Strategic Minerals Corporation N.L.

Annual Report 2004

DIRECTORS

C.F. Guerre (Chairman)
W.A.C. Martin (Managing Director)
B. Fehlberg (Technical Director)
C. Bigeard
R. Bartsch (Manager Exploration)

COMPANY SECRETARY

G. Tonks FCA. ACIS

REGISTERED OFFICE

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CHAIRMAN'S ADDRESS

I am pleased to report that exploration drilling conducted by the Company during 2004 continued to produce positive results. A total of 143 RC holes for 8085 metres of drilling were completed by the company in 2004, fulfilling the Company's commitment outlined in the 2003 annual report.

Further high grade values were intersected at Explorer South, and a new, near surface deposit defined at the Shanghai prospect. Promising intersections were also obtained in a number of new areas. The results are significant, establishing that the Woolgar epithermal field hosts at least three gold ore zones with high grade values. The company believes there remains great potential to discover further high grade zones within the project area.

The company has now announced resource calculations for the Explorer, Explorer South, Shanghai and Finn North deposits. The highlight includes a high grade core resource of **106,000 tonnes grading 9.7 g/t** at the Explorer deposit. **Gold resources** in all categories **have now increased** since the last published estimates by some 100,000 oz **to 403,980 oz of contained gold.**

Significantly, Mining Lease 90122 and 90133 were granted in 2004, following the conclusion of native title negotiations. Three surrounding exploration permits were also granted during the year. Pre-feasibility studies based on existing know shallow resources and the newly discovered higher grade resources at Woolgar are now underway. Strategic will continue to concentrate on drill testing the vein systems at Woolgar above 100 metres in 2005, with the objective of adding further higher grade resources to the existing near surface resource base. Regional exploration for new discoveries will also be undertaken.

With regard to the deeps exploration program, Barrick Gold of Australia Limited continued with their joint venture involvement during 2004 and completed further ground IP surveys, geochemical sampling and a five hole diamond drilling program totalling 1160 metres. Encouraging mineralisation was intersected in four of the five holes.

However, In February 2005 Barrick advised that it would not be exercising its option to continue with exploration at Woolgar in 2005. The Company has since received strong expressions of interest from other major gold producers in respect to farm in opportunities at Woolgar.

The technical information gained from the exploration activities of both Strategic and Barrick in 2004, has provided Strategic's technical team with highly valuable data, to plan and implement a vigorous and extensive drilling and field exploration campaign in 2005. We firmly believe that Woolgar will deliver a major gold discovery if sufficient drilling is conducted on the property.

Strategic has still not received any final decision from the Queensland Government on the future of the Bayfield Mineral Sands Project, a joint venture between RZM and Strategic. On-going discussions are being conducted with our joint venture partners and the current Queensland government with regard to the future of the project.
Your board is very optimistic that the programs to be conducted this year will bring the Company closer to fulfilling its objective of becoming a gold producer.

Yours sincerely,

C Guerre
Chairman

REVIEW OF PROJECTS

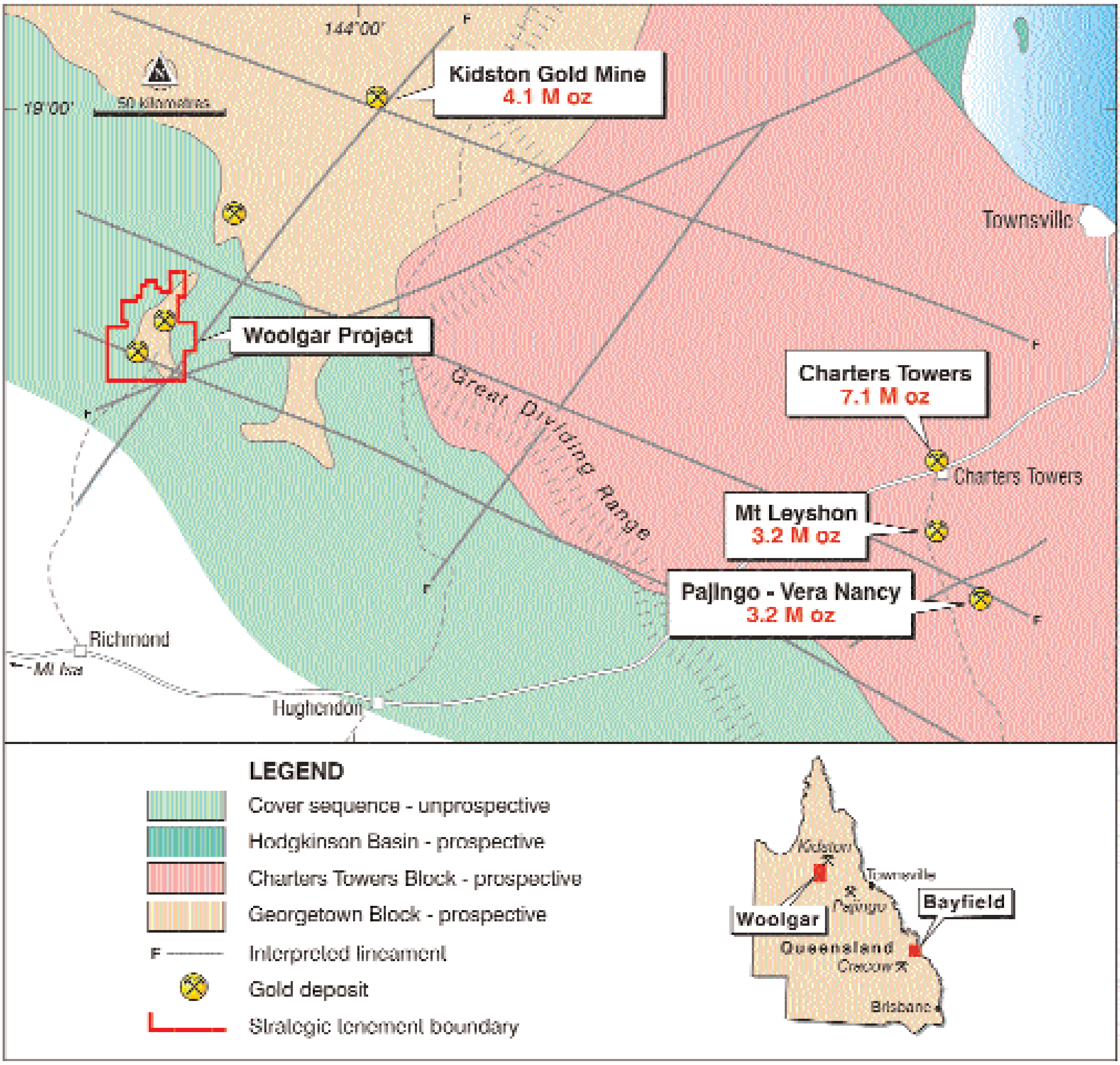
WOOLGAR PROJECT, QUEENSLAND - GOLD
Strategic Minerals Corporation N.L. (100%)

BACKGROUND TO THE PROJECT

The Woolgar goldfield is located 120km north of Richmond in North Queensland. The Woolgar Project tenements cover an area of 1257 square kilometres, and all project mining titles and exploration permits are 100% owned by Strategic.

The regional area is one with a high gold endowment. Multi-million ounce gold deposits have been discovered and mined at Kidston (4.1m oz Au), Charters Towers (7.1m oz Au), Mt Leyshon (3.2m oz Au) and Pajingo - Vera Nancy (3.2m oz Au). High grade epithermal gold veins were outlined in the Sandy Creek area at Woolgar in 2002, expanding the potential of this historic field to host a major gold deposit. The epithermal veins at Woolgar are believed to have many geological similarities to the high-grade epithermal gold vein systems at Pajingo, currently one of Australia's most profitable gold mining centres. The majority of the high grade material at Pajingo occurs at depth and has been discovered by extensive deep drilling of geological targets.

Strategic's exploration at Woolgar has now proven that high grade veins exist amongst the many lower grade Woolgar veins. The Company's technical team strongly believe that further high grade resources remain to be discovered within the Woolgar project area. Exploration for these high grade resources is the Company's immediate objective. The geological similarities with Pajingo and other epithermal deposits shows that there is a need for much further drilling and drilling at depth to make these discoveries.



Woolgar Project Regional Geological Setting

REVIEW OF PROJECTS

WOOLGAR PROJECT, QUEENSLAND – GOLD
Strategic Minerals Corporation NL (100%)

STRATEGIC 2004 PROGRAM

INTRODUCTION

A total of 143 RC holes for 8085 metres of drilling were completed by the Company during 2004. This compares with seventy nine RC holes totalling 6787 metres in 2003. The drilling conducted in 2004 was designed to test for further Explorer type high grade veins in the top 100 metres.

DRILLING RESULTS

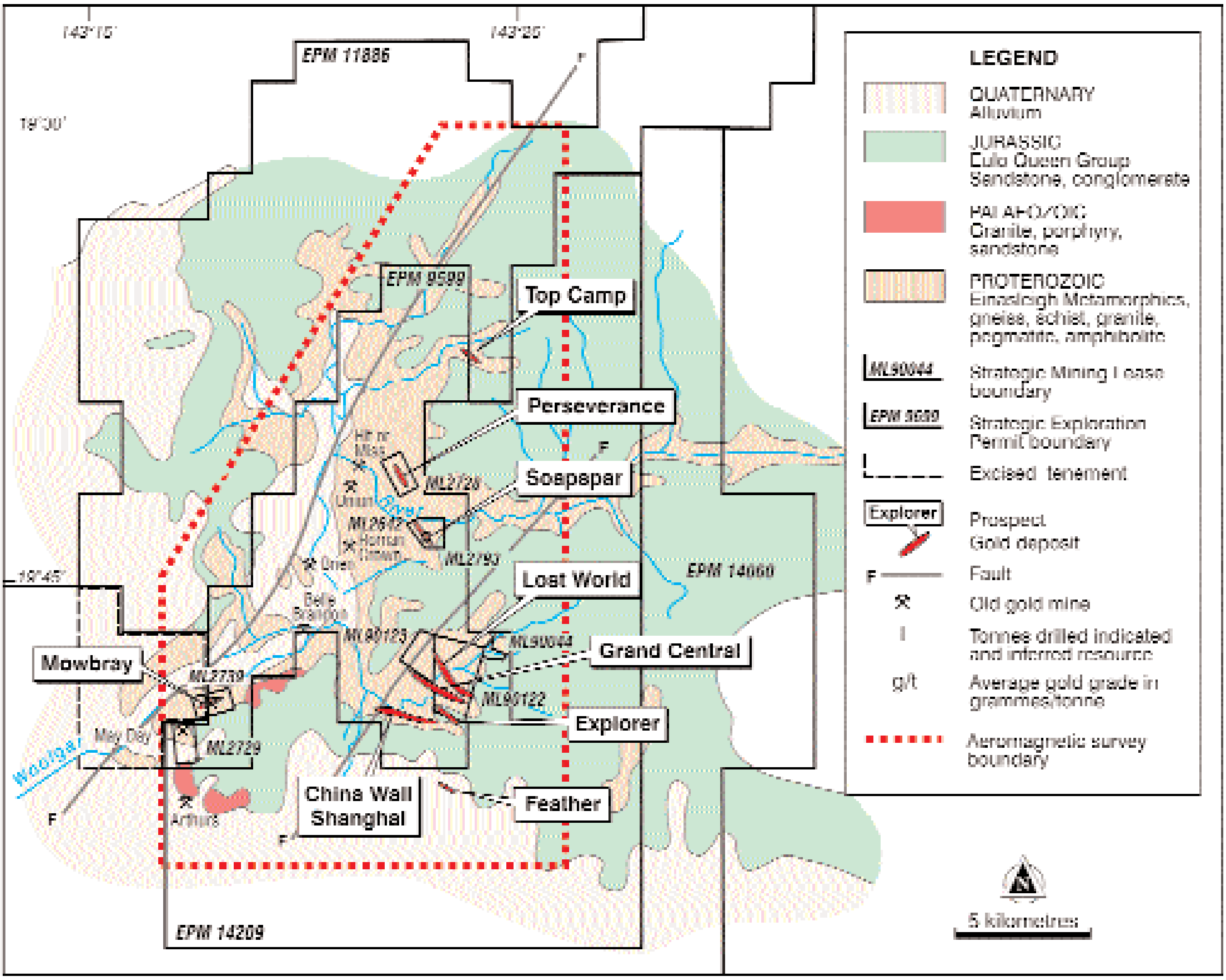
The 2004 drilling program initially concentrated on the Explorer South vein where high grade values had been found in 2003. The drilling, conducted in three separate phases, was expanded to also test the Shanghai, Danielle, Michelle, Finn North, Federal, Grand Central, Camp, Telecom, Yunglee, Hillview and Valley View veins. Results of significance from the 2004 drilling program are summarised below.

Explorer South Prospect

A total of twenty six holes were completed at Explorer South. New high grade intersections were recorded. These include:

EXRC 150:	**9m @ 10.7g/t Au** from 47m,
EXRC 153:	**11m @ 10.2g/t Au** from 47m
EXRC 154:	**11m @ 3.91g/t Au** from 57m.

The Explorer South vein has been shown to be continuously mineralised for 1 km in strike, much of which is lightly tested. There is a broad low-grade halo around the high grade intersections. Initial resource calculations give a figure of 321,000 tonnes grading 1.41g/t Au. This does not include the results above which will add zones of high grade to the resource. The vein warrants further additional drilling.



Woolgar Project Tenement and Project Locations

REVIEW OF PROJECTS (Cont)

Shanghai Prospect

A new resource was discovered during the year at Shanghai. Forty eight drill holes have defined a shallow near surface resource of 126,000 tonnes grading 2.82 g/t. Good results include:

SHRC 021: **6m @ 12.1 g/t Au** from 4m
SHRC 006: **9m @ 3.4 g/t Au** from 12m
SHRC038: **14m @ 2.97 g/t Au** from 17m
SHRC 049: **6m @ 3.96 g/t Au** from 40m
The resource is open along strike and down dip.

Other Prospects

Encouraging intersections were made in two new areas in the last drill program of 2004. These include:

Hillview Prospect

HVRC 029: **5m @ 4.40 g/t Au** from 68m

Grand Central Prospect

GRC 083 : **2m @ 4.57 g/t Au** from 39m

The intersections are open along strike and down dip, and further drilling is required to establish resources in these promising areas.

WOOLGAR RESOURCE SUMMARY

Explorer Main Vein Area

Drilling has shown that the Explorer main vein exceeds 550 metres in strike length and remains open along strike to the east. The mineralisation defined so far, is above 100 metres vertical depth, and occurs as a shallow plunging pipe like body with a central high grade core. Infill drilling has confirmed the grade and continuity of the gold mineralized areas, with four diamond drill holes providing metallurgical, geological and geotechnical data required for pre-feasibility studies.
SRK Consulting have calculated a measured and indicated high grade core resource of 106,000 tonnes grading 9.7g/t Au within an overall measured, indicated and inferred resource of 570,000 tonnes grading 3.2g/t Au for 59,000 ounces of gold.

Current Project Resources

Current project resources prepared in accordance with the JORC code in the measured, indicated and inferred categories at Woolgar are shown in the resource summary table. The figures for Explorer, Explorer South, Shanghai and Finn North are new additions to the Woolgar resource base.

PRE-FEASIBILITY WORK PROGRAMS

The following pre-feasibility issues were achieved in 2004

- The completion of a cultural heritage survey covering the entire Sandy Creek vein system. The survey did not identify any cultural heritage sites likely to inhibit development of mining operations.
- The granting of ML90122 and ML 90123 covering the Explorer, Lost World and Grand Central resource areas. The grant also covers the proposed processing plant site.
- The systematic data validation and quality control of 15 years assemblage worth of Explorer, Lost World and Soapspar resource drilling. This validation of all assay data was completed to audit standard.
- The completion of an independent resource estimate of the Explorer deposit by SRK Consulting Engineers & Scientists
- The completion of an in-house resource model of the new Shanghai discovery to 60m depth.
- The completion of metallurgical test-work on the Explorer and Shanghai oxide, semi oxide and sulphide mineralisation styles by Hydrometallurgy Research Laboratories of QLD.
- The initiation of new geological modelling of the Lost World resource. The model is aimed at providing more detail on higher grade sections on which to base open pit optimisations and ongoing exploration..

METALLURGICAL ASSESSMENTS

Metallurgical test data has been received and collated for the Explorer, Shanghai, Soapspar and Lost World deposits.

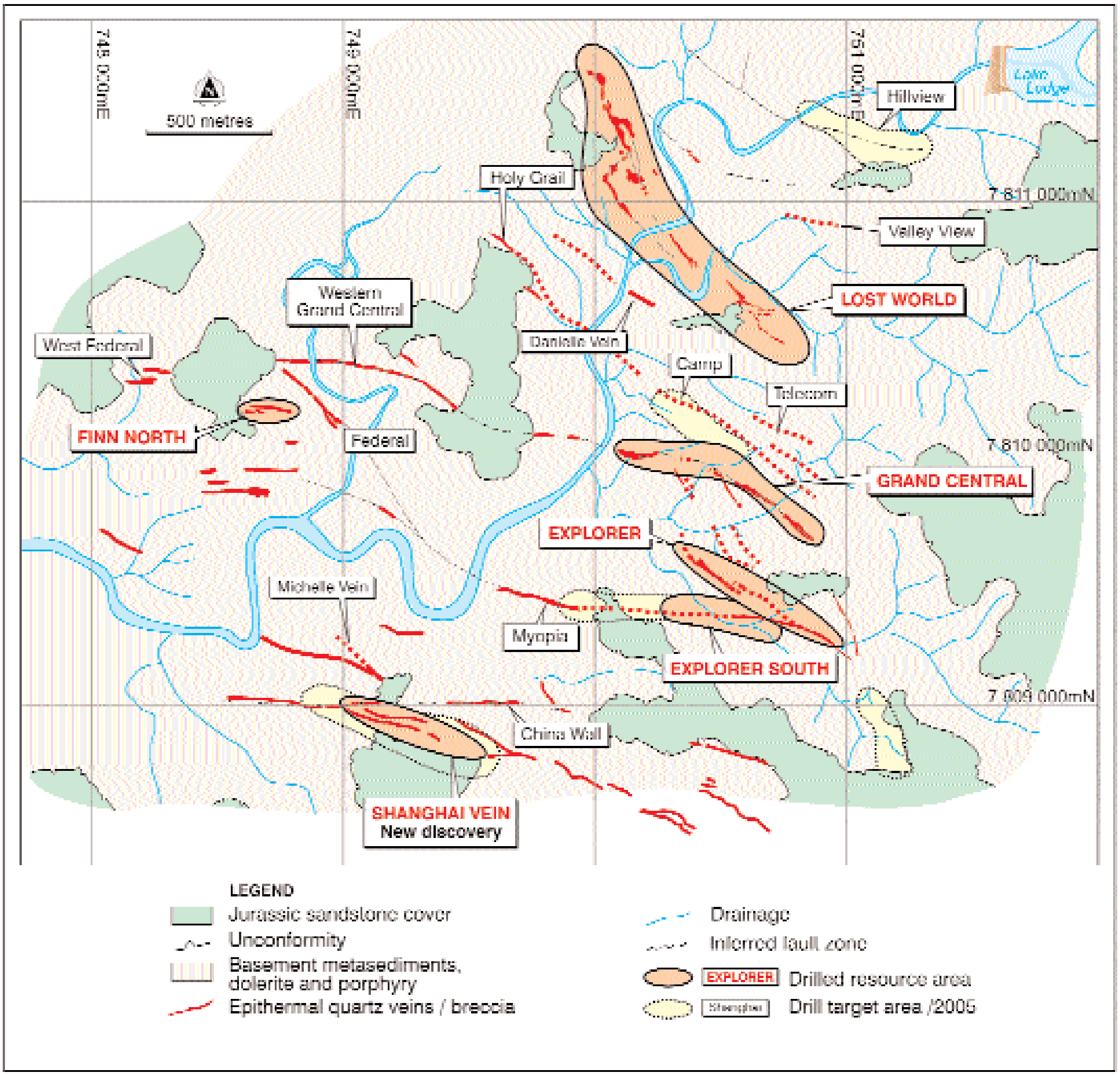
In summary, the results show

- Oxide ores give high recoveries of 94 to 98 % by simple Carbon in Leach conditions.

- Sulphide or fresh rock ores give variable recoveries of between 42 and 88% by simple Carbon in Leach conditions. This can be increased to 90 to 98% for the Explorer ore by a combination of flotation, pressure oxidation and Carbon in Leach treatment conditions.

The pre-feasibility study needs to assess the impact of the differing metallurgical processes required to optimize the project economics.

REVIEW OF PROJECTS



Woolgar Project Epithermal target areas.

SUMMARY TABLE OF RESOURCES

DEPOSIT	TONNES	GRADE	OXIDE	FRESH	TOTAL
	g/t Au	(Oz Au)	(Oz Au)	(Oz Au)	
EXPLORER	570,000	3.2	5,500	53,500	59,000
EXPLORER SOUTH	321,000	1.41	0	15000	15,000
SHANGHAI	126,000	2.82	5000	6430	11,430
FINN NORTH	6,500	13.21	2750	0	2,750
SOAPSPAR	477, 000	2.93	8,000	37,000	45,000
GRAND CENTRAL	436,500	1.16	5000	11,300	16,300
LOST WORLD	5,600,000	1.4	4,500	250,000	254,500
TOTAL RESOURCE	7,060,000 tonnes	1.78	30,750	373,230	403,980 oz

REVIEW OF PROJECTS (Cont)

BARRICK FARM IN

Barrick Gold of Australia Ltd entered into a farm-in-agreement with Strategic in April 2003. The objective was for Barrick to drill test the Woolgar epithermal veins below 100 metres depth to make a discovery, if possible, of a Barrick sized deposit

Since entering into the farm in agreement, Barrick have spent \$1.5 million on direct exploration costs. This includes the integration and compilation of an extensive geological data base. They conducted geological mapping, ground geophysical and aeromagnetic survey programs together with the drilling of 11 holes for 2827.15m. Of the \$1.5m expenditure, \$400,000 was spent on direct drilling and assay costs.

The 11 Barrick holes, averaging 257 metres long, were designed to several wide-spread targets in the Sandy Creek area. Six were drilled in 2003 and five in 2004. Ten of the eleven holes completed by Barrick intersected promising gold mineralisation within epithermal veins, the results including

SCD 0005:	**0.5 m @ 14.3 g/t Au** from 136 m depth
SCD 0006:	**4m @ 2.7 g/t Au** from 172 m depth
SCD 0007:	**1m @10.4 g/t Au** from 128 m depth
SCD 0010:	**1.75m @ 6.3 g/t Au** from 121m depth

Strategic believes the results to be significant, warranting further drilling of the deeper targets within the project area. However, in February, 2005 Barrick formally notified the Company that it would not be exercising its option to continue under the farm in agreement.

Due to the small number of drill holes and the widespread and relatively shallow nature of the Barrick drilling, Strategic believes that many significant gold discovery opportunities remain untested at depth at Woolgar within the Sandy Creek project area .

PROGRAM FOR 2005

- The drill program completed in November 2004 has outlined three new gold mineralised zones above 100m depth along the Shanghai, Hillview and Camp/Grand Central veins. These will require follow-up drilling in 2005 to delineate the extent of gold mineralisation within these three locations, with the aim being to expand the resource base in the Sandy Creek epithermal area.
- A program and budget of RC drilling has been outlined and planning is underway to implement this as soon as conditions permit.
- The need for extensive deep drilling of geological targets remains a high priority. The Company has had approaches from other major gold Companies interested in farming into the project.
- Regional exploration will commence for new discoveries away from the Sandy Creek area. A number of priority geochemical targets defined from previous work await field inspection and follow up sampling. This includes a new prospect area called Feather where gold bearing epithermal veins have been identified in outcrop 3 kilometres south of the main Sandy Creek area.

REVIEW OF PROJECTS

TENEMENT DIRECTORY

Prospect	Tenements	License No	Date Granted	Area	Interest	Comments
Woolgar	Perseverance	ML 2728	01/06/89	128 hectares	100%	Granted
Woolgar	Mowbray 3	ML 2729	01/06/89	128 hectares	100%	Granted
Woolgar	Mowbray	ML 2739	01/06/89	128 hectares	100%	Granted
Woolgar	Soapspar	ML 2642	01/02/89	405 hectares	100%	Granted
Woolgar	Soapspar	ML 2793	08/08/91	146.4 hectares	100%	Granted
Woolgar	Sandy Creek	ML 90044	27/04/95	29.2 hectares	100%	Granted
Woolgar	Woolgar	EPM 9599	01/09/93	145 sq km	100%	Granted
Woolgar	Sandy Creek	ML 90122	02/09/04	350.90 hectares	100%	Granted
Woolgar	Flat Creek	ML 90123	18/11/04	124.70 hectares	100%	Granted
Woolgar	Woolgar West	EPM 11886	21/04/04	316 sq km	100%	Granted
Woolgar	Woolgar East	EPM 14060	21/04/04	489 sq km	100%	Granted
Woolgar	Woolgar East	EPM 14209	21/04/04	307 sq km	100%	Granted
Bayfield	Bayfield	MLA 80005		7 500 hectares	20%	Under application

MINERAL SANDS BAYFIELD, QUEENSLAND – TITANIUM
Strategic Minerals Corporation NL (20%) RZM Pty Ltd (80%)

The Bayfield project is a joint venture between Bayfield Mineral Sands Pty Ltd, a wholly owned subsidiary of Strategic Minerals Corporation NL and RZM Pty Ltd, formerly a wholly owned subsidiary of the Japanese trading house, Nissho Iwai. In February 2004, a merger was announced to the ASX whereby the ownership of the RZM/Cable Sands group of companies would be transferred from Nissho Iwai to be Max Resources Ltd.

The project comprises one mining lease application, MLA 80005 totaling 7,500 hectares, and is located 575kms north of Brisbane on Australia's east coast. RZM Pty Ltd, the manager of the project, has established an 80% equity in the project, and subject to Government approvals, have a commitment to advance the project through to final feasibility under the terms of the joint venture. The Bayfield project has an indicated resource of 2.4 billion tonnes at 1.14% heavy mineral and as such represent one of the world's largest undeveloped heavy mineral resources. Estimated contents of mineral at 0.8% heavy mineral cut off are:

Ilmenite 21–22 million tonnes, Rutile 1.2–1.6 million tonnes, Zircon 3.7–4.4 million tonnes

In 1991 at the request of the then Queensland Government the EPM covering the Bayfield resource was surrendered in favour of a Mining Lease application and in January 1991, the then Queensland Premier announced his Government's full support for the Bayfield development. The Premier, in his announcement, highlighted the economic importance to the State of Queensland in terms of the substantial revenue and economic benefits, which would flow, from the various stages of development. Since that time, there have been a number of changes of Government in Queensland and for political reasons the mining lease application has not yet received approval.

Discussions are continuing with the Queensland Government regarding the future of the project.

NOTE: The information in this report as far as it relates to ore or mineralisation is based on information compiled by Mr Barry Fehlberg. Mr Fehlberg is a member of the Australasian Institute of Mining and Metallurgy and has a minimum of five years experience in the field of activity being reported on. This report accurately reflects the information compiled by Mr Fehlberg who has consented in writing to the release of this report.

DIRECTORS' REPORT

The Directors submit the accounts of the Company and the consolidated accounts of the Economic Entity, being the Company and its Controlled Entities, for the year ended 31 December 2004 and report thereon as follows.

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. C. F. Guerre (age 61)
Chairman

Mr. Claude Guerre is based in Geneva where he is President of an investment and advisory company offering financial services to private and institutional investors.

Mr. Guerre has over 20 years experience as a financial analyst, chief investment officer with a leading international banking group and over 20 years experience as an investment fund manager. Since establishing his financial services company in 1987, he has acted as a financial adviser and fund manager for several banks and financial institutions in Switzerland, Luxembourg, France and Spain.

Mr. W A. C. Martin Dip. Legal Studies (age 64)
Managing Director

Mr Wally Martin has had extensive experience at senior management level in both the Government and private enterprise sectors for over 25 years with particular emphasis in the mining industry. Mr. Martin was the foundation Vice-President of the Association of Mining and Exploration Companies of WA and has, since 1979, been actively involved in the private sector of the mining industry as a director of a number of public listed mining companies. Mr. Martin has been Managing Director of Strategic Minerals Corporation NL since 1991.

Mr. B. Fehlberg B.S. Hons. (age 57)
Technical Director

Mr. Barry Fehlberg is a geologist with over 35 years of experience in the Australian and International mineral exploration industry. He has served as a director of publicly listed mining and exploration companies since 1979. His work has focused on discovery-based exploration for gold, base metals and diamonds in Australia and epithermal gold in Nevada, USA. Mr. Fehlberg has participated in the discovery of a number of deposits, which have advanced to commercial production. He joined Strategic in 2001 to direct exploration after reviewing the Woolgar project and recognising its potential

Mr. C. Bigeard (age 55)
Director

Mr. Bigeard has extensive financial management and banking experience, including three years with the Swiss Credit Bank in Geneva and 14 years in the largest foreign banking group in Switzerland, the Trade Development Bank. He is now a resident of Cranves-Sales France and the Managing Director of the financial consulting company, C. B. Capital Management SA in Geneva, Switzerland.

Mr. R. Bartsch B.Sc. (hons.), MSC (age 43)
Director and Exploration Manager

Mr. Roland Bartsch is a geologist and the Company's Exploration Manager. He has been conducting exploration work at Woolgar since 2000.

DIRECTORS' REPORT (Cont)

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:

	Meetings held while in office	Meetings attended
C. F. Guerre	6	6
W. A. C. Martin	6	6
C. Bigeard	6	6
B. Fehlberg	6	6
R. Bartsch	6	6

DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company as at the date of this report are as follows:

Director	Shares Direct	Shares Indirect	Options Direct	Options Indirect
C. F. Guerre	Nil	4,345,000	Nil	Nil
W. A. C. Martin	Nil	1,307,000	Nil	Nil
B. Fehlberg	Nil	1,312,500	Nil	Nil
C. Bigeard	Nil	Nil	Nil	Nil
R. Bartsch	Nil	Nil	Nil	Nil

The relevant interests of Directors in the shares and options of the Company as at the date of the 2003 report were as follows:

Director	Shares Direct	Shares Indirect	Options Direct	Options Indirect
C. F. Guerre	Nil	4,345,000	1,000,000	Nil
W. A. C. Martin	Nil	1,307,000	Nil	1,000,000
B. Fehlberg	Nil	1,312,500	1,000,000	Nil
C. Bigeard	Nil	Nil	1,000,000	Nil
R. Bartsch	Nil	Nil	1,000,000	Nil

The aggregate number of shares acquired directly or indirectly by Directors during the year up to the date of this report was Nil.

The aggregate number of options acquired directly or indirectly by Directors during the year up to the date of this report was Nil.

DIRECTORS' REPORT (Cont)

PRINCIPAL ACTIVITIES

The principal activity of the Economic Entity during the course of the financial year was gold / mineral exploration.

RESULTS

The net amount of the consolidated loss of the group for the year ended 31 December 2004 after providing for nil income tax was $550,711 (2003: Loss of $575,884)

DIVIDENDS

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

REVIEW OF OPERATIONS

A review of the Economic Entity's operations during the financial year and the results of those operations are set out in the section entitled "Review of Projects" on pages 4-13.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Economic Entity during the financial year.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no significant events between the end of the financial year and the date of signing this report except that, in February 2005, Barrick Gold of Australia Ltd advised that they would not exercise their option to continue in the Joint Venture for exploration in the Woolgar Project.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Economic Entity are referred to in the "Review of Projects".

AUDIT COMMITTEE

The Company did not establish a separate Audit Committee of the Board of Directors in 2004. Refer to the Corporate Governance Statement in this Annual Report

DIRECTORS' SHAREHOLDINGS, CONTRACTS AND BENEFITS

The interest of each Director in the share capital of the Company at the date of this report and as contained in the register of Directors' shareholdings of the Company is shown on page 11 of this annual report.

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 Note 19 of the accounts.

DIRECTORS' REPORT (Cont)

DIRECTORS' EMOLUMENTS

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 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.

In the event that share options are allotted to a Director, the allotment will be ratified at a General Meeting of Shareholders. Details of Directors and Executives remuneration are set out in the tables below.

REMUNERATION

Year 2004	Salaries, Fees & Commissions	Superannuation Contribution	Non-cash Benefits	Total
	$	$	$	$
Directors:				
Mr. W. A. C. Martin	93,861	60,000	45,562	199,423
Mr C. F. Guerre	99,375			99,375
Mr. C. Bigeard	147,555			147,555
Mr. B. Fehlberg	126,000			126,000
Mr. R. D. Bartsch	124,800			124,800
Year 2003				
Directors:				
Mr. W. A. C. Martin	93,849	60,000	40,925	194,774
Mr C. F. Guerre	90,000			90,000
Mr. C. Bigeard	53,880			53,880
Mr. B. Fehlberg	126,000			126,000
Mr. R. D. Bartsch	91,155			91,155

The consolidated entity currently has no executive officers concerned in, or who take part in, the management of the consolidated entity.

DIRECTORS' REPORT (Cont)

SHARE OPTIONS

During the year, there were 7,000,000 unlisted options on issue to the five current and two past Directors. These options carried the right to be converted on or before 30 June 2004 to one fully paid ordinary share in the Company on payment of the exercise price of 20 cents for 5 million of the options and 15c for 1 million of the options. All the options expired on 30 June 2004 and none were exercised.

No person entitled to exercise the above options has by virtue of the option any right to participate in any share issue of any other corporation.

LIABILITY INSURANCE

The Company, for a premium of $16,319 has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence.

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.

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 33.

This relates to the audit report, where they state that they have issued an independent declaration.

Signed at Perth this 24th day of March 2005 in accordance with a resolution of Directors.

W.A.C. MARTIN
Managing Director

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 December 2004

The board of Directors of Strategic Minerals Corporation NL is responsible for the corporate governance of the Company and its subsidiaries. The Board guides and monitors the business and affairs of the Company, on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Directors have considered the Ten Essential Corporate Governance Principles and Recommendations as defined by the ASX Corporate Governance Council in March 2003. The Company follows each recommendation only to the extent that the recommendation is considered an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and the activities of the Company. As at the end of the Reporting Period, in accordance with this approach, the Board does not consider that any efficiencies would be gained, or value would be added, by establishing subcommittees. Other structures and appropriate documentation are currently being considered by the Board and to the extent they are adopted they will be published on the Company's website in due course.

STRUCTURE OF THE BOARD

To ensure the Board is equipped to discharge its responsibilities, it has established guidelines for the operation of the Board. Set out below are the Company's main corporate governance practices as they currently operate, as well as its long-term objectives for when the need and opportunity arises to implement further practices.

BOARD OF DIRECTORS

The names of the Directors of the company in office at the date of this statement are set out in the Directors' Report.

The Board of Directors operates in accordance with the following broad principles:

- the Board should be comprised of at least three directors, but no more than eight. The constitution allows for a maximum of ten. The number of Directors may be increased where it is felt that additional expertise is required in specific areas, or where an outstanding candidate is identified;
- the Board should comprise of Directors with an appropriate range of qualifications, expertise and a broad range of experience;
- at every Annual General meeting, one third of the Directors (except a Managing Director) shall retire from office, so that no Director shall retain office for more than three years. At the time of rotation, a Director may submit himself for re-election.
- The Board recognises the current trend towards more non-executive Directors on boards and as a consequence the Company's objectives in terms of the composition of the Board for the future are, in addition to the above, as follows:-
    - a board where the majority of the Directors are non-executive but only if they can be found with the required expertise;
    - the Chairman may be a non-executive Director or a part-time executive but only if they can be found with the required expertise;
      on appointment, Directors should desirably be able to serve a minimum of three years before retirement;
    - Directors to ensure that the Board has the appropriate mix of expertise and experience, executives and non-executives, to meet the requirements of the Company. Directors to review the composition of the Board at least annually.

Currently, the Board composition satisfies these criteria. However, the Board acknowledges that a director's non-executive status does not necessarily equate to independence with the meaning of ASX Recommendation 2.1 ("A majority of the board should be independent directors"). The Board is currently considering appropriate criteria and materiality thresholds to apply in determining the independence of directors, and intends to make a statement as to the independence of the directors once full consideration has been given by the Board.

INDEPENDENT PROFESSIONAL ADVICE

Under the Articles of Association, the Directors are entitled to be paid expenses incurred in connection with the execution of their duties as Directors. As a result of this, each Director is able to seek independent professional advice at the Company's expense, where it is in connection with their duties and responsibilities as a Director. The Company policy is for the Director to obtain written approval of the Chairman, which will not be unreasonably withheld.

NOMINATION

CORPORATE GOVERNANCE STATEMENT (Cont)

For the year ended 31 December 2004

The full Board carries out the role of a nomination committee in accordance with the following policy:

In the event a vacancy exists, or where it is considered that the Company would benefit from the services of a new Director with particular skills, the Board appoints a director from nominated candidates who have the appropriate expertise and experience.

The potential candidates will be identified by the Board and advice may be obtained from an external consultant. The Board then appoints the most suitable candidate, who shall hold office until the next following Annual General Meeting, where the appointee is required to stand for re-election.

ETHICAL STANDARDS IN RESPONSIBLE DECISION MAKING

All directors, executives, managers and employees are expected to act with the utmost integrity and objectivity striving at all times to enhance the reputation and performance of the Company.

AUDIT

All matters, which might be dealt with by such a committee, are reviewed by the full Board. Matters that are considered include:

- reviewing the annual report, financial statements and other information distributed externally;
- reviewing audit reports and letters to the Board from the external auditors;
- liaising with external auditors and ensuring the annual audit and half year review are conducted in an effective manner;
- nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual audit and half year review;
- monitoring the establishment of an appropriate internal control framework;
- improving the quality of the accounting function; and
- monitoring compliance with the Corporations Act 2001, Stock Exchange Listing Rules, and any matters outstanding with other regulatory and financial authorities.

The Board relies on the review of its external auditor to ensure the integrity of its financial reports. The Board notes that only one of its five directors is in an executive role and none of its directors are involved in preparing the accounts. The Board is of the view that this enables full and frank discussion between the full Board and the external auditors and thereby achieves the objectives contemplated by Principle 4 (to safeguard the integrity of the Company's financial reporting).

RISK RECOGNITION AND MANAGEMENT

The Company has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence. The directors assess the commercial and business risks to the Company, having regard to its relationship with shareholders and investor may include suppliers, joint-venturers and the effect of values of commodities and currencies.

TIMELY AND BALANCED DISCLOSURE

Directors are resolved to always make timely and balanced disclosure of all material matters concerning the Company.

RESPECTING RIGHTS OF SHAREHOLDERS

Directors and managers respect the rights of shareholders and facilitate the effective exercise of those rights. This includes communicating all relevant information on the Company's activities to shareholders.

CORPORATE GOVERNANCE STATEMENT (Cont)

For the year ended 31 December 2004

ENCOURAGING ENHANCED PERFORMANCE

Performance and effectiveness of Board and Management are to be fairly reviewed and encouraged.

REMUNERATE FAIRLY AND RESPONSIBLY

Directors ensure that the level and composition of remuneration is sufficient and reasonable.

RECOGNISING LEGITIMATE INTERESTS OF SHAREHOLDERS

Directors and Managers recognise legal and other obligations to shareholders, employees, business associates and suppliers including shareholders with interests in land on which the Company explores for minerals.

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 December 2004

	Notes	*Consolidated Entity*		*Parent Entity*	
		2004	**2003**	**2004**	**2003**
		$	**$**	**$**	**$**
Revenue from ordinary activities	2	180,524	108,293	162,197	93,066
Administration expense	3	(728,623)	(681,238)	(700,596)	(681,238)
Borrowing cost expense	3	(2,612)	(2,939)	(2,612)	(2,939)
Loss from ordinary activities before income tax expense	3	(550,711)	(575,884)	(541,011)	(591,111)
Income tax expense relating to ordinary activities	4	-	-	-	-
Loss from ordinary activities after income tax expense, attributable to members of the parent entity	15	(550,711)	(575,884)	(541,011)	(591,111)
Basic earnings per share in cents	24	(0.24)	(0.26)		

Where earnings per share are not dilutive, they are not disclosed.

The accompanying notes form part of these accounts

STATEMENT FINANCIAL POSITION

As at 31 December 2004

	Notes	Consolidated Entity 2004 $	Consolidated Entity 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Current Assets					
Cash assets	5	2,785,784	1,896,204	2,785,784	1,896,204
Receivables and prepayments	6	42,929	24,953	42,929	24,953
TOTAL CURRENT ASSETS		2,828,713	1,921,157	2,828,713	1,921,157
Non Current Assets					
Receivables	6	-	-	233,765	252,092
Other financial assets	7	9,621	37,648	4,956,280	4,956,280
Property, plant & Equipment	8	61,913	56,741	61,913	56,741
Intangible assets	9	15,233,901	14,229,660	10,086,456	9,082,215
TOTAL NON CURRENT ASSETS		15,305,435	14,324,049	15,338,414	14,347,328
TOTAL ASSETS		18,134,148	16,245,206	18,167,127	16,268,485
Current Liabilities					
Payables	10 (a)	52,439	163,669	52,439	163,669
Interest bearing liabilities	10 (b)	9,951	19,311	9,951	19,311
Provisions	11	41,442	43,810	41,442	43,810
TOTAL CURRENT LIABILITIES		103,832	226,790	103,832	226,790
Non Current Liabilities					
Interest bearing liabilities	10 (b)	19,866	27,205	19,866	27,205
TOTAL NON CURRENT LIABILITES		19,866	27,205	19,866	27,205
TOTAL LIABILITIES		123,698	253,995	123,698	253,995
NET ASSETS		18,010,450	15,991,211	18,043,429	16,014,490
Equity					
Contributed Equity	12	29,997,471	27,427,521	29,997,471	27,427,521
Reserves	14	7,917,871	7,917,871	7,413,921	7,413,921
Accumulated Losses	15	(19,904,892)	(19,354,181)	(19,367,963)	(18,826,952)
TOTAL EQUITY		18,010,450	15,991,211	18,043,429	16,014,490

The accompanying notes form part of these accounts.

STATEMENT OF CASH FLOW

For the year ended 31 December 2004

	Notes	*Consolidated Entity*		*Parent Entity*	
		2004	**2003**	**2004**	**2003**
		$	**$**	**$**	**$**
Cash flow from operating activities:					
Payments to suppliers and employees		(822,097)	(620,125)	(822,097)	(620,125)
Payments for deferred expenditure		(994,242)	(767,880)	(994,242)	(767,880)
Interest received		161,685	122,169	161,685	122,169
Borrowing costs		(2,612)	(2,612)	(2,612)	(2,612)
Net cash provided by (used in) operating activities	26(ii)	(1,657,266)	(1,268,448)	(1,657,266)	(1,268,448)
Cash flow from investing activities:					
Proceeds from sale of investments		18,327	-	-	-
Payments for property, plant & equipment		(24,732)	(3,971)	(24,732)	(3,971)
Proceeds sale of property, plant & equipment		-	15,227	-	-
Proceeds from related parties		-	-	18,327	-
Net cash provided by (used in) investing activities		(6,405)	11,256	(6,405)	(3,971)
Cash flow from financing activities:					
Borrowings		-	9,360	-	9,360
Advances to related parties		-	-	-	15,227
Proceeds from issue of shares		2,569,950	597,600	2,569,950	597,600
Repayments of borrowings		(16,699)	(7,339)	(16,699)	(7,339)
Net cash provided by (used in) financing activities		2,553,251	599,621	2,553,251	614,848
Net increase/(decrease) in cash held		889,580	(657,571)	889,580	(657,571)
Cash at 1 January 2004		1,896,204	2,553,775	1,896,204	2,553,775
Cash at 31 December 2004	26(i)	2,785,784	1,896,204	2,785,784	1,896,204

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 2004

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Act 2001. The accounts are prepared in accordance with the historical cost convention using the accounting policies described below, and do not take account of changes either in the purchasing power of money or in the prices of specific assets, except for certain exploration assets which are stated at cost.

The financial report covers the economic entity of Strategic Minerals Corporation NL and controlled entities, and Strategic Minerals Corporation NL as an individual parent entity - Strategic Minerals Corporation NL is a listed public company, incorporated and domiciled in Australia.

1.2 Principals of Consolidation

The Economic Entities accounts comprise consolidated accounts of all Controlled Entities within the meaning of the Corporations Act 2001. All inter-company balances and unrealised profits resulting from intra-Economic Entity transactions are eliminated. Where controlled entities are acquired during a year, their results are included only from the date of acquisition.

1.3 Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the profit and loss account is matched with the accounting profit after allowing for permanent differences. The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefit accounts at current rates.

1.4 Exploration Expenditure

Exploration and evaluation expenditure that relates to an area of interest, for which rights of tenure are current, is carried forward where:

(i) such expenditure is expected to be recouped through successful development and exploitation of the area, the joint venturing of the area, or sale of the area; or

(ii) exploration and evaluation activity in the area has not yet reached a stage, which permits a reasonable assessment of the existence of economically recoverable reserves.

Accumulated expenditure in respect of an area of interest that is abandoned, is written off in the profit and loss account in the year in which the area is abandoned.

The entity changed its accounting policy in the year ended 31 December 2001 relating to the valuation of exploration expenditure by the Directors. The initial adoption of AASB 1041 per the transitional provisions allows assets carried at fair value to revert to the cost basis, the cost basis can be the written down value of the revalued assets at the date of initial adoption of the standard. Consequently assets previously carried at revalued amounts are now carried at cost.

1.5 Development Expenditure

Exploration, evaluation and development expenditure which relates to an area of interest in which production has not yet commenced is carried forward where such expenditure is expected to be recouped through successful development and exploitation of the area or by sale of the area. Development expenditure may include areas at Directors' valuation.

Exploration, evaluation and development expenditure, which has been carried forward for an area of interest, is amortised, once production has commenced, over the estimated economic life of the area.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

1.6 Property, Plant & Equipment

Property, plant and equipment are carried at cost and, except where stated, are depreciated over their expected useful economic lives.

Depreciation on fixed assets is calculated on a straight-line basis so as to write off the cost of fixed assets over their expected useful life. Motor vehicles are depreciated at 15% p.a. on prime cost, plant and equipment on 24% and office furniture on 12%

1.7 Investments

Shares held as short-term investments are reflected in current assets and are stated at the lower of cost and net realisable value. Shares held as long-term investments are reflected in non-current assets at cost or Directors' valuation.

1.8 Joint Venture Accounting

Interests in joint ventures are included in the accounts by taking up the proportionate share in each of the individual assets, liabilities and expenses of the joint ventures. Details of the joint ventures are set out in Note 16.

1.9 Provision for Employee Entitlements

Provision is made in respect of the Economic Entity's liability for annual leave. This has been calculated on the basis of pro-rata entitlement based on current wage rates.

1.10 Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the consolidated entity. Trade accounts payable is normally settled within 30 days.

1.11 Receivables

Receivables are generally settled under the terms of the agreements and are carried at the amount due. The collectability of debts is assessed at balance date and specific provisions made for doubtful debts.

1.12 Revenue Recognition

Amounts disclosed as revenue are net of returns, trade allowances, duties, and taxes paid.

1.13 Comparatives

The accounts include the equivalent number from the preceding year for comparison purposes. These prior year numbers were derived on the same basis of accounts preparation.

1.14 Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but no the legal ownership, are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

1.15 Earnings Per Share

i *Basic earnings per share*

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii *Diluted earnings per share*

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1.16 Segment Reporting

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Intersegmental Transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegmental transactions are the same as those charged for similar goods to parties outside of the consolidated entity at an arm's length. These transfers are eliminated on consolidation.

1.17 Impact of Adopting Australian Equivalents to International Financial Report Standards (IFRS)

For reporting periods beginning on or after 1 January 2005, the consolidated entity must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the consolidated entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The consolidated entity has not quantified the effect of the differences discussed below. Accordingly, there can be no assurances that the consolidated financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

The Company has commenced reviewing the transition from its current policies to the AASB equivalents to IFRS to achieve transition to IFRS reporting beginning with the half year ending June 2005.

The key potential implications of the conversion to IFRS on the consolidated entity are as follows:

Income Tax

Under the Australian equivalent to AASB 112 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's asset and liabilities in the statement of financial position and tax based balance sheet. This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method. The Company is in the process of assessing any potential impact.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

Exploration and Evaluation Expenditure
AASB 6 "Exploration for and Evaluation of Mineral Resources" will require the Company to apply "area of interest" accounting to their exploration and evaluation expenditures, effectively grandfathering the treatment currently used by the Company under AABS 1022 "Accounting for the Extractive Industries:. Under AASB 6, if the facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets in accordance with AASB 136 "Impairment of Assets". Impairment of exploration and evaluation assets is to be assessed at a cash generating unit or group of cash generating units level providing this is no larger than an area of interest. Any impairment loss is to be recognised as an expense in accordance with AASB 136.

The future financial effects of this change in accounting policy are not yet known.

Financial Instruments
AASB 139 applies from 1 January 2005, meaning that the comparative period of 2005 is not required to be restated unlike the majority of other IFRS standards which require retrospective application. Under AASB 139 Financial Instruments: Recognition and Measurement, financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item. The classifications are loans and receivables – measured at amortised costs; financial assets held to maturity – measured at amortised costs; financial assets and liabilities held for trading – measured at fair value with fair value changes charged to net profit or loss; financial assets available for sale – measured at fair value changes taken to equity and non-trading liabilities – measured at amortised cost. This will result in a change in the current accounting policy that does not classify financial instruments in this manner. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been applied.

Impairment of Assets
Under AASB 136 Impairment of Assets, the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the current accounting policy which determines the recoverable amount of an asset on the basis of undiscounted cash flows. Under the new policy it is likely that impairment of assets will be recognised sooner and that the amount of any write-downs may be greater. Reliable estimation of the future affects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

The financial effect of the above matter has not been recognised in these financial statements.

Share Based Payments
Under Australian Standard AASB 2 Share based Payments, the Consolidated Entity will be required to determine the fair value of options issued to employees and recognise as an expense in the Statement of Financial Performance. For options on issue on the application of AASB2, an adjustment for their recognition will be made against opening retained earnings. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future equity based remuneration plans are unknown. However, where share based payments are made, net profit is expected to decrease by the fair value of such payments.

The above should not be regarded as a complete list of changes in accounting policies that from the transition to AASB equivalents to IFRS. As noted above, these are expected to be the material areas of impact for the Consolidated Entity that have been identified.

	Consolidated Entity		***Parent Entity***	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
2. REVENUE				
Operating activities:				
Interest received from other parties	162,197	93,066	162,197	93,066
Non-operating activities:				
Proceeds on sale of fixed assets and investments	18,327	15,227	-	-
Total revenue	180,524	108,293	162,197	93,066

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

	Consolidated Entity		*Parent Entity*	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
3. LOSS FROM ORDINARY ACTIVITIES				
Loss from ordinary activities before income tax has been determined after charging as an expense:				
(a) Expenses:				
Borrowing costs -				
Other parties	2,612	2,939	2,612	2,939
Total borrowing costs	2,612	2,939	2,612	2,939
Administration expenses:				
Depreciation of non-current assets -				
Property, plant and equipment	19,560	15,309	19,560	15,309
Other Provisions -				
Employee entitlements	(2,368)	(4,736)	(2,368)	(4,736)
Rental expense – operating lease	66,763	69,021	66,763	69,021
Commissions	-	29,880	-	29,880
Employees' remuneration	235,385	200,979	235,385	200,979
Other	409,283	370,785	381,256	370,785
Total administration expenses	728,623	681,238	700,596	681,238
(b) Revenue and net gains:				
Net gain on disposal of non-current assets-				
Investments	(9,700)	15,227	-	-
	(9,700)	15,227	-	-
4. INCOME TAX				
The prima facie tax credit on the operating Loss is reconciled to the income tax Provided in the accounts as follows:				
Operating loss	(550,711)	(575,884)	(541,011)	(591,111)
Prima facie tax credit thereon at 30%	(165,213)	(172,765)	(162,303)	(177,333)
Tax effect of timing differences:	710	3,901	710	3,901
Tax effect of non-deductible items:	1,774	9,620	1,774	9,620
Future income tax benefit (cost) not brought to account	162,729	159,244	159,819	163,812
Income tax attributable to operating result	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

The potential future income tax benefit arising from tax losses has not been recognised as an asset because recovery of tax losses is not virtually certain:

Tax losses carried forward	9,124,033	8,961,304	9,121,123	8,961,304

Recognition of this benefit will only be obtained if:

(a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
(b) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
(c) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss.

	Consolidated Entity		***Parent Entity***	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
5. CASH ASSETS				
Cash at bank and on hand	57,687	127,218	57,687	127,218
Bank term deposits	2,728,097	1,768,986	2,728,097	1,768,986
	2,785,784	1,896,204	2,785,784	1,896,204
6. RECEIVABLES				
Current				
Rent receivable	12,048	-	12,048	-
Interest receivable and GST refundable	20,003	13,590	20,003	13,590
Prepayment of Insurance Premium	10,878	11,363	10,878	11,363
	42,929	24,953	42,929	24,953
Non-current				
Amounts receivable from:				
- Controlled entities				
- Provision for loss on loans	-	-	1,506,175	1,524,502
	-	-	(1,272,410)	(1,272,410)
	-	-	233,765	252,092
7. OTHER FINANCIAL ASSETS – Non-Current				
Shares in listed corporations at cost	9,620	37,647	277	277
Shares in unlisted corporations	1	1	-	-
Shares in controlled entities	-	-	11,767,401	11,767,401
Less provision for diminution	-	-	(6,811,398)	(6,811,398)
	9,621	37,648	4,956,280	4,956,280
Market value of listed investments	8,500	27,000	8,500	277

Shares in unlisted corporations are at directors' valuation having been realised downwards during 1990 to reflect their estimated non tangible asset value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

7. OTHER FINANCIAL ASSETS

– Non-Current (continued)

Shares in controlled entities are unlisted and comprise:

Place of Incorporation		Class	% Holding	2004 Amount $	% Holding	2003 Amount $
Strategic Metals Corporation Pty Ltd	NSW	Ordinary	100	141,400	100	141,400
Strategic Mineral Investments Pty Ltd	WA	Ordinary	100	4,956,000	100	4,956,000
Bayfield Mineral Sands Pty Ltd (a 100% owned controlled Entity of Strategic Mineral Investments Pty Ltd)	WA	Ordinary	100	-	100	-
Spencer Mining Pty Ltd	WA	Ordinary	100	6,670,000	100	6,670,000
Telluride Mining NL	NSW	Ordinary	100	1	100	1
				11,767,401		11,767,401

Investments in Controlled Entities are stated at cost, except in the case of Strategic Mineral Investments Pty Ltd where the investment is at Directors' valuation, as a result of the revaluation in 1987 of certain exploration assets in its Controlled Entity.

	Consolidated Entity 2004 $	*Consolidated Entity* 2003 $	*Parent Entity* 2004 $	*Parent Entity* 2003 $
8. PROPERTY PLANT AND EQUIPMENT				
Cost	247,994	223,262	247,994	223,262
Accumulated depreciation	(186,081)	(166,521)	(186,081)	(166,521)
	61,913	56,741	61,913	56,741
MOVEMENTS:				
Owned plant & equipment				
Cost:				
Brought forward	166,717	162,746	166,717	162,746
Additions	24,732	3,971	24,732	3,971
Disposals	-	-	-	-
Closing Balance	191,449	166,717	191,449	166,717
Accumulated Depreciation:				
Brought forward	(151,681)	(144,852)	(151,681)	(144,852)
Depreciation expense	(11,080)	(6,829)	(11,080)	(6,829)
Disposals	-	-	-	-
Closing Balance	(162,761)	(151,681)	(162,761)	(151,681)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

	Consolidated Entity		*Parent Entity*	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
8. PROPERTY PLANT AND EQUIPMENT (continued)				
MOVEMENTS:				
Leased plant & equipment cost:				
Brought forward	56,545	56,545	56,545	56,545
Additions	-	-	-	-
Disposals	-	-	-	-
Closing Balance	56,545	56,545	56,545	56,545
Accumulated Depreciation:				
Brought forward	(14,840)	(6,360)	(14,840)	(6,360)
Depreciation expense	(8,480)	(8,480)	(8,480)	(8,480)
Disposals	-	-	-	-
Closing Balance	(23,320)	(14,840)	(23,320)	(14,840)

Assets purchased on hire purchase are secured on the assets concerned

9. INTANGIBLE ASSETS -				
Non-current				
Exploration at Cost:				
- Brought forward	14,229,660	13,461,780	9,082,215	8,314,335
- Additions	1,004,241	767,880	1,004,241	767,880
	15,233,901	14,229,660	10,086,456	9,082,215

The value of the Consolidated Entity's interest in the Bayfield Mineral Sands area of interest (carrying value of $5,136,000 as at 31 December 2004) is still dependent upon the support of the Queensland Government for the issuance of mining leases or otherwise the results of compensation negotiations. Ultimate recoupment of such costs is dependant on successful development and commercial exploration, or sale of the respective areas.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

	Consolidated Entity		*Parent Entity*	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
10. PAYABLES				
(a) Unsecured				
- Other creditors and accruals	52,439	163,669	52,439	163,669
(b) Interest bearing liabilities				
Current – Insurance Premium Loan	-	9,360		9,360
Current - lease liability (secured)	9,951	9,951	9,951	9,951
Non current - lease liability (secured)	19,866	27,205	19,866	27,205
Total secured liabilities	29,817	46,516	29,817	46,516
Total current liabilities	9,951	19,311	9,951	19,311
The carrying amounts of non-current assets pledged as security are:				
Motor vehicle	33,225	41,705	33,225	41,705
Total assets pledged as security	33,225	41,705	33,225	41,705
11. PROVISIONS – CURRENT				
Employee entitlements	41,442	43,810	41,442	43,810
The number of employees as at year end was 3 (2003: 3)				
Movements in provision	(2,368)	(4,736)	(2,368)	(4,736)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

	Consolidated Entity 2004 $	Consolidated Entity 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
12. CONTRIBUTED EQUITY	29,997,471	27,427,521	29,997,471	27,427,521
Issued capital 226,956,450 (2003: 218,105,986)	27,427,521	26,919,921	27,427,521	26,919,921
Placements at 30 cents (1,692,000)	-	507,600	-	507,600
Placements at 30 cents (6,370,000)	1,911,000	-	1,911,000	-
Placements at 26.97 cents (2,780,464)	750,000	-	750,000	-
Less: Transaction costs arising on share issues	(91,050)		(91,050)	
	29,997,471	27,427,521	29,997,471	27,427,521

During the year the Company made allotments totalling 9,150,464 (2003: 1,692,000) ordinary fully paid shares, being for minerals exploration and for working capital purposes. These allotments raised $2,571,000 (2003: $507,600) cash. All the shares that have been issued in past years including last year are fully paid and have the same voting rights.

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.

13. OPTIONS OVER UNISSUED SHARES

There were no options on issue at the end of the year.
The following number of options were on issue at 31 December 2003:
6,000,000 unlisted options exercisable at 20c on or before 30 June 2004
1,000,000 unlisted options exercisable at 15c on or before 30 June 2004
None of these options were exercised and they all expired on 30 June 2004

	Consolidated Entity 2004 $	Consolidated Entity 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
14. RESERVES				
Asset revaluation	4,959,950	4,959,950	4,456,000	4,456,000
Option application monies	2,957,921	2,957,921	2,957,921	2,957,921
	7,917,871	7,917,871	7,413,921	7,413,921

There has been no movement in these reserves during the year.

The reserves were created in prior years and relate to the revaluation of the Bayfield Mineral Sands project (Note 9) and premium paid on an options issue.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

	Consolidated Entity		*Parent Entity*	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
15. ACCUMULATED LOSSES				
Accumulated losses at the start of the financial year	19,354,181	18,778,297	18,826,952	18,235,841
Net loss for the financial year	550,711	575,884	541,011	591,111
Accumulated losses at the end of the financial year	19,904,892	19,354,181	19,367,963	18,826,952
16. JOINT VENTURES				
Bayfield A controlled entity, Bayfield Mineral Sands Pty Ltd has a 20% interest in the Bayfield Mineral Sands Project. The economic entity's share of assets employed in the joint venture is:				
Non Current Assets				
- Exploration and evaluation	5,147,446	5,147,446	-	-
- Net interest in joint venture	5,147,446	5,147,446	-	-
17. AUDITORS' REMUNERATION				
Amounts received or due and receivable by the auditors of the chief entity and the economic entity in respect of				
- auditing or reviewing the accounts	12,020	7,850	12,020	7,850
- other services	9,225	4,274	9,225	4,274
	21,245	12,124	21,245	12,124

18. COMMITMENTS

Exploration Tenement Leases

In order to maintain current rights of tenure to exploration tenements, the Company and Economic Entity is required to outlay lease rentals and to meet the minimum expenditure requirements of the Queensland Department of Natural Resources and Minerals. These obligations are subject to renegotiation upon expiry of the exploration tenements or when application for a mining licence is made. These commitments are not provided for in the accounts as they are associated with retention of title and payable at some time in the future.

	Consolidated Entity		*Parent Entity*	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
Not later than one year	865,000	1,450,000	865,000	1,450,000
Later than one year but not later than two years	-	-	-	-
Later than two years but not later than Five years	-	-	-	-
	865,000	1,450,000	865,000	1,450,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

19. RELATED PARTIES

Shares and Options held by Directors

The aggregate number of shares held beneficially in other names by the Directors of the Company at the end of the financial year was 6,964,500 (2003: 6,964,500).

The aggregate number of shares held directly by the Directors of the Company at the end of the financial year was nil (2003: nil).

The aggregate number of options held beneficially in other names by the Directors in the Company at the end of the financial year was nil (2003: 2,000,000).

The aggregate number of options held directly by the Directors in the Company at the end of the financial year was nil (2003: 4,000,000).

The number of shares indirectly purchased on the ASX during the year by Directors was nil.

The number of options indirectly purchased from the Company during the year by Directors was nil.

The number of options directly granted by the Company during the year to Directors was nil (2003: nil).

The number of shares issued by placements to Directors during the year, directly or indirectly, was nil.

20. REMUNERATION OF DIRECTORS AND EXECUTIVES

Remuneration of Directors /Executives

(a) Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Parent Entity Directors:

Mr. C. F. Guerre	Chairman, Non-Executive, part-time representative
Mr. W A C Martin	Managing Director & Chief Executive Officer
Mr. C. Bigeard	Director, Non-Executive - part-time representative
Mr. B. Fehlberg	Director, Executive - Technical
Mr. R. D. Bartsch	Director, Executive - Exploration

The consolidated entity currently has no executive officers concerned in, or who take part in, the management of the consolidated entity.

(b) Parent Entity Directors & Specified Executives Remuneration

	Salaries, Fees & Commissions	Superannuation Contribution	Non-cash Benefits	Total
	$	$	$	$
Year 2004				
Directors:				
Mr. W. A. C. Martin	93,861	60,000	45,562	199,423
Mr C. F. Guerre	99,375			99,375
Mr. C. Bigeard	147,555			147,555
Mr. B. Fehlberg	126,000			126,000
Mr. R. D. Bartsch	124,800			124,800
Year 2003				
Directors:				
Mr. W. A. C. Martin	93,849	60,000	40,925	194,774
Mr C. F. Guerre	90,000			90,000
Mr. C. Bigeard	53,880			53,880
Mr. B. Fehlberg	126,000			126,000
Mr. R. D. Bartsch	91,155			91,155

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

Shareholdings:

Number of shares held by Parent Entity Directors and Specified Executives

	Balance 1 January 2004	Net Change	Balance 31 December 2004
Directors:			
Mr. W A C Martin	1,307,000	-	1,307,000
Mr C F Guerre	4,345,000	-	4,345,000
Mr. C Bigeard	-	-	-
Mr. B Fehlberg	1,312,500	-	1,312,500
Mr. R D Bartsch	-	-	-

(d) Remuneration Practices:

The Company's policy for determining the nature and amount of emoluments of board members and senior executives of the Company is to arrive at agreed amounts through a process of negotiation after reference to industry practice and current Company remunerations.

21. CONTINGENT LIABILITIES

(i) Capital gains tax

Certain exploration assets in controlled entities are held at valuation as a result of upward revaluation of the assets. If those assets had been sold at 31 December 2004 for an amount equal to the valuation in the accounts, a capital gains tax liability of approximately $1,700,000 (2003: $1,700,000) may have arisen based on the difference between the cost and the re-valued amount, however, accumulated tax revenue losses would have covered this capital gain and no tax would have been payable.

(ii) Bank Guarantees

Strategic Minerals Corporation NL has $19,300 worth of bank guarantees.

22. COMMITMENTS

	Consolidated Entity		*Parent Entity*	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
(a) Operating Lease Commitment for premises due:				
- not later than 1 year	-	50,637	-	50,637
- not later than two years	-	-	-	-
	-	50,637	-	50,637

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

22. COMMITMENTS (continued)

(b) Exploration

The Consolidated Entity has certain obligations to perform minimum exploration work and expend minimum amounts of money on such works in mineral exploration tenements. These obligations may be varied from time to time subject to approval and expected to be fulfilled in the normal course of the operations of the Consolidated Entity. Refer to Note 18 for further details.

	Consolidated Entity		*Parent Entity*	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
Finance Lease Commitments				
Payable:				
not later than one year	9,951	9,951	9,951	9,951
later than one year but not later than 5 years	25,743	35,694	25,743	35,694
Minimum lease payments	35,694	45,645	35,694	45,645
Less: future finance charges	(5,877)	(8,489)	(5,877)	(8,489)
Total lease liability	(29,817)	37,156	(29,817)	37,156

23. SEGMENTAL REPORTING

The Consolidated Entity operates entirely in Australia and predominantly in the field of mineral exploration and exploitation with particular emphasis on gold and other minerals.

24. EARNINGS PER SHARE

	Consolidated Entity	
	2004	**2003**
Basic earnings per share (cents per share)	(0.24)	(0.26)
Earnings used in the calculation of basic EPS	(550,711)	(575,884)

The weighted average number of ordinary shares used in the calculations of basic earnings per share was 225,666,490 (2003: 216,214,686).

Where diluted earnings per share are not diluted, they are not disclosed.

25. SUBSEQUENT EVENTS

There have been no events of significance subsequent to 31 December 2004, and up to the signing of these accounts except that Barrick Gold of Australia Ltd advised that they would not exercise their option to continue in the Joint Venture for exploration in the Woolgar Project.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

26. NOTES TO CASH FLOW STATEMENT

(i) Reconciliation of Cash

For the purposes of this statement of cash flows, cash includes cash on hand and at bank and short term deposits at call and commercial bills, net of outstanding bank overdrafts

	Consolidated Entity 2004 $	2003 $	*Parent Entity* 2004 $	2003 $
Cash	57,687	127,218	57,687	127,218
Deposits at call	2,728,097	1,768,986	2,728,097	1,768,986
	2,785,784	1,896,204	2,785,784	1,896,204

(ii) Reconciliation of operating loss after income tax to net cash provided by operating activities

	Consolidated Entity 2004 $	2003 $	*Parent Entity* 2004 $	2003 $
Operating loss after income tax	(550,711)	(575,884)	(541,011)	(591,111)
Add/(less) non cash items:				
Depreciation	19,560	15,309	19,560	15,309
Loss/(profit) on disposal of non-current assets	(9,700)	(15,227)	(9,700)	-
Non cash changes in assets & liabilities:				
Current receivables	(18,462)	44,597	(18,462)	44,597
Prepayments	485	(11,363)	485	(11,363)
Creditors and borrowings	(91,828)	46,736	(101,528)	46,736
Provisions	(2,368)	(4,736)	(2,368)	(4,736)
Exploration	(1,004,242)	(767,880)	(1,004,242)	(767,880)
Net cash provided by operating activities	(1,657,266)	(1,268,448)	(1,657,266)	(1,268,448)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

27. FINANCIAL INSTRUMENTS

(a) Credit Risk Exposures

The credit risk on financial assets of the Consolidated Entity which have been recognised on the balance sheet, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest Rate Risk Exposures

The Consolidated Entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Consolidated Entity intends to hold fixed rate assets and liabilities to maturity.

2004

	Floating interest rate	*Fixed interest maturing in 1 year or less*	*Non-interest bearing*	*Total*
Financial assets				
Cash and deposits	57,687	2,728,097	-	2,785,784
Receivables	-	-	42,929	42,929
	57,687	2,728,097	42,929	2,828,713
Weighted average interest rate	5.2%	5.2%	-	-
Financial liabilities				
Hire Purchase	-	29,817	-	29,817
Trade & other creditors	-	-	52,439	52,439
	-	29,817	52,439	82,256
Net financial assets	57,687	2,698,280	(9,510)	2,746,457

The interest rate of Hire Purchase is 8.073% and 5.75% for the insurance loan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont)

For the year ended December 2004

27. FINANCIAL INSTRUMENTS (continued)

2003

	Floating interest rate	*Fixed interest maturing in 1 year or less*	*Non-interest bearing*	*Total*
Financial assets				
Cash and deposits	127,218	1,768,986	-	1,896,204
Receivables	-	-	13,590	13,590
	127,218	1,768,986	13,590	1,909,794
Weighted average interest rate	-	5.4%	-	-
Financial liabilities				
Insurance Loan	-	9,360		9,360
Hire Purchase		37,156		37,156
Trade & other creditors	-	-	163,669	163,669
	-	46,516	163,669	210,185
Net financial assets	127,218	1,722,470	(150,079)	1,699,609

The interest rate of Hire Purchase is 8.073% and 5.75% for the insurance loan.

Reconciliation of net financial assets to net assets

	2004	**2003**
Net financial assets as above	2,746,457	1,699,609
Non-financial assets and liabilities		
- Investments	9,621	37,648
- Property, plant and equipment	61,913	56,741
- Exploration Expenditure	15,233,901	14,229,660
- Provisions	(41,442)	(43,810)
- Prepayments	-	11,363
Net assets per balance sheet	18,010,450	15,991,211

(c) 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 value.

DECLARATION BY DIRECTORS

The directors of the company declare that:

1. The financial statements comprising the Statements of Financial Performance, Position and Cash Flows, and accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 31 December 2004 and of the performance for the year ended on that date of the company and the economic entity.

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:

W.A.C. Martin
Managing Director
Signed at Perth this 24th day of March 2005

INDEPENDENT AUDIT REPORT

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF STRATEGIC MINERALS COPORATION NL

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Strategic Minerals Corporation NL (the company) and the consolidated entity, for the year ended 31 December 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

INDEPENDENT AUDIT REPORT (Cont)

Audit Opinion

In our opinion, the financial report of Strategic Minerals Corporation NL is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2004 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Inherent Uncertainty Regarding Recoverable Value of Exploration Asset

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 9 to the financial reports, the Queensland Government has previously announced that it was considering extending the Bayfield National Park, by negotiating the surrender of mining tenures. As a consequence, the value of the Consolidated Entity's interest in the Bayfield Mineral Sands area of interest (carrying value of $5,136,000 as at 31 December 2004) may now be dependent upon compensation negotiations with the Queensland Government. This inherent uncertainty may also affect the recoverable value of the Chief Entity's investment in the controlled entity, Strategic Mineral Investments Pty Ltd (carrying value of $4,956,003 as at 31 December 2004), through which the Consolidated Entity's right of tenure to the Bayfield Mineral Sands area of interest is held. The ultimate outcome of these negotiations cannot presently be determined with an acceptable degree of reliability, and accordingly no provisions for diminution in value of the Consolidated Entity's area of interest, or of the Chief Entity's investment in the controlled entity, have been made in the financial statements.

BDO
Chartered Accountants

S Andrawes
Partner

Perth, Western Australia
Dated: 24 March 2005

24 March 2005

The Directors
Strategic Minerals Corporation NL
PO Box 66
FLOREAT FORUM WA 6014

Dear Sirs

DECLARATION OF INDEPENDENCE BY BDO CHARTERED ACCOUNTANTS TO THE DIRECTORS OF STRATEGIC MINERALS CORPORATION LTD

To the best of my knowledge and belief, there have been:

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

Yours faithfully
BDO
Chartered Accountants & Advisers

S Andrawes
Partner

ADDITIONAL SHAREHOLDER INFORMATION

As at 28 February 2005

1. DISTRIBUTION OF SHAREHOLDERS AND OPTION HOLDERS

	Number of Shareholders	Number of Unlisted Option Holders
1 - 1,000	650	
1,001 - 5,000	667	
5,001 - 10,000	292	
10,001 - 100,000	610	
100,000 and over	137	
	2,356	

Percentage holding of twenty largest holders	73.62
Number of shareholders holding less than a marketable parcel	1,232

2. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders are as follows:

	Shareholder	Number of Shares	% of Issued Capital
1	ANZ Nominees Ltd	37,292,319	16.43
2	HSBC Custody Nominees	32,681,447	14.40
3	Citcorp Nominees Pty Ltd	26,951,971	11.88
4	National Nominees Ltd	12,878,667	5.67
5	Alpenrose Investments Inc	11,613,353	5.12
6	Westpac Custodian Nominees Ltd	7,507,777	3.31
7	F H Nominees Pty Ltd	7,373,100	3.25
8	International Energy World	6,583,344	2.90
9	Yandal Investments Pty Ltd	5,237,226	2.31
10	Barrick Gold of Aust Ltd	2,780,464	1.23
11	Skabal Pty Ltd	2,691,572	1.19
12	Charles I F E Pty Ltd	2,500,000	1.10
13	Dreamaster Pty Ltd	1,710,000	0.75
14	Bailtrades Pty Ltd	1,530,000	0.67
15	The Columb Corporation Pty Ltd	1,500,000	0.66
16	Cliffe, David	1,490,000	0.66
17	Limitada Sefam	1,427,232	0.63
18	Bazco Pty Ltd	1,312,500	0.58
19	Citibank Luxemburg	1,000,000	0.44
20	Linq Ching Ltd	1,000,000	0.44
	TOTAL OF TOP 20	167,060,927	73.62
	TOTAL SHARES	226,955,450	100.00

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ADDITIONAL SHAREHOLDER INFORMATION

As at 2 March 2004

3. SUBSTANTIAL SHAREHOLDERS

As at 28 February 2005 the substantial shareholders registered with the Company were:

Shareholder	No of Shares	% of issued capital
Alpenrose Investments Inc.	11,613,353	5.12%

4. VOTING RIGHTS

Ordinary Shares

On a show of hands every member present in person or by proxy or attorney or being a corporation by its authorised representative who is present in person or by proxy, shall have one vote for every fully paid ordinary share of which he is a holder.

Listed Options

These options have no voting rights until such options are exercised as fully paid ordinary shares.

Unlisted Options

These options have no voting rights until such options are exercised as fully paid ordinary shares.

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