

STRATEGIC MINERALS CORPORATION NL

ACN 008 901 380

OFFER DOCUMENT

For a pro rata non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every six (6) Shares held by Shareholders on the Record Date at an issue price of \$0.032 per Share to raise approximately \$3,014,120 (**Offer**).

The Entitlement Issue is fully underwritten by the trustees for the Christopher Wallin Superannuation Fund (**Underwriter**). Refer to Section 2.9 for further details in relation to the underwriting arrangements in place for the Offer.

IMPORTANT NOTICE

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

The New Shares offered by this document should be considered speculative

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 28 February 2013 and closes at 5:00pm WST on 15 March 2013.

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

This Offer Document and enclosed personalised Entitlement and Acceptance Form have been prepared by Strategic Minerals Corporation NL (ACN 008 901 380) (**Strategic Minerals** or the **Company**). This Offer Document is dated 14 February 2013.

No party other than Strategic Minerals has authorised or caused the issue of this Offer Document, or takes any responsibility for, or makes, any statements, omissions, representations or undertakings in this Offer Document.

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

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas shareholders

This Offer is being made to all Shareholders, including those Shareholders who are resident in jurisdictions outside Australia and New Zealand. However, 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 the New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, prior to applying for New Shares under the Offer, overseas Shareholders should discuss any application for New Shares with their professional advisers in order to ensure that an application for New Shares in the jurisdiction in which they are resident does not breach any applicable law in that jurisdiction.

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Offer.

Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses 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 Share Registry.

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

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 ASX Settlement Operating 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.

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1. CHAIRMAN'S LETTER

14 February 2013

Dear Shareholder

On behalf of Strategic Minerals Corporation NL (**Strategic Minerals** or the **Company**), I am pleased to invite you to participate in a pro rata non-renounceable entitlement issue on the basis of one (1) New Share for every six (6) Shares held on the Record Date at an issue price of \$0.032 per New Share, to raise approximately \$3,014,120 (the **Offer**).

On 14 February 2013, the Company announced its intention to undertake an equity raising of approximately \$3,014,120 via the Offer.

The Company intends to apply the funds raised from the Offer as set out in Section 2.3 of this Offer Document.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up all or any part of their Entitlements will not receive any payment or value in respect of those Entitlements and their equity interest in the Company will be diluted.

The Offer is fully underwritten by the trustees for the Christopher Wallin Superannuation Fund.

This Offer Document contains important information about the Offer, including:

- (a) details of the Offer, including key dates;
- (b) actions required by Shareholders; and
- (c) risk factors associated with the Offer.

A personalised Entitlement and Acceptance Form which details your Entitlement is to be completed in accordance with the instructions provided.

This Offer Document should be read carefully and in its entirety before deciding whether or not to participate in the Offer. In particular, you should consider the key risk factors included in Section 4 of this Offer Document.

Shareholders who have any queries about the Offer should contact the Company at any time from 8:30am to 5:00pm (Perth time) during the Offer period.

On behalf of the Board of Strategic Minerals, I invite you to consider this investment opportunity and thank you for your ongoing support of our company.

Yours faithfully,



Claude F. Guerre
Chairman

2. DETAILS OF THE OFFER

2.1 The Offer

The Company is making a pro rata non-renounceable offer of New Shares at an issue price of \$0.032 each on the basis of one (1) New Share for every six (6) Shares held on the Record Date (the **Offer**).

On the basis that no further Shares are issued or no Options exercised prior to the Record Date, the Offer is for 94,191,230 New Shares.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

2.2 Indicative Timetable

Event	Date
Release of Offer Document, Cleansing Notice and Appendix 3B lodged to ASX (prior to market opening)	14 February 2013
Notice sent to Shareholders	15 February 2013
Ex Date (date from which securities commence trading without the Entitlement to participate in the Offer)	18 February 2013
Record Date 5pm (WST) (date for determining Entitlements of eligible Shareholders to participate in the Entitlement Issue)	22 February 2013
Offer Document Dispatched to Shareholders (expected date of dispatch of Offer Document, Entitlement and Acceptance Forms)	28 February 2013
Offer Opening Date	28 February 2013
Offer Closing Date* 5pm (WST)	15 March 2013
Securities quoted on a deferred settlement basis	18 March 2013
ASX notified of under subscriptions**	20 March 2013
Dispatch holding statements**	25 March 2013

* These dates are determined based upon the current expectations of the Directors and may be changed with 6 Business Days prior notice.

2.3 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$3,014,120 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised from the Offer to:

Activity	Allocated Funds
Exploration on the Company's existing projects	\$2,500,000
Costs of the Offer	\$187,068
General Working Capital	\$327,052
Total	\$3,014,120

The above table is a statement of current intentions as of this Offer Document. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

2.4 Capital Structure

	Shares	Options
Existing at the date of this Offer Document	565,147,377	10,000,000 ⁽²⁾
To be issued under the Offer ⁽¹⁾	94,191,230	Nil
Balance after the Offer	659,338,607	10,000,000

Notes:

(1) The number of Shares to be issued under the Offer assumes that no Options are exercised before the Record Date.

(2) Unlisted Options exercisable at 4.25 cents each on or before 30 April 2013.

2.5 Market Price of Shares

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

Highest: \$0.048 from 14 to 21 November 2012

Lowest: \$0.037 on 22, 23 and 26 November 2012 and 10 December 2012.

The latest available closing sale price of the Company's Shares on ASX prior to the printing of this Offer Document was \$0.039 on 12 February 2013.

2.6 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

2.7 No Rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

2.8 Directors Interests and Participation

Each Director's interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Options ²	Entitlement
Claude Guerre	4,945,000 ¹	2,500,000	824,167
Walter Martin	3,543,469 ³	2,500,000	590,578
Claude Bigeard	Nil	2,500,000	Nil
Jay Stephenson	176,000 ⁴	1,250,000	29,333

Notes:

1. Claude Guerre holds 4,050,000 Shares indirectly on behalf of a third party.
2. Options exercisable at 4.25 cents each and expiring on 30 April 2013.
3. Walter Martin holds 3,211,779 Shares indirectly through Ramaree Pty Ltd as trustee for the Martin Super Fund.
4. Jay Stephenson holds 176,000 Shares indirectly through Wolfstar Group Pty Ltd.

Each of Messrs Guerre, Martin, Bigeard and Stephenson have agreed to take up their Entitlements in whole or in part.

2.9 Underwriting Agreement

The Company and the Underwriter entered into an agreement (**Underwriting Agreement**) pursuant to which the Underwriter agreed to fully underwrite the Offer.

Pursuant to the Underwriting Agreement, as consideration for fully underwriting the Offer the Company has agreed to pay the Underwriter a fee of 5% of the total amount underwritten under the Offer.

The Underwriting Agreement also contains other terms and conditions, and representations and warranties that are considered standard for an agreement of this type.

2.10 Effect of the Entitlement Issue on Voting Power in the Company

As set out in Section 2.9 above, the Underwriter has agreed to fully underwrite the Offer up to a maximum amount of \$3,014,120.

The potential effect that the issue of New Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Shareholders take up all of the Entitlement under the Offer, the percentage interest in the Shares of the Company held by the Underwriter (and any other major Shareholders) would not change, and there would not be any effect on the voting power of the Underwriter; and
- (b) if some or all of the Shareholders do not take up their Entitlement under the Offer, and there is Shortfall, then the Underwriter will be required to subscribe for the Shares which make up the Shortfall.

To comply with the requirement to fully disclose the Underwriter's potential voting power in the Company and the effect of it underwriting the Offer the table below sets out various scenarios to indicate the effect on the Company's shareholding depending on the Shortfall (if any). The table below shows the effect of the Offer on the Underwriter's voting power in the Company on the assumption that the Underwriter takes up its full Entitlement under the Offer.

Event/Date	Number of Shares held by Underwriter and its associates	Voting Power of Underwriter
Date of Prospectus	206,817,369	36.60%
After Underwriter takes up its Entitlement, being	241,286,931	36.60%
After issue of Shares assuming maximum Shortfall (being 100%)	335,478,161	50.88%
After issue of Shares assuming 75% Shortfall	311,930,353	47.31%
After issue of Shares assuming 50% Shortfall	288,382,546	43.74%
After issue of Shares assuming 25% Shortfall	264,834,738	40.17%
After issue of Shares assuming 0% Shortfall	241,286,931	36.60%

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of it underwriting the Offer. It is unlikely that no Shareholders will take up their Entitlement under this Offer. The underwriting obligation of the Underwriter, and therefore voting power of the Underwriter, will reduce by a corresponding amount, for the amount of Entitlements taken up by other Shareholders. In addition, the future pattern of shareholding of the Company will change depending on the take up of Entitlements of the other Shareholders and whether the Underwriter takes up its own entitlement.

2.11 Overseas Eligible Shareholders

This Offer is being made to all Shareholders, including those Shareholders who are resident in jurisdictions outside Australia and New Zealand. However, 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 the New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, prior to applying for New Shares under the Offer, overseas Shareholders should discuss any application for New Shares with their professional advisers in order to ensure that an application for New Shares in the jurisdiction in which they are resident does not breach any applicable law in that jurisdiction.

2.12 New Zealand Shareholders

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

In accordance with the Securities Act (Overseas Companies) Exemption Notice 2002 (NZ), a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Offer no longer holds Shares is not eligible to participate in this Offer.

Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Offer Document in in any other country outside Australia, except to beneficial shareholders in New Zealand and any other country where the Company may determine it is lawful and practical to make the Entitlement Issue.

2.13 Opening and Closing Dates

The Offer opens on the Opening Date, being 18 March 2013, and closes on the Closing Date, being 15 March 2013. The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

2.14 Issue and despatch

The expected dates for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 2.2.

It is the responsibility of applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

2.15 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

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

2.16 CHESS

The Company is a participant 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 New Shares allotted to them under this Offer Document. 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.

2.17 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

2.18 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 4.

2.19 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company Secretary, Mr Jay Stephenson, by telephone on +61 (08) 9388 8399.

3. ACTION REQUIRED BY SHAREHOLDERS

3.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. 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
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form or pay via BPAY® by following the instructions set out in 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
 - (ii) attach your cheque for the appropriate application monies (at \$0.032 per Share) or pay via BPAY® by following the instructions set out in the Entitlement and Acceptance Form; or
- (c) if you wish to apply for additional New Shares in addition to your Entitlement:
 - (i) complete the Entitlement and Acceptance Form, specifying the additional New Shares you wish to apply for; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.032 per Share) or pay via BPAY® by following the instructions set out in the Entitlement and Acceptance Form;
- (d) 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 Energy Limited – Share Account”** and crossed **“Not Negotiable”**.

If paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form. It is your responsibility to ensure that funds submitted through BPAY® are received by **3.00pm (AEDT) on the Closing Date**.

Your completed Entitlement and Acceptance Form and cheque must reach the Company no later than 5:00pm (WST) on the Closing Date.

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

3.2 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will revert to the Underwriter.

The offer of the Shortfall is a separate offer pursuant to this Offer Document. The issue price of any Shares offered pursuant to the Shortfall Offer shall be \$0.032, being the price at which the Entitlement has been offered to Shareholders pursuant to this Offer Document. The Shortfall shall be placed at the direction of the Underwriter, and the Underwriter reserves the right to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies, or to reject an application, or to not proceed with placing the Shortfall (pursuant to the terms of the Underwriting Agreement).

3.3 Applying for additional New Shares

Eligible Shareholders will not be entitled to be issued additional Shares in excess of their Entitlement. Any funds received by the Company in excess of a Shareholder's Entitlement will be reimbursed to the Shareholder, less interest.

3.4 Queries concerning your Entitlement

If you have any queries concerning your Entitlement please contact Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross, Western Australia 6153 on +61 (08) 9315 2333.

4. RISK FACTORS

4.1 General

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

Based on the information available, a non-exhaustive list of risk factors which may affect the Company's financial position, prospects and the price of its listed securities include the following.

4.2 Company Specific Risks

(a) 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.

(b) **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.

4.3 Industry Specific Risks

(a) **Exploration and Development Success**

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit or further, a commercial uranium mining operation.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to

maintain title to its mining tenements, and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its mining tenements, a reduction in the potential size of the uranium deposits of the Company and possible relinquishment of its mining tenements.

(b) **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:

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

(c) **Title Risks and Native Title**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(d) **Tenure and Access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

4.4 General Risks

(a) **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.

(b) **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.

(c) **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.

(d) **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.

(e) **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.

(f) **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.

(g) **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. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(h) **Share Market**

Share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) metal price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;

- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

(i) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

5. CAPITAL STRUCTURE AND FINANCIAL INFORMATION

5.1 Consolidated balance sheet

The Balance Sheet as at 31 December 2012 (unaudited) and the Pro Forma Balance Sheet as at 31 December 2012 (unaudited) 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. The Pro Forma Balance Sheet has been prepared on the assumption that all Shares pursuant to the Offer are issued.

The 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 as at 31 December 2012 (unaudited) and Pro Forma Balance Sheet as at 31 December 2012 (unaudited)

	UNAUDITED 31 December 2012	PROFORMA 31 December 2012
CURRENT ASSETS		
Cash1	641,045	3,468,097
Other current assets	107,928	107,928
TOTAL CURRENT ASSETS	748,973	3,576,025
NON-CURRENT ASSETS		
Exploration and evaluation	17,417,784	17,417,784
Property Plant and Equipment	85,319	85,319
Other Non-current Assets	125,564	125,564
TOTAL NON-CURRENT ASSETS	17,628,667	17,628,667
TOTAL ASSETS	18,377,640	21,204,692
CURRENT LIABILITIES		
Creditors and borrowings	374,547	374,547
TOTAL CURRENT LIABILITIES	374,547	374,547
TOTAL LIABILITIES	374,547	374,547
NET ASSETS (LIABILITIES)	18,003,103	20,830,155
EQUITY		
Share capital	40,779,629	43,606,681
Minority Interest	(5,886)	(5,886)
Reserves	3,062,525	3,062,525
Retained loss	(25,833,164)	(25,833,164)
TOTAL EQUITY	18,003,103	20,830,155

5.2 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

DEFINED TERMS

\$ or A\$ means an Australian dollar.

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Closing Date means the closing date set out in Section 2.2 or such other date as may be determined by the Directors.

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

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for one (1) New Share for every six (6) Shares held by an Eligible Shareholder on the Record Date and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Foreign Holder means a holder of a Share whose address, as shown in the records of the Share Registry, is a place outside of Australia or New Zealand.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or **Entitlement Issue** means the pro rata non-renounceable offer of New Shares at an issue price of \$0.032 each on the basis of one (1) New Share for every six (6) Shares held on the Record Date pursuant to this Offer Document.

Offer Document means this Offer Document dated 14 February 2013.

Opening Date means the opening date set out in Section 2.2.

Option means an option to acquire a Share.

Record Date means the record date set out in Section 2.2.

Section means a section of this Offer Document.

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

Share Registry means Security Transfer Registrars Pty Ltd.

Shortfall means those New Shares under the Offer not applied for by the Closing Date.

Shareholder means a holder of Shares.

Underwriter means Christopher Ian Wallin, Anne Catherin Wallin, Sylvia Fay Bhatia and Fiona Kay McLoughlin as trustees for the Christopher Wallin Superannuation Fund

WST means Australian Western Standard Time.