



***Strategic
Minerals
Corporation N.L.***

ABN: 35 008 901 380

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2016**

STRATEGIC MINERALS CORPORATION NL

ABN: 35 008 901 380

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2016

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STRATEGIC MINERALS CORPORATION NL

CORPORATE DIRECTORY

DIRECTORS:

Laif Allen McLoughlin
Chairman

Christopher Wallin
Non-executive Director

Jay R Stephenson
Non-executive Director

HOME BRANCH:

Australian Securities Exchange
Level 40
152-158 St Georges Terrace
PERTH WA 6000

ASX Code: SMC

COMPANY SECRETARY:

Jay Stephenson

AUDITORS:

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

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BANKERS:

NAB
1232 Hay Street
WEST PERTH WA 6005

STRATEGIC MINERALS CORPORATION NL

DIRECTORS' REPORT

Your Directors present their financial report on the consolidated entity consisting of Strategic Minerals Corporation NL and the entities it controlled for the half year ended 30 June 2016.

1. Directors

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

Laif Allen McLoughlin	Chairman
Christopher Wallin – appointed 9 May 2016	Non-executive Director
Jay Stephenson, MBA, FCPA, CMA, FGIA, MAICD	Non-executive Director
Walter Martin - deceased 28 April 2016	Managing Director

2. Consolidated Results

The net amount of the consolidated loss of the consolidated entity for the half year ended 30 June 2016 after providing for income tax was \$464,303 (30 June 2015: \$307,382).

3. Review of Operations

The Company continued exploration of its Woolgar gold project in Queensland during the half year ended 30 June 2016.

In April 2016, it was with great sadness that the Company announced the passing of long serving Managing Director, Walter Martin.

4. Significant Changes in the State of Affairs

On 9 June 2016, the Company completed a 1 for 15 Share Consolidation.

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

5. Events after the reporting period

On 10 August 2016, the Company announced that it had completed a Renounceable Rights Offer and successfully raised \$1,293,877 through the issue of 4,620,990 Shares at \$0.28 per Share.

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

6. Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

This report is made in accordance with a resolution of the Board of Directors.

For and on behalf of the Board.



Laif McLoughlin
CHAIRMAN

Dated this 13th of September 2016.

STRATEGIC MINERALS CORPORATION NL

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2016

	Half Year 30 June 2016 \$	Half Year 30 June 2015 \$
Revenue from continuing operations	795	22,273
Administration expense	(41,021)	(34,511)
Employee benefits expense	(317,791)	(190,910)
Consulting and legal expense	(35,769)	(19,421)
Depreciation expense	(16,771)	(37,707)
Occupancy expense	(21,307)	(26,552)
Travel expense	(5,964)	(5,586)
Shareholder expense	(15,938)	(14,968)
Impairment on other non-current assets	(10,537)	-
Loss before income tax	(464,303)	(307,382)
Income tax expense	-	-
Loss for the half-year	(464,303)	(307,382)
Items that may be reclassified to profit & loss	-	-
Other comprehensive income for the half-year	-	-
Total comprehensive loss for the half-year	(464,301)	(307,382)
Loss and Total comprehensive income/(loss) for the half year is attributable to:		
Equity holders of Strategic Minerals Corporation NL	(464,181)	(307,374)
Non-Controlling Interest	(122)	(8)
	(464,303)	(307,382)
	Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the company		
Basic and diluted loss per share	(0.80)	(0.56)

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

STRATEGIC MINERALS CORPORATION NL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	30 June 2016	31 Dec 2015
	\$	\$
Current Assets		
Cash and cash equivalents	219,022	821,489
Trade and other receivables	22,050	18,142
Total Current Assets	241,072	839,631
Non-Current Assets		
Financial assets	10,500	10,500
Plant and equipment	10,250	27,020
Exploration and evaluation expenditure	8 21,410,009	21,109,894
Other non-current assets	53,045	52,853
Total Non-Current Assets	21,483,804	21,200,267
TOTAL ASSETS	21,724,876	22,039,898
Current Liabilities		
Trade and other payables	151,279	124,015
Provisions	182,373	182,375
Total Current Liabilities	333,652	306,390
TOTAL LIABILITIES	333,652	306,390
NET ASSETS	21,391,224	21,733,508
EQUITY		
Contributed equity	48,264,705	48,142,683
Reserves	2,972,522	2,972,522
Accumulated losses	(29,839,993)	(29,375,809)
Capital and reserves attributable to owners of Strategic Minerals Corporation NL	21,397,234	21,739,396
Non-controlling interest	(6,010)	(5,888)
TOTAL EQUITY	21,391,224	21,733,508

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

STRATEGIC MINERALS CORPORATION NL

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2016

	Contributed Equity	Share based payments reserve	Accumulated Losses	Total	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2015	47,398,273	2,972,522	(28,613,349)	21,757,446	(5,881)	21,751,564
Loss for the half year	-	-	(307,374)	(307,374)	(8)	(307,382)
Total comprehensive income/(loss) for the half year	-	-	(307,374)	(307,374)	(7)	(307,382)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Balance at 30 June 2015	47,398,273	2,972,522	(28,920,723)	21,450,072	(5,888)	21,444,182
	Contributed Equity	Share based payments reserve	Accumulated Losses	Total	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2016	48,142,683	2,972,522	(29,375,809)	21,739,396	(5,888)	21,733,508
Loss for the half year	-	-	(464,184)	(464,184)	(122)	(464,306)
Total comprehensive income/(loss) for the half year	-	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	122,022	-	-	122,022	-	122,022
Balance at 30 June 2016	48,264,705	2,972,522	(29,839,993)	21,397,234	(6,010)	21,391,224

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

STRATEGIC MINERALS CORPORATION NL**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016**

	Half Year 30 June 2016 \$	Half Year 30 June 2015 \$
Cash Flows from operating activities		
Payments to suppliers and employees	(414,439)	(349,642)
Net cash outflow from operating activities	(414,439)	(349,642)
Cash Flows from investing activities		
Interest received	795	22,273
Receipts for tenement security deposits not required	(192)	19,550
Payments for exploration expenditure	(310,655)	(318,026)
Net cash outflow from investing activities	(310,052)	(276,203)
Cash Flows from financing activities		
Proceeds of capital raising, net of costs	122,022	-
Net cash inflow from financing activities	122,022	-
Net increase (decrease) in cash and cash equivalents	(602,469)	(625,845)
Cash and cash equivalent at the beginning of the half year	821,491	1,780,386
Cash and cash equivalent at the end of the half year	219,022	1,154,541

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

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2015 and any public announcements made by Strategic Minerals Corporation NL and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the December 2015 financial report. These half-year statements do not include full disclosures of the type normally included in the annual financial statements.

(a) Employee benefits

(i) Short-term obligations

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

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

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period from 1 January 2016.

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

The adoption of Accounting Standards and Interpretations applicable from 1 January 2015 did not have any significant impact on the financial performance or position of the consolidated entity.

2. COMMITMENTS

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

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2016

3. SEGMENT REPORTING

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

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

The main mineral type of the Group is Gold. The Gold projects are held in Strategic Minerals Corporation NL.

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

	Gold	Treasury	Total
	\$	\$	\$
Six months ended 30 June 2016			
Segment revenue	-	75	75
Segment profit for the half year	-	75	75
Reconciliation to net operating loss:			
Depreciation expense			(16,771)
Impairment of other non-current assets			(10,537)
Corporate expense			(437,070)
Net loss per statement of profit or loss and other comprehensive income			(464,303)
Six months ended 30 June 2015			
Segment revenue	-	22,273	22,273
Segment loss for the half year	-	22,273	22,273
Reconciliation to net operating loss:			
Depreciation expense			(37,707)
Impairment of financial assets			-
Corporate expense			(291,948)
Net loss per statement of profit or loss and other comprehensive income			(307,382)
Total segment assets at 30 June 2016			
Segment assets	21,410,007	219,022	21,629,029
Property plant and equipment			10,250
Financial assets			63,545
Receivables and other assets			22,052
Total assets from continuing operations per statement of financial position			21,724,876

STRATEGIC MINERALS CORPORATION NL

Total segment assets at 31 December 2015

Segment assets	21,109,894	821,489	21,931,384
Property plant and equipment			27,021
Financial assets			63,351
Receivables and other assets			18,142
Total assets from continuing operations per statement of financial position			<u>22,039,897</u>

4. EVENTS AFTER THE REPORTING PERIOD

On 10 August 2016, the Company announced that it had completed a Renounceable Rights Offer and successfully raised \$1,293,877 through the issue of 4,620,990 Shares at \$0.28 per Share.

There were no other events that have occurred after the end of the reporting period that have or may significantly affect the operations, results or state of affairs of the consolidated entity in future financial periods.

5. CONTINGENT LIABILITIES

Strategic Minerals Corporation NL has \$41,800 worth of bank guarantees in relation to exploration licenses as at 30 June 2016 (31 December 2015: \$52,851). There are no other contingent assets or liabilities at the end of the period.

6. RELATED PARTY TRANSACTIONS

Mr Christopher Wallin, a Director of the Company, is the major shareholder of QGold Pty Ltd, the majority shareholder of the Company which holds 68.7% of the issued capital of the Company.

There are no other significant related party transactions not already identified in the 31 December 2015 financial statements.

7. DIVIDENDS

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

STRATEGIC MINERALS CORPORATION NL

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2016

8. EXPLORATION AND EVALUATION

The Group holds several exploration licences which provide the legal right to exploration and underpins the carrying amount of the exploration and evaluation expenditure asset recorded at 30 June 2016. Some of these licences are under renewal, or due for renewal within the next 12 months, and the continued capitalisation of these assets depends on the successful renewal of these exploration licences otherwise the areas of interest assets may be written off.

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

	30 June 2016 6 Months \$	31 December 2015 12 Months \$
Exploration at cost:		
Balance at the beginning of the period	21,109,894	20,070,119
Exploration expenditure during the period	300,115	1,039,775
Impairments during the period	-	-
Balance at the end of the period	21,410,009	21,109,894

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

9. SHARE CAPITAL

In June 2016, the Company completed a 1 for 15 Share Consolidation.

Shares on Issue pre-consolidation	866,431,995
Shares on Issue post-consolidation	57,762,133

STRATEGIC MINERALS CORPORATION NL

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the six months ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Laif McLoughlin
CHAIRMAN

Dated this 13th of September 2016.

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF STRATEGIC MINERALS CORPORATION NL

As lead auditor for the review of Strategic Minerals Corporation NL for the half-year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

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

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



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 13 September 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Strategic Minerals Corporation NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strategic Minerals Corporation NL, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Strategic Minerals Corporation NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 13 September 2016