



**Strategic
Minerals
Corporation N.L.**

ACN 008 901 380
ABN 35 008 901 380

Level 1
460 Roberts Road
Subiaco, Western Australia 6008

P.O. Box 66
Floreat Forum WA 6014

Email: wally@stratmin.com.au
Website: www.stratmin.com.au

Telephone (08) 9388 8399
Facsimile (08) 9388 8676

13 July 2011

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

Strategic Minerals Corporation NL (**Company**) has issued a prospectus for an entitlement issue of one (1) fully paid share in the Company (**Shares**) for every one (3) Shares held by shareholders at 5:00 pm on the record date of 21 July 2011 at an issue price of 2.5 cents per Share (**Entitlement Issue**).

The entitlement issue will result in the issue of approximately 141,286,844 Shares in the Company.

The Prospectus relating to this issue has been lodged with the Australian Securities and Investments Commission and ASX and is available on the ASX website for inspection. The timetable and important dates of the issue are set out below:

TIMETABLE AND IMPORTANT DATES*

Lodgement of Prospectus with ASIC	13 July 2011
Lodgement of Prospectus and Appendix 3B with ASX	13 July 2011
Notice sent to Shareholders	15 July 2011
Ex Date	18 July 2011
Record Date for determining Entitlements	22 July 2011
Prospectus dispatched to Shareholders	28 July 2011
Closing Date	12 August 2011
Shares quoted on a deferred settlement basis	15 August 2011
Notify ASX of under-subscriptions	16 August 2011
Dispatch date/Shares entered into Shareholders' security holdings	17 August 2011

The purpose of the issue is to raise up to approximately \$3,532,172. The funds raised will be used to fund the implementation of an extensive three stage drilling campaign at the Company's Woolgar Gold project, on the known mesothermal gold occurrences, associated with the Woolgar fault zone and to fund working capital.

The capital structure of the Company on completion of the issue will be as follows:

Shares	Number
Share currently on issue	423,860,533
Shares offered pursuant to the Entitlement Issue	141,286,844
Total Shares on issue	565,147,377*

* Assumes the offer is fully subscribed.

In calculating entitlements under the entitlement issue fractions will be rounded up to the nearest whole number.

Full detail of the issue will be contained in the Prospectus that will be mailed to all shareholders who are registered on the record date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully



JAY STEPHENSON
Company Secretary

STRATEGIC MINERALS CORPORATION NL

ACN 008 901 380

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by Shareholders at an issue price of 2.5 cents per Share to raise approximately \$3,532,172 (**Entitlement Issue**).

The Entitlement Issue is underwritten by Christopher Ian Wallin, Ann Catherine Wallin, Sylvia Fay Bhatia and Fiona Kay McLoughlin as trustees for the Christopher Wallin Superannuation Fund (**Underwriter**). Refer to Section 7.2 of this Prospectus for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES	3
2.	CORPORATE DIRECTORY.....	5
3.	DETAILS OF THE OFFER.....	6
4.	PURPOSE AND EFFECT OF THE OFFER.....	10
5.	RIGHTS AND LIABILITIES ATTACHING TO THE SHARES.....	14
6.	RISK FACTORS	16
7.	ADDITIONAL INFORMATION	20
8.	DIRECTORS' CONSENT	26
9.	DEFINITIONS	27

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES*

Lodgement of Prospectus with ASIC and the lodgement of an Appendix 3B and Prospectus with ASX	13 July 2011
Notice sent to Shareholders	15 July 2011
Ex Date	18 July 2011
Record Date for determining Entitlements	22 July 2011
Company announces that despatch has been completed	28 July 2011
Closing Date	12 August 2011
Shares quoted on a deferred settlement basis	15 August 2011
Notify ASX of under-subscriptions	16 August 2011
Dispatch date/Shares entered into Shareholders' security holdings	17 August 2011

* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notifying you. You are encouraged to submit your application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of the issue of the Options. The Offer does not require the approval of Shareholders.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers.

This Prospectus is dated 13 July 2011 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having

been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

RISK FACTORS

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2. CORPORATE DIRECTORY

Directors

Mr Claude Guerre

Chairman

Mr Walter Martin

Managing Director

Mr Claude Bigeard

Director

Mr Jay Stephenson

Non-Executive Director

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Company Secretary

Mr Jay Stephenson

Auditors*

BDO Audit (WA) Pty Ltd
128 Hay Street
SUBIACO WA 6008

Registered Office

Level 1, Suite 3
460 Roberts Road
SUBIACO WA 6008

ASX Code

SMC

Underwriter

Christopher Ian Wallin, Ann
Catherine Wallin, Sylvia Fay Bhatia
and Fiona Kay McLoughlin as
trustees for the Christopher Wallin
Superannuation Fund
1095 Waterworks Road
The Gap QLD 4061

Share Registry*

Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
APPLECROSS WA 6153

PO Box 535
APPLECROSS WA 6953

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Website

www.stratmin.com.au

General Enquiries

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

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus, the Company offers for subscription approximately 141,286,845 new Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one (1) new Share for every three (3) Shares held on the Record Date at an issue price of 2.5 cents per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to the Offer is approximately 141,286,845 Shares. The Offer will raise approximately \$3,532,172. The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

Holders of existing Options will not be entitled to participate in the Offer. The Company currently has 10,000,000 Options on issue as at the date of this Prospectus, which Options may be exercised by the Option holder prior to the Record Date in order to participate in the Offer.

3.2 How to accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on the relevant Entitlement and Acceptance Form; or
 - (ii) pay the appropriate application monies through the BPay® facility described below. If you make your payment by BPay® you do not need to return the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at 2.5 cents per Share); or
 - (ii) pay the appropriate application monies through the BPay® facility described below. If you make your payment by BPay® you do not need to return the Entitlement and Acceptance Form; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Strategic Minerals Corporation NL – Trust Account**" and crossed "Not Negotiable".

If you are paying by cheque, your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00pm WST on the Closing Date.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

Payment by BPay®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of new Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4.00pm WST on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of new Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

3.3 Minimum subscription

The minimum subscription in respect of the Offer is \$3,532,172.

3.4 Underwriting

The Offer is underwritten by the Underwriter.

Refer to Section 7.2 of this Prospectus for further details of the terms of the underwriting.

3.5 Shortfall Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. Any Entitlement not taken up pursuant to the Offer will form the Shortfall and will be dealt with in accordance with the Underwriting Agreement. Accordingly, Shareholders should not apply for the Shortfall unless directed to do so by the Underwriter.

3.6 ASX listing

Application for official quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If

approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.7 Allotment of Shares

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Shares on the basis of a Shareholder's Entitlement. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.8 Overseas Shareholders

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia.

3.9 Taxation implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Shares offered pursuant to this Prospectus.

3.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their holder identification number or security holder reference number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.11 Privacy

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$3,532,172 (before expenses). The proceeds of the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	\$
Implementation of a three stage drilling campaign at the Company's Woolgar Gold project	1,750,000
Resource calculation and assessment of drilling	500,000
Working capital	1,109,254
Expenses of the Offer	172,918
Total	\$3,532,172

Notes:

¹ Refer to Section 7.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on control of the Company

The potential effect that the issue of the Shares under the Offer will have on the control of the Company, and the consequences of those effects, will depend on a number of factors, including the number of Shareholders who take up their Entitlements under the Offer.

While the Offer is not expected to materially impact the control of the Company, the potential impact on the holding of the Underwriter, a major existing Shareholder of the Company, is outlined below.

The details of the underwriting agreement are summarised in Section 7.2 of this Prospectus. The Underwriter and its related entities currently has an interest in 75,179,153 Shares and intends to participate in the Offer by taking up its Entitlement of 25,059,718 Shares.

In the event that:

- (a) the Underwriter subscribes for his entire entitlement under the Offer (as it has indicated he intends to); and
- (b) there is a Shortfall under the Offer and the Underwriter is called upon by the Company to subscribe for the entire extent of his underwriting commitment (being 141,286,845 including its Entitlement Shares),

The Underwriter may become entitled to a maximum of 141,286,845 Shares (including its Entitlement Shares) in the Company following the completion of the Offer, resulting in him having a substantial holding in the Company equal to 38.31% of the issued capital of the Company.

To comply with the requirement to fully disclose the Underwriter's potential voting power in the Company and the effect of the underwriting by the Underwriter, the table below sets out various scenarios to indicate the effect on the Company's shareholding depending on the Shortfall (if any). The potential maximum increase in the voting power of the Underwriter is set out below (100%

Shortfall) and will only occur if no Shareholders take up their respective Entitlement under the Offer.

Event	Number of Shares of the Company Held by the Underwriter and its associates	Voting power of the Underwriter in the Company
Underwriter holding as at date of the Prospectus	75,179,153	17.74%
After issue of Shares to the Underwriter assuming 100% Shortfall	216,465,998	38.31%
After issue of Shares to the Underwriter assuming 75% Shortfall	187,409,217	33.17%
After issue of Shares to the Underwriter assuming 50% Shortfall	158,352,435	28.02%
After issue of Shares to the Underwriter assuming 25% Shortfall	129,295,653	22.88%

The figures in the above table assume that the Underwriter takes up its full entitlement of 25,059,718 Shares under the Offer, as it has indicated is its intention, leaving a remaining balance of 116,227,127 Shares to which the various Shortfall percentages have been applied.

If all Shareholders take up their entitlements under the Offer, the Offer itself will not have a material effect on the control of the Company, apart from the dilution to all participating Shareholders as a result of the Offer.

It is not expected that any change in the total relevant interest of the Underwriter will have any material consequences on the control of the Company.

4.3 Effect of the Offer and pro forma consolidated balance sheet

The principal effect of the Offer will be to:

- (a) increase the cash reserves by approximately \$3,357,255 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 423,860,533, to approximately 565,147,378 Shares following completion of the Offer.

4.4 Consolidated balance sheet

The unaudited Balance Sheet as at 31 May 2011 and the unaudited Pro Forma Balance Sheet as at 31 May 2011 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the

Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares pursuant to the Offer in this Prospectus are issued.

The unaudited Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 May 2011
(unaudited)**

	Notes	31 May 2011 Actual \$	31 May 2011 Pro-forma \$
CURRENT ASSETS			
Cash assets		1,394,211	4,753,464
Receivables		42,928	42,928
TOTAL CURRENT ASSETS		1,437,139	4,796,392
NON-CURRENT ASSETS			
Other financial assets		65,513	65,513
Property, plant and equipment		43,015	43,015
Exploration and evaluation expenditure		14,714,886	14,714,886
Other non-current assets		11,051	11,051
TOTAL NON-CURRENT ASSETS		14,834,465	14,834,465
TOTAL ASSETS		16,271,604	19,630,857
CURRENT LIABILITIES			
Payables		181,498	181,498
Provisions		88,310	88,310
TOTAL CURRENT LIABILITIES		269,808	269,808
TOTAL LIABILITIES		269,808	269,808
NET ASSETS		16,001,796	19,361,049
EQUITY			
Contributed equity		37,411,575	40,770,828
Minority interest		2,624	2,624
Reserves		3,242,272	3,242,272
Accumulated Losses		(24,397,359)	(24,397,359)
Current Losses		(257,316)	(257,316)

TOTAL EQUITY	16,001,796	19,361,049
CURRENT ASSETS		
Cash assets	1,394,211	4,753,464
Receivables	42,928	42,928
TOTAL CURRENT ASSETS	1,437,139	4,796,392
NON-CURRENT ASSETS		
Other financial assets	65,513	65,513
Property, plant and equipment	43,015	43,015
Exploration and evaluation expenditure	14,714,886	14,714,886
Other non-current assets	11,051	11,051

4.5 Effect on capital structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares	Number
Shares on issue at date of Prospectus	423,860,533
Shares now offered	141,286,845
Total Shares on issue after completion of the Offer²	565,147,378

Options	Number
Unquoted exercisable at 4.25 cents on or before 30 April 2013	10,000,000
Options now offered	Nil
Total Options on issue after completion of the Offer	10,000,000

5. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES

5.1 Terms of Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Articles of Association, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Articles of Association of the Company.

5.1.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

5.1.3 Dividend rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the

Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions as set out in the Articles of Association. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

5.1.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

5.1.5 Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

5.1.6 Future increase in capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Articles of Association and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.1.7 Variation of rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6. RISK FACTORS

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Operating risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (d) mechanical failure of operating plant and equipment;
- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (g) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (h) inability to obtain necessary consents or approvals.

6.2 Native Title and title risks

Both the *Native Title Act* 1993 (Cth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

6.3 Environmental risks and regulations

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be

expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the Tenements.

6.4 Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

6.5 Market conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.6 Security investments

Applicants should be aware that there are risks associated with any securities investment. Shares listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

6.7 Legislative changes, Government policy and approvals

Changes in government regulations and policies may adversely affect the financial performance of the Company. For example, any increased rentals under the Mining Act may impact on the Company's actual financial statements. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

6.8 Uranium

The Company's Frome Basin and Siccus projects located in South Australia and Woolgar Uranium Project located in Queensland involve exploration for uranium.

Uranium mining in Australia is subject to extensive regulation by state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploration, drilling, developing, constructing, operating and closing mines and other production facilities. There is also a risk that new rules and regulations will be enacted or existing rules and regulation are applied in a manner which could limit or curtail future production or development.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian uranium can only be exported to those countries which undertake to use it for peaceful purposes. The Federal Government cannot override State Government policy on this issue.

Uranium mining in South Australia is permitted but is subject to stricter control than mining in general due to concerns about the potential uses and physical characteristics of the end product and the need to comply with Commonwealth legislation, codes, international treaties, conventions and agreements. The South Australian State Government allows the mining of uranium provided strict conditions are adhered to relating to the transport of uranium, spillage, control of radiation and radioactive material and having an approved radiation management program and radioactive waste management program in place and establishing an environmental management and monitoring plan for the protection, management and rehabilitation of the environment.

The Queensland State Government has prohibited the mining of Uranium in Queensland since 1989 and continues to do so. The development of the uranium deposits is contingent upon a change in the State Government policy in relation to uranium production. There can be no assurance that the policy will change in favour of uranium mining and this may adversely affect the long term prospects for the Company's interests in the Queensland tenements.

6.9 Other energy sources

Nuclear energy is in direct competition with other more conventional sources of energy, which include gas, coal and hydro-electricity.

Furthermore, any potential growth of the nuclear power industry (with any potential attendant increase in the demand for uranium) beyond its current level will depend on continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to some negative public opinion owing to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have no or very low carbon emissions. However, to date these have not been cost-effective enough to be used for large scale base load power. Technology changes may occur that make alternative energy systems more efficient, reliable or cost-effective.

6.10 Future capital requirements

The Company's ongoing activities will require substantial expenditures. There can be no guarantee that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt

financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

6.11 Reliance on key personnel and employees

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

In addition, Western Australia is currently experiencing a shortage of skilled labour including those skills utilised in the mining industry. The Company cannot guarantee that its mining and exploration activities will not be negatively affected by an inability to employ appropriately skilled staff.

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in the Prospectus, before deciding whether to apply for Shares.

6.12 General risks

The value of the Company's Shares are affected by a number of general factors which are beyond the control of the Company and its Directors.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, local and international economic conditions and general investor sentiment.

The Company's share price can be afflicted by these factors which are beyond the control of the Directors.

7. ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 31 December 2010 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the

year ended 30 June 2010 lodged with ASIC before the issue of this Prospectus; and

- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (j) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2011 audited financial statements on 30 March 2011:

Date	Description of Announcement
1 July 2011	MHC: Divests its Interest in Siccuss Uranium Project SA
1 July 2011	Company Update – Siccus Project
30 June 2011	Change to Director’s Interest Notice x 4
30 June 2011	Appendix 3B
31 May 2011	Results of Annual General Meeting
29 April 2011	Quarterly Cashflow Report
29 April 2011	Quarterly Activities Report
21 April 2011	Notice of Annual General Meeting/Proxy Form

ASX maintains files containing publicly available information for all listed companies. The Company’s file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company’s website www.stratmin.com.au.

7.2 Underwriting Agreement

By an agreement between Christopher Ian Wallin, Ann Catherine Wallin, Sylvia Fay Bhatia and Fiona Kay McLoughlin as trustees for the Christopher Wallin Superannuation Fund (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter agreed to underwrite the Offer for 141,286,845 Shares (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 5% of the value of the Underwritten Securities less the Underwriter’s Entitlement.

The Underwriting Agreement is subject to a number representations and warranties standard for an agreement of this nature.

7.3 Directors’ interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Direct Shares	Indirect Shares	Options	Entitlement ¹
Claude Guerre	295,000	4,050,000 ²	2,500,000	1,448,334 ³
Walter Martin	331,690	2,445,323 ⁴	2,500,000	925,671
Claude Bigeard	Nil	Nil	2,500,000	Nil
Jay Stephenson	Nil	132,000 ⁵	1,250,000	44,000

Note:

¹ Entitlement is based on the assumption that the Directors who have Options do not exercise their Options prior to the Record Date.

² Claude Guerre has an indirect interest in these Shares through a mandate from the beneficial owner of these Shares to vote on the Shares.

³ Claude Guerre has Entitlement of 98,334 Shares to the Shares he has a beneficial interest in.

⁴ Walter Martin has an indirect interest in these Shares by as these Shares are held by Ramaree Pty Ltd as trustee for the Martin Superfund.

⁵ These Shares are held by Wolfstar Group Pty Ltd.

The Articles of Association of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The table below sets out the remuneration provided to the Directors and their associated companies during the last financial year prior to the date of this Prospectus and their current remuneration at the date of this Prospectus, inclusive of Director's fees and consultancy fees.

Name	Year End 31 December 2010	1 January 2011 to Current
Claude Guerre	\$72,000	\$63,000
Walter Martin	\$194,233	\$76,924
Claude Bigeard	\$48,000	\$24,000
Jay Stephenson	\$25,000	\$13,750

7.4 Interests and consents of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Christopher Ian Wallin, Ann Catherine Wallin, Sylvia Fay Bhatia and Fiona Kay McLoughlin as trustees for the Christopher Wallin Superannuation Fund (**Underwriter**) have given and have not withdrawn their consent to being named as Underwriter to the Offer in the Corporate Directory of this Prospectus in the form and context in which it is named. The Underwriter has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

The Underwriter (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 75,179,153 Shares and nil Options. The Underwriter has indicated that it is its current intention to subscribe for its full Entitlement under the Offer in respect of all of the Shares in which it has a relevant interest.

The Underwriter will be paid an underwriting fee of approximately \$145,284 in respect of this Offer. In the past two years, the Underwriter has been paid fees totalling nil by the Company.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$10,000 for services in relation to this Prospectus. Steinepreis Paganin has been paid fees totalling \$40,303 in the previous 2 years.

7.5 Legal proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.6 Estimated expenses of Offer

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,137
ASX fees	10,497
Underwriting fees	145,284
Legal expenses	10,000
Printing and miscellaneous expenses	5,000
Total	172,918

7.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.035 on 14 April 2011

Lowest: \$0.02 on 8 June 2011

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.29 on 12 July 2011.

7.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send

you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8. DIRECTORS' CONSENT

Each of the Directors of Strategic Minerals Corporation NL has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 13th day of July 2011.

A handwritten signature in black ink, appearing to read 'Walter Martin', with a long horizontal stroke extending to the right.

**Walter Martin
Signed for and on behalf of
Strategic Minerals Corporation NL
Managing Director**

9. DEFINITIONS

Articles of Association means the Company's Articles of Association as at the date of this Prospectus.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Applicant means a Shareholder or Underwriter or other party instructed by the Underwriter who applies for Shares pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the ASX Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 7:00pm (AEST) on 12 August 2011 (unless extended).

Company means Strategic Minerals Corporation NL (ACN 008 901 380).

Corporations Act means the *Corporations Act 2001*(Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Issue means the issue of Shares offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the offer pursuant to this Prospectus of one (1) new Share for every three (3) Shares held by a Shareholder on the Record Date to raise approximately \$3,532,172.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 7:00pm (AEST) on 22 July 2011.

Related Corporation has the meaning given to that term in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Application Form means the shortfall application form attached to or accompanying this Prospectus.

Underwriter means Christopher Ian Wallin, Ann Catherine Wallin, Sylvia Fay Bhatia and Fiona Kay McLoughlin as trustees for the Christopher Wallin Superannuation Fund.

WST means Western Standard Time.