



*Strategic
Minerals
Corporation N.L.*

ABN: 35 008 901 380

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2014

STRATEGIC MINERALS CORPORATION NL

ABN: 35 008 901 380

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2014**

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STRATEGIC MINERALS CORPORATION NL

CORPORATE DIRECTORY

DIRECTORS:

Laif Allen McLoughlin
Chairman (Appointed 1 June 2014)

Wally A C Martin
Managing Director

Jay R Stephenson
Director

Claude F Guerre
Director (Ceased to be Director on 30 May 2014)

COMPANY SECRETARY:

Jay Stephenson

REGISTERED OFFICE:

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POSTAL ADDRESS

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Australian Securities Exchange
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AUDITORS:

BDO Audit (WA) Pty Ltd
38 Station Street
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SHARE REGISTRY:

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BANKERS:

NAB
1232 Hay Street
WEST PERTH WA 6005

STRATEGIC MINERALS CORPORATION NL

DIRECTORS' REPORT

Your Directors present their financial report on the consolidated entity consisting of Strategic Minerals Corporation NL and the entities it controlled for the half year ended 30 June 2014.

1. Directors

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

Laif Allen McLoughlin	Chairman (Appointed 1 June 2014)
Walter Martin, Dip. Legal Studies	Managing Director
Jay Stephenson, MBA, FCPA, CMA, FCIS, MAICD	Non-executive Director
Claude Guerre	Non-executive Director until 30 May 2014

2. Consolidated Results

The net amount of the consolidated loss of the consolidated entity for the half year ended 30 June 2014 after providing for income tax was \$517,739 (30 June 2013: \$811,798).

3. Review of Operations

The Company continued exploration of its Woolgar gold project in Queensland during the half year ended 30 June 2014.

The results of the 2013 drill program were announced in the first quarter for the Big Vein South and Central prospects.

In June the Company announced that preparations for the 2014 drill program were underway and would focus on the Big Vein South and Big Vein Central prospects in the Lower camp at Woolgar and would consist of approximately 3,000 metres of reverse circulation drilling to infill and extend around the significant intersections discovered during the 2013 drill program. The commencement of the drill program was announced on 7 July 2014.

4. Significant Changes in the State of Affairs

As a result of a non-renounceable rights offer and a share placement, In May 2014 the Company issued 165,834,665 ordinary shares at 2.4 cents, which raised \$3,770,300 net of costs.

The company was the target of an on-market takeover offer by its controlling shareholder, QGold Pty Ltd on 18 June 2014.

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

5. Events after the reporting period

The on-market takeover offer, mentioned above, closed on 22 August 2014. On 25 August 2014, QGold Pty Ltd advised that it held an interest of 548,835,761 shares, representing a voting power of 66.51%.

No other significant events have occurred after the end of the reporting period.

6. Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

This report is made in accordance with a resolution of the Board of Directors.
For and on behalf of the Board.



WAC MARTIN
DIRECTOR

Perth, Western Australia

Dated this 12th day of September 2014.

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2014

	Half Year 30 June 2014 \$	Half Year 30 June 2013 \$
Revenue from continuing operations	15,709	9,282
Administration expense	(50,083)	(65,374)
Employee benefits expense	(240,645)	(406,823)
Share based payment expense	-	-
Consulting and legal expense	(133,070)	(89,789)
Depreciation expense	(44,890)	(18,315)
Occupancy expense	(29,799)	(50,021)
Travel expense	(1,038)	(2,323)
Shareholder expense	(30,923)	(33,780)
Impairment of tenements	9 -	(108,642)
Impairment on financial assets	(3,000)	(46,013)
Loss before income tax	(517,739)	(811,798)
Income tax expense	-	-
Loss for the half-year	(517,739)	(811,798)
Items that may be reclassified to profit & loss	-	-
Other comprehensive income for the half-year	-	-
Total comprehensive loss for the half-year	(517,739)	(811,798)
Loss and Total comprehensive income/(loss) for the half year is attributable to:		
Equity holders of Strategic Minerals Corporation NL	(517,742)	(811,796)
Non-Controlling Interest	3	(2)
	(517,739)	(811,798)
	Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the company		
Basic and diluted loss per share	(0.07)	(0.13)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	30 June 2014	31 Dec 2013
	\$	\$
Current Assets		
Cash and cash equivalents	3,954,102	956,114
Trade and other receivables	36,165	130,437
Total Current Assets	<u>3,990,267</u>	<u>1,086,551</u>
Non-Current Assets		
Financial assets	16,000	19,000
Plant and equipment	79,831	122,938
Exploration and evaluation expenditure	9 19,171,554	18,965,286
Other non-current assets	83,241	60,016
Total Non-Current Assets	<u>19,350,626</u>	<u>19,167,276</u>
TOTAL ASSETS	<u>23,340,893</u>	<u>20,253,827</u>
Current Liabilities		
Trade and other payables	407,051	590,218
Provisions	122,486	104,814
Total Current Liabilities	<u>529,537</u>	<u>695,032</u>
TOTAL LIABILITIES	<u>529,537</u>	<u>695,032</u>
NET ASSETS	<u>22,811,356</u>	<u>19,558,795</u>
EQUITY		
Contributed equity	47,398,273	43,627,973
Reserves	2,972,524	3,062,524
Accumulated losses	(27,553,558)	(27,125,816)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL	22,817,239	19,564,681
Non-controlling interest	(5,883)	(5,886)
TOTAL EQUITY	<u>22,811,356</u>	<u>19,558,795</u>

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

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2014

	Contributed Equity \$	Share based payments reserve \$	Accumulated Losses \$	Total \$	Non- Controlling Interest \$	Total Equity \$
Balance at 1 January 2013	40,779,629	3,062,525	(25,830,269)	18,011,885	(5,886)	18,005,999
Loss for the half year	-	-	(811,796)	(811,796)	(2)	(811,798)
Total comprehensive income/(loss) for the half year	-	-	(811,796)	(811,796)	(2)	(811,798)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	2,848,343	-	-	2,848,343	-	2,848,343
Balance at 30 June 2013	43,627,972	3,062,525	(26,642,065)	20,048,432	(5,888)	20,042,544
	Contributed Equity \$	Share based payments reserve \$	Accumulated Losses \$	Total \$	Non- Controlling Interest \$	Total Equity \$
Balance at 1 January 2014	43,627,973	3,062,524	(27,125,816)	19,564,681	(5,886)	19,558,795
Loss for the half year	-	-	(517,742)	(517,742)	3	(517,739)
Total comprehensive income/(loss) for the half year	-	-	(517,742)	(517,742)	3	(517,739)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	3,770,300	-	-	3,770,300	-	3,770,300
Options expired 30 April 2013	-	(90,000)	90,000	-	-	-
Balance at 30 June 2014	47,398,273	2,972,524	(27,553,558)	22,817,239	(5,883)	22,811,356

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

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2014

	Half Year 30 June 2014 \$	Half Year 30 June 2013 \$
Cash Flows from operating activities		
Payments to suppliers and employees	(563,770)	(353,770)
Net cash outflow from operating activities	(563,770)	(353,770)
Cash Flows from investing activities		
Interest received	15,709	9,282
Purchase of plant and equipment	(1,784)	-
Payments for tenement security deposits	(23,187)	-
Payments for exploration expenditure	(199,280)	(358,288)
Net cash outflow from investing activities	(208,542)	(349,006)
Cash Flows from financing activities		
Proceeds of capital raising, net of costs	3,770,300	2,848,343
Net cash inflow from financing activities	3,770,300	2,848,343
Net increase (decrease) in cash and cash equivalents	2,997,988	2,145,567
Cash and cash equivalent at the beginning of the half year	956,114	641,045
Cash and cash equivalent at the end of the half year	3,954,102	2,786,612

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

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2013 and any public announcements made by Strategic Minerals Corporation NL and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the December 2013 financial report. These half-year statements do not include full disclosures of the type normally included in the annual financial statements.

(a) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in current liabilities in the provision for employee benefits. The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in non-current liabilities in the provision for employee benefits and are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period from 1 January 2014.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of Accounting Standards and Interpretations applicable from 1 January 2014 did not have any significant impact on the financial performance or position of the consolidated entity. The following adopted Accounting Standards and Interpretations are most relevant to the consolidated entity:

- *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.*
- *AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- *AASB CF 2013-1 Amendments to the Australian Conceptual Framework and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part A Conceptual Framework)*
- *AASB 12 Disclosure of Interests in Other Entities (issued August 2011)*
- *AASB 13: Fair Value Measurement (issued September 2011)*

2. COMMITMENTS

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

3. SEGMENT REPORTING

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

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

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

3. SEGMENT REPORTING (continued)

The two main mineral types of the Group are Uranium and Gold. The Uranium projects are held within the subsidiary Alpha Uranium Pty Ltd and the Gold projects are held in Strategic Minerals Corporation NL.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

	Gold	Uranium	Treasury	Total
	\$	\$	\$	\$
Six months ended 30 June 2014				
Segment revenue	-	-	15,709	15,709
Segment loss for the half year	-	-	15,709	15,709
Reconciliation to net operating loss:				
Depreciation expense				(44,890)
Impairment of financial assets				(3,000)
Corporate expense				(485,558)
Net loss per statement of profit or loss and other comprehensive income				(517,739)
 Six months ended 30 June 2013				
Segment revenue	-	-	9,282	9,282
Segment loss for the half year	(108,642)	-	9,282	(99,360)
Reconciliation to net operating loss:				
Depreciation expense				(18,315)
Impairment of financial assets				(46,013)
Corporate expense				(648,110)
Net loss per statement of profit or loss and other comprehensive income				(811,798)
 Total segment assets at 30 June 2014				
Segment assets	19,171,554	-	3,954,102	23,125,656
Property plant and equipment				79,831
Financial assets				99,240
Receivables and other assets				36,166
Total assets from continuing operations per statement of financial position				23,340,893
 Total segment assets at 31 December 2013				
Segment assets	-	-	59,100	59,100
Property plant and equipment				122,938
Financial assets				79,051
Receivables and other assets				130,437
Total assets from continuing operations per statement of financial position				20,253,826

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

4. MOVEMENT IN OPTIONS

	2014 Half year		2013 Half year	
	\$	#	\$	#
Balance at beginning of the period	90,000	-	90,000	10,000,000
Options expired 30 April 2013 ¹	(90,000)	-	-	(10,000,000)
Balance at end of the period	-	-	90,000	-

¹ The value of options which expired on 30 April 2013 were not previously transferred to Retained Losses. This transfer has been performed during the current period ended 30 June 2014.

5. EVENTS AFTER THE REPORTING PERIOD

The company was the target of an on-market takeover offer by its controlling shareholder, QGold Pty Ltd on 18 June 2014. The offer closed on 22 August 2014. On 25 August 2014, QGold Pty Ltd advised that it held an interest of 548,835,761 shares in Strategic Minerals Corporation NL, representing a voting power of 66.51%.

6. CONTINGENT LIABILITIES

Strategic Minerals Corporation NL has \$72,189 worth of bank guarantees in relation to exploration licenses as at 30 June 2014 (31 December 2013: \$31,700). There are no other contingent assets or liabilities at the end of the period.

7. RELATED PARTY TRANSACTIONS

During the period ended 30 June 2014, the Company reimbursed office rental expenses to Mr Claude Guerre totalling \$6,000 (June 2013: \$9,000).

On 23 May 2014, the Group paid an amount of \$287,800 (gross) to the Managing Director, Wally Martin. The amount was in relation to back-pay which had previously been accrued and was owing to Mr Martin at that date.

On 4 June 2014, the Group paid an amount of \$217,582 to the Christopher Wallin Superannuation Fund as an underwriting fee pertaining to the non-renounceable rights issue which closed on 9 May 2014. The underwriting fee was on commercial terms. Christopher Wallin Superannuation Fund is a related party due to its relationship with Mr Christopher Wallin, sole director of QGold Pty Ltd which holds a controlling interest in Strategic Mineral Corporation NL.

There are no other significant related party transactions not already identified at the 31 December 2013 year end.

8. DIVIDENDS

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

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

9. EXPLORATION AND EVALUATION

The Group holds several exploration licences which provide the legal right to exploration and underpins the carrying amount of the exploration and evaluation expenditure asset recorded at 30 June 2014. Some of these licences are under renewal, or due for renewal within the next 12 months, and the continued capitalisation of these assets depends on the successful renewal of these exploration licences otherwise the areas of interest assets may be written off.

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

	30 June 2014 6 Months \$	31 December 2013 12 Months \$
Exploration at cost:		
Balance at the beginning of the period	18,965,286	17,417,784
Other expenditure during the period	206,268	1,656,378
Impairments during the period	-	(108,876)
Balance at the end of the period	<u>19,171,554</u>	<u>18,965,286</u>

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploitation or the sale of the respective areas.

10. FINANCIAL INSTRUMENTS

The value of the Group's financial assets and liabilities will be impacted by changes in interest rates. At 30 June 2014, the carrying value of the financial assets and liabilities approximate their fair values.

The Group currently holds \$16,000 (31 December 2013: \$19,000) worth of shares in listed corporations "Available for sale" which are considered to be a level 1 financial asset in terms of the fair value hierarchy detailed in AASB 13. The measurement principles are consistent with those disclosed in the annual report at 31 December 2013.

"Available for sale" financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

There were no transfers between the levels of the fair value hierarchy during the period.

STRATEGIC MINERALS CORPORATION NL

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2014 and its performance for the six months ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Group 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.



WAC Martin
DIRECTOR

Perth, Western Australia
Dated this 12th day of September 2014.

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

As lead auditor for the review of Strategic Minerals Corporation NL for the half-year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

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

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



Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 12 September 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Strategic Minerals Corporation NL,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strategic Minerals Corporation NL, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Strategic Minerals Corporation NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO


Peter Toll
Director

Perth, 12 September 2014