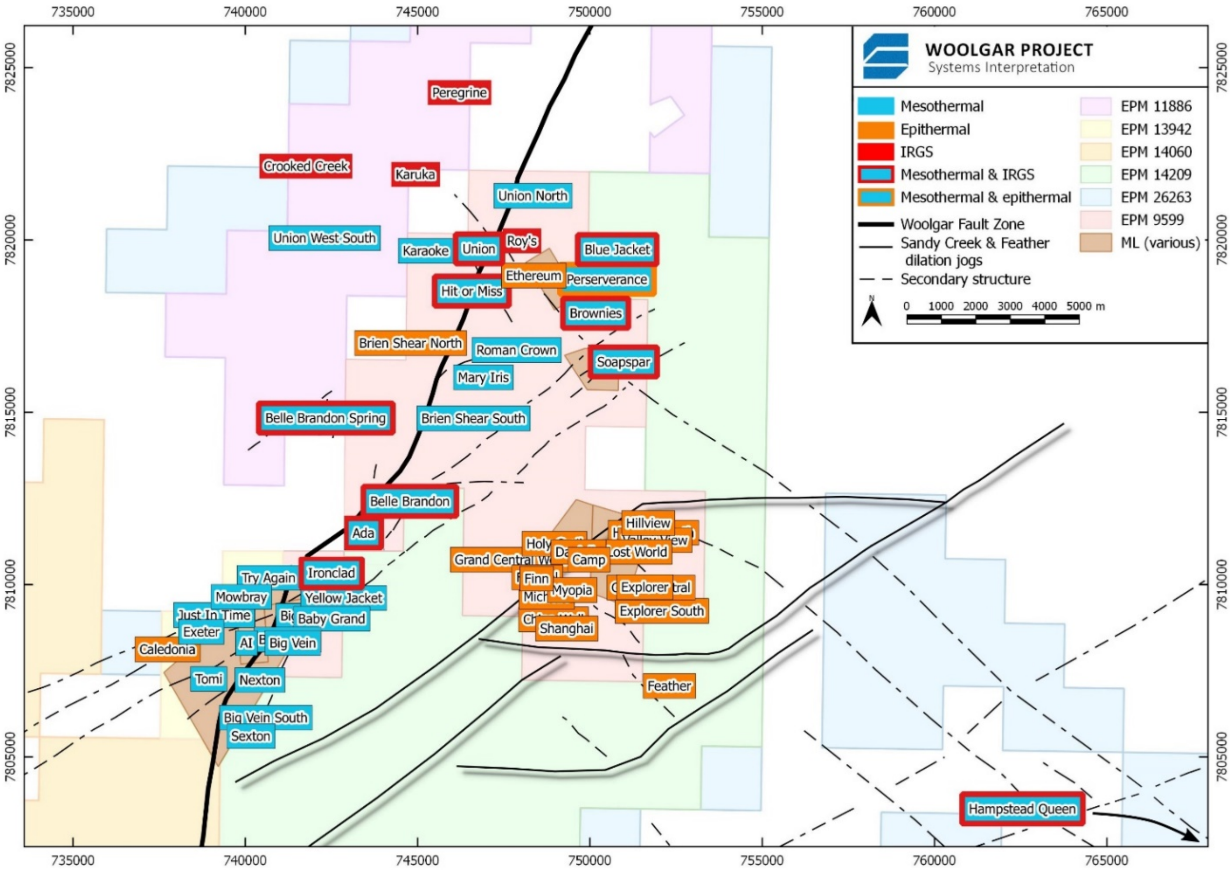


Figure 15: Map of the Woolgar Goldfield showing the distribution of mineralisation styles, as interpreted by geochemical fingerprinting.

DEVELOPMENT OF BVS

Over the last few years Strategic has considerably developed the resources at BVS, obtained the grant of the North Star Mining Lease, whilst at the same time carefully included additional field programs that will support evaluation studies along with sourcing primary information required for the environmental approvals. Some of these additional programs include:

1. Completion of the first phase of a geotechnical program with recommendations to improve confidence for potential open cut development. This will be augmented with a second phase of geotechnical during 2019.
2. Preliminary analysis of waste rock characterisation using the company's extensive multi element chemistry dataset of BVS. This will be augmented with a second phase including kinetic leach tests.
3. Metallurgical review of the BVS ore with the design of a comprehensive test work program to be conducted during 2019.
4. Completion of Flora and Fauna studies over a number of seasons with the last wet season fauna study planned to occur during 2019.
5. Installation of ground water monitoring bores and a program of periodic ground and surface water sampling. This will be augmented with a stygofauna and aquatic ecology assessment during 2019.
6. Surface water modelling to determine potential areas which could be subject to overland flow.
7. Completion of Lidar over the project area to provide accurate DTM information.
8. Installation of a weather station to provide essential climatic information to inform a baseline

PLANS FOR 2019

After a very interrupted 2018, the focus for 2019 is to build on the 2017 program whist incorporating the important work and results from the 2018 field season. The company is marking steady process towards being able to undertake a prefeasibility study and the outcomes from the 2019 program are again designed to capture as much information and data as possible.

Our metallurgical partners are conducting a more detailed analysis of metallurgical recovery and reassessing the suitability of BVS ore for modern ore sorting technologies, cyanide substitution, flotation and gravity circuits. The inclusion of these in the BVS flowsheet could potentially see a reduction in the water and power requirements and importantly reduce the handling and processing of waste. The Company has arranged for environmental seasonal studies to be undertaken during 2019 after suspending them last year on account of the uncertainty surrounding the trading suspension and Takeover Panel application.

The 2017 drilling program which consisted of both Reverse Circulation (RC) and diamond core was primarily designed to assess how easily the Exploration Potential and Inferred material in the BVS resource converted to Measured and Indicated. This is critical to reaching a Probable Ore Reserve for purposes of feasibility assessments. As has been the case previously, Strategic collaboratively worked with our resource consultants to tailor a drilling program specifically designed to assess this.

The BVS resource now stands at 1.417 Mt oz (at a 0.75 gt cut off) with uplift in Indicated resources of 92% compared to last resource update. Whilst this represents a significant conversion, Strategic will need to convert considerably more of the BVS resources to at least Indicated before embarking on a pre-feasibility assessment and determination of a Probable Ore Reserve. The ability to undertake a pre-feasibility assessment should optimally occur post the completion of the 2019 drilling program, updating of the BVS resource and completion of additional studies required to support the assessment of modifying factors.

Therefore, for 2019 the company plans on undertaking a moderate infill drilling program of the BVS resource. In addition, given the geological nature of the host rock additional geotechnical work will be completed. This program will provide greater confidence on the geotechnical parameters for potential open cut development. This will be a significant driver behind the project economics of a potential BVS development given the moderate depth to grades and the competency of the host rock.

Subject to successfully completing the above and time permitting, the company is also planning a smaller drill program targeting specific ultra-trace anomalies and areas considered prospective but could be potentially subject to proposed infrastructure.

February 2019 brought over 500 mm of rainfall causing jubilation for Richmond pastoralists at the start of the deluge and heartache by the end. The company is anticipating damage to the camp infrastructure, tracks and creek crossings. The Woolgar exploration camp was originally located within the Sandy Creek area in preparation for potential mine development of the epithermal deposits (Lost Word, Grand Central etc) in the 1980's and 90's. Whilst the company has maintained and utilised this infrastructure, it is clear that the Company will need to evaluate and adequately finance an alternate camp at a location closer towards the BVS deposit, with improved amenities that can be scaled for potential development.

Laif Allen McLoughlin

EXECUTIVE CHAIRMAN

Strategic Minerals Corporation NL

COMPETENT PERSON STATEMENT

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

Appendix One: Project Location, Overview and Geological Setting

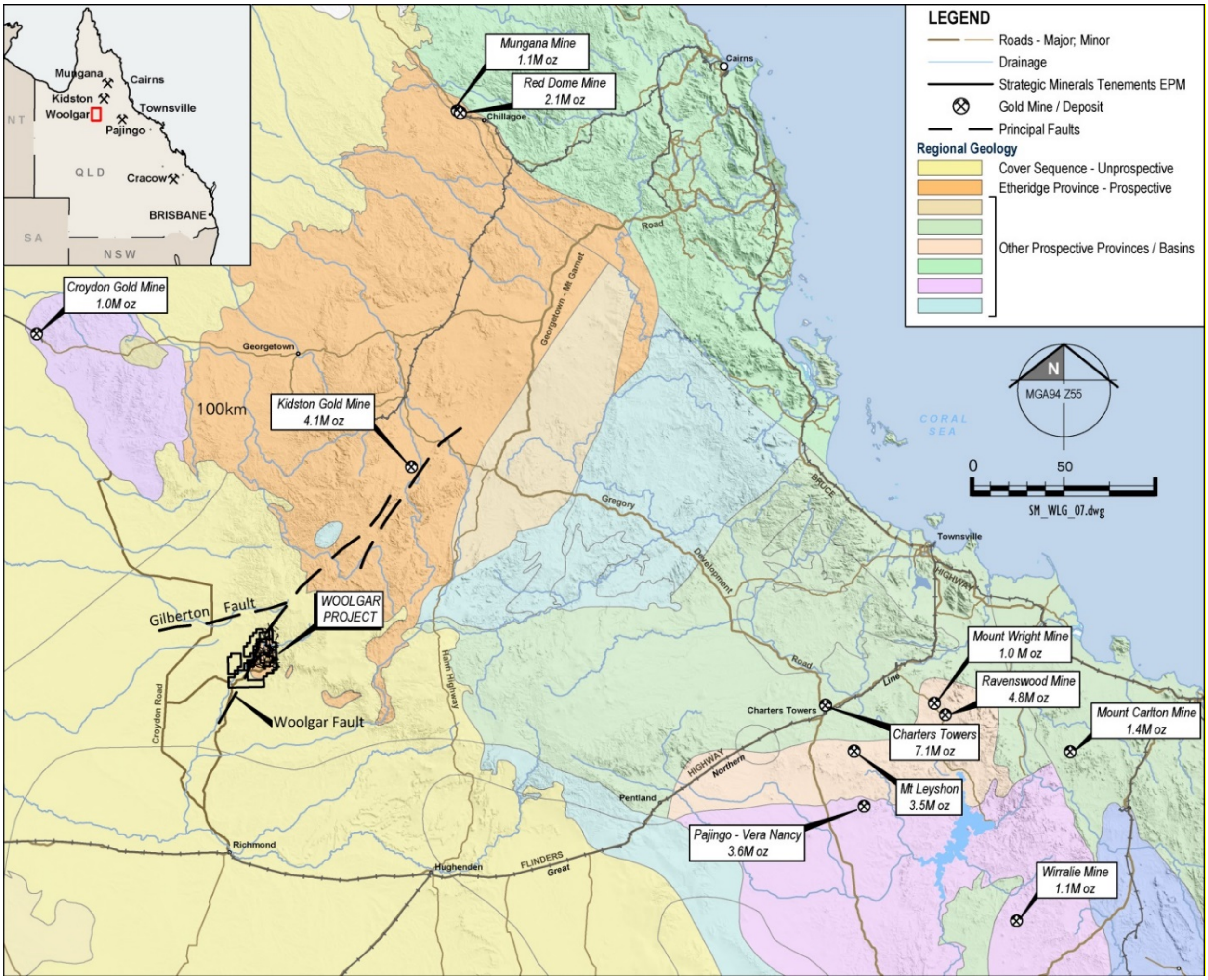


Figure 16: Geological location map of the Woolgar Project showing principle road and rail infrastructure, and the regional geological provinces. The deposits shown are existing epithermal, mesothermal and IRGS gold deposits greater than 1Moz throughout Northeast Queensland, which are considered to be of comparable ages, styles and occurrences to the known mineralisation at Woolgar. As can be seen, the Woolgar Goldfield corresponds to an inlier (erosional window) of the highly prospective and historically productive Etheridge Province exposed within the overlying generally unprospective sedimentary cover sequences.

The Woolgar Project consists of exploration permits and mining leases, in central north Queensland over a window of basement rocks within younger sedimentary cover. Initial exploration targeted widespread historic workings from alluvial and reef mining from a gold rush in the 1880's.

Strategic has identified three styles of mineralisation at Woolgar: epithermal vein deposits at Sandy Creek, mesothermal veins along the WFZ and intrusive related mineralisation (IRGS) in the Upper Camp. The Company has published resources from all three styles of mineralisation.

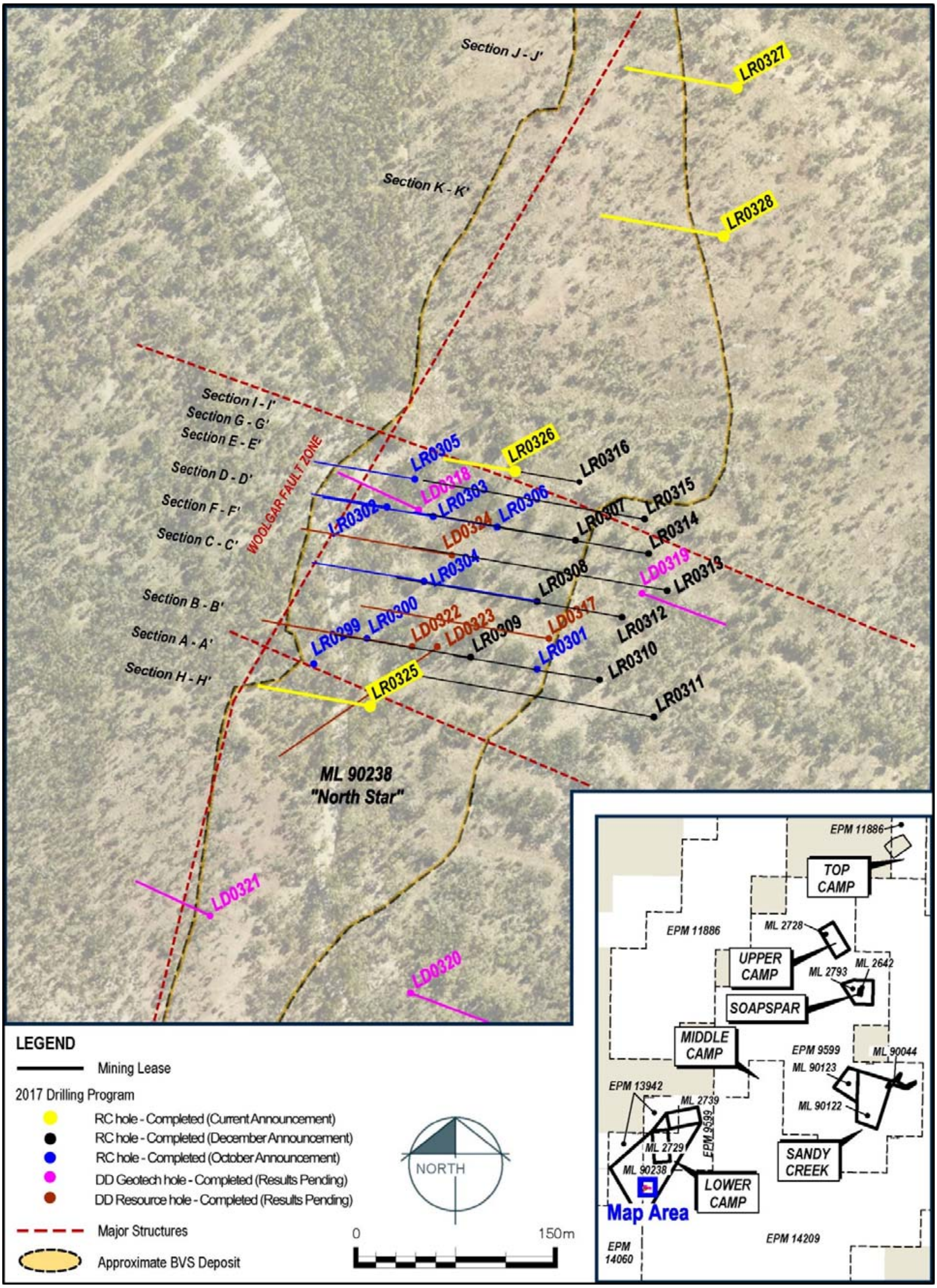
The Company's recent focus has been on the mesothermal veins in the Lower Camp area, but is now expanding its activities to reappraise the epithermal and IRGS, as well as further mesothermal veining.

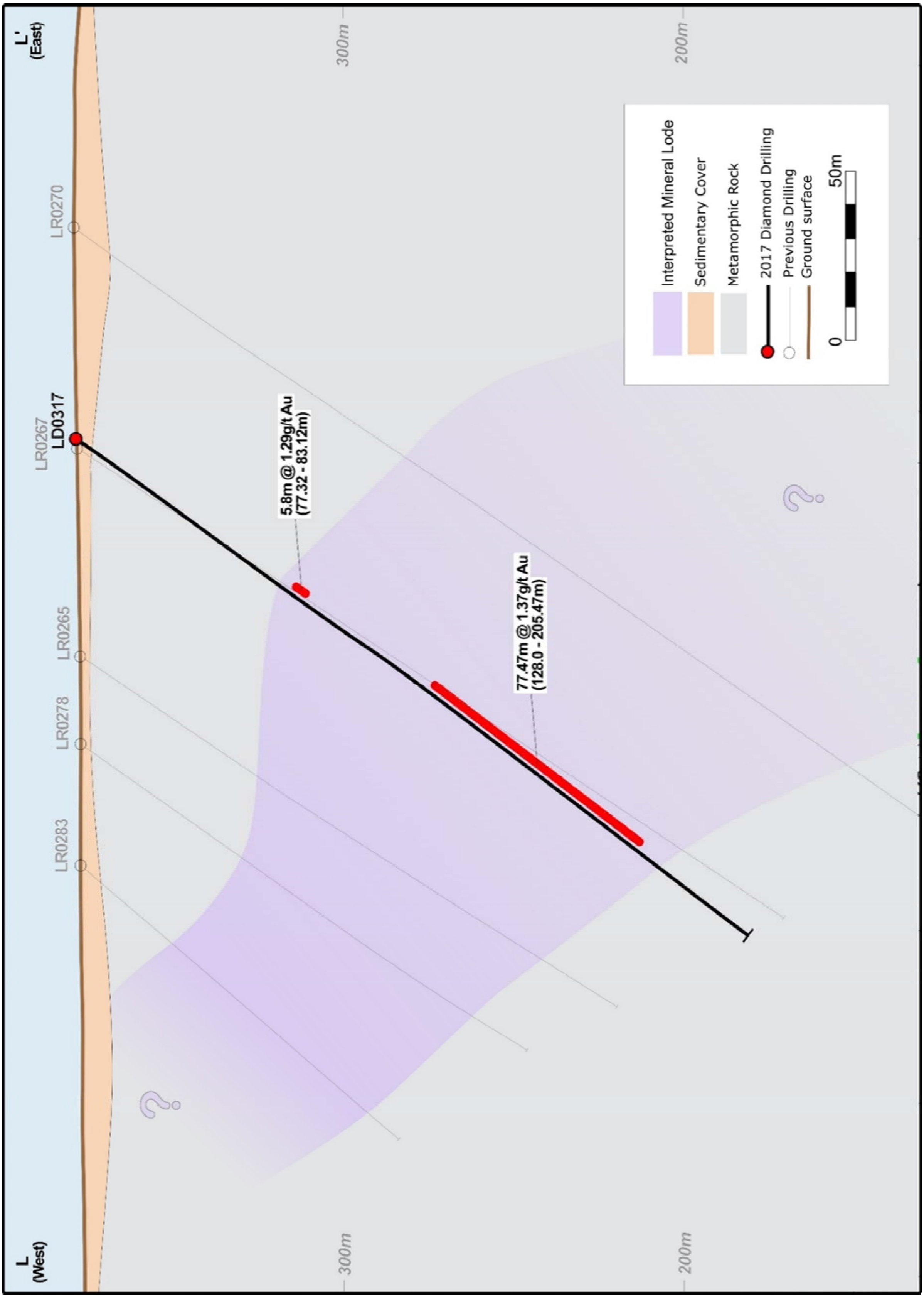
Appendix Two: Mineral Resource and Ore Reserves Statement 2018

Table 2: Combined table of JORC Resources for the Woolgar Project as at 31st December 2018 (rounding errors).

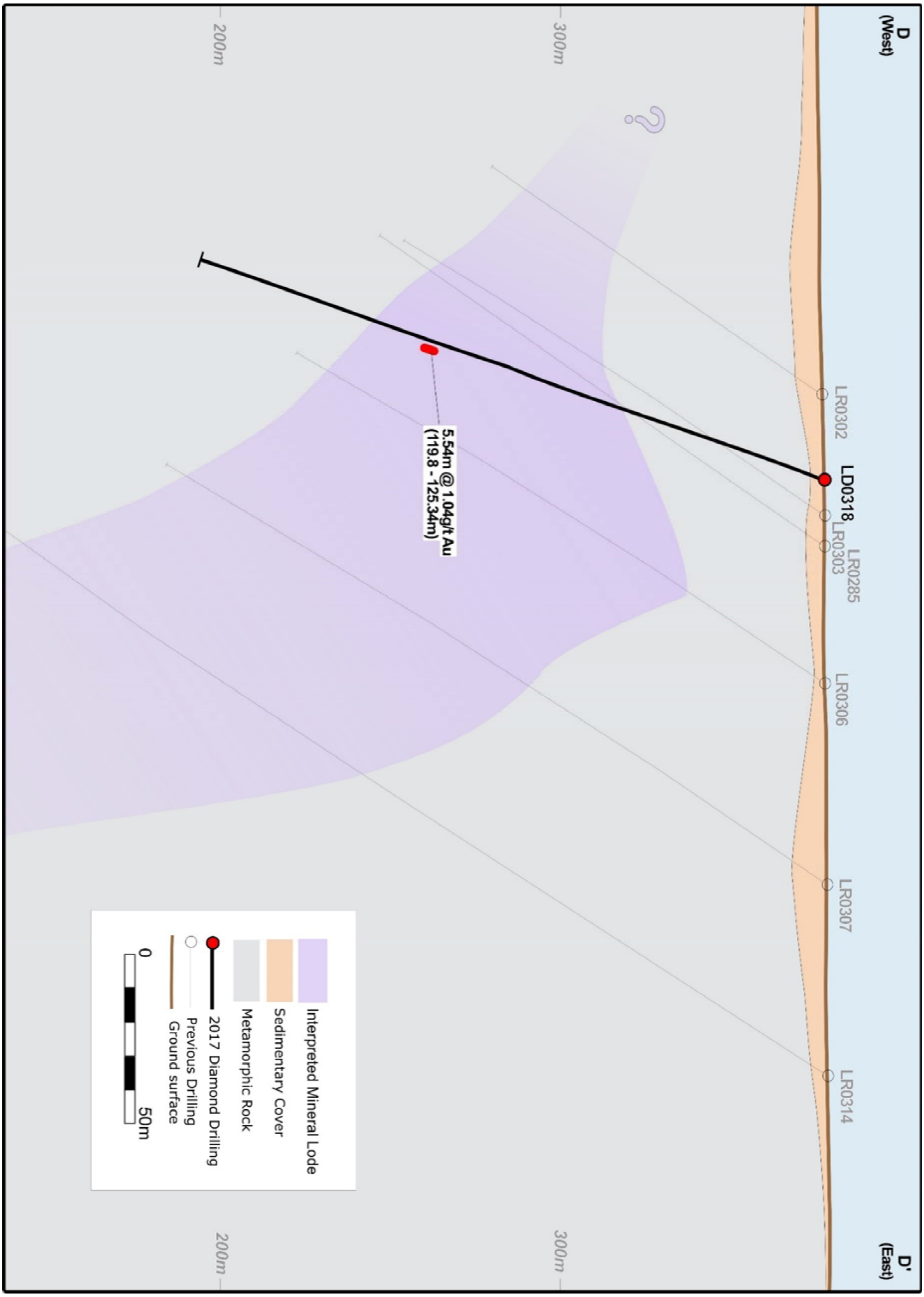
Big Vein South (BVS) Deposit (Mesothermal)	Category	Cut off	Local Tonnage	Au Local	Au Local
		g/t	kt	ppm	oz.
	Measured	0.75	600	1.9	33,700
	Indicated	0.75	10,000	1.93	621,400
	Inferred	0.75	13,500	1.76	762,600
	Total	0.75	24,000	1.84	1,417,700
Soapspar Deposit (Vein-hosted and mesothermal)	Category	Cut off	Local Tonnage	Au Local	Au Local
		g/t	kt	ppm	Oz
	Measured	0.4	1,667	0.91	49,000
	Indicated	0.4	1,175	0.9	34,000
	Inferred	0.4	472	0.82	12,000
	Total	0.4	3,314	0.89	95,000
Camp Vein & Grand Central Deposits (Low-sulphidation Epithermal)		Cut off	Local Tonnage	Au Local	Au Local
		g/t	kt	ppm	Oz
	Measured	-	-	-	-
	Indicated	0.4	2,157	1.18	82,000
	Inferred	0.4	607	1.02	20,000
	Total	0.4	2,764	1.14	102,000
Explorer Deposit (Low-sulphidation Epithermal)		Cut off	Local Tonnage	Au Local	Au Local
		g/t	kt	ppm	Oz
	Measured	1	395	3.61	46,000
	Indicated	1	149	2.22	11,000
	Inferred	1	351	1.45	16,000
	Total	1	895	2.55	73,000
Lost World Deposit (Low-sulphidation Epithermal)		Cut off	Local Tonnage	Au Local	Au Local
		g/t	kt	ppm	Oz
	Measured	0.4	3,474	0.87	97,000
	Indicated	0.4	8,074	0.68	177,000
	Inferred	0.4	3,155	0.66	66,000
	Total	0.4	14,703	0.72	340,000
Woolgar Project Global Total:		**0.4–0.75**	**45,676**	**1.39**	**2,016,700**

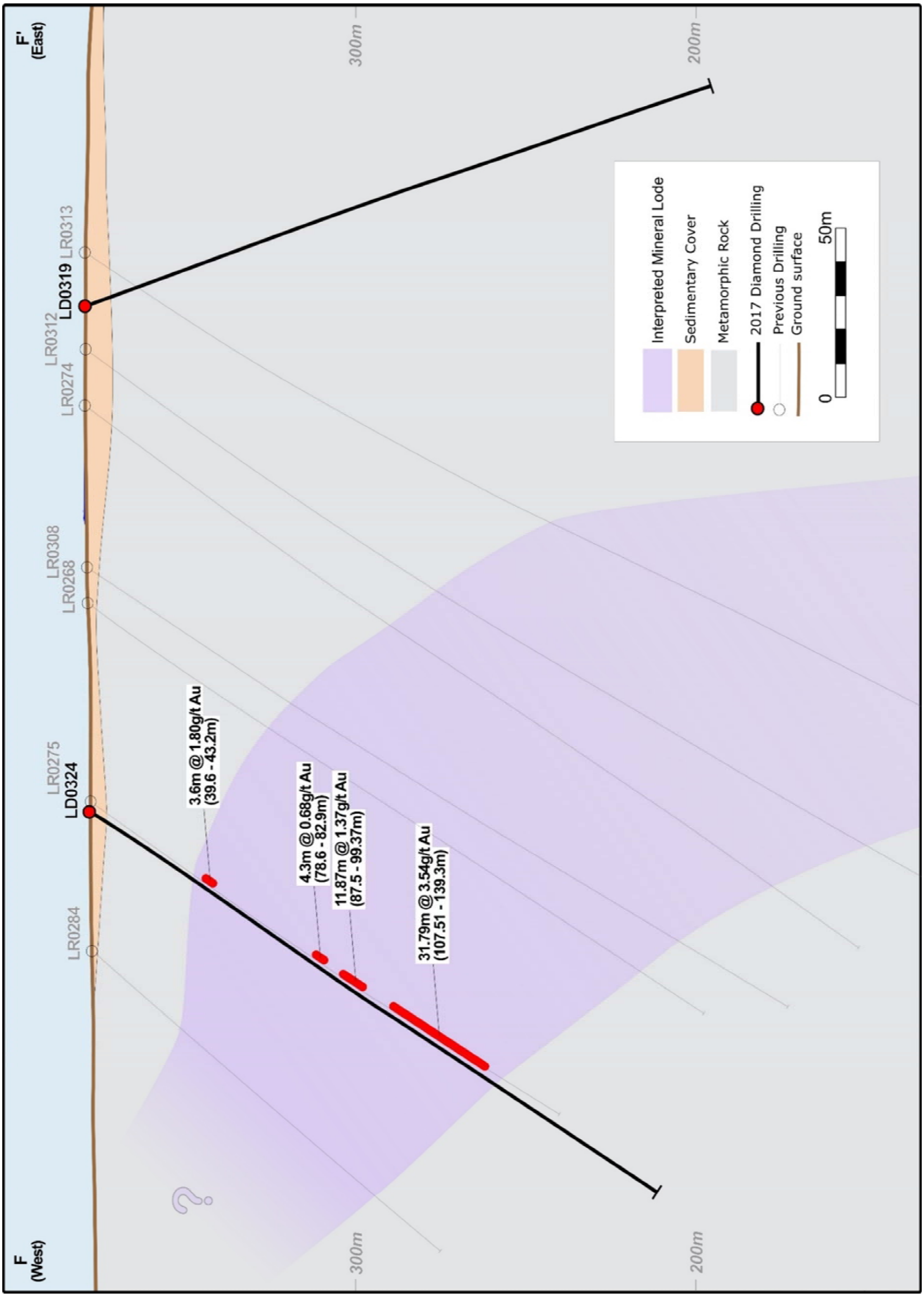
Appendix Three: Plans & Sections for RC and Diamond Core BVS Results announced in 2018

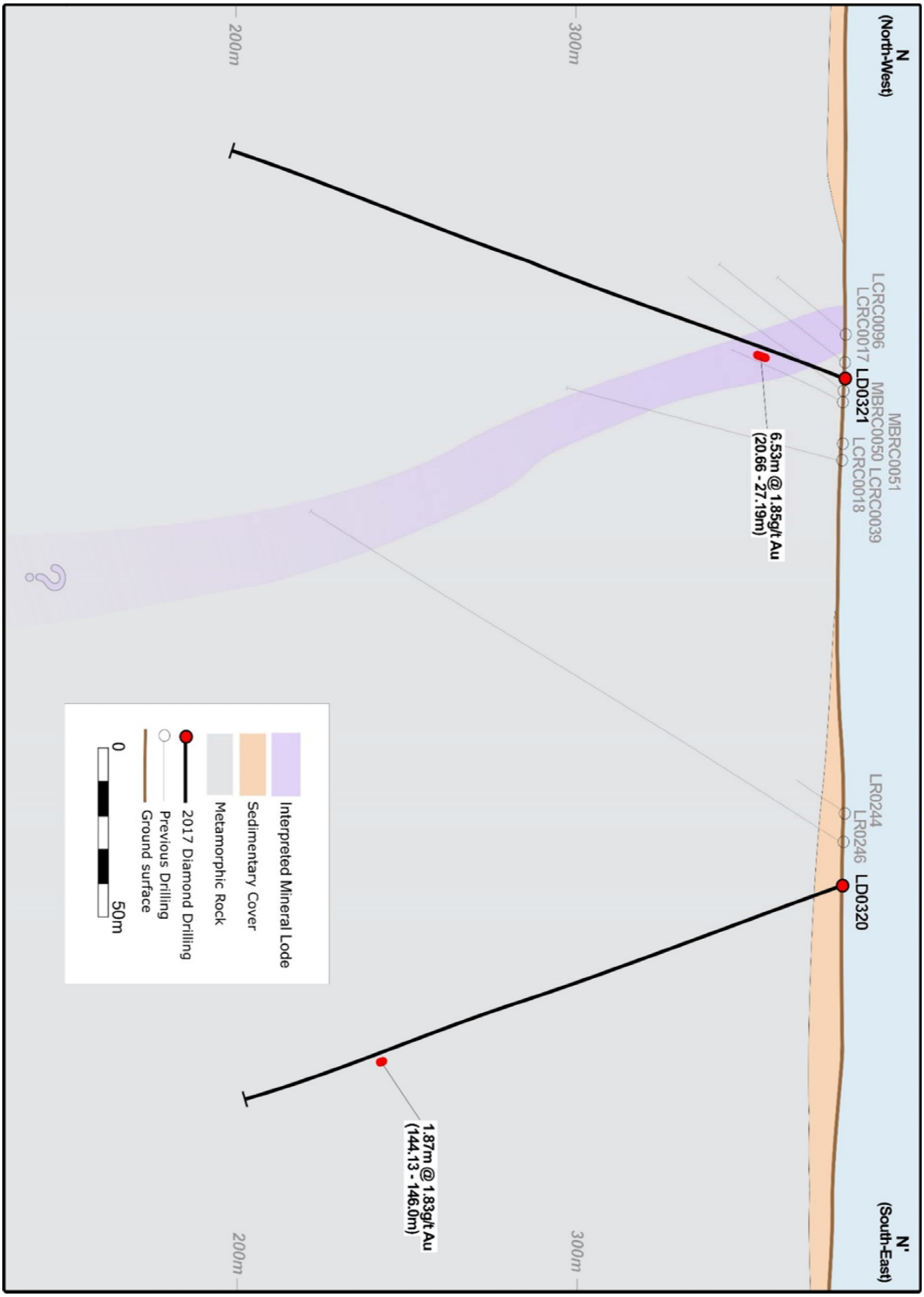


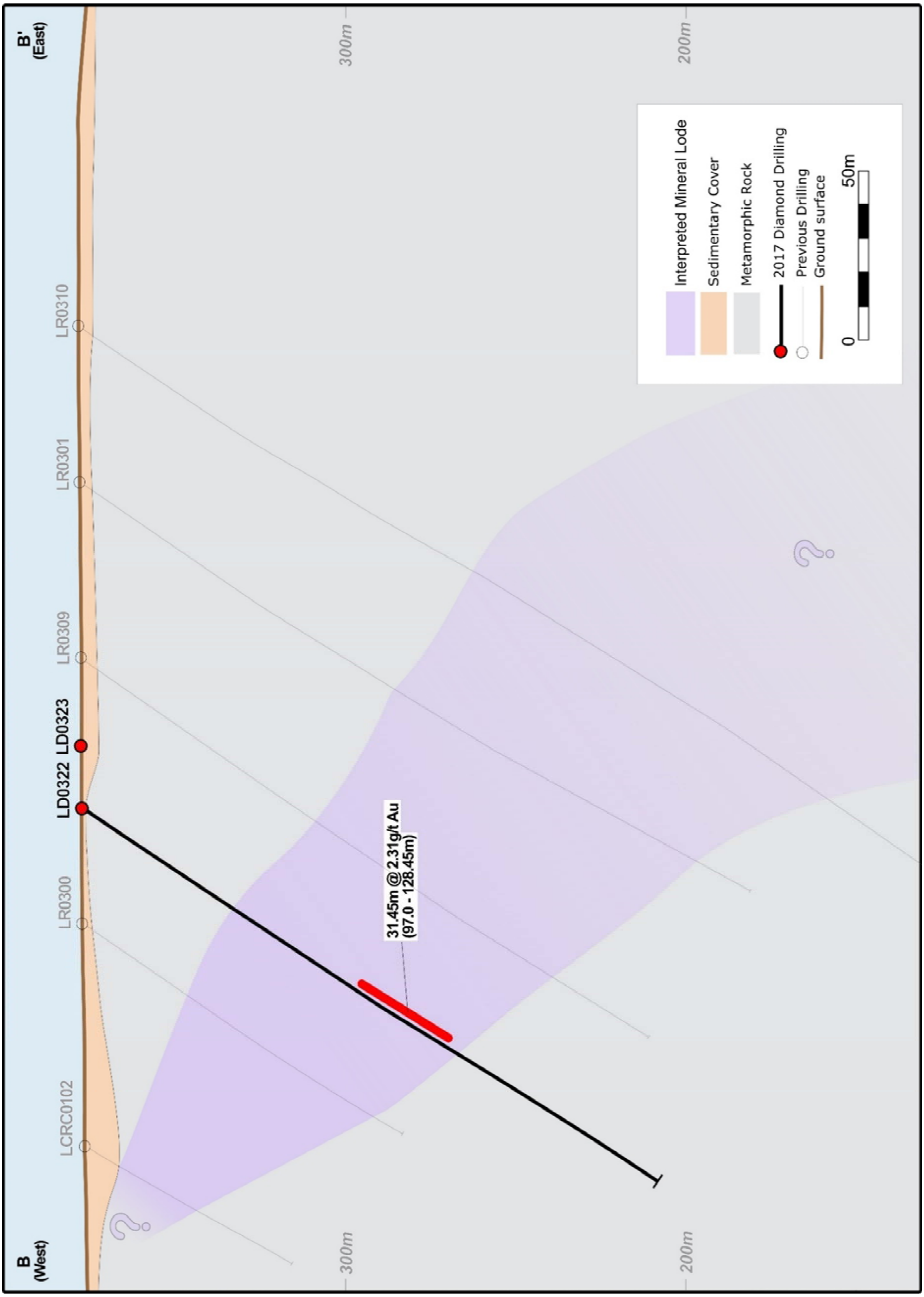


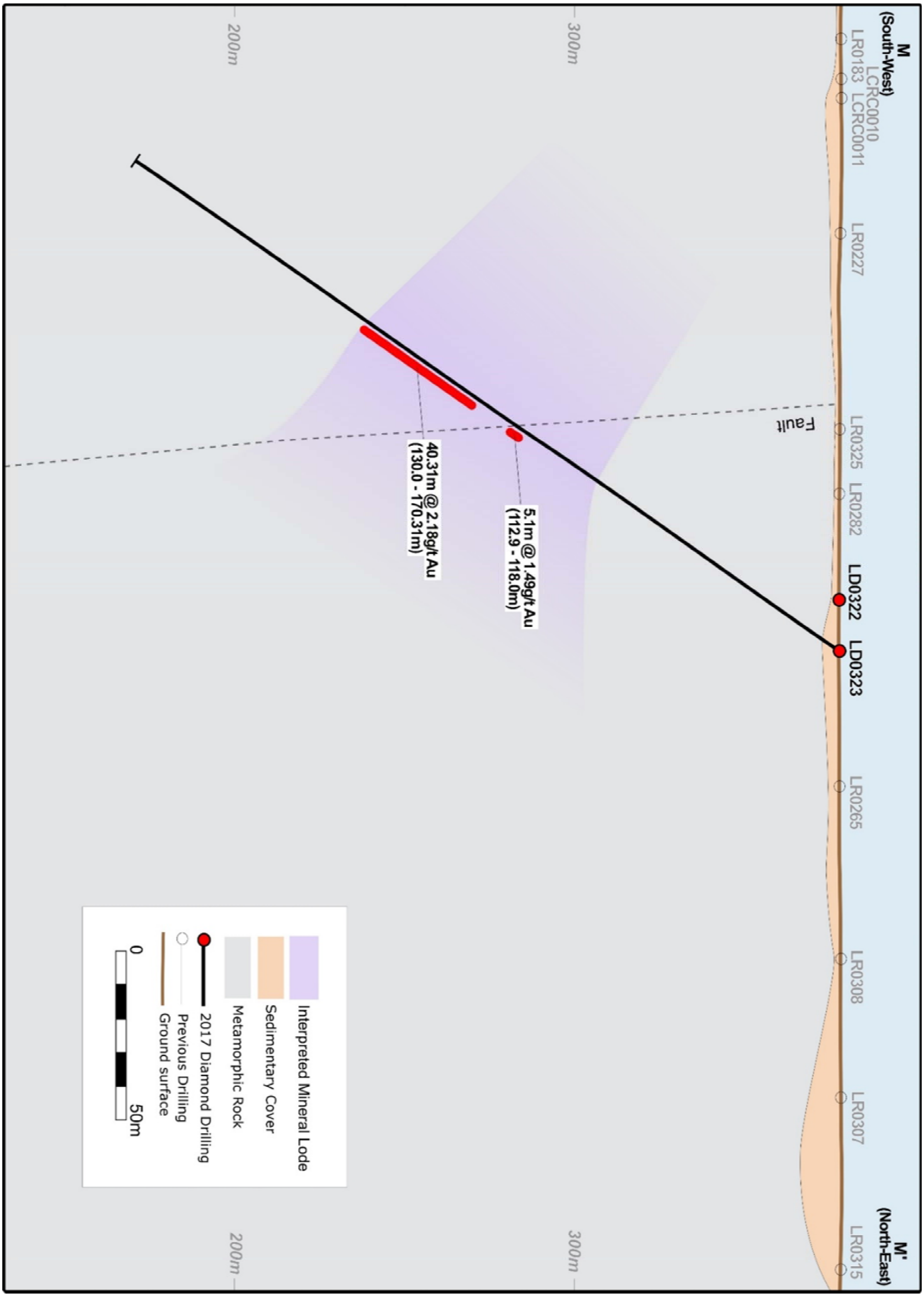
L (West)
L' (East)
300m
200m
300m
200m
LR0283
LR0278
LR0265
LR0267
LD0317
LR0270
5.8m @ 1.29g/t Au
(77.32 - 83.12m)
77.47m @ 1.37g/t Au
(128.0 - 205.47m)
Interpreted Mineral Lode
Sedimentary Cover
Metamorphic Rock
2017 Diamond Drilling
Previous Drilling
Ground surface
0
50m


D
(West)
D'
(East)
300m
200m
300m
200m
LR0302
LD0318
LR0303
LR0285
LR0306
LR0307
LR0314
5.54m @ 1.04g/t Au
(119.8 - 125.34m)
Interpreted Mineral Lode
Sedimentary Cover
Metamorphic Rock
2017 Diamond Drilling
Previous Drilling
Ground surface
0
50m


F (West)
F' (East)
LR0284
LR0275
LD0324
LR0268
LR0308
LR0274
LR0312
LD0319
LR0313
3.6m @ 1.80g/t Au (39.6 - 43.2m)
4.3m @ 0.68g/t Au (78.6 - 82.9m)
11.87m @ 1.37g/t Au (87.5 - 99.37m)
31.79m @ 3.54g/t Au (107.51 - 139.3m)
300m
200m
Interpreted Mineral Lode
Sedimentary Cover
Metamorphic Rock
2017 Diamond Drilling
Previous Drilling
Ground surface
0
50m


N
(North-West)
N'
(South-East)
300m
200m
LCRC0096
LCRC0017
LD0321
MBRC0051
MBRC0050 LCRC0039
LCRC0018
6.53m @ 1.85g/t Au
(20.66 - 27.19m)
LR0244
LR0246
LD0320
1.87m @ 1.83g/t Au
(144.13 - 146.0m)
Interpreted Mineral Lode
Sedimentary Cover
Metamorphic Rock
2017 Diamond Drilling
Previous Drilling
Ground surface
0
50m


B (West)
B' (East)
LCRC0102
LR0300
LD0322 LD0323
LR0309
LR0301
LR0310
300m
200m
31.45m @ 2.31g/t Au
(97.0 - 128.45m)
Interpreted Mineral Lode
Sedimentary Cover
Metamorphic Rock
2017 Diamond Drilling
Previous Drilling
Ground surface
0
50m


M
(South-West)
LR0183
LCRC0010
LCRC0011
LR0227
Fault
LR0325
LR0282
LD0322
LD0323
LR0265
LR0308
LR0307
M'
(North-East)
LR0315
300m
200m
300m
200m
5.1m @ 1.49g/t Au
(112.9 - 118.0m)
40.31m @ 2.18g/t Au
(130.0 - 170.31m)
Interpreted Mineral Lode
Sedimentary Cover
Metamorphic Rock
2017 Diamond Drilling
Previous Drilling
Ground surface
0
50m

Appendix Four: Summary of the diamond core drill intersections from 2017, as at 27th June 2018.

Table 3: Summary of significant intersections using a 0.5 g/t gold cut-off grade

Hole ID	Prospect	End of Hole	Dip	Azimuth[1] (metres)	Easting[2] (metres)	Northing[2] (metres)	Altitude[2] (metres)	Sample[3] Method	From (metres))	To (metres)	Width[4] (metres)	Gold Grade (ppm)
LD0317	BVS	246.54	-55	280	739542	7806391	379	DD	77.32	83.12	5.8	1.29
and									128.00	205.47	77.47	1.37
including									140.00	145.50	5.5	3.96
and									164.40	168.20	3.8	4.37
LD0318	BVS	195.74	-70	295	739440	7806485	378	DD	119.80	125.34	5.54	1.04
LD0319	BVS	195.83	-70	110	739609	7806424	379	DD				NSR
LD0320[5]	BVS	186.8	-70	110	739435	7806122	379	DD	144.13	146.00	1.87	1.83
LD0321	BVS	192.81	-70	295	739296	7806178	379	DD	20.66	27.19	6.53	1.85
LD0322	BVS	201.68	-55	280	739435	7806388	377	DD	97.00	128.45	31.45	2.31
LD0323	BVS	253	-55	235	739454	7806387	378	DD	112.90	118.00	5.1	1.49
and									130.00	170.31	40.31	2.18
including									134.00	143.52	9.52	4.22
LD0324	BVS	201.8	-55	280	739463	7806456	378	DD	39.60	43.20	3.6	1.8
and									78.60	82.90	4.3	0.68
and									87.50	99.37	11.87	1.37
and									107.51	139.30	31.79	3.54

Notes:

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

[2] All coordinates are reported in GDA94. Collars were surveyed by Differential GPS.

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

[4] 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 up to 6 metres are included in overall intercepts (bold). Low-grade zones less than two metres width within an intersection were included in the secondary intersections as per 2013 to 2017 announcements for for the BVS deposit. No upper cut-off was applied. Results presented are gold only: no metal equivalents are used.

[5] Narrow, low grade intersections are included as indicative that structure was intercepted or indicative of the broader mineralised envelope. These are not in bold font for identification.

Appendix Five: Plans & Section for Belle Brandon and Ada announced 14th January 2019

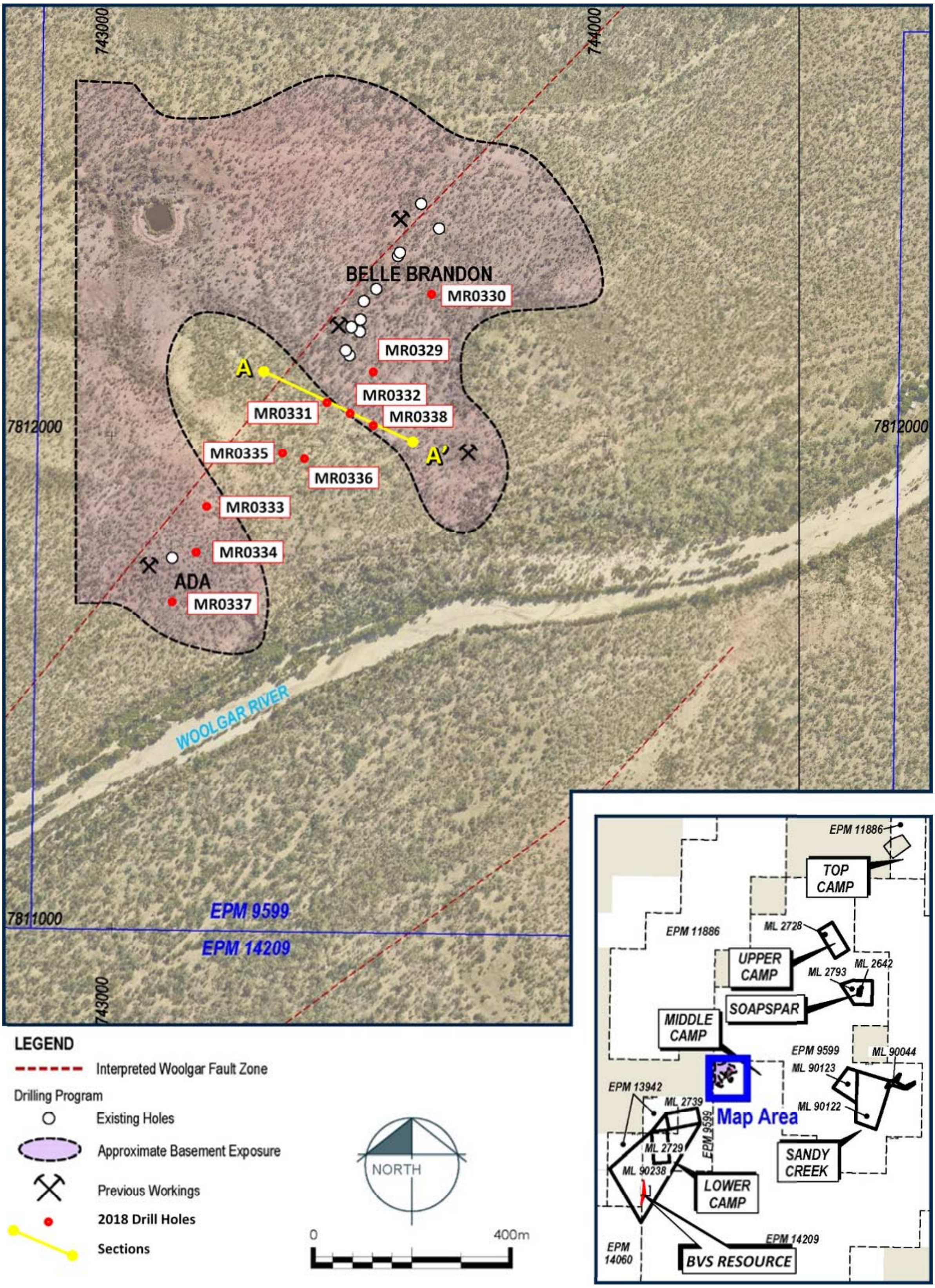
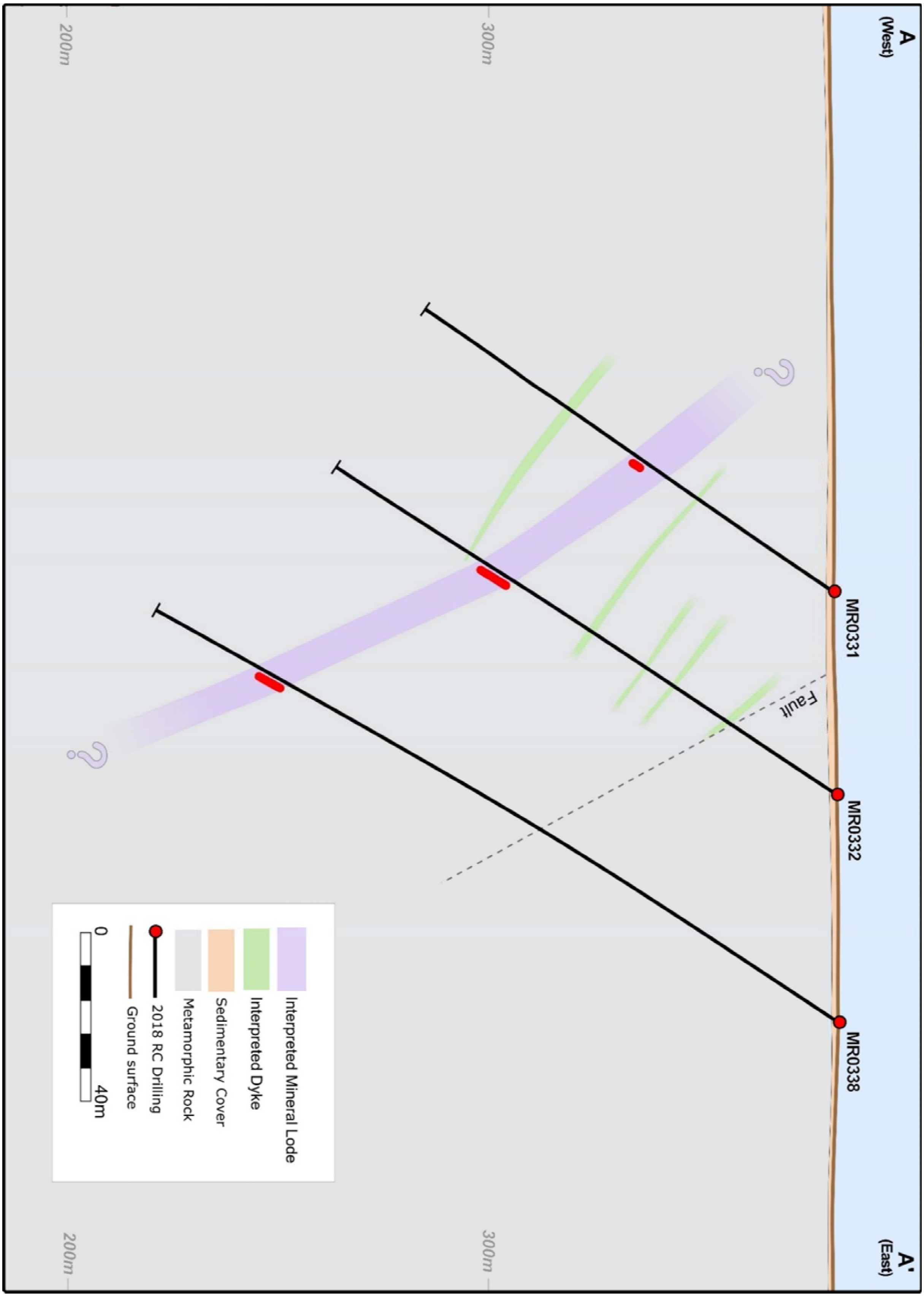


Figure 17: Location map of the Woolgar Project showing the location of the ten drill holes at Belle Brandon & Ada in relation to the BVS resource and major prospects.


A
(West)
A'
(East)
300m
200m
MR0331
MR0332
MR0338
Fault
Interpreted Mineral Lode
Interpreted Dyke
Sedimentary Cover
Metamorphic Rock
2018 RC Drilling
Ground surface
0
40m

Appendix Six: Summary of RC drill intersections for 2018 for Belle Brandon and Ada.

Table 4: 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)	Gold Grade[5] (ppm)
MR0329	Belle Brandon	142	-55	295	743529	7812141	375	RC	90	91	1	1.6
MR0330	Belle Brandon	154	-55	295	743652	7812302	374	RC	103	105	2	11.0
MR0331*	Belle Brandon	118	-55	295	743442	7812071	373	RC	54	58	4	0.2
MR0332*	Belle Brandon	142	-55	295	743487	7812050	373	RC	92	101	9	0.9
including								RC	92	94	2	3.6
MR0333*	Ada	100	-55	295	743192	7811851	371	RC	NSR			
MR0334	Ada	100	-55	295	743177	7811761	378	RC	65	68	3	1.6
MR0335	Belle Brandon	152	-55	295	743356	7811991	371	RC	19	21	2	23.3
MR0336	Belle Brandon	112	-55	295	743402	7811980	379	RC	95	96	1	2.0
MR0337*	Ada	130	-55	295	743130	7811660	374	RC	NSR			
MR0338*	Belle Brandon	190	-55	295	743533	7812029	373	RC	153	160	7	0.6
including								RC	153	156	3	1.3

* Values not in bold font include Intersections to a 0.5 g/t cut-off grade where these are significant of intersecting either a narrow structure or broader envelope although considered below economic cut-off

Notes:

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

[2] All coordinates are reported in GDA94. Collars were surveyed by Differential GPS.

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

[4] 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 up to 6 metres are included in overall intercepts (bold). Low-grade zones less than two metres width within an intersection were included in the secondary intersections as per 2013 to 2017 announcements for for the BVS deposit. No upper cut-off was applied. Results presented are gold only: no metal equivalents are used.

[5] Narrow, low grade intersections are included as indicative that structure was intercepted or indicative of the broader mineralised envelope. These are not in bold font for identification.

Appendix Seven: Tenement Holdings

Table 5: Woolgar Tenement Holdings as at 15 March 2018. All tenements are held by Strategic 100%.

Tenement	Tenement Name	Status	Area (Sub-blocks)	Area (HA)	Date of Grant	Date of Expiry
* EPM 9599	Woolgar	Granted	32	-	02.09.1993	01.09.2019
* EPM 11886	Woolgar	Renewal Pending	23	-	21.04.2004	20.04.2018
* EPM 13942	Steam Engine	Granted	3	-	09.11.2006	08.11.2021
* EPM 14060	Woolgar South	Granted	40	-	21.04.2004	20.04.2021
* EPM 14209	Woolgar	Granted	49	-	21.04.2004	20.04.2021
EPM 26263	Woolgar	Granted	100	-	05.12.2016	04.12.2021
ML 2642	Soapspar	Granted	-	4.05	31.01.1974	31.08.2029
ML 2728	Shamrock	Granted	-	128	25.05.1989	31.08.2029
ML 2729	Mowbray	Granted	-	128	25.05.1989	31.08.2029
ML 2739	Mowbray #3	Granted	-	128	25.05.1989	31.08.2029
ML 2793	New Soapspar	Granted	-	146.4	08.08.1991	31.08.2029
ML 90044	Sandy Dam	Granted	-	29.2	27.04.1995	30.04.2029
ML 90122	Sandy Creek	Granted	-	350.8927	02.09.2004	30.09.2029
ML 90123	Flat Creek	Granted	-	124.7277	23.11.2004	30.11.2029
ML 90238	North Star	Granted	-	882.6	19.09.2017	30.09.2034

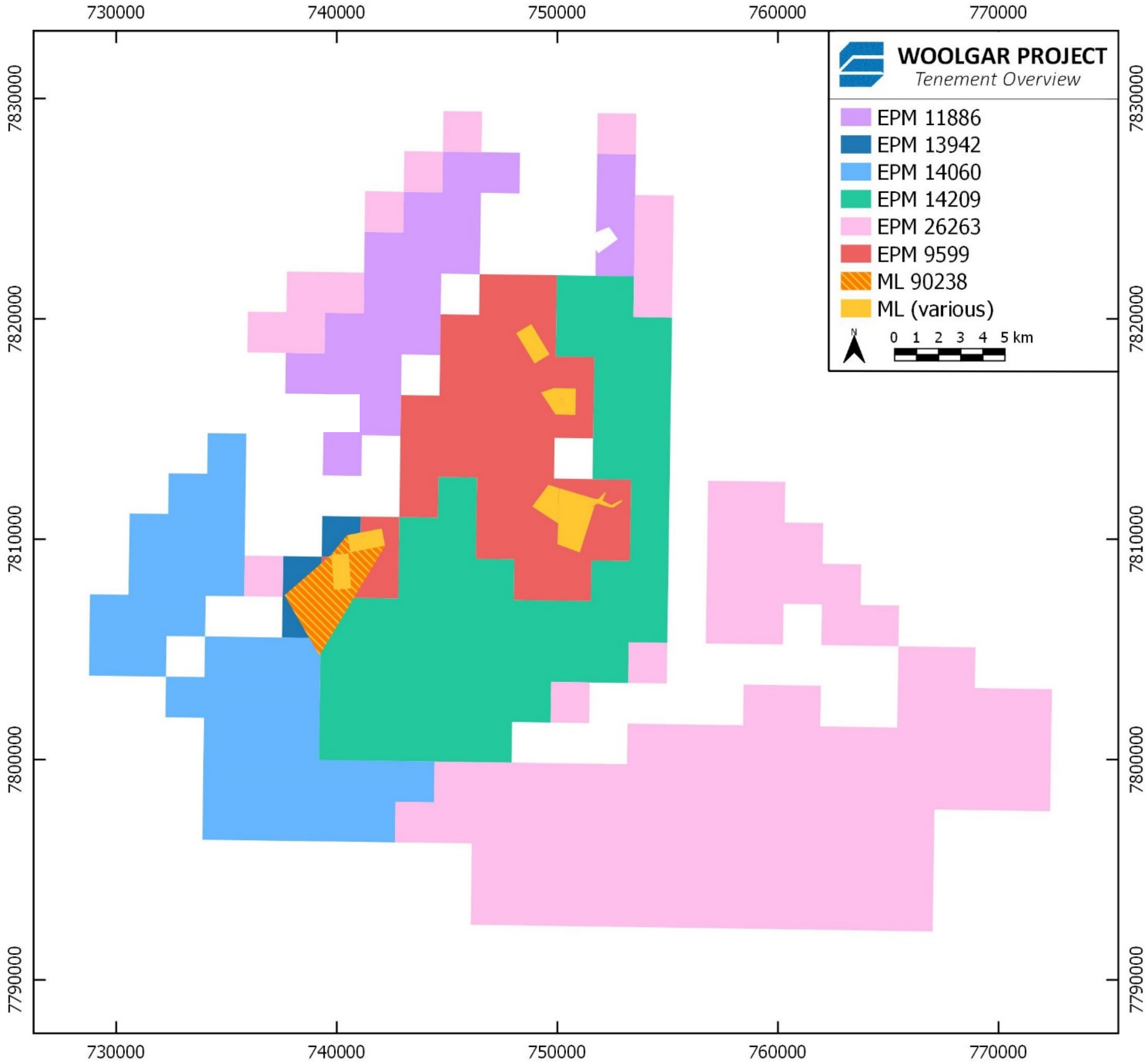


Figure 18: Tenement location map for Woolgar Project

DIRECTORS' 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 2018.

1. 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. Laif Allen McLoughlin** *Chairman (Executive Chairman)*

  BBus (Economics), MBA

  Mr McLoughlin's work experiences span across a number of industries in both private and public sectors and in various team and leadership roles. Mr McLoughlin is currently Executive Chairman of Strategic Minerals Corporation and is an advisor for the QCoal Groups. Prior to this Mr McLoughlin held senior positions at The Suncorp Group, SMS Management and Technology and the Department of Defence where he was Officer in Charge of the Management Consulting Team.

  He is a member of the Australian Institute of Company Directors and AusIMM and has not held any other Australian public company directorships in the past three years.

- **Mr Darren Fooks** *Non-executive Director (Independent) and Company Secretary (appointed 27 July 2018)*

  LLB

  Mr Fooks is a Partner of Thomson Geer Lawyers and has been practicing energy, resources and infrastructure law for more than 25 years and has advised on all Australian legal issues relevant to energy, resources and infrastructure activities. He is recognised as one of Australia foremost experts in relation to Mining, Oil & Gas and Electricity projects and developments.

  Mr Fooks has personally acted in the development and operation of over 80 Mineral and Coal projects throughout Queensland, the rest of Australia, China, Vanuatu and Argentina.

  A material level of Mr Fooks' work is foreign direct investment into Australia. Mr Fooks has attained a Bachelor of Laws (LLB) at QUT, is a Solicitor of the Queensland Supreme Court, Federal Court of Australia and High Court of Australia. He is also a member of Australia Mining and Petroleum Law Association and Infrastructure Association of Queensland.

- **Mr Jay Richard Stephenson** *Non-executive Director (Independent) and Company Secretary*

  MBA, FCPA, CMA, FCIS, MAICD

  Mr Stephenson has been involved in business development for over 25 years including the past 20 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 or has held the following directorships over the past three years: Non-Executive Director of Doray Mining Limited since August 2009 and Nickelore Limited since July 2011. Chairman, Non-Executive Director of Yonder and Beyond Group Limited since February 2011 and Non-Executive Director of Drake Resources Limited since 2005. Past Non-Executive Director of Aura Energy Limited - August 2005 to July 2013, Bulletproof Limited (Spencer Resources Limited) July 2011 to January 2014, Veriluma Limited (Parmelia Resources Limited) - May 2014 to October 2016 and Ensurance Ltd (Parker Resources Limited) - January 2011 to December 2012.

- **Mr Christopher Ian Wallin** *Non-executive Director (resigned 27 July 2018)*

  FAusIMM, FAIG

  Mr Wallin is a Fellow of the Australian Institute of Mining and Metallurgy, Fellow of the Australian Institute of Geoscientists and a Member of the Geological Society of Australia. He has 40 years' experience in the Queensland exploration and mining industry.

  Mr Wallin is the Sole Director and owner of the QCoal Group which has managed the development and operation of numerous open-cut mines in Queensland and is currently overseeing the development of the Byerwen Coal Project. In 2014 QCoal's ongoing commitment to the industry was celebrated when the company was awarded the Queensland Miner of the Year Award.

  In addition to exploration and mining QCoal is proud to be a principal sponsor of the Royal Flying Doctor Service Queensland.

  Mr Wallin is the Sole Director of QGold Pty Ltd which is the major shareholder in Strategic Minerals Corporation NL.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. 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:

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
L A McLoughlin	8	8	*At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*							
J Stephenson	8	8								
D Fooks	2	2								
C I Wallin	6	6								

3. DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company up to the date of this report were as follows:

	Shares (Direct) No.	Shares (Indirect) No.	Options (Direct) No.	Options (Indirect) No.
2018				
L A McLoughlin	210,461	-	-	-
J Stephenson	-	-	-	-
D Fooks (*appointed 27 July 2018)*	-	-	-	-
C I Wallin (*resigned 27 July 2018*)	-	68,758,751	-	-
	210,461	68,758,751	-	-
2017				
L A McLoughlin	146,739	-	-	-
C I Wallin	-	56,684,380	-	-
J Stephenson	-	-	-	-
	146,739	56,684,380	-	-
The aggregate number of shares acquired/(disposed or consolidated) directly or indirectly by Directors during the year since the date of the prior year report, up to the date of this report was:				
L A McLoughlin	63,722	-	-	-
C I Wallin	-	12,074,371	-	-
D Fooks	-	-	-	-
J Stephenson	-	-	-	-
	63,722	12,074,371	-	-

4. PRINCIPAL ACTIVITIES

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

5. OPERATING RESULTS

For the 2018 financial year the Group delivered a loss before tax of $851,072 (2017: $620,949 loss).

6. REVIEW OF OPERATIONS

During the year, the Group continued its exploration of the Woolgar Project in Queensland. Refer to the detailed Operations Review on page 4 of the Annual Report.

DIRECTORS' REPORT

7. DIVIDENDS

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

8. FINANCIAL POSITION

The net assets of the Group have increased from 31 December 2017 by $1,939,852 to $26,566,587 at 31 December 2018 (2017: $24,626,735).

As at 31 December 2018, the Group's cash and cash equivalents increased from 31 December 2017 by $454,863 to $860,565 at 31 December 2018 (2017: $405,702) and had working capital of $708,773 (2017: $(149,196) working capital deficit), as noted in Note 10.

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.

9. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group during the year ended 31 December 2018.

10. EVENTS SUBSEQUENT TO REPORTING DATE

There were no subsequent events which occurred subsequent to the reporting date that are not covered in this Directors' Report above or written within the financial statements at Note 14 Events subsequent to reporting date.

11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Consolidated Entity are referred to in the Operations Review on page 4 of the Annual Report.

12. 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 the remuneration report below.

DIRECTORS' REPORT

13. 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) Equity instruments disclosure relating to Key Management Personnel

(e) Share-based compensation

(f) Loans to / from Key Management Personnel

(g) Transactions with Related Parties of Key Management Personnel

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

(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 Executive Chairman 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 2018.

i. 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 $40,000 per annum plus superannuation (2017: $40,000). The Executive Chairman receives a fee of $220,000 per annum inclusive of superannuation (2017: $220,000). Non-Executive Director's remuneration is reviewed annually by the Board.

ii. 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.

iii. Remuneration Framework

The executive remuneration framework has two components:

- base pay and benefits, including superannuation where applicable; and
- long term incentives through Directors options.

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 are 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.

(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

DIRECTORS' REPORT

13. REMUNERATION REPORT (AUDITED)

Company for the year ended 31 December 2018 are set out in the following tables.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:		
	Cash, salary & fees	Non- monetary	Super-annuation	Options	Total	Options as a percentage of remuneration
	$	$	$	$	$	%
2018						
Mr L A McLoughlin	199,474	-	18,915	-	218,389	-
Mr D Fooks	16,667	-	1,583	-	18,250	-
Mr C I Wallin	23,066	-	2,191	-	25,257	-
Mr J Stephenson	10,417	-	990	-	11,407	-
	249,624	-	23,679	-	273,303	-
2017[1]						
Mr L A McLoughlin	199,100		18,915	-	218,015	-
Mr C I Wallin	40,000		3,800	-	43,800	-
Mr J Stephenson	-		-	-	-	-
	239,100	-	22,715	-	261,815	-

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.

(c) Remuneration report 31 December 2017

At the AGM on 30th May 2018, a resolution that the remuneration report for the year ended 31 December 2017 be adopted was put to the vote. At least 25% of votes cast were against the adoption of that report. This resulted in a second strike against the group, and a spill resolution was passed. At a Spill Meeting on 28 August 2018, Mr Laif Allen Mcloughlin and Mr Jay Richard Stephenson were re-elected as directors.

As required by s300A of the Corporations Act 2001, the board considered the result of the Remuneration Report resolution and determined that no action was required as the reported and current remuneration of the Board is either in line with, or below, industry standards and expectations.

(d) Service agreements

There are no service agreements in place for Directors.

(e) Equity instruments disclosure relating to Key Management Personnel

i. 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.

2018	Balance at start of year No.	Effect of 15:1 Consolidation No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No	Balance at end of year No.
Executive Chairman						
Mr L A McLoughlin[1]	146,739	-	-	-	63,722	210,461
Non-Executive Directors						
Mr C I Wallin[1]	56,684,380	-	-	-	12,074,371	68,758,751
Mr J Stephenson	-	-	-	-	-	-
	56,831,119	-	-	-	12,138,093	68,969,212

(1) Other changes during the year represent shares acquired on market

DIRECTORS' REPORT

13. REMUNERATION REPORT (AUDITED)

ii. Prior period error in Key Management Personnel Shareholdings

In the financial report for the year ended 31 December 2017, an error was made in the reporting of Mr C I Wallin's shareholding at the end of the year.

This error arose as a result of the timing difference between the purchase of 1,644,743 shares on 28-29 December 2017 and the ASX announcement of the same of 4 January 2018. This purchase was recorded in the remuneration report as though it occurred on 4 January 2018. Mr Wallin's shareholdings were recorded correctly in the Directors' report under Note 3 Directors interest.

Details in relation to the impact of this correction on comparative information for Mr C I Wallin's shareholdings are as follows:

2017	Balance at start of year No.	Effect of 15:1 Consolidation No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No	Balance at end of year No.
Mr C I Wallin – per 31 December 2017 financial report	43,335,083	-	-	-	11,704,554	55,039,637
Adjusted as per 13(e)ii	-	-	-	-	1,644,743	1,644,743
Mr C I Wallin - Restated	43,335,083	-	-	-	13,349,297	56,684,380

(f) Share-based Compensation

i. Options

There were no options on issue at 31 December 2018.

ii. 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.

(g) Loans to / from Key Management Personnel

On 9 March 2018 a $1 million loan facility was made available to the Company from Christopher Wallin.

On 5 September 2018 the Company repaid the $1 million loan facility in full.

(h) Transactions with Related Parties of Key Management Personnel

There are no other significant related party transactions not already identified at the 31 December 2018 year end.

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

END OF REMUNERATION REPORT

DIRECTORS' REPORT

14. 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.

15. SHARES UNDER OPTION

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

16. LIABILITY INSURANCE

The Company has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence.

17. 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.

18. NON-AUDIT SERVICES

During the year, Hall Chadwick QLD, the Company's auditor, did not perform any services other than their statutory audits.

Details of remuneration paid to the auditor can be found within the financial statements at Note 17 Auditor's Remuneration on page 72

In the event that non-audit services are provided by Hall Chadwick QLD, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Directors are satisfied that the provision of non-audit services by Hall Chadwick QLD (or by another person or firm on Hall Chadwick QLD's) behalf is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

19. 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.

20. 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 44.

21. AUDITORS

The auditor, Hall Chadwick QLD continues in accordance with s.327 of the *Corporations Act 2001* (Cth).

22. ROUNDING OF AMOUNTS

The Company is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

DIRECTORS' REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

LAIF ALLEN McLOUGHLIN

Executive Chairman

Dated this Friday, 29 March 2019

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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 belief during the year ended 31 December 2018 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

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

Geoffrey Stephens
Hall Chadwick QLD
Chartered Accountants

Dated this 29th day of March 2019

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's Corporate Governance Plan has been posted on the Company's website at www.stratmin.com.au.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which: (a) sets out the respective roles and responsibilities of the board, the chair and management; and (b) includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	YES	a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director. b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that director's or senior executive's appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.	YES	a) The Company has adopted a Diversity Policy. i. The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality. ii. The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives. b) The Diversity Policy is stated in Schedule 9 of the Corporate Governance Plan which is available on the company website. c) i. The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment. ii. The Board will include in the annual report each year, the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board Level.
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	NO	a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan. b) The Company's Corporate Governance Plan requires the Board to disclosure whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Reports.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives. b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Report.
Principle 2: Structure the board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	NO	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee. The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website. The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules. The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	YES	See Board Skills Matrix below.

Board Skills Matrix	Number of Directors that Meet the Skill
Executive and Non- Executive experience	3
Industry experience and knowledge	3
Leadership	3
Corporate governance and risk management	3
Strategic thinking	3
Desired behavioural competencies	3
Geographic experience	2
Capital Markets experience	3
Subject matter expertise:	
- accounting	2
- capital management	2
- corporate financing	2
- industry taxation [1]	2
- risk management	3
- legal	3
- IT expertise [2]	0

(1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.

(2) Skill gap noticed however an external IT firm is employed on an ad hoc basis to maintain IT requirements.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 2.3 **A listed entity should disclose:** (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director	YES	a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports. b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors' interests, positions associations and relationships are provided in the Annual Reports. c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	NO	The Board Charter requires that where practical the majority of the Board will be independent. Details of each Director's independence are provided in the Annual Reports.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	NO	The Board believes that the current Chairman can and does make quality and independent judgements in the best interest of the Company and other stakeholders notwithstanding that he is not an independent director in accordance with the criteria set out in the recommendations.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	YES	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	a) The Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	NO	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	NO	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	NO	Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee. The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior Directors.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans. b) A copy of the Company's Corporate Governance Plan is available on the Company's website.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
Revenue and other income	2	8,988	1,792
Administration expense		(237,651)	(188,274)
Consulting and legal		(213,290)	(88,418)
Depreciation and amortisation	3.1	(4,631)	(3,756)
Employee benefit expense		(323,782)	(280,681)
Premises expense		(53,197)	(59,320)
Impairment of shares in listed company		(11,250)	5,500
Travel expense		(16,259)	(7,792)
(Loss) before income tax		(851,072)	(620,949)
Income tax expense/(benefit)		-	-
(Loss) for the year		(851,072)	(620,949)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(851,072)	(620,949)
Total Comprehensive Loss is attributable to:			
Equity holders of the Company		(851,072)	(620,948)
Non-Controlling Interest		(0)	(1)
		(851,072)	(620,949)
Loss per share attributable to the ordinary equity holders of the Company		¢	¢
Basic (loss) per share	18	(1.16)	(0.93)

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 31 DECEMBER 2018

	Note	2018 $	2017 (restated) $
Current assets			
Cash and cash equivalents	6.1	860,565	405,702
Trade and other receivables	6.2	63,075	115,392
Other current assets	6.4	43,758	22,630
Total current assets		967,398	543,724
Non-current assets			
Financial assets	6.3	70,641	81,303
Plant and equipment	7.1	14,221	18,852
Mineral exploration and evaluation assets	7.2	25,790,484	24,666,054
Other non-current assets	6.4	3,147	17,151
Total non-current assets		25,878,493	24,783,360
Total assets		26,845,891	25,327,084
Current liabilities			
Trade and other payables	6.5	174,324	640,538
Provisions	7.3	50,360	42,869
Borrowings	6.6	33,941	9,513
Total current liabilities		258,625	692,920
Non-current liabilities			
Provisions	7.3	20,679	7,429
Total non-current liabilities		20,679	7,429
Total liabilities		279,304	700,349
Net assets		26,566,587	24,626,735
Equity			
Contributed equity	8.1.1	55,026,942	52,236,018
Reserves		-	-
Accumulated losses		(28,454,344)	(27,603,272)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL		26,572,598	24,632,746
Non-controlling interest		(6,011)	(6,011)
Total equity		26,566,587	24,626,735

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

		Contributed equity $	Share based payment reserve $	Accumulated Losses $	Sub-total $	Non Controlling Interest $	Total Equity $
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 year		-	-	(620,948)	(620,948)	(1)	(620,949)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	8.1.1	2,696,806	-	-	2,696,806	-	2,696,806
Options previously expired			(2,972,522)	2,972,522	-	-	-
Balance at 31 December 2017		52,236,018	-	(27,603,272)	24,632,746	(6,011)	24,626,735
Balance at 1 January 2018		52,236,018	-	(27,603,272)	24,632,746	(6,011)	24,626,735
Total comprehensive loss for the year		-	-	(851,072)	(851,072)	-	(851,072)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	8.1.1	2,790,924	-	-	2,790,924	-	2,790,924
Options previously expired			-	-	-		-
Balance at 31 December 2018		55,026,942	-	(28,454,344)	26,572,598	(6,011)	26,566,587

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 (restated) $
Cash flow from operating activities			
Payments to suppliers & employees		(790,704)	(688,458)
Interest received		6,855	1,792
Net cash (outflow) from operating activities	6.1.2a	(783,849)	(686,666)
Cash flow from investing activities:			
Purchase of property, plant, equipment		-	(14,000)
Payments/Refunds of security deposits		14,004	(24,503)
Payments for exploration expenditure assets		(1,590,645)	(1,889,541)
Net cash (outflow) from investing activities		(1,576,641)	(1,928,044)
Cash flow from financing activities:			
Proceeds from issue of shares		2,793,123	2,731,350
Cost of capital raising		(2,198)	(34,544)
Proceeds/repayments of borrowings		24,428	9,513
Net cash inflow from financing activities		2,815,353	2,706,319
Net increase / (decrease) in cash held		454,863	91,609
Cash and cash equivalents at the beginning of the period		405,702	314,093
Cash and cash equivalents at the end of period	6.1	860,565	405,702

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

In preparing the 2018 financial statements, Strategic Minerals Corporation NL has grouped notes into sections under five key categories:

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

(a) *accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction*

(b) *analysis and sub-totals, including segment information*

(c) *information about estimates and judgements made in relation to particular items.*

NOTE 1 PRIOR PERIOD CORRECTION

Capitalised Expenditure

Upon review of the 30 June 2018 interim report it was determined that supplier invoices in relation to exploration and evaluation assets were received during the half year ended 30 June 2018 which related to the 2017 financial year. These supplier invoices, excluding GST, totalled $319,717.

The effect of the correction was contained entirely within the balance sheet, and has no effect on the net asset position or profit or loss of the Company.

Details in relation to the impact of this correction on comparative financial information are disclosed as follows:

Adjustments made to statements of financial position (extract) As at 31 December 2017	Previously reported 31 Dec 2017 $	Effect of accounting correction $	31 Dec 2017 (restated) $
Current Assets: Trade and other receivables	111,139	4,253	115,392
Non-current Assets: Exploration and evaluation	24,346,337	319,717	24,666,054
Total Assets	25,003,113	323,970	25,327,083
Current Liabilities: Trade and other payables	316,567	323,970	640,537
Total Liabilities	376,378	323,970	700,348
Net Assets	24,626,735	-	24,626,735

NOTE 2 REVENUE AND OTHER INCOME

	2018 $	2017 $
From continuing operations:		
Interest – unrelated parties	6,988	1,792
Other income	2,000	-
Total revenue and other income	8,988	1,792

2.1.1 *Accounting Policy*

a. *Interest revenue*

Interest revenue is recognised in accordance with Note 4.1 Finance income and expenses.

b. *Other income*

Other income is recognised when the Group obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST (Note 21.3 Goods and Services Tax (GST)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 3 LOSS BEFORE INCOME TAX

	Note	2018 $	2017 $
Loss before income tax has been determined after including the following expenses:			
3.1 Depreciation and amortisation:			
Depreciation and amortisation of plant and equipment	7.1.3c	4,631	3,756
3.2 Employment costs:			
Employee benefits expense – Long service leave		13,250	7,429

3.2.1 *Accounting Policy*

a. 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.

b. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

c. 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.

NOTE 4 OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO ITEMS OF PROFIT AND LOSS

4.1 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 5 INCOME TAX	Note	2018 $	2017 (restated) $
5.1 The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Loss before income tax		(851,072)	(620,949)
Prima facie tax payable on loss from ordinary activities before income tax at 27.5%		(234,045)	(170,761)
Movement on deferred tax assets not recognised		234,045	170,761
Income tax benefit		-	-
5.2 Deferred tax liability			
Exploration and evaluation expenditure – Australia Mining Properties		7,104,236	6,790,035
Temporary differences – Australia		-	-
		7,104,326	6,790,035
Off-set of deferred tax assets		(7,104,326)	(6,790,035)
Net deferred tax liability recognised		-	-
5.3 Unrecognised deferred tax assets arising on timing			
Tax Losses		10,488,873	9,974,414
Temporary Differences		76,079	58,841
Expenses taken to equity		8,077	22,407
		10,573,029	10,055,662
Off-set of deferred tax liabilities		(7,104,326)	(6,790,035)
Net deferred tax assets unrecognised		3,468,793	3,265,627

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 $12,613,794 (2017: $11,875,088) 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 2018 are contingent upon the Group satisfying the following conditions:

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

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 5 INCOME TAX (CONT.)

5.4 Accounting Policy

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.

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Cash and cash equivalents

	2018 $	2017 $
Cash at bank and on hand	860,565	405,702
	860,565	405,702

6.1.1 The effective interest rate on cash at bank and bank term deposits is 2.25%. These deposits have an average maturity of less than 6 months. The Group's exposure to interest rate risk is discussed in Note 9.

6.1.2 *Cash Flow Information*

a. Reconciliation of cash flow from operations to (loss)/profit after income tax

	2018 $	2017 $
Operating loss after income tax	(851,072)	(620,949)
Add / (less) non-cash items:		
Depreciation	4,631	3,756
Impairment of mining tenements	-	-
Impairment of shares in listed company	11,250	(5,500)
Non-cash changes in assets & liabilities:		
Decrease/(increase) in receivables & prepayments	30,601	(80,376)
Increase/(decrease) in provisions	20,741	25,688
Increase/(decrease) in payables	-	(9,285)
Cash flow from operations	(783,849)	(686,666)

b. Non-cash Financing and investing activities

There are no non-cash financing and investing activities for the year ended 31 December 2018 (2017: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.1 Cash and cash equivalents (cont.)

6.1.3 *Accounting Policy*

For statement of cash flows 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.

6.2 Trade and other receivables

	2018 $	2017 (restated) $
6.2.1 *Current*		
GST refundable	60,597	115,326
Other receivables	2,478	66
	63,075	115,392

6.2.2 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 9.

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.

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

6.2.4 *Accounting Policy*

Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

6.3 Financial assets

	Note	2018 $	2017 $
6.3.1 *Non-current:*			
Shares in listed corporations	6.3.1a	6,250	17,500
Term deposits		64,391	63,803
		70,641	81,303

a. The Group currently holds 50,000 EWC shares. The fair value of EWC fully paid ordinary shares at 31 December 2018 was based on the ASX quoted market value. These shares are classified as Tier 1 financial assets. These shares are a financial asset through profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.4 Other Assets

	Note	2018 $	2017 $
6.4.1 *Current:*			
Prepayments		43,758	22,630
		43,758	22,630
6.4.2 *Non-current:*			
Mineral Specimens		514	514
Security deposits on tenements		2,633	16,637
		3,147	17,151

6.5 Trade and other payables

	Note	2018 $	2017 (restated) $
6.5.1 *Current:*			
Unsecured			
Other creditors and accruals		174,324	640,538
Total unsecured liabilities		174,324	640,538

6.5.2 *Accounting Policy*

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. Payables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

6.6 Interest-bearing loans and borrowings

	Note	2018 $	2017 $
6.6.1 *Current:*			
Premium funding		33,941	9,513
		33,941	9,513

6.6.2 *Accounting Policy*

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. 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 period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.7 Other Significant Accounting Policies related to Financial Assets and Liabilities

6.7.1 *Initial recognition and measurement*

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.

6.7.2 *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.

6.7.3 *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.

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

7.1 Plant and equipment	Note	2018 $	2017 $
7.1.1 Non-current:			
Plant and equipment at cost		323,422	323,422
Less accumulated depreciation		(309,201)	(304,570)
		14,221	18,852
7.1.2 Movements in Carrying Amounts			
Owned plant & equipment at cost:			
Brought forward		323,422	309,422
Additions		-	14,000
Disposals / adjustments to cost		-	-
Closing Balance		323,422	323,422
Accumulated Depreciation:			
Brought forward		(304,570)	(300,814)
Depreciation expense		(4,631)	(3,756)
Disposals / adjustments to cost		-	-
Closing Balance		(309,201)	(304,570)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

7.1 Plant and equipment (cont.)

7.1.3 *Accounting Policy*

a. Recognition and measurement

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.

b. Subsequent costs

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.

c. Depreciation

Depreciation on plant and equipment 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 4-5 years
- Vehicles 3-8 years
- Furniture, fittings and equipment 5-11 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.

d. Derecognition and disposal

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.

7.2 Mineral Exploration and Evaluation Assets

	Note	2018 $	2017 (restated) $
7.2.1 Non-current:			
Exploration at cost:			
Balance at the beginning of the year		24,666,144	22,230,117
Expenditure during the year		1,124,340	2,435,937
Balance at the end of the financial year		25,790,484	24,666,054

7.2.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

7.2.3 *Key Estimate – Impairment*

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:

- 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;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- 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
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

7.2 Mineral Exploration and Evaluation Assets (cont.)

7.2.4 Key Judgments – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is $25,790,484 (2017: $24,666,054).

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that no impairment of its exploration assets was necessary.

7.2.5 Accounting Policy

a. 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.

b. Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively sale, of the respective area of interest.

7.3 Provisions

	Note	2018 $	2017 $
7.3.1 Current:			
Balance at beginning of year		42,869	24,610
Increase in provision		7,491	18,259
Balance at end of year		50,360	42,869
7.3.2 Non-current:			
Balance at beginning of year		7,429	-
Increase in provision		13,250	7,429
Balance at end of year		20,679	7,429

7.3.3 Description of Provisions

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

7.3.4 Accounting Policy

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 2018

NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

7.4 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

7.4.1 *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 impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTE 8 EQUITY

8.1 Issued capital	Note	2018 No.	2017 No.	2018 $	2017 $
Fully paid ordinary shares at no par value	8.1.1	78,209,207	70,450,536	55,026,942	52,236,018
8.1.1 Ordinary shares					
At the beginning of the year		70,450,536	62,383,313	52,236,018	49,539,212
Shares issued during the year:					
13 Apr 2017: Shares issued at $0.36			916,667		330,000
23 May 2017: Shares issued at $0.33			5,761,667		1,901,350
14 Nov 2017: Shares Issued $0.36			1,388,889		500,000
20 Aug 2018: Shares issued at $0.36		7,758,671		2,793,122	
Transaction costs relating to share issues				(2,198)	(34,544)
At reporting date		78,209,207	70,450,536	55,026,942	52,236,018

8.1.2 *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.

8.1.3 *Accounting Policy*

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.

8.2 Options

There were no Options on issue at the end of the financial year.

8.3 Non-Controlling Interests

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

8.4 Reserves

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

NOTE 9 FINANCIAL RISK MANAGEMENT

9.1 Financial Risk Management Policies

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.

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:	2018 $	2017 $
Financial assets		
Cash and cash equivalents	860,565	405,702
Trade and other receivables	63,075	115,392
Other financial assets	70,641	81,303
	994,281	602,397
Financial liabilities		
Trade and other payables	174,324	640,538
Borrowings	33,941	9,513
	208,265	650,051
Net financial instruments	786,016	(47,654)

9.2 Specific Financial Risk Exposures and Management

9.2.1 *Market risk*

a. 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.

b. Interest rate risk

Refer to 9.2.4 below

9.2.2 *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.

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)

Financial assets	Credit Quality	2018 $	2017 $
Cash and cash equivalents	Aa2	860,565	405,702
Trade and other receivables			
Counterparties without external credit rating			
- Sundry receivables	Group 1	63,075	115,392

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

9.2.3 *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

- *Contractual Maturities*

The following are the contractual maturities of financial assets and liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $
Financial liabilities due for payment						
Trade and other payables	174,324	640,538	-	-	174,324	640,538
Borrowings	33,941	9,513	-	-	33,941	9,513
Total contractual outflows	208,265	650,051	-	-	208,265	650,051
Financial assets						
Cash and cash equivalents	860,565	405,702	-	-	860,565	405,702
Trade and other receivables	63,075	115,392	-	-	63,075	115,392
Loans, net of impairment	-	-	-	-	-	-
Total anticipated inflows	923,640	521,094	-	-	923,640	521,094
Net (outflow)/inflow on financial instruments	715,375	(128,957)	-	-	715,375	(128,957)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

9.2.4 *Cash flow and 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.

NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)

2018	Floating interest rate $	Fixed interest maturing in 1 year or less $	Non-interest bearing $	Total $
Financial assets				
Cash and deposits	860,565	-	-	-
Receivables	-	-	63,075	860,565
Financial assets	-	64,391	6,250	63,075
	860,565	-	63,075	860,565
Financial Liabilities				
Trade and other creditors	-	-	174,324	-
Borrowings	-	33,941	-	174,324
	860,565	-	237,399	860,565
2017				
Financial assets				
Cash and deposits	405,702	-	-	-
Receivables	-	-	115,392	405,702
Financial assets	-	63,803	17,500	115,392
	405,702	-	115,392	405,702
Financial Liabilities				
Trade and other creditors	-	-	640,538	-
Borrowings	-	9,513	-	640,538
	-	-	640,538	-

9.2.5 *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.

a. Fair value hierarchy

AASB 13 *Fair Value Measurement: 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 21.5 Fair Value.

NOTE 10 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.

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.

The consolidated entity is not subject to any externally imposed capital requirements.

The working capital position of the Group at 31 December 2018 and 31 December 2017 is as follows:

	Note	2018 $	2017 $
Cash and cash equivalents	6.1	860,565	405,702
Trade and other receivables	6.2	63,075	115,392
Other current assets	6.4.1	43,758	22,630
Trade and other payables	6.5	(174,324)	(640,538)
Provisions	7.3.1	(50,360)	(42,869)
Borrowings	6.6.1	(33,941)	(9,513)
Working capital position		708,773	(149,196)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

(a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation

(b) transactions with non-controlling interests, and

(c) interests in joint operations.

A list of significant subsidiaries is provided in note 11. This note also discloses details about the group's equity accounted investments.

NOTE 11 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Place of Incorporation	2018 Holding %	2018 Amount $	2017 Holding %	2017 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 and have been written down to nil.

The group has no equity accounted investments at 31 December 2018 (31 December 2017: Nil)

SECTION D. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 12 COMMITMENTS

	2018 $	2017 $
12.1 Capital expenditure commitments payable:		
Within one year	708,733	874,858
After one year but not more than five years	2,447,930	3,292,430
After five years	1,058,072	865,771
Total Exploration tenement minimum expenditure requirements	4,214,735	5,033,059
12.2 Operating lease commitments for premises due:		
Within one year	22,275	44,550
After one year but not more than five years	-	21,847
After five years	-	-
Total Operating lease commitments	22,275	66,397

The commitments of Strategic Minerals Corporation NL above are the same as those for the Group.

NOTE 13 CONTINGENT ASSETS AND LIABILITIES

Strategic Minerals Corporation NL has $43,803 worth of bank guarantees in relation to exploration licenses as at 31 December 2018 (2017: $43,803). There are no other contingent assets or liabilities at year end.

NOTE 14 EVENTS SUBSEQUENT TO REPORTING DATE

There were no other significant events after the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

	2018 $	2017 $
Short term employee benefits	249,624	239,100
Post-employment benefits	23,679	22,715
	273,303	261,815

NOTE 16 RELATED PARTY TRANSACTIONS

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

NOTE 17 AUDITORS' REMUNERATION

	2018 $	2017 $
Remuneration of the auditors, Hall Chadwick QLD of the Group for:		
- Auditing or reviewing the accounts (Hall Chadwick QLD)	35,000	30,000
	35,000	35,000

NOTE 18 EARNINGS PER SHARE (EPS)

	2018 $	2017 $
18.1 Reconciliation of earnings to profit or loss		
(Loss) / profit for the year	(851,072)	(620,949)
Less: loss attributable to non-controlling equity interest	(0)	(1)
(Loss) / profit used in the calculation of basic and diluted EPS	(851,072)	(620,948)

	2018 No.	2017 No.
18.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	73,277,668	66,724,503

		2018 ¢	2017 ¢
18.3 Earnings per share			
Basic EPS (cents per share)	18.4	(1.16)	(0.93)

18.4 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 2018 financial year, the Group had no unissued shares under options that were out of the money which are anti-dilutive (2017: nil).

18.5 Accounting Policy

18.5.1 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.

18.5.2 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 19 SEGMENT REPORTING

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

	Gold	Treasury	Total
2018	$	$	$
Segment revenue and other income	-	8,988	8,988
Segment profit for the year	-	8,988	8,988
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(4,631)
Impairment of shares in listed company	-	-	(11,250)
Corporate expense	-	-	(844,179)
Total group revenue and other income			(851,072)
Segment assets as at the year end			
Segment assets	25,790,484	860,565	26,651,049
Reconciliation of segment assets to group assets:			
Property plant and equipment			14,221
Financial assets			70,641
Receivables and other assets			109,980
Total assets			26,845,891
Segment and group liabilities as at year end		279,304	279,304
2017			
Segment revenue and other income	-	1,792	1,792
Segment profit for the year	-	1,792	1,792
Reconciliation of segment loss to group loss:			
Depreciation expense	-	-	(3,756)
Impairment of shares in listed company	-	-	5,500
Corporate expense	-	-	(624,485)
Total group revenue and other income			(620,949)
Segment assets as at the year end			
Segment assets	24,666,054	405,702	25,071,756
Reconciliation of segment assets to group assets:			
Property plant and equipment			18,852
Financial assets			81,303
Receivables and other assets			155,173
Total assets			25,327,084
Segment and group liabilities as at year end		700,349	700,349

19.1 Accounting Policy

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 as well as the Treasury function. The main mineral type of the Group is Gold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 20 PARENT ENTITY DISCLOSURES

	2018 $	2017 $
20.1 Financial Position of Strategic Minerals Corporation NL		
Current assets	918,160	493,519
Non-current assets	25,875,776	24,781,763
Total assets	26,793,936	25,275,282
Current liabilities	258,625	691,938
Non-current liabilities	20,679	7,429
Total liabilities	279,304	699,367
Net assets	26,514,632	24,575,915
Equity		
Contributed equity	55,026,943	52,236,020
Accumulated losses	(28,512,311)	(27,660,105)
TOTAL EQUITY	26,514,632	24,575,915
20.2 Controlled Entities		
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	-	-
20.3 Financial Performance of Strategic Minerals Corporation NL		
Loss for the year	(851,086)	(620,926)
Total comprehensive loss	(851,086)	(620,926)

20.4 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 2018 (2017: none).

20.5 Contingent liabilities of Strategic Minerals Corporation NL

There are no contingent liabilities as at 31 December 2018 (2017: none).

20.6 Commitments of Strategic Minerals Corporation NL

The commitments of Strategic Minerals corporation NL are the same as those for the Group disclosed in note 12.

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

21.1 Basis of preparation

21.1.1 *Reporting Entity*

Strategic Minerals Corporation NL is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Barrington's House, 283 Rokeby Road, Subiaco, Western Australia. These are the consolidated financial statements and notes of Strategic Minerals Corporation NL (the Company) and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

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

21.1.2 *Basis of accounting*

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 29 March 2019 by the directors of the Company.

21.1.3 *Going Concern*

The 31 December 2018 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 year of $851,072 (2017: $620,949 loss) and a net cash out-flow from operating and investing activities of $2,360,490 (2017: $2,614,710 out-flow).

As at 31 December 2018, the Company had working capital of $708,773 (2017: $149,196 working capital deficit), as disclosed in Note 10.

This financial report is prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Group's ability to generate positive cash flows through its existing business and/ or raising of further equity.

During the year the Group raised $2,793,122 through an entitlement rights issues announced on 1 August 2018. On 9 March 2018 the Group entered into a $1 million loan facility agreement with director, Christopher Wallin. This loan was repaid on 5 September 2018. The board is confident in its ability to raise additional funds and 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. Management are currently putting plans in place to raise capital during the year.

The ability of the company to execute its planned exploration and evaluation activities, requires the Company to raise additional capital within the next 12 months. Due to the nature of its operations the directors recognise that there is a need on an ongoing basis for the Company to regularly raise additional cash to fund future exploration activity and meet other necessary corporate expenditure. Accordingly, when necessary, the Company investigates various options for raising additional funds which may include but not limited to an issue of shares or the sale of exploration assets where increased value has been created through previous exploration activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in raising additional funds through various methods. In the event that the Group is not successful in raising funds from the issue of new equity or sale of exploration assets, there exists material uncertainty that may cast significant doubt on 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.

21.1.4 *Comparative Figures*

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

21.2 Principles of Consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

21.2.1 *Subsidiaries*

The consolidated financial statements incorporate the assets, liabilities and results of the parent, Strategic Minerals Corporation NL, and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

21.3 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 consolidated 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 2018

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

21.4 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 21.4.1

21.4.1 *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 further at Note 7.2.3.

21.5 Fair Value

21.5.1 *Fair Value of Assets and Liabilities*

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

21.5.2 *Fair value hierarchy*

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

i. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

21.6 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.

Title and Affected Standard(s)	AASB 16 *Leases* (issued February 2016)
Nature of Change	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 *Leases.* It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.
Application date	Annual reporting periods beginning on or after 1 January 2019.
Impact on Initial Application	To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 January 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 *Leases*. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.

NOTE 22 COMPANY DETAILS

The registered office of the Company is:

Address:

Street:	283 Rokeby Road
	SUBIACO WA 6008
Postal:	PO Box 52
	WEST PERTH WA 6872
Telephone:	+61 (0)8 6141 3500
Facsimile:	*+61 (0)8 6141 3599*

The principle place of business of the Company is:

Address:

Street:	*Le*vel 29 Waterfront Place
	1 Eagle Street
	BRISBANE QLD 4000

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 51 to 79, are in accordance with the *Corporations Act 2001* (Cth) and:

   (a) comply with Accounting Standards;

   (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and

   (c) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the Company and Consolidated Group.

   (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);

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 and is signed for and on behalf of the directors by:

Laif Allen McLoughlin
EXECUTIVE CHAIRMAN

Dated this Friday, 29 March 2019

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strategic Minerals Corporation NL, including the company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Strategic Minerals Corporation NL and controlled entities is in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 21.1.3 in the financial report which indicates the group incurred a net loss of $851,072 (2017: loss of $620,949) and a net cash outflow from operating and investing activities of $2,360,490 (2017: outflow of $2,614,710) during the year ended 31 December 2018. As stated in Note 21.1.3 these events or conditions, along with other matters as set forth in Note 21.1.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for Exploration and Evaluation Assets At 31 December 2018 the carrying value of Exploration and Evaluation Assets was $25,790,484 (2017: $24,666,144) as disclosed in Note 7.2. The Groups accounting policy with respect to Exploration and Evaluation assets is disclosed in Note 7.2.5. The carrying value of exploration and evaluation expenditures represents a significant asset of the group and judgment is applied in considering whether facts and circumstances indicate that the exploration expenditure should be tested for impairment as disclosed in Note 7.2. As a result, the asset was assessed for impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.	We have critically evaluated management's assessment of each impairment trigger under AASB 6 Exploration and Evaluation of Mineral Resources, including but not limited to: • Obtaining from management a schedule of areas of interest held by the Group and selected a sample of tenements, and assessed as to whether the Group had rights to tenure over the relevant exploration areas and also considered whether the Group maintains the tenements in good standing; • Reviewed cash flow forecasts indicating the Group's commitment to continue to explore the specific areas of interest; • Considered whether any areas of interest had reach a stage where a reasonable assessment of economically recoverable reserves existed; • Checked mining leases had been renewed and exploration permits had not expired; and • Considered whether there are any other facts or circumstances that existed to indicate impairment testing is required. We have also assessed the adequacy of the related disclosures in Note 7.2 to the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 1, the Directors also state, in accordance with Australian Accounting Standards AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Groups internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 41 to 43 of the Directors' report for the year ended 31 December 2018.

In our opinion the remuneration report of Strategic Minerals Corporation NL for the year ended 31 December 2018 complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

Hall Chadwick QLD

Geoffrey Stephens
Hall Chadwick QLD
Chartered Accountants

Dated this 29th day of March 2019

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 SHAREHOLDING AS AT 21 FEBRUARY 2019

a. Distribution of Shareholders

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	107	30,203	0.04
1,001 – 5,000	178	399,175	0.51
5,001 – 10,000	42	308,380	0.39
10,001 – 100,000	49	1,422,809	1.82
100,001 – and over	15	76,048,640	97.24
	391	78,209,207	100.00

b. Unmarketable Parcels

	Number Ordinary	Holders
Minimum $500.00 parcel at $0.36 per unit	98,321	161
Minimum $2,000.00 parcel at $0.36 per unit	465,913	292

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

d. 20 Largest Shareholders — Ordinary Shares as at 21 February 2019

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	QGold Pty Ltd	68,758,751	87.92
2.	HSBC Custody Nominees (Australia) Limited	2,821,073	3.61
3.	J P Morgan Nominees Australia Limited	742,799	0.95
4.	Citicorp Nominees Pty Limited	660,653	0.84
5.	McNeil Nominees Pty Limited	506,717	0.65
6.	Energy World International Ltd	438,980	0.56
7.	Yandal Investments Pty Ltd	418,979	0.54
8.	Laidlaw Honmara Pty Ltd	411,066	0.53
9.	Ms Veronica Patricia Mary Oma	279,862	0.36
10.	Terena Pty Ltd <Terena Super Fund A/C>	258,190	0.33
11.	Mr Laif A McLoughlin & Mrs F Wallin	210,461	0.27
12.	HSBC Custody Nominees (Australia) Limited	200,000	0.26
13.	Mr Kerry Desmond Kolinac	125,657	0.16
14.	Acezone Agents Limited	109,883	0.14
15.	Tseung Limited	105,669	0.14
16.	Mr Kerry Desmond Kolinac	99,121	0.13
17.	Mr Cameron Fawckner Skinner	95,388	0.12
18.	E Gutzwiller & Cie Banquiers	83,334	0.11
19.	Bond Street Custodians Limited	75,000	0.10
20.	Mrs Eri Takahashi	73,300	0.09
		76,474,883	**97.81**

2 COMPANY SECRETARY

The name of the Company Secretary is Jay Stephenson.

3 PRINCIPAL REGISTERED OFFICE

As disclosed in the Corporate Directory of this Annual Report.

4 REGISTERS OF SECURITIES ARE HELD AT THE FOLLOWING ADDRESSES

As disclosed in the Corporate Directory of this Annual Report.

5 STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory of this Annual Report.

6 UNQUOTED SECURITIES

a. Options over Unissued Shares

There are no Options currently on issue.

7 USE OF FUNDS

The Company has used its funds in accordance with its initial business objectives.

STRATEGIC MINERALS
CORPORATION N.L.