



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

ACN 008 901 380
ABN 35 008 901 380

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7 September 2004

Australian Stock Exchange
ASX Online
Sydney NSW

Interim Financial Report 30 June 2004

We now attach for release the audit reviewed Financial Report for the half ye
This Report is being lodged at the ASIC this week.

By Order of the Board

Gerard Tonks
Company Secretary

STRATEGIC MINERALS CORPORATION NL
ABN: 35 008 901 380

INTERIM FINANCIAL REPORT
30 JUNE 2004

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**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

CORPORATE DIRECTORY

DIRECTORS:

C GUERRE – Chairman
W MARTIN – Managing Director
R D BARTSCH
C BIGEARD
B FEHLBERG

AUDITORS:

BDO Chartered Accountants & Advisers
8th Floor
256 St George's Terrace
Perth WA 6000

COMPANY SECRETARY:

G TONKS FCA, ACIS

HOME BRANCH:

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000
ASX CODE: SMC

REGISTERED OFFICE:

Level 1, Old Swan Brewery Building
173 Mounts Bay Road
Perth WA 6000

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Telephone (08) 9322 1257
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SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6953

PO Box 535
Applecross WA 6953

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**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity consisting of Strategic Minerals and the entities it controlled at the end of or during the half year ended 30 June 2004.

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:

Mr Claude Guerre Chairman

Mr Walter A C Martin, Dip. Legal Studies Managing Director

Mr Barry Fehlberg, B.S. Hons Non-executive Director

Mr Claude Bigeard Non-executive Director

Mr Roland D Bartsch B.Sc. (Hons), MSC Non-executive Director

2. Consolidated Results

The net amount of the consolidated loss of the consolidated entity for the half year ended 30 June 2004 after providing for income tax was \$270,265 (30 June 2003: Loss \$204,936).

3. Review of Operations

The Company carried out another round of exploration drilling at its Woolgar Gold Project located in Queensland. It has entered into a farm-in agreement with Barrick Gold of Australia Ltd.

A drilling program was completed during the period and the results are being assessed and published.

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

4. Significant Changes in the State of Affairs

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

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

For and on behalf of the Board.

W A C MARTIN
Director

Perth, Western Australia
Dated this 6th day of September 2004.

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 30 JUNE 2004**

		Economic Entity	
	Note	Half year 30 June 2004 \$	Half year 30 June 2003 \$
Revenue from ordinary activities		102,290	54,482
Administrative expense		(372,555)	(259,418)
		-----	-----
Loss from ordinary activities before income tax expense		(270,265)	(204,936)
Income tax expense relating to ordinary activities		-	-
		-----	-----
Loss from ordinary activities after income tax expense attributable to members of the Parent entity		(270,265)	(204,936)
		=====	=====
Basic earnings per share	2	(0.12c)	(0.09c)

The accompanying notes form part of this financial report

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004**

	Note	Economic Entity	
		30 June 2004	31 December 2003
		\$	\$
Current Assets			
Cash assets		3,536,165	1,896,204
Receivables		61,960	24,953
		-----	-----
Total Current Assets		3,598,125	1,921,157
		-----	-----
Non-Current Assets			
Other financial assets		9,621	37,648
Property, plant and equipment		65,674	56,741
Intangible assets		14,781,913	14,229,660
		-----	-----
Total Non-Current Assets		14,857,208	14,324,049
		-----	-----
Total Assets		18,455,333	16,245,206
		-----	-----
Current Liabilities			
Payables		87,142	163,669
Interest bearing liabilities		9,951	19,311
Provisions		43,810	43,810
		-----	-----
Total Current Liabilities		140,903	226,790
		-----	-----
Non-Current Liabilities			
Interest bearing liabilities		23,535	27,205
		-----	-----
Total Non-Current Liabilities		23,535	27,205
		-----	-----
Total Liabilities		164,438	253,995
		-----	-----
NET ASSETS		18,290,895	15,991,211
		=====	=====
Equity			
Contributed Equity	3	29,997,471	27,427,521
Reserves		7,917,871	7,917,871
Accumulated losses		(19,624,447)	(19,354,181)
		-----	-----
TOTAL EQUITY		18,290,895	15,991,211
		=====	=====

The accompanying notes form part of this financial report

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2004**

	Economic Entity	
	Half year 30 June 2004	Half year 30 June 2003
	\$	\$
Cash Flows from Operating Activities		
Payment for deferred expenditure	(552,253)	(492,841)
Interest received	85,682	19,003
Payments to suppliers and employees	(360,641)	(261,202)
	_____	_____
Net cash (used in)/provided by operating activities	(827,212)	(735,040)
	_____	_____
Cash Flows from Investing Activities		
Proceeds on sale of investments	18,326	-
Proceeds on sale of plant & equipment	-	-
Payments for plant & equipment	(18,073)	(671)
	_____	_____
Net cash (used in)/provided by investing activities	253	(671)
	_____	_____
Cash Flows from Financing Activities		
Proceeds from issue of shares	2,571,000	-
Share issue costs	(91,050)	-
Repayments of borrowings	(13,030)	(3,669)
	_____	_____
Net cash provided by/(used in) financing activities	2,466,920	(3,669)
	_____	_____
Net increase in cash held	1,639,961	(739,380)
Cash at the beginning of the half year	1,896,204	2,553,775
	_____	_____
Cash at the end of the half year	3,536,165	1,814,395
	_____	_____

The accompanying notes form part of this financial report

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2004**

1. STATEMENT OF ACCOUNTING POLICY

This general purpose financial report for the half year reporting period ended 30 June 2004, has been prepared in accordance with the provisions of the Corporations Act 2001, applicable Accounting Standards, including AASB 1029: "Interim Financial Reporting", other mandatory professional reporting requirements, (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It is recommended that this financial report be read in conjunction with the 31 December 2003 Annual Financial Statements and Reports, together with any public announcements made by Strategic Minerals Corporation NL and its controlled entities during the half year ended 30 June 2004 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half year.

The carrying amount of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at the end of the financial year. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

For the purpose of preparing the half year financial statements, the half year has been treated as a discrete reporting period.

The half-year report does not include full disclosures of the type normally included in an annual report.

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2004**

STATEMENT OF ACCOUNTING POLICY (CONTINUED)

Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS):

Australia is currently preparing for the introduction of IFRS effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. Stakeholders will be informed as to the impact of these new standards as they are finalised.

The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

Taxation

A "balance sheet" approach will be adopted replacing the "statement of financial performance" approach currently used by Australian companies. The "balance sheet" method recognizes deferred tax balances when there is a difference between the carrying value of an asset or liability and its tax base. Any initial adjustments to calculate deferred tax assets and liability balances on transition using the new basis will be made through the opening balances of retained earnings. Deferred tax asset and liability balances can only be calculated once all other opening balance sheet amounts have been finalised at that date.

Revenue on Disposal of Assets

Current accounting includes gross revenue received on disposal of assets as revenue. Gains and losses on sale of assets will be recognized on a net basis in revenue, resulting in lower revenue being recorded.

Non-Current Investments – Investments in Controlled Entities

Under IFRS these investments are not classified as held for sale and as such will be measured at cost with impairment tests performed when indicators of impairment are identified in accordance with AASB 136. Initial impairment adjustments may arise because of the requirement to discount cashflows and these would have a negative impact on opening balances of retained earnings.

Extractive Industries

The impacts of changes from the current AASB 1022 are not yet determinable.

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL
STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2004**

	30 June 2004	30 June 2003
	\$	\$
2. EARNINGS PER SHARE		
Basic earnings per share (cents per share)	(0.12c)	(0.09c)
(a) The weighted average number of ordinary shares used in the calculation of basic earnings per share is 224,355,170 (30 June 2003: 216,113,486).		
(b) Where diluted earnings per share are not dilutive, they are not disclosed.		
3. EQUITY SECURITIES ISSUED		
Number of ordinary shares issued	226,955,450	216,113,486
Issued and paid up capital	\$29,997,471	\$26,919,921
4. SEGMENT INFORMATION		
The consolidated entity operates entirely in Australia and predominately in the field of mineral exploration and exploration with particular emphasis on gold and other minerals.		
5. EVENTS SUBSEQUENT TO REPORTING DATE		
There were no significant events subsequent to 30 June 2004 that would affect the Accounts		
6. CONTINGENT LIABILITIES		
There has been no change in contingent liabilities since the last annual reporting date.		

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 4 to 9:

1.
 - a) Comply with Accounting Standard, AASB 1029: Financial Reporting and the Corporations Regulations; and
 - b) Give a true and fair view of the economic entity's financial position as at 30 June 2004 and of its performance for the half year ended on that date.
2. In the directors opinion: there are reasonable grounds to believe that Strategic Minerals Corporation NL will be able to repay its debts as and when they become due and payable.

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

W A C MARTIN
Director

Perth, Western Australia
Dated this 6th day of September 2004.

**STRATEGIC MINERALS CORPORATION NL
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT REVIEW REPORT TO THE MEMBERS OF STRATEGIC
MINERALS CORPORATION NL**

Scope

We have reviewed the financial report of Strategic Minerals Corporation NL (the Company) being the Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Directors' Declaration for the half year ended 30 June 2004 as set out on pages 4 to 10.

The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial statements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: "Interim Financial Reporting", other mandatory professional reporting requirements in Australia, and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge financial statements with the Australian Securities & Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to enquiries of Company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

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:

- a) the Corporations Act 2001 including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2004 and of its performance for the half year ended on that date; and
 - ii) complying with Accounting Standard AASB 1029: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

Signed at Perth this 6th day of September 2004
BDO
Chartered Accountants

S Andrawes
Partner