CHAIRMAN'S STATEMENT

It is well documented that 2022 and the first half of 2023 has been a difficult time on AIM. Despite this uncertainty, I am pleased that the Company has been able to maintain profitable trading, despite a significant drop in sales at Cobre. This is a particularly challenging period for markets, and the world, but I have faith that Strategic Minerals is well placed to weather this storm and that the Board and Management will help the Company capitalise on the valuable assets it has secured and developed.

Financial results

The Company continued its underlying profitable performance in the first half of 2023, when many businesses succumbed to cash flow and profitability impacts arising from the pandemic overhang, Ukraine war and evaporation of funding support on the AIM market.

With the drop in sales at Cobre and coupled with a challenging equity market environment, the Company's ability to secure funding to progress its development projects and general development processes have been impacted. Adjustments to operations have been made with the Company successfully reducing overheads by 13% in the first half of the year before allowing for capitalisation of director fees associated with projects.

Unrestricted cash on hand at 30 June 2023 was US$129,000 with a further US$45,000 re-imbursement from the DDC project dropping into the Company's account in the first week of July. However, in acknowledging the need to maintain prudent cash flow, the Company is seeking short-term debt financing. It is considered that this is the least dilutive approach to maintain prudent operating cash levels, at this time.

Strategic Focus

The current drop in sales at Cobre has caused a greater focus on bringing strategic investors (Joint venture/purchasers) to the table in relation to both Redmoor and LCCM. Significant efforts have been made in this area for over a year and more recent interactions have been particularly positive in relation to Redmoor.

Cobre Operations

During the first six months of 2023, sales at Cobre were still profitable despite a significant fall in sales compared to prior periods, due to its major client suspending orders. Adjustments were made in personnel hours and SMG continues to deal with enquiries in relation to its magnetite product, although increased transport costs, caused by higher oil prices, does impact potential new sales.

The first half of the year also saw the receiver for CV Investments making progress towards the first distribution in relation to the Receivership, however, it now appears that any payment to SMG will not be a material amount.

Leigh Creek Copper Mine ("LCCM")

Currently, the Company is working with two unrelated parties who have expressed an interest in the sulphide exploration potential of the project. These parties have signed confidentiality agreements, accessed our data room and have undertaken their own due diligence, although no site visit has been undertaken as yet.

Additionally, we have recently been approached by a party that is proposing an alternative approach to treating the copper oxide and we are currently investigating the feasibility of this approach.

Redmoor Tin-Tungsten Project ("Redmoor")

After feedback received on our comprehensive application for grant funds from the Shared Prosperity Fund ("SPF"), the CRL team, under tight time frame requirements, resubmitted a revised grant application which is currently being assessed, alongside other applications, by Cornwall and Isles of Scilly Council ("CIoS").

During the second half of 2023, the team at Redmoor have/are intending to undertake:

- Historic relogging and sampling on Redmoor's library of 14,000m of drill core which is expected to add to the understanding of the geology and mineral resource at Redmoor and potentially add to the existing JORC (2012) resource through additional sampling and modelling, without the need for expensive drilling.

- Follow-up and expansion on work completed as part of Deep Digital Cornwall, with target generation and infill sampling underway.

- Continued research and negotiation in consolidating and expanding CRL's mineral rights footprint in the highly prospective Cornwall region

- Collaboration with other parties on agreements which will utilise CRL's expertise and IP

- To work with an interested party currently accessing the CRL data room, answering further questions and providing requested information.

- Follow up on the revised grant funding application lodged in early August and prepare for the proposed scope of works, and work to maximise the potential for a positive funding decision.

- Attendance, by CRL's Project Manager and Senior Geologist, at the Society of Economic Geologists ("SEG") Conference in London and hosting the SEG field trip afterwards to Redmoor, as part of a wider Cornwall field trip of industry professionals.

- Attendance, by CRL's Project Manager and Senior Geologist, at the Cornish Mining Conference in Falmouth and hosting a related site visit by industry professionals.

- Hosting, in September 2023, a visit from HM Treasury which is part of a wider south west England visit to UK mining projects. The objective is to feedback to Government a better understanding of the extent of mining activities in the UK, as well as how best the Government can assist in the development of the returning industry.

- Hosting a local community update event in October 2023.

Safety

The Company has a strong focus on safety issues and continues to maintain a high level of performance when it comes to safety. In the first half of 2023, there was an incident involving an employee receiving a "jolt" from a pothole at the Cobre pit. As a precaution, the employee was sent home for the afternoon and returned to work the next morning.

Again, I would like to take this opportunity to thank my fellow Directors, our management and staff in New Mexico, South Australia and Cornwall, along with our advisers, for their support and hard work on our behalf during the period. Additionally, I would like to thank our clients, contractors, suppliers and partners for their continued backing.

I look forward to further progressing our key strategic goals in 2023 and pushing onto a brighter 2024.

Alan Broome AM
Non-Executive Chairman

28 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2023 (Unaudited) $'000	6 months to 30 June 2022 (Unaudited) $'000	Year to 31 December 2022 (Audited) $'000
Continuing operations			
Revenue	782	1,329	2,446
Raw materials and consumables used.	(137)	(256)	(494)
Gross profit	645	1,073	1,952
Other income	1	-	13
Overhead expenses	(457)	(637)	(1,252)
Amortisation	(116)	(139)	(278)
Depreciation	(8)	(16)	(16)
Share based payment	-	(12)	(12)
Foreign exchange gain/(loss)	(6)	(5)	(17)
Profit from operations	59	264	390
Finance expense		(4)	-
Lease Interest	(5)	(12)	(18)
Profit/ (loss) before taxation	54	248	372
Income tax (expense)/credit	(16)	(121)	(288)
Profit for the period attributable to:			
Owners of the parent	38	127	84
Other comprehensive income			
Exchange gains/(losses) arising on translation of foreign operations	22	(902)	(1,027)
Total comprehensive (loss)/income attributable to:			
Owners of the parent	60	775	(943)
Profit/ (loss) per share attributable to the ordinary equity holders of the parent:			
Continuing activities – Basic	¢0.02	¢0.08	¢0.05
– Diluted	¢0.02	¢0.08	¢0.05

	6 months to 30 June 2023 (Unaudited) $'000	6 months to 30 June 2022 (Unaudited) $'000	Year to 31 December 2022 (Audited) $'000
Assets			
Non-current assets			
Intangible Asset	533	553	544
Deferred Exploration and evaluation costs	5,367	4,886	4,983
Other Receivables	133	139	136
Property, plant and equipment	8,203	7,301	8,223
Right of Use Assets	469	568	544
	14,705	13,447	14,470
Current assets			
Inventories	5	2	5
Trade and other receivables	391	435	319
Income Tax prepaid	13	-	88
Cash and cash equivalents	129	430	341
Prepayments	-	1	25
	538	868	779
Total Assets	15,243	14,315	15,248
Equity and liabilities			
Share capital	2,916	2,916	2,916
Share premium reserve	49,387	49,397	49,387
Share options reserve	-	-	-
Merger reserve	21,300	21,300	21,300
Warrant Reserve	-	153	-
Foreign exchange reserve	(1,312)	(1,209)	(1,334)
Other reserves	(23,023)	(23,023)	(23,023)
Accumulated loss	(36,365)	(36,512)	(36,403)
Total Equity	12,903	13,012	12,843
Liabilities			
Non-Current Liabilities			
Lease Liabilities	230	317	305
Provisions	1,166	405	1,191
	1,396	722	1,496
Current liabilities			
Income Tax Payable	148	6	261
Trade and other payables	580	309	366
Lease Liabilities	216	266	282
	944	581	909
Total Liabilities	2,340	1,303	2,405
Total Equity and Liabilities	15,243	14,315	15,248

CONSOLIDATED STATEMENT OF CASH FLOW

	6 months to 30 June 2023 (Unaudited) $'000	6 months to 30 June 2022 (Unaudited) $'000	Year to 31 December 2022 (Audited) $'000
Cash flows from operating activities			
Profit/ (loss) after tax	38	127	84
Adjustments for:			
Depreciation of property, plant, and equipment	8	16	16
Amortisation of Right of Use asset	116	139	278
Finance expense	-	4	-
Income Tax expense	16	121	288
(Increase) / decrease in inventory	-	2	(1)
(Increase) / decrease in trade and other receivables	(149)	12	212
(Increase) / decrease in prepayments	25	3	(19)
Increase / (decrease) in trade and other payables	213	48	(42)
Increase /(decrease) in prepaid income tax	75	-	(25)
Income tax paid	(53)	(52)	(27)
Share based payment expense	-	12	11
Net cash flows from operating activities	289	432	775
Investing activities			
Increase in PPE Development Asset	(188)	(253)	(490)
Increase in PPE	-	-	-
Increase in deferred exploration and evaluation asset	(159)	(201)	(226)
Net cash used in investing activities	(347)	(454)	(717)
Financing activities			
Net proceeds from issue of equity share capital	-	-	-
Lease Payments	(146)	(151)	(320)
Net cash from financing activities	(146)	(151)	(320)
Net increase / (decrease) in cash and cash equivalents	(204)	(173)	(262)
Cash and cash equivalents at beginning of period	341	611	611
Exchange gains / (losses) on cash and cash equivalents	(7)	(8)	(8)
Cash and cash equivalents at end of period	129	430	341

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital $'000	Share premium reserve $'000	Merger Reserve $'000	Warrant Warrant Reserve $'000	Share options reserve $'000	Initial Re-structure Reserve $'000	Foreign Exch. reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2022	**2,916**	**49,387**	**21,300**	**153**	**97**	**(23,023)**	**(307)**	**(36,748)**	**13,775**
Profit for the year	-	-	-	-	-	-	-	84	84
Foreign exchange translation	-	-	-	-	-	-	(1,027)	-	(1,027)
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	(1,027)	84	(943)
Share based payments	-	-	-	-	11	-	-	-	11
Transfer	-	-	-	(153)	(108)	-	-	261	-
Balance at 31 December 2022	**2,916**	**49,387**	**21,300**	**-**	**-**	**(23,023)**	**(1,334)**	**(36,403)**	**12,843**
Profit for the period	-	-	-	-	-	-	-	38	38
Foreign exchange translation	-	-	-	-	-	-	22	-	22
Total comprehensive income for the year	-	-	-	-	-	-	22	38	60
Balance at 30 June 2023	**2,916**	**49,387**	**21,300**	**-**	**-**	**(23,023)**	**(1,312)**	**(36,365)**	**12,903**

All comprehensive income is attributable to the owners of the parent Company.

NOTES FORMING PART OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General Information

Strategic Minerals Plc ("the Company") is a public company incorporated in England and Wales. The consolidated interim financial statements of the Company for the six months ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Significant accounting policies

Basis of preparation

In preparing these financial statements the presentational currency is US dollars. As the entire Group's revenues and majority of its costs, assets and liabilities are denominated in US dollars it is considered appropriate to report in this currency.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Standards and UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The financial statements have been prepared on a historical cost basis, except for the acquisition of LCCM and the valuation of certain investments which have been measured at fair value, not historical cost.

Going concern basis

The Directors have given careful consideration to the Group and Parent Company's (together "the Group") ability to continue as a going concern through review of cash flow forecasts prepared by management for the period to 31 March 2025, and a review of the key assumptions on which these are based and sensitivity analysis.

The Group's forward commitments include corporate overhead, which is actively managed in line with cash generated from the Cobre asset and costs associated with keeping exploration licences and mining leases current.

Group forecasts are based on Management's expectations of a recovery in sales, in the second half of 2023 and 2024, to 2021 levels. For the purposes of the consideration of the Group's ability to operate as a going concern, only non-discretionary expenditure on projects is included in the cash flow forecasts.

The Company forecasts that in order to have sufficient funds to meet all operating costs until March 2025, the Group is reliant on cash being generated from the Cobre asset in line with forecast and a funding by way of debt/equity or a combination of both would be required in the last quarter of 2023.

However, the Board considers additional funds will be required to progress the development of the Leigh Creek Copper Mine and Redmoor projects. It is the intention of the group that the LCCM asset will be developed during Q1 2024 and management are actively pursuing such funding and envisage that this will be sourced at the asset level.

These conditions indicate a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

If further funds are required, the Directors have reasonable expectation based on the ability of the Company to raise funds in the past that the Group will have access to sufficient resources by way of debt or equity markets to meet all non-discretionary expenditure. Consequently, the consolidated financial statements have been prepared on a going concern basis.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

New standards, interpretations, and amendments effective 1 July 2023:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which have not been adopted early.

Investment in joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement.
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (in any other contractual arrangements).

The Group accounts for its interests in joint ventures initially at cost in the consolidated statement of financial position. Subsequently joint ventures are accounted for using the equity method where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint ventures' profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues, and expenses in accordance with its contractually conferred rights and obligations. In accordance with IFRS 11 Joint Arrangements, the Group is required to apply all of the principles of IFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3.Where there is an increase in the stake of the joint venture entity from an associate to a subsidiary and the acquisition is considered as an asset acquisition and not a business combination in accordance with IFRS3, this step up transaction is accounted for as the purchase of a single asset and the cost of the transaction is allocated in its entirety to that asset with no gain or loss recognised in the income statement. The step-up acquisition of CRL in 2019 has been accounted for as a purchase of a single asset and the cost of the transaction is allocated in its entirety to that balance sheet.

3. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

(a) Carrying value of intangible assets

Management assesses the carrying value of the exploration and evaluation assets for indicators of impairment based on the requirements of IFRS 6 which are inherently judgemental. This includes ensuring the Group maintains legal title, assessment regarding the commerciality of reserves and the clear intention to move the asset forward to development.

i) The Redmoor projects are early-stage exploration projects and therefore Management have applied judgement in the period as to whether the results from exploration activity provide sufficient evidence to continue to move the asset forward to development. There are no indicators of impairment for the Redmoor project in the period to 30 June 2023.

(b) Share based payments

The fair value of share-based payments recognised in the statement of comprehensive income is measured by use of the Black Scholes model after taking into account market-based vesting conditions and conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour based on past experience.

(c) Carrying value of amounts owed by subsidiary undertakings.

IFRS9 requires the parent company to make certain assumptions when implementing the forward- looking expected credit loss model. This model is required to be used to assess the intercompany loan receivables from its subsidiaries for impairment. Arriving at an expected credit loss allowance involved considering different scenarios for the recovery of the intercompany loan receivables, the possible credit losses that could arise and probabilities for these scenarios.

The following were considered: the exploration project risk, the future sales potential of product, value of potential reserves and the resulting expected economic outcomes of the project.

(d) Carrying Value of Development Assets

Management assesses the carrying value of development assets for indicators of impairment based on the requirements of IAS36 which are inherently judgemental.

The following are the key assumptions used in this assessment of Carrying value.

i) Mineable reserves over life of project

ii) Forecasted Copper pricing

iii) Capital and operating cost assumptions to deliver the mining schedule

iv) Foreign exchange rates

v) Discount rate

vi) Estimated project commencement date.

If the carrying amount of the Development asset exceeds the recoverable amount, the asset is impaired. The Group will reduce the carrying amount of the asset to its recoverable amount and recognise an impairment loss. The assessment is carried out twice per year – end of half year reporting period and end of annual reporting period.

(e) Determination of incremental borrowing rate for leases

Under IFRS 16, where the interest rate implicit in the lease cannot be readily determined the incremental borrowing rate is used. The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

Judgements

(a) Investments in subsidiaries

Investment in subsidiaries comprises of the cost of acquiring the shares in subsidiaries.

If an impairment trigger is identified and investments in subsidiaries are tested for impairment, estimates are used to determine the expected net return on investment. The estimated return on investment takes into account the underlying economic factors in the business of the Company's subsidiaries including estimated recoverable reserves, resources prices, capital investment requirements, and discount rates among other things.

(b) Contingent consideration as part of Asset acquisition

Judgement was required in determining the accounting for the contingent consideration payable as per of the CRL acquisition. The group has an obligation to pay A$1m on net smelter sales arising from CRL production reaching A$50m and a further A$1m on net smelter sales arising from CRL production reaching A$100m.

Whilst a possible obligation exists in relation to the consideration payable, given the early stage of the project it was concluded that at reporting date it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

4. Segment information

The Group has four main segments during the period:

- Southern Minerals Group LLC (SMG) - This segment is involved in the sale of magnetite to both the US domestic market and historically transported magnetite to port for onward export sale.
- Head Office - This segment incurs all the administrative costs of central operations and finances the Group’s operations. A management fee is charged for completing this service and other certain services and expenses.
- Development Asset – This segment holds the Leigh Creek Copper Mine Development Asset in Australia and incurs all related operating costs.
- United Kingdom - The investment in the Redmoor project in Cornwall, United Kingdom is held by this segment.

Factors that management used to identify the Group's reportable segments.

The Group's reportable segments are strategic business units that carry out different functions and operations and operate in different jurisdictions.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the board and management team which includes the Board and the Chief Financial Officer.

Measurement of operating segment profit or loss, assets, and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with International Accounting Standards.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities. Loans and borrowings are allocated to the segments in which the borrowings are held. Details are provided in the reconciliation from segment assets and liabilities to the Group’s statement of financial position.

6 Months to 30 June 2023 (Unaudited)	SMG $'000	Head Office $'000	United Kingdom $'000	Development Asset $'000	Intra Segment Elimination $'000	Total $'000
Revenues	782	-	-	-	-	782
Gross profit	782	-	-	-	-	782
Other Income	1	-	-	-	-	1
Raw materials/consumables	(137)	-	-	-	-	(137)
Overhead expenses	(242)	(215)	-	-	-	(457)
Management fee income/(expense)	(200)	197		-	3	-
Share based payments	-	-	-	-	-	-
Amortisation	(116)	-	-	-	-	(116)
Depreciation	(8)	-	-	-	-	(8)
Foreign exchange gain/(loss)	-	78	-	-	(84)	(6)
Segment profit /(loss) from operations	80	60	-	-	(81)	59
Lease Interest	(4)		(1)			(5)
Finance Expense	-	-	-	-	-	-
Segment profit /(loss) before taxation	76	60	(1)	-	(81)	54

6 Months to 30 June 2022 (Unaudited)	SMG $'000	Head Office $'000	United Kingdom $'000	Development Asset $'000	Intra Segment Elimination $'000	Total $'000
Revenues	1,329	-	-	-	-	1,329
Gross profit	1,329	-	-		-	1,329
Raw materials/consumables	(256)	-	-	-	-	(256)
Overhead expenses	(281)	(380)	(6)	-	30	(637)
Management fee income/(expense)	(200)	206		-	(6)	-
Share based payments	-	(12)	-	-	-	(12)
Amortisation	(139)	-	-	-	-	(139)
Depreciation	(16)	-	-	-	-	(16)
Foreign exchange gain/(loss)	-	63	-	-	(68)	(5)
Segment profit /(loss) from operations	437	(123)	(6)	-	(44)	264
Lease Interest	(10)		(2)			(12)
Finance Expense	-	-	-	(4)	-	(4)
Segment profit /(loss) before taxation	427	(123)	(8)	(4)	(44)	248

Year to 31 December 2022 (Audited)	SMG $'000	Head Office $'000	United Kingdom $'000	Development Asset $'000	Intra Segment Elimination $'000	Total $'000
Revenues	2,446	-	-	-	-	2,446
Total Revenue	2,446	-	-		-	2,446
Othe Revenue	-	-	13	-	-	13
Raw Materials/Consumables	(494)	-	-	-	-	(494)
Overhead expenses	(563)	(684)	(33)	-	29	(1,251)
Management fee income/(expense)	(250)	253		-	(3)	-
Share based payments	-	(11)	-	-	-	(11)
Amortisation- right of use asset	(278)	-	-	-	-	(278)
Depreciation	(16)	-	-	-	-	(16)
(Loss)/ gain on intercompany loans	-	(707)	-	-	707	-
Foreign exchange gain/(loss)	-	(65)	-	-	46	(19)
Segment profit /(loss) from operations	845	(1,214)	(20)	-	779	390
Lease Interest	(16)	-	(2)	-	-	(18)
Finance Expense	-	-	-	-	-	-
Segment profit /(loss) before taxation	829	(1,214)	(22)	-	779	372

As at 30 June 2023 (Unaudited)	SMG $'000	Head Office $'000	United Kingdom $'000	Development Asset $'000	Total $'000
Additions to non-current assets	-	-	159	188	347
Reportable segment assets	901	42	5,517	8,783	15,243
Reportable segment liabilities	690	359	86	1205	2340

As at 30 June 2022 (Unaudited)	SMG $'000	Head Office $'000	United Kingdom $'000	Development Asset $'000	Total $'000
Additions to non-current assets	-	-	201	253	454
Reportable segment assets	1,181	160	5,068	7,906	14,315
Reportable segment liabilities	651	172	31	449	1,303

As at 31 December 2022 (Audited)	**SMG $'000**	**Head Office $'000**	**United Kingdom $'000**	**Development Asset $'000**	**Total $'000**
Additions to non-current assets	-	-	226	490	717
Reportable segment assets	1,166	84	5,185	8,813	15,428
Reportable segment liabilities	910	220	41	1,233	2,405

	External revenue by location of customers		**Non-current assets by location of assets**	
	30 June 2023 $'000	**30 June 2022 $'000**	**30 June 2023 $'000**	**30 June 2022 $'000**
United States	782	1,329	535	648
United Kingdom	-	-	5,387	4,905
Australia	-	-	8,783	7,894
	782	1,329	14,705	13,447

Revenues from Customer A totalled $273,114 (2022: $188,315), which represented 35% (2022: 14%) of total domestic sales in the United States, Customer B totalled $nil (2022: $506,503) which represented 0% (2022: 38%) and Customer C totalled $417,642 (2022: $ 436,587) which represented 53% (2022: 33%).

5. Operating Loss

	6 months to 30 June 2023 (Unaudited) $'000	6 months to 30 June 2022 (Unaudited) $'000	Year to 31 December 2022 (Audited) $'000
Operating gain/loss is stated after charging/(crediting):			
Other Income	(1)	-	(13)
Directors' fees and emoluments	86	197	276
Equipment rental	2	2	3
Equipment maintenance	13	12	33
Fees payable to the company's auditor for the audit of the parent company and consolidated financial statements	-	-	74
Non- Audit Services	-	-	15
Salaries, wages, and other staff related costs	203	248	485
Legal, professional and consultancy fees	82	96	198
Other Expenses	71	82	168
Overhead Expenses	457	637	1,252
Lease Interest	5	12	18
Finance Fee	-	4	-
Foreign exchange	6	5	18
Amortisation of Right of use assets	116	139	278
Depreciation	8	16	16
Share based payments	-	12	11
Total	591	825	1,580

6. Intangible assets – exploration and evaluation costs

	6 months to 30 June 2023 (Unaudited) $'000	6 months to 30 June 2022 (Unaudited) $'000	Year to 31 December 2022 (Audited) $'000
Cost			
Opening balance for the period	4,983	5,228	5,228
Additions for the period	236	201	400
Grant Reimbursement	(69)	(123)	(174)
Research and development incentive	(8)	-	-
Foreign exchange difference	225	(420)	(471)
Closing balance for period	5,367	4,886	4,983

7. Property, plant and equipment

	Development Asset $'000	Plant and Machinery $'000	Total $'000
Group			
Cost			
At 1 January 2022 (audited)	7,027	746	7,773
Additions	253	-	253
Foreign exchange difference	(403)	(18)	(421)
At 30 June 2022 (unaudited)	6,877	728	7,605
Additions for period	237	-	237
Bond Uplift	797		797
Foreign exchange difference	(104)	(5)	(109)
At 31 December 2022 (audited)	7,807	723	8,530
Additions	188	-	188
Foreign exchange difference	(193)	(7)	(200)
			-
At 30 June 2023 (Unaudited)	7,802	716	8,518
Depreciation			
At 1 January 2022 (audited)	-	(288)	(288)
Charge for the period	-	(16)	(16)
Foreign exchange difference			-
At 30 June 2022 (unaudited)	-	(304)	(304)
Charge for the period	-	-	-
Foreign exchange difference	-	(3)	(3)
At 31 December 2022 (audited)	-	(307)	(307)
Charge for the period	-	(8)	(8)
Foreign exchange difference	-	-	-
As at 30 June 2023(unaudited)	-	(315)	(315)
Carrying Value			
As at 30 June 2023 (unaudited)	7,802	401	8,203
As at 31 December 2022(audited)	7,807	416	8,223
As at 30 June 2022 (unaudited)	6,877	424	7,301

8. Leases

The Group has leases for an office, plant and machinery and a vehicle. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

	Office Lease $'000	Plant, Machinery and Vehicles $'000	Total $'000
Right of Use Assets	$'000	$'000	$'000
As at 1 January 2022 (audited)	20	697	717
Additions	-	-	-
Amortisation(capitalised)	(9)	(1)	(10)
Amortization	-	(139)	(139)
As at 30 June 2022 (unaudited)	11	557	568
Additions	-	167	167
Amortisation(capitalised)	-	(2)	(2)
Amortization	(10)	(139)	(149)
As at 31 Dec 2022 (Audited)	1	583	584
Additions	-	-	-
Amortisation(capitalised)	-	-	-
Amortization	(1)	(115)	(116)
As at 30 June 2023 (unaudited)	-	469	469

	Office Lease	Plant, Machinery and Vehicles	Total
Lease Liabilities			
As at 1 January 2022 (audited)	22	700	722
Additions	-	-	-
Interest Payments	1	11	12
Lease Payments	(5)	(146)	(151)
As at 30 June 2022 (unaudited)	18	565	583
Additions	-	167	167
Interest Payments	1	6	7
Lease Payments	(15)	(155)	(170)
As at 31 Dec 2022 (Audited	4	583	587
Interest Payments	-	5	5
Lease Payment	(4)	(142)	(146)
As at 30 June 2023 (unaudited)	-	446	446

Lease Liability	**June 2023**	**June 2022**	**December 2022**
Current	216	266	282
Non-Current	230	317	305
	446	583	587

9. Dividends

No dividend is proposed for the period.

10. Earnings per share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial year as provided below.

	6 months to 30 June 2023 (Unaudited) $'000	6 months to 30 June 2022 (Unaudited) $'000	Year to 31 December 2022 (Audited) $'000
Weighted average number of shares - Basic	1,593,558,030	1,593,558,030	1,593,558,030
Weighted average number of shares – Diluted	1,593,558,030	1,593,558,030	1,593,558,030
Earnings for the period	$38,000	$127,000	$84,000
Earnings per share in the period - Basic	¢0.02	¢0.08	¢0.05
Earnings per share in the period - Diluted	¢0.02	¢0.08	¢0.05

11. Share capital and premium

	30 June 2023 No	30 June 2023 $'000	30 June 2022 No	30 June 2022 $'000
Allotted, called up and fully paid				
Ordinary shares	2,015,964,616	52,303	2,015,964,616	52,303

Share options and warrants

As at 30 June 2023 all share options and warrants have expired.

Copies of this interim report will be made available on the Company's website, www.strategicminerals.net.