



15 December 2017

Our Ref: KJP:QMC001/4001

ASX Market Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

**By e-lodgement**

Dear Sir/Madam

**Target's Statement – off-market takeover bid by Moly Mines Limited**

In accordance with item 14 of section 633(1) of the *Corporations Act 2001* (Cth), we enclose a copy of the target's statement dated 15 December 2017 (**Target's Statement**) prepared by Queensland Mining Corporation Limited ACN 109 962 469 (**QMC**) in relation to the off-market takeover bid by Moly Mines Limited ACN 103 295 521 for all of the shares in QMC.

The Target's Statement was lodged with the Australian Securities and Investments Commission and sent to Moly today.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Kieren Parker".

**Kieren Parker**

**Partner**

Direct Line: +61 2 8915 1013

Direct Fax: +61 2 8916 2013

Email: [kieren.parker@addisonslawyers.com.au](mailto:kieren.parker@addisonslawyers.com.au)



**TARGET'S STATEMENT ISSUED BY  
QUEENSLAND MINING CORPORATION LIMITED  
ACN 109 962 469**

in response to the Offer by Moly Mines Limited ACN 103 295 521 to acquire all of your QMC Shares for A\$0.17 in cash per QMC Share

# ACCEPT

Your QMC Directors unanimously recommend that you ACCEPT the Offer for your QMC Shares in the absence of a Superior Proposal.

**THIS IS AN IMPORTANT DOCUMENT THAT REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to how to deal with this document, you should consult your broker or legal, financial or other professional adviser immediately.**

**Legal Adviser to QMC**



## TABLE OF CONTENTS

1.	KEY DATES .....	3
2.	IMPORTANT INFORMATION .....	4
3.	CHAIRMAN'S LETTER.....	6
4.	QUESTIONS AND ANSWERS ABOUT THE OFFER.....	8
5.	YOUR CHOICES AS A QMC SHAREHOLDER .....	15
6.	QMC DIRECTORS' RECOMMENDATIONS, INTERESTS AND INTENTIONS .....	17
7.	REASONS FOR AND AGAINST ACCEPTING THE OFFER .....	20
8.	PROFILE OF QMC.....	23
9.	PROFILE OF MOLY .....	31
10.	IMPORTANT INFORMATION ABOUT THE OFFER .....	33
11.	OTHER MATERIAL INFORMATION .....	37
12.	GLOSSARY AND INTERPRETATION .....	40
	CORPORATE DIRECTORY .....	45

---

## 1. KEY DATES

Event	Date
ASX announcement of the Offer and entry into the Bid Implementation Agreement	15 December 2017
Lodgement of Bidder's Statement with QMC and ASIC	15 December 2017
Lodgement of Target's Statement with Moly and ASIC	15 December 2017
Record Date under the Takeover Bid ^	15 December 2017
Commencement of Offer Period under the Takeover Bid	18 December 2017
Dispatch of Bidder's Statement and Target's Statement to QMC Shareholders as at the Record Date	19 December 2017
Close of Offer Period under the Takeover Bid (unless withdrawn or extended)	19 January 2018

\* Some of the dates set out in the above timetable are indicative only and are subject to variation in accordance with the Corporations Act. Any change to the above timetable is expected to be released by QMC on the ASX Company Announcements Platform.

^ The Record Date is the date for determining to which QMC Shareholders the Bidder's Statement and this Target's Statement will be sent. The Offer extends to all fully-paid ordinary shares in QMC that are on issue as at the Record Date and that are issued after the Record Date and before the end of the Offer Period, whether by way of conversion of, or the exercise of a right attaching to, any securities that existed as at the Record Date or otherwise.

---

## **2. IMPORTANT INFORMATION**

This Target's Statement dated 15 December 2017 is given by QMC to Moly and each QMC Shareholder pursuant to Part 6.5 of Chapter 6 of the Corporations Act, in response to the Offer made by Moly to QMC Shareholders to acquire all QMC Shares pursuant to a Bidder's Statement dated 15 December 2017. This Target's Statement includes all information required by the Corporations Act. You should read this Target's Statement carefully and in its entirety.

Capitalised terms used in this Target's Statement are defined in the Glossary in section 12.

### **ASIC and ASX**

A copy of this Target's Statement was lodged with ASIC on 15 December 2017 and provided to ASX on 15 December 2017. Neither ASIC nor ASX, or any of their respective officers, takes any responsibility for the contents of this Target's Statement.

### **Investment decision**

This Target's Statement does not take into account the individual investment objectives, financial situation or particular needs of any QMC Shareholder or any other person. QMC Shareholders may wish to seek independent legal, financial and taxation advice before making a decision as to whether or not to accept the Offer.

### **Forward looking statements**

Some of the statements in this Target's Statement are in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements are only predictions and are subject to inherent risks and uncertainties, which may not be within the control of QMC or Moly. These include changes in risks, circumstances and events specific to the industry, countries and markets in which QMC, Moly or their associated operations operate. Actual outcomes, events or results may differ – possibly to a material extent – from the outcomes, events or results expressed or implied in any forward looking statement in this Target's Statement. None of QMC, QMC's officers, employees or advisers, any persons named in this document with their consent or any person involved in the preparation of this Target's Statement, makes any representation or warranty (expressed or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any outcomes expressed or implied in any forward looking statement in this Target's Statement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

### **Disclaimer as to information**

The information on Moly in this Target's Statement has been prepared using publicly available information, including information contained in the Bidder's Statement, and has not been independently verified by QMC. Accordingly, QMC does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Similarly, this Target's Statement contains references to the Bidder's Statement. Neither QMC nor any QMC Director takes any responsibility for the contents of the Bidder's Statement or any part of the Bidder's Statement. Parts and Sections of the Bidder's Statement referred to in this Target's Statement do not form part of this Target's Statement.

## **Resources**

The statements in this Target's Statement about QMC's resource estimates have been extracted without material amendment from reports and statements previously filed by QMC with ASX.

## **Privacy statement**

QMC has collected your information from the register of QMC Shareholders maintained by QMC for the purpose of providing you with this Target's Statement. The type of information QMC has collected about you includes your name, address and information on your shareholding in QMC. QMC has also provided or will provide personal information about QMC Shareholders to Moly in accordance with the Corporations Act and the ASX Settlement Operating Rules. Moly states in the Bidder's Statement that it may disclose this information to its related bodies corporate and external service providers of Moly for the purposes of completing the Takeover Bid, and that this information may also be required to be disclosed to regulators, such as ASIC and ASX. If you would like details of, or would like to update, information about you held by QMC, please contact the Share Registry or the Company Secretary of QMC at the addresses set out in the Corporate Directory contained in this Target's Statement.

## **Notice to Foreign QMC Shareholders**

The release, publication or distribution of this Target's Statement may, in some jurisdictions other than Australia, be restricted by law or regulation of those jurisdictions. Accordingly, persons who come into possession of this Target's Statement should inform themselves of, and observe, those restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside of Australia.

---

### 3. CHAIRMAN'S LETTER

15 December 2017

Dear QMC Shareholder

On 15 December 2017, Queensland Mining Corporation Limited (**QMC**) entered into a Bid Implementation Agreement with Moly Mines Limited (**Moly**), pursuant to which parties have agreed to implement the Takeover Bid.

On 13 October 2017, QMC entered into the Share Sale Agreement to sell its White Range project to Moly for \$45 million in cash plus \$8 million in Moly convertible notes. Following entry into the Share Sale Agreement, Moly initiated discussions with QMC with respect to the balance of QMC's assets. These discussions enabled QMC to negotiate what the QMC Directors consider to be a better position for QMC Shareholders. Moly's cash-only Takeover Bid is much simpler to execute and, assuming that it is successful, will mean payment by Moly directly to QMC Shareholders at A\$0.17 per QMC Share, with a total cash consideration valuing QMC at approximately A\$50.8 million. It also provides a quick and secure return to QMC Shareholders with payment by Moly within the payment period specified in the Bidder's Statement.

#### *The Takeover Bid*

Moly has made an off-market Takeover Bid to acquire all QMC Shares. QMC Shareholders who accept the Offer under the Takeover Bid will be entitled to receive A\$0.17 in cash per QMC Share (**Offer Consideration**).

The QMC Directors have carefully considered the Offer (on the above terms) and have agreed, under the Bid Implementation Agreement, to support and, as reasonably requested by Moly, promote the Offer with Moly, in the absence of a Superior Proposal for QMC.

This Target's Statement sets out in detail the QMC Board's response to the Offer, the QMC Directors' reasons for recommending that you accept the Offer (in the absence of a Superior Proposal for QMC), along with other important information to help you decide whether to accept the Offer.

In making its recommendation, the QMC Directors have carefully considered the following matters:

- the Offer provides a significant premium for your QMC Shares, including:
  - a premium of 82.80% to the 30 trading day VWAP of A\$0.093 per QMC Share as at 12 October 2017, the last trading before the announcement of the Share Sale Agreement; and
  - a premium of 49.12% to the 30 trading day VWAP of A\$0.114 per QMC Share as at 14 December 2017, the last trading day before the Announcement Date;
- the Offer Consideration provides an immediate cash return to QMC Shareholders and crystallises value for the White Range project;
- as at the date of this Target's Statement, the Offer is the only takeover offer capable of acceptance by QMC Shareholders;
- the Offer provides an opportunity to avoid the risk and uncertainty relating to QMC's ability to fund its ongoing operations; and
- there are potential risks in not accepting the Offer, as described further in section 7.1.7 of this Target's Statement.

Other than Mr Qiu, the QMC Directors who hold QMC Shares intend to accept the Offer in full, in absence of a Superior Proposal.

Mr Qiu's shareholding entity, Great Tang Brothers Resource Investment Pty Ltd (**GTB**), has provided an undertaking to Moly to accept the Offer by 20 December 2017 in respect of 29,611,620 of its QMC Shares. Further information in relation to the undertaking is set out in section 8.4.2 of this Target's Statement. Mr Qiu does not propose to make a statement of intention in relation to the remainder of GTB's QMC Shares.

The QMC Directors who hold QMC Options intend to exercise their QMC Options for QMC Shares, and to accept the Offer in respect of all such QMC Shares, in the absence of a Superior Proposal.

The relevant interests of the QMC Directors in QMC Shares and QMC Options are detailed in section 6.4 of this Target's Statement.

**Your QMC Directors unanimously recommend that you ACCEPT the Offer in the absence of a Superior Proposal for QMC.**

**The Offer is open from 18 December 2017 and is currently scheduled to close at 7:00pm (Sydney time) on 19 January 2018, unless otherwise varied.**

The QMC Board strongly recommend that you read the Bidder's Statement and this Target's Statement in their entirety, and consider the Offer having regard to your personal circumstances, before deciding whether to accept the Offer.

If you wish to accept the Offer, you should follow the instructions in the Bidder's Statement and on the Acceptance Form.

Should you have any enquiries about the Offer, please consult your broker or legal, financial or other professional adviser.

Yours sincerely

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

Lakshman Jayaweera  
Chairman



#### 4. QUESTIONS AND ANSWERS ABOUT THE OFFER

Set out below is a summary of Moly's Offer for your QMC Shares. This section is not intended to address all issues relevant to the decision of whether to accept the Offer, and should be read together with all other parts of this Target's Statement.

Further details as to the terms and conditions of the Offer are set out in Sections 8 and 9 of the Bidder's Statement and section 10 of this Target's Statement. You should read this Target's Statement and the Bidder's Statement in their entirety prior to deciding whether to accept the Offer.

Question	Answer	Further information*
<b>Takeover documents</b>		
<b>What is the Bidder's Statement?</b>	The Bidder's Statement is the document from Moly containing the Offer. You should have received a copy of the Bidder's Statement along with this Target's Statement.	
<b>What is the Target's Statement?</b>	<p>This document is the Target's Statement. The Target's Statement contains QMC's formal response to the Offer and includes the recommendations of the QMC Directors in relation to the Offer.</p> <p>The QMC Directors encourage you to review the information in this Target's Statement and the Bidder's Statement carefully, before making a decision as to whether to accept the Offer.</p>	
<b>Key terms of the Offer</b>		
<b>Who is making the Offer?</b>	<p>Moly Mines Limited ACN 103 295 521 (Moly).</p> <p>Moly is a public unlisted company that was registered in Western Australia on 6 January 2003. Moly has historically been involved in minerals exploration, mine development and operations and has, more recently, focused on the identification and evaluation of near term mining opportunities.</p> <p>Moly currently owns the Spinifex Ridge molybdenum-copper project located in the Pilbara region in Western Australia, which is currently on care and maintenance as the project's economics do not support the funding for the development of the project.</p> <p>Moly has since recommenced looking at other potential, corporate and project opportunities, resulting in the potential opportunity with the acquisition of QMC.</p>	<p>Section 9</p> <p>Bidder's Statement – Section 4</p>
<b>What is the Offer?</b>	<p>Moly is offering to acquire all fully-paid ordinary shares that are on issue in the capital of QMC at any time during the period:</p> <ul style="list-style-type: none"> <li>commencing on 15 December 2017 (<b>Record Date</b>);</li> </ul>	<p>Section 10</p> <p>Bidder's Statement – Section 8</p>

\* All references to "further information" are references to sections in this Target's Statement, except where it is indicated that it is a reference to a part or section of the Bidder's Statement.

Question	Answer	Further information*
	<p>and</p> <ul style="list-style-type: none"> <li>ending on the Closing Date of the Offer (including any new fully-paid ordinary shares that are issued by QMC during the Offer Period).</li> </ul> <p>The Closing Date is currently scheduled to occur at 7.00pm (Sydney time) on 19 January 2018 but is subject to variation by Moly.</p>	
<b>What is the Offer Consideration?</b>	Moly is offering A\$0.17 in cash per QMC Share.	Section 10.1 Bidder's Statement – Section 8.1
<b>Choices with respect to the Offer</b>		
<b>What choices do I have as a QMC Shareholder?</b>	<p>As a QMC Shareholder, you can:</p> <ul style="list-style-type: none"> <li>accept the Offer in respect of all of the QMC Shares that you hold;</li> <li>sell all or some of your QMC Shares independently of the Offer (unless you have already accepted the Offer for your QMC Shares and have not validly withdrawn your acceptance); or</li> <li>reject the Offer by doing nothing.</li> </ul> <p>If you accept the Offer, you will be agreeing to transfer all (and not some) of the QMC Shares that you hold to Moly.</p>	Section 5
<b>What do the QMC Directors recommend?</b>	The QMC Directors unanimously recommend you <b>ACCEPT</b> the Offer in the absence of a Superior Proposal for QMC. The reasons for your QMC Directors recommendations are set out in section 7 of this Target's Statement.	Sections 6.2 and 7
<b>What do the QMC Directors intend to do with their QMC Shares?</b>	<p>Other than Mr Qiu, it is the intention of each of the QMC Directors who are QMC Shareholders to accept (or to procure the acceptance of) the Offer in respect of all QMC Shares that they control, in the absence of a Superior Proposal for QMC.</p> <p>Mr Qiu's shareholding entity, GTB, has provided an undertaking to Moly to accept the Offer by 20 December 2017 in respect of 29,611,620 of its QMC Shares. Further information in relation to the undertaking is set out in section 8.4.2 of this Target's Statement. Mr Qiu does not propose to make a statement of intention in relation to the remainder of GTB's QMC Shares.</p> <p>Further, each QMC Director who holds QMC Options intends to exercise their QMC Options for QMC Shares, and to accept the Offer in respect of all such QMC Shares,</p>	Section 6.5

Question	Answer	Further information*
	in the absence of a Superior Proposal.	
<b>What do some of the major shareholders of QMC intend to do with their QMC Shares?</b>	Two of QMC's major shareholders, Perfect Nation and GTB, have each provided an undertaking to Moly to accept the Offer by 20 December 2017 in relation to 29,611,620 of their QMC Shares (59,223,240 QMC Shares, or 20.0%, in aggregate).	Section 8.4.2
<b>Offer Period</b>		
<b>When does the Offer open and close?</b>	The Offer is open from 18 December 2017 and is currently scheduled to close at 7:00pm (Sydney time) on 19 January 2018, subject to Moly extending or withdrawing the Offer in accordance with the Corporations Act.	Bidder's Statement – Section 10
<b>Can Moly extend the Offer Period?</b>	<p>Yes.</p> <p>While the Offer remains subject to unsatisfied Conditions, Moly may extend the Offer Period at any time before the Conditions Status Notice has been given. Once the Conditions Status Notice is given, Moly can extend the Offer Period only where a third party has taken steps to make a competing takeover bid for QMC Shares or the consideration for a competing bid has been improved.</p> <p>Once the Takeover Bid is declared unconditional, Moly may extend the Offer Period at any time before the end of the Offer Period, provided that the Offer Period is no longer than 12 months in total.</p> <p>Further, the Offer Period may, in some circumstances, be automatically extended by operation of the Corporations Act.</p> <p>Any extension of the Offer Period will be notified to you in writing.</p>	Section 10.4
<b>Acceptance of the Offer</b>		
<b>To who is the Offer made?</b>	<p>The Offer is made to you as the holder of QMC Shares which are registered in your name in the register of members of QMC at 7.00pm (Sydney time) on the Record Date. If at any time during the Offer Period another person is or is entitled to be registered as the holder of some or all of those QMC Shares, then:</p> <ul style="list-style-type: none"> <li>• an offer corresponding to the Offer shall be deemed to have been made to that person in respect of QMC Shares of which that person is, or is entitled to be, registered as a holder; and</li> <li>• the Offer shall be deemed to have been made to you in respect of the remainder (if any) of the Shares that were registered in your name at 7.00pm (Sydney time)</li> </ul>	Bidder's Statement – Sections 12.1

Question	Answer	Further information*
	on the Record Date.	
<b>Can I accept the Offer if I am a Foreign QMC Shareholder?</b>	Foreign QMC Shareholders are entitled to accept the Offer.	Section 10.1 Bidder's Statement – Section 14.6
<b>When can I accept the Offer?</b>	You may accept the Offer at any time during the Offer Period, which opens on the Offer Date and is currently scheduled to close at 7:00pm (Sydney time) on 19 January 2018, unless extended or withdrawn in accordance with the Corporations Act.	Bidder's Statement – Section 10
<b>How do I accept this Offer?</b>	<p>To accept the Offer:</p> <ul style="list-style-type: none"> <li>• for CHES Holdings of QMC Shares - if you are not a Participant: instruct your stockbroker or Controlling Participant to initiate acceptance of the Offer on your behalf, or complete, sign and return the Acceptance Form.</li> <li>• for CHES Holdings of QMC Shares - if you are a Participant (within the meaning of the ASX Settlement Operating Rules): acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.</li> <li>• for Issuer Sponsored Holdings of QMC Shares: complete, sign and return the Acceptance Form.</li> <li>• for eligible institutional investors: <ul style="list-style-type: none"> <li>- if you are the registered holder of your QMC Shares, complete, sign and return to the Facility Operator the Acceptance Form and the appointment of Facility Operator form; or</li> <li>- if your QMC Shares are held by a custodian, complete, sign and return to the Facility Operator a direction to your custodian to accept the Offer and the appointment of Facility Operator form,</li> </ul> </li> </ul> <p>in accordance with Section 11.9 of the Bidder's Statement.</p>	Bidder's Statement – Section 11
<b>If I accept the Offer, can I later withdraw my acceptance?</b>	You may only withdraw your acceptance if Moly varies the Offer in a way that postpones the time when Moly needs to meet its obligations by more than 1 month and, at that time, the Offer remains subject to unsatisfied Conditions.	Section 10.6
<b>What if I do not accept the Offer?</b>	If you do not accept the Offer, you will retain your QMC Shares and will not be entitled to receive any Offer Consideration, subject to your statutory right to be 'bought-out' by Moly if, at the end of the Offer Period, Moly and its associates have relevant interests in at least 90% of QMC	Section 5.3

Question	Answer	Further information*
	<p>Shares.</p> <p>If Moly acquires a relevant interest in at least 90% of the QMC Shares by the end of the Offer Period, Moly has stated that it intends to offer to buy-out holders of QMC Shares.</p> <p>If this occurs, you will be issued with the same Offer Consideration at the conclusion of the Compulsory Acquisition process as if you had accepted the Offer. However, in those circumstances, you will receive the Offer Consideration later than if you had accepted the Offer during the Offer Period.</p>	
<b>Offer Consideration</b>		
<b>When will I receive my Offer Consideration?</b>	<p>If you validly accept the Offer, you will be issued the Offer Consideration within 21 days of the later of:</p> <ul style="list-style-type: none"> <li>• the date that you accept the Offer; and</li> <li>• if the Offer is still conditional when you accept the Offer, the Offer becoming unconditional.</li> </ul>	Section 10.6
<b>What happens if Moly increases the Offer Consideration during the Offer Period?</b>	<p>If Moly improves the Offer Consideration during the Offer Period, QMC Shareholders who have accepted the Offer by the close of the Offer Period – including those who accepted the Offer <i>prior</i> to the Offer Consideration having been improved – will be entitled to the improved Offer Consideration, assuming that the Offer is completed successfully.</p>	Section 10.6
<b>Conditions to the Offer</b>		
<b>Are there any conditions to completion of the Offer?</b>	<p>Yes, completion of the Offer is subject to a number of Conditions, including by way of summary:</p> <ul style="list-style-type: none"> <li>• the Minimum Acceptance Condition;</li> <li>• no material adverse change in QMC;</li> <li>• no material acquisitions, disposals or new commitments being made by QMC;</li> <li>• no Public Authority intervention which may adversely affect the Offer;</li> <li>• no persons exercising rights under certain agreements or instruments;</li> <li>• no Prescribed Occurrence or other specific event occurs in relation to QMC; and</li> <li>• no specified events occurring in the conduct of QMC's affairs.</li> </ul>	<p>Section 10.2</p> <p>Bidder's Statement – Section 9 and Schedule 2</p>

Question	Answer	Further information*
	<p>A complete list of Conditions, including their full terms, is set out in Schedule 2 of the Bidder's Statement.</p> <p>Under the Bid Implementation Agreement, Moly must declare the Offer free from any of the Conditions that have not been fulfilled or waived if:</p> <ul style="list-style-type: none"> <li>• the number of QMC Shares in which Moly and its associates together have relevant interests; plus</li> <li>• the number of QMC Shares that are the subject of the Acceptance Facility (and have not been withdrawn from the Acceptance Facility),</li> </ul> <p>is more than 50% (by number) of all QMC Shares on issue at that time.</p>	
<b>When will the Offer become unconditional?</b>	The Offer will become unconditional upon all Conditions being either satisfied in accordance with their terms or waived by Moly.	Section 10.3
<b>What happens if the Conditions are not satisfied or waived?</b>	<p>If the Conditions are not satisfied before the Offer closes or waived within the prescribed period, then the Offer will lapse and your acceptance of the Offer or the contract resulting from your acceptance of the Offer will be void.</p> <p>If this occurs, you will continue to hold your QMC Shares and be free to deal with them as if the Offer had not been made.</p>	Section 10.3
<b><i>Moly's intentions for QMC</i></b>		
<b>What are Moly's intentions for QMC after completion of the Offer?</b>	<p>Moly has set out its intentions in relation to QMC generally in Section 7 of the Bidder's Statement, including Moly's intentions:</p> <ul style="list-style-type: none"> <li>• upon acquiring 90% or more of QMC Shares;</li> <li>• if it acquires at least 50.01%% but less than 90% of QMC Shares; and</li> <li>• with respect to QMC generally.</li> </ul> <p>While Section 7 of the Bidder's Statement sets out Moly's intentions for QMC in certain circumstances, these intentions are stated to be current intentions only and may vary as new information becomes available or circumstances change.</p>	Bidder's Statement – Section 7
<b><i>Additional information</i></b>		
<b>Will I incur any stamp duty or brokerage if I accept the</b>	You will not incur any stamp duty or brokerage in connection with your acceptance of the Offer. Moly has indicated in the Bidder's Statement that it will pay any stamp duty or brokerage on the transfer of your QMC	Bidder's Statement – Sections 17 and 20

Question	Answer	Further information*
<b>Offer?</b>	Shares.	
<b>What are the tax implications of accepting the Offer?</b>	You should consult a financial, tax or other professional adviser on the specific potential tax implications of your acceptance of the Offer. A general summary of the Australian tax consequences for QMC Shareholders who accept the Offer is included in the Bidder's Statement. However, this summary should not be a substitute for seeking your own professional advice.	Bidder's Statement – Section 18
<b>How do I get updates on the QMC Share price?</b>	<p>It is likely that the market trading price for QMC Shares will vary during the Offer Period.</p> <p>You can check the market price for all ASX listed securities by visiting <a href="http://www.asx.com.au">www.asx.com.au</a>. The ticker for QMC Shares is QMN.</p>	
<b>Further enquiries</b>	<p>For further information in relation to the Offer:</p> <ul style="list-style-type: none"> <li>• see the Bidder's Statement for the full terms and conditions of the Offer; and</li> <li>• consult your broker or legal, financial or other professional adviser.</li> </ul>	

---

## 5. YOUR CHOICES AS A QMC SHAREHOLDER

The QMC Board encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision as to whether or not you should accept the Offer.

As a QMC Shareholder, you have three choices available to you.

### 5.1 Accept the Offer

You may choose to accept the Offer for your QMC Shares. You are only able to accept the Offer in respect of all, and not some only, of the QMC Shares that you hold at the time of acceptance.

If you accept the Offer, you will be entitled to receive A\$0.17 in cash for every 1 QMC Share that you hold and transfer to Moly.

Further details of the Offer Consideration are set out in section 10.1 of this Target's Statement and Section 14 of the Bidder's Statement.

You will only receive the Offer Consideration if each of the Conditions to the Takeover Bid are either satisfied or waived within the prescribed periods.

The consequences of accepting the Offer and the limited circumstances in which acceptances of the Offer may be withdrawn are discussed in section 10.6 of this Target's Statement. If you accept the Offer, you will not be able to sell any of your QMC Shares unless, at the time you decide that you no longer wish to accept the Offer, you have the right to withdraw your acceptance and you exercise that right.

If the Conditions are not satisfied before the Offer closes or are not waived within the prescribed period, then the Offer will lapse and your acceptance of the Offer will be void. If this occurs, you will continue to hold your QMC Shares and you will be free to deal with them as if the Offer had not been made.

### 5.2 Sell your QMC Shares

During the Offer Period, you may sell all or some of your QMC Shares, provided you have not already accepted the Offer for those QMC Shares. If you sell any of your QMC Shares, you may receive the agreed consideration for your QMC Shares sooner than if you accept the Offer while the Offer is subject to any Conditions.

If you sell any or all of your QMC Shares, you:

- will lose the ability to accept the Offer in respect of those QMC Shares;
- may be liable for CGT or income tax on the sale of those QMC Shares; and
- will lose the opportunity to receive any future returns from QMC in respect of those QMC Shares, if the Offer is not successfully completed.

You should refer to your tax adviser to determine the tax implications of such a sale.

### 5.3 Take no action

If you do not wish to sell any of your QMC Shares and do not wish to accept the Offer, you should take no action.

If you choose not to accept the Offer, Moly will not be able to acquire your QMC Shares unless the Takeover Bid is declared unconditional and Moly has acquired a relevant interest in at least 90% of all QMC Shares on issue as at the end of the Offer Period. In that event, Moly will become entitled to



compulsorily acquire all QMC Shares that it does not already own. See section 10.8 of this Target's Statement for further information regarding Compulsory Acquisition.

In addition, if you choose not to accept the Offer and the following circumstances occur:

- the Minimum Acceptance Condition is satisfied or waived by Moly and the Takeover Bid is declared unconditional; and
- Moly has acquired a relevant interest in at least 50.01% but less than 90% (in number) of all QMC Shares by the end of the Offer Period,

you will be exposed to the risks associated with being a minority QMC Shareholder. Some of these risks are explained in section 10.7 of this Target's Statement.

---

## 6. QMC DIRECTORS' RECOMMENDATIONS, INTERESTS AND INTENTIONS

### 6.1 Promotion of Offer

On 15 December 2017, the QMC Directors entered into the Bid Implementation Agreement, on behalf of QMC, with Moly pursuant to which it was agreed that QMC would support the Offer during the Offer Period, and, as reasonably requested by Moly, promote the Offer with Moly, in the absence of a Superior Proposal for QMC.

### 6.2 Directors' recommendations

The QMC Directors unanimously recommend that you **ACCEPT** the Offer in respect of all your QMC Shares in the absence of a Superior Proposal for QMC.

### 6.3 Reasons for recommendations

In assessing the Offer, the QMC Directors have had regard to a number of considerations, including the information set out in the Bidder's Statement.

In summary, the principal reasons for which the QMC Directors recommend you accept the Offer in the absence of a Superior Proposal for QMC include:

- the Offer provides a significant premium for your QMC Shares;
- the Offer Consideration provide an immediate cash return to QMC Shareholders and crystallises value for the White Range Project;
- the Offer is the only takeover offer capable of acceptance by QMC Shareholders;
- the Offer provides an opportunity to avoid the risk and uncertainty relating to QMC's ability to fund its ongoing operations.

A more detailed overview of these reasons is set out in section 7 of this Target's Statement.

Based on these factors and taking into account the other considerations set out in this Target's Statement, your QMC Directors unanimously recommend that, in the absence of a Superior Proposal for QMC, QMC Shareholders should accept the Offer in respect of all of their QMC Shares.

### 6.4 Interests and dealings of QMC Directors in securities of QMC

As at the date of this Target's Statement, each QMC Director and his or her associates holds a relevant interest in QMC Shares as follows:

Name	Relevant interest in number of QMC Shares	Voting power in QMC
Lakshman Jayaweera	3,389,340	1.145%
Eddy Wu	2,402,966	0.812%
Jun Qiu	70,067,200	23.662%
Joyce Wang	Nil	0%

The QMC Directors and/or their respective associates also hold the following QMC Options, exercisable at a price of \$0.10 per QMC Option on or before 30 June 2018:

Name	Number of QMC Options held by Director and his or her associates
Lakshman Jayaweera	Nil
Eddy Wu	1,000,000
Jun Qiu	Nil
Joyce Wang	400,000

No QMC Director has acquired or disposed of a relevant interest in any securities of QMC in the 4 month period ending on the date immediately prior to the date of this Target's Statement.

#### 6.5 Intentions of QMC Directors

Other than Mr Qiu, it is the intention of each of the QMC Directors who hold or control QMC Shares to (in the absence of a Superior Proposal for QMC) accept, or to procure the acceptance of, the Offer, in respect of all of the QMC Shares controlled by that QMC Director or his or her associates.

Mr Qiu's shareholding entity, GTB, has provided an undertaking to Moly to accept the Offer by 20 December 2017 in respect of 29,611,620 of its QMC Shares. Further information in relation to the undertaking is set out in section 8.4.2 of this Target's Statement. Mr Qiu does not propose to make a statement of intention in relation to the remainder of GTB's QMC Shares.

It is the intention of each of the QMC Directors who hold QMC Options to exercise their QMC Options during the Offer Period and (in the absence of a Superior Proposal for QMC) accept, or to procure the acceptance of, the Offer in respect of the QMC Shares issued.

#### 6.6 Interests and dealings of QMC Directors in securities of Moly

As at the date immediately prior to the date of this Target's Statement, no QMC Director has a relevant interest in any securities of Moly. No QMC Director has acquired or disposed of a relevant interest in any securities of Moly in the 4 month period ending on the date of this Target's Statement.

#### 6.7 Benefits and agreements

##### 6.7.1 Benefits to QMC Directors

No QMC Director has been or will be given, as a result of the Offer, any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from the QMC Board, managerial office or related body corporate of QMC.

No QMC Director has agreed to receive, or will receive, any benefit from Moly which is related to or conditional upon the Offer, other than in their capacity as a holder of QMC Shares and/or QMC Options.

##### 6.7.2 Benefits in connection with retirement from office

Moly indicates in Section 7.6 of the Bidder's Statement that, subject to the completion of a general operational review, it intends to maintain the employment of QMC's existing employees.

As an executive director and CEO of QMC, Eddy Wu is an employee of QMC, with a fixed annual remuneration of \$100,000, inclusive of superannuation. Eddy Wu's current employment agreement expires on 31 August 2018.

In addition to being an alternate director for Jun Qiu, Joyce Wang is an employee of QMC, with a fixed annual remuneration of \$41,515, inclusive of superannuation. Joyce Wang's current employment agreement expires on 31 August 2018.

In the event of the termination of either Eddy Wu's or Joyce Wang's employment and depending on the reason for and circumstances of termination, amounts may be payable for unpaid accrued employee entitlements and pay in lieu of notice. If employment is terminated in circumstances of redundancy, Eddy Wu and Joyce Wang may be entitled to certain payments in accordance with applicable laws.

#### 6.7.3 **Agreements in connection with or conditional on the Offer**

The remuneration committee of QMC has resolved that, if the Offer is successful, the following cash bonuses will be paid to the QMC Directors:

Name	Cash Bonus (inclusive of superannuation, if applicable)
Lakshman Jayaweera	\$66,000
Eddy Wu	\$91,667
Jun Qiu	\$44,000
Joyce Wang	\$38,143
<b>Total</b>	<b>\$239,810</b>

Other than as set out above, no agreement has been made between any QMC Director and any other person in connection with, or conditional upon, the outcome of the Offer, other than in their capacity as a holder of QMC Shares and/or QMC Options.

#### 6.7.4 **Interests in contracts with Moly**

No QMC Director has a direct interest in any contract entered into by Moly.

---

## 7. REASONS FOR AND AGAINST ACCEPTING THE OFFER

Your QMC Directors consider that the following considerations are relevant in relation to your decision as to whether to accept or not accept the Offer.

### 7.1 Reasons FOR accepting the Offer

#### 7.1.1 The Offer provides a significant premium for your QMC Shares

QMC Shareholders who accept the Offer will receive A\$0.17 in cash per QMC Share (**Offer Consideration**). The Offer Consideration represents:

- a 84.78% premium to the closing price of A\$0.092 per QMC Share on 12 October 2017, the last trading day before the announcement of the Share Sale Agreement;
- a 36% premium to the closing price of A\$0.125 per QMC Share on 14 December 2017, the last trading day before the Announcement Date;
- a 82.80% premium to the 30 trading day VWAP of A\$0.093 per QMC Share as at 12 October 2017; and
- a 49.12% premium to the 30 trading day VWAP of A\$0.114 per QMC Share as at 14 December 2017.

#### 7.1.2 The Offer Consideration provides an immediate cash return to QMC Shareholders and crystallises value for the White Range Project

QMC has contacted many parties over the past two years in order to secure a joint venture partner to assist QMC with developing the White Range project. Unfortunately, QMC has not been able to secure such a joint venture partner on terms acceptable to QMC.

Accordingly, while it was QMC's intention to develop the White Range project with a partner, the QMC Directors believe that, in the current environment, the Offer is preferable to QMC attempting to develop the White Range project for production on its own as it enables QMC Shareholders to realise a cash return for their investment in QMC immediately, as opposed to waiting a number of years for the development of the White Range project (amongst others).

In addition to offering a significant premium, the Offer provides QMC Shareholders with a liquidity event whereby all Shareholders are given the opportunity to crystallise immediate value for their investment in QMC and, indirectly, in the White Range project.

By accepting the Offer, you will obtain the certainty of receiving A\$0.17 in cash per QMC Share. Further, the Offer Consideration is not exposed to the risks associated with an investment in QMC, including potential price volatility due to general market conditions, the mining industry and business performance.

#### 7.1.3 The Offer is the only takeover offer capable of acceptance by QMC Shareholders

As at the date of this Target's Statement, the Offer is the only takeover offer capable of acceptance by QMC Shareholders. QMC has not received any Superior Proposal from a third party.

#### 7.1.4 The Offer provides an opportunity to avoid the risk and uncertainty relating to QMC's ability to fund its ongoing operations

The development of the White Range project by QMC for production without a joint venture partner would require a large injection of capital, and there are no guarantees that such

capital could be secured on terms that would not result in the significant dilution of existing QMC Shareholders, or at all.

If the Offer is unsuccessful, QMC Shareholders will continue to be exposed to the risks associated with QMC's operational and project funding commitments, including the risks that:

- QMC will be unable to fund one or more of its existing projects; and
- QMC will, in the short to medium term, be unable to raise equity or debt capital required to fund its ongoing operations.

For further discussion of the risks associated with QMC's business, see section 8.10.

#### **7.1.5 The QMC Directors unanimously recommend you accept the Offer, in the absence of a Superior Proposal**

Having carefully considered the terms of the Offer against all available alternatives, your QMC Directors unanimously recommend that you **ACCEPT** the Offer, in the absence of a Superior Proposal.

#### **7.1.6 Under the Offer you will not incur brokerage fees**

You will not incur any brokerage fees in connection with your acceptance of the Offer. Moly has indicated in Section 20 of the Bidder's Statement that it will pay any brokerage fees on the transfer of your QMC Shares under the Takeover Bid.

#### **7.1.7 There are risks in not accepting the Offer**

At the end of the Offer Period, any QMC Shareholders who do not accept the Offer and retain their QMC Shares will be subject to the following risks:

- if Moly acquires at least 50.01% of the QMC Shares and completes the Offer, but does not proceed to Compulsory Acquisition, then Moly will be able to (among other things) control the composition of the board of QMC and significantly influence the direction of QMC generally;
- if Moly acquires 75% (or more) of QMC Shares, it will, subject to applicable voting exclusions in the Corporations Act and, if QMC remains listed, the ASX Listing Rules, be able to pass a special resolution at a general meeting of QMC Shareholders. This would enable Moly to, among other things, change the constitution of QMC;
- the price of QMC Shares may fall following the end of the Offer Period and it is unlikely that the price of QMC Shares will reflect any takeover premium;
- the liquidity of your QMC Shares may be lower than at present, potentially affecting your ability to dispose of your QMC Shares; and
- if the number of QMC Shareholders is less than required by the Listing Rules to maintain an ASX listing, then Moly may seek to have QMC removed from the official list of ASX.

## **7.2 Reasons AGAINST accepting the Offer**

### **7.2.1 You may disagree with the recommendation of the QMC Directors**

You may hold a different view to the QMC Directors and believe that the Offer Consideration of A\$0.17 in cash per QMC Share is inadequate.

### 7.2.2 **Inability to accept a Superior Proposal if one was to emerge**

Except in the limited circumstances provided for in the Corporations Act, accepting the Offer will preclude QMC Shareholders from accepting a Superior Proposal for QMC from a third party in respect of the QMC Shares the subject of that acceptance, should one emerge during the Offer Period. However, as at the date of this Target's Statement, no alternative proposal which is capable of acceptance by QMC Shareholders has been received.

### 7.2.3 **Remaining a QMC Shareholder**

If you accept the Offer, you will no longer be entitled to participate in the future financial performance of QMC or exercise the rights of a QMC Shareholder.

### 7.2.4 **Selling QMC Shares on market**

You may wish to cash out your investment in QMC on market if you expect that the proceeds may be higher than the value of the Offer Consideration. If you sell your QMC Shares on market, you:

- will lose the ability to accept the Offer or any other offer which may eventuate;
- will not be entitled to receive any increased consideration if the Offer Consideration is increased by Moly;
- may receive more or less for your QMC Shares than the value of the Offer Consideration;
- may incur a brokerage charge; and
- may not obtain sufficient buyers to complete a trade above the value of the Offer Consideration (including because QMC Shares may be affected by reduced liquidity).

### 7.2.5 **Tax consequences**

As set out in section 18 of the Bidder's Statement, acceptance of the Offer by QMC Shareholders is likely to have tax consequences. You should carefully read and consider the taxation consequences of accepting the Offer. However, QMC Shareholders should not rely upon the taxation considerations in section 18 of the Bidder's Statement as being advice on their own affairs. The QMC Board encourages QMC Shareholders to consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their own particular circumstances.

**After considering the reasons for accepting the Offer and the reasons against accepting the Offer, the QMC Directors unanimously recommend that QMC Shareholders ACCEPT the Offer in the absence of a Superior Proposal for QMC.**

---

## **8. PROFILE OF QMC**

### **8.1 Overview of QMC**

QMC is an emerging, ASX listed junior mineral resources company focused on developing gold and copper projects in the Cloncurry region of Queensland. Its fundamental strategy has been the identification and procurement of mining leases and assessment of them by management and leading industry engineers to ascertain the prospective value.

QMC possesses over one hundred mining and exploration leases in the Cloncurry region.

### **8.2 Strategy of QMC**

In recent times, QMC's strategy has focused on:

- undertaking exploration programs to enhance the resource reserves of the QMC Group;
- divesting non-core mining and exploration assets of the QMC Group by means of sale or joint venture; and
- actively seeking joint venture partners to develop the QMC Group's flagship White Range project.

### **8.3 QMC's projects**

#### **8.3.1 White Range project**

The White Range project includes three major deposits at Greenmount, Kuridala and Young Australian, plus three satellite deposits at Mt McCabe, Vulcan and Desolation. The total JORC resource stands at 30Mt at 0.80% Cu for 240,000t contained copper metal. The project also contains 165,000 ounces of gold and 10,600 tonnes of cobalt. Most of the resources are hosted within granted mining leases. Copper mineralisation is dominated by oxide (malachite) and transitional (chalcocite) copper minerals. The White Range project was a subject of the successful feasibility study completed in 2005.

#### **8.3.2 Gilded Rose – Mt Freda project**

The Gilded Rose – Mt Freda project is located approximately 30km southeast of Cloncurry. It consists of 4 EPMs (87 sqkm), 9 mining leases (208 ha) and a CIP processing plant with annual capacity of 60,000t ore. The project has a combined 2012 JORC resource of approximately 110,000 oz of Au. It is the subject of a joint venture between Ausmex Mining Group and QMC (Ausmex has an 80% interest, while QMC has a 20% interest).

#### **8.3.3 Mt Norma project**

The Mt Norma project is located approximately 30 km southeast of Cloncurry. It consists of 1 EPM, 8 mining leases and a copper sulphate processing plant. QMC undertook one phase RC drilling in 2008, which returned some very encouraging drill intercepts including 18m @ 5.06% Cu and 32.9 g/t Ag from 76m in hole MN\_08\_008RC.

#### **8.3.4 Duck Creek project**

The Duck Creek project is located approximately 35km southwest of Cloncurry in northwest Queensland. It consists of 4 EPMs and 6 mining leases and is close to principal infrastructure. One of the drilled prospect reports a JORC resource of 960,000 @ 1.47% Cu. The whole area is prospective for significant copper and gold mineralisation under thin alluvial cover.



### 8.3.5 Flamingo project

The Flamingo project is located about 120km north of Cloncurry in northwest Queensland. It has 1 EPM and 2 granted mining leases. QMC and previous companies have completed aeromag, IP, soil geochemistry and some drilling. Initial drilling results are very encouraging, including 36m @ 2.71% Cu and 0.40g/t Au from 26m in hole DY002 completed in 1994. Mineralised zones are open along strike and down dip and several highly ranked targets remain untested by drilling.

## 8.4 Capital structure of QMC

### 8.4.1 Total QMC Shares

As at the date of this Target's Statement, QMC has a total of 296,116,203 fully-paid ordinary shares on issue. In addition, there are 2,000,000 options on issue, each to acquire 1 fully-paid ordinary share in the capital of QMC, exercisable at a price of \$0.10 per QMC Option on or before 30 June 2018.

Further, under the consultation agreement with Redrock Exploration Services Pty Ltd (**Redrock**), QMC will issue 974,029 QMC Shares to Redrock (as part of Redrock's fees for the period from July 2017 to December 2017) in early January 2018.

### 8.4.2 Substantial shareholders

As at the date of this Target's Statement, the following QMC Shareholders have a relevant interest (when aggregated with their respective associates) in more than 5% of the capital of QMC:

Name	Relevant interest in QMC Shares	Voting power in QMC
Perfect National	112,577,505	38.018%
GTB	70,067,200	23.662%
Bradley's Polaris Pty Ltd	32,172,923	10.865%

Each of Perfect Nation and GTB has provided undertakings to Moly to accept the Offer by 20 December 2017 in respect of 29,611,620 of its QMC Shares (59,223,240 QMC Shares, or 20.0%, in aggregate). Under the undertakings, each of Perfect Nation and GTB undertake to not:

- sell, transfer, charge, encumber, grant any option over or otherwise dispose of (or permit any of these things to occur) 29,611,620 of its QMC Shares (or interest therein); or
- accept any other offer made in competition with the Offer, or approve any other proposal, arrangement or transaction which is proposed in competition with the Offer, in respect of 29,611,620 of its QMC Shares.

## 8.5 QMC Directors

The QMC Board is comprised of the following QMC Directors:

- Mr Lakshman Jayaweera – Non-Executive Chairman;
- Mr Jun Qiu – Non-Executive Director;

- Mr Eddy Wu – Executive Director; and
- Mrs Joyce Wang – Alternate Director for Jun Qiu.

**Dr Lakshman Jayaweera, MSc and PhD (UNSW)**

Dr Jayaweera was appointed a director of QMC in January 2013 and was appointed the chairman in July 2013. He is a chemical engineer by profession with over 30 years of experience in the field of resource recovery sector in Australia, including his career success with Rio Tinto (formerly, CRA Ltd) from 1980 to 1986. He was the founder of Hydromet Corporation Limited, a company specialising in metallurgical processing and metal recycling field in Australia. During his tenure in the company from 1990 to 2012, he held various positions including the position as a Managing Director and Executive Chairman. Dr Lakshman was the Chairman of the board of investment of Sri Lanka in the year 2012 to 2014, which is the premier agency responsible for attracting foreign direct investment into the country.

**Mr Jun Qiu, EMBA**

Mr Qiu was appointed a director of QMC in June 2013. He is a director and shareholder of Great Tang Brothers Resource Investment Pty Ltd, a major shareholder of QMC. He is a well-regarded businessman based in Xian, China with over 20 years' experience in China's resources sector. He is involved in a wide range of business activities which includes steel processing, commodity logistics and real estate development. He was a representative of Xian People's Congress in China.

**Mr Eddy Wu, BSc, MSc and MCom**

Mr Wu was appointed a director in August 2013 and the CEO of QMC in September 2013. He graduated from the University of Science and Technology, Beijing. He holds a Master's Degree in Commerce (Finance) from the Australian National University and a Master's Degree in Science from Cass Business School, City University London. Mr Wu has a strong finance and management background and has worked as CEO/MD of several resources companies in Australia. As the first CEO of Murray Zircon Pty Ltd, he successfully completed the development and start-up of Mindarie Mineral Sands project in South Australia.

**Mrs Joyce Wang, CPA, MCom (USYD)**

*Alternate Director to Mr Qiu*

(Appointed on 22 June 2013)

Mrs Wang was appointed an alternate director to Mr Qiu. She is also a director of Great Tang Brothers Resource Investment Pty Ltd. She is an experienced CPA with over ten year's financial accounting experience covering business services, tax, and commercial roles.

**8.6 Financial information of QMC Group**

The full financial statements for QMC Group for its financial years ended 30 June 2015, 2016 and 2017, which include the notes to the financial statements, are available from the 'Investors' section of QMC's website: [www.qmcl.com.au](http://www.qmcl.com.au).

**8.7 No material changes in financial position of QMC**

To the knowledge of each of the QMC Directors, the financial position and performance of QMC has not materially changed since 30 June 2017 (being the most recent financial year of QMC for which audited financial statements of QMC were prepared), other than as disclosed in subsequent ASX announcements.

**8.8 No material adverse effect on material contracts**

None of QMC's material contracts contains a change of control clause which would give rise to Moly having the ability to terminate its Offer on the basis that the counterparty may have

the ability to terminate the contract with a material adverse effect on the assets and liabilities, financial position and performance, profits and losses or prospects of QMC.

#### 8.9 **No pending litigation**

As at the date of this Target's Statement and other than as disclosed in QMC's previous ASX announcements, no member of the QMC Group is involved in any legal proceedings and the QMC Directors are not aware of any legal proceedings pending or threatened against any member of the QMC Group.

#### 8.10 **Risk factors affecting QMC's business**

The risk factors in this section 8.10 are existing risks in relation to QMC's business and the industry in which it operates. Some or all of these risks will continue to be relevant to QMC Shareholders who do not accept the Offer and retain their QMC Shares in QMC (assuming that the Takeover Bid does not proceed to Compulsory Acquisition). The risks will also continue to be relevant to all QMC Shareholders (who retain their QMC Shares) if the Offer does not proceed.

This section 8.10 describes key, but not all, risks associated with an investment in QMC as at the date of this Target's Statement. This section 8.10 does not take into account the investment objectives, financial circumstances, taxation position or particular needs of individual QMC Shareholders and is not exhaustive. Prior to deciding whether or not to accept the Offer, QMC Shareholders should carefully consider the risk factors discussed in this section 8.10, as well as other information contained in this Target's Statement and the Bidder's Statement, and seek independent professional advice.

In addition, if you do not accept the Offer during the Offer Period, you may end up being a minority shareholder in QMC. This section 8.10 should be read in conjunction with section 7.1.7 of this Target's Statement, which describes some of the risks associated with being a minority shareholder in QMC.

##### (a) **Reliance on successful development of projects**

For QMC to ultimately become a profitable operating entity, it must be successful in developing and commercialising one or a combination of its projects: the White Range project, the Gilded Rose project, the Mt Norma project, the Duck Creek project and the Flamingo project. If QMC is not successful in developing any of these projects, this is likely to have a material adverse effect on QMC and the value of QMC Shares.

##### (b) **Future funding**

QMC will need to raise additional capital to fund, or secure a joint venture partner to assist funding, the development of its projects. There are no guarantees that QMC will be able to raise additional capital or secure a joint venture partner on acceptable terms or at all. In the event that such funds or joint ventures are not forthcoming, QMC may seek to divest all or part of its interests in its projects or reduce its commitments.

Further, if such capital is raised by issuing equity, any such equity issue is likely to be at a material discount to current market prices for QMC Shares and will most likely result in the significant dilution of QMC Shareholders.

##### (c) **Commercialisation**

If QMC recovers commercial quantities of copper or gold from its projects, there is no guarantee that QMC will be able to successfully transport the copper or gold to commercially viable markets or sell the copper or gold to customers to achieve a commercial return.

(d) **Exploration and production risk**

The QMC Group's tenements are at various stages of exploration, and QMC Shareholders should understand that mineral exploration and development are high-risk undertakings which can be hampered by bad weather, force majeure circumstances, cost over-runs, inconsistent grades and other unforeseen events. To prosper, it relies on the successful exploration and/or acquisition of ore reserves, design and construction of efficient mining/processing facilities, competent operation and managerial performance and proficient marketing of the product.

(e) **Operating risks**

The operations of QMC may be affected by various factors including;

- failure to locate or identify economic mineral deposits
- failure to achieve predicted commercial grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- competition for exploration rigs & equipment;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs;
- adverse weather conditions;
- industrial and environmental accidents;
- industrial disputes;
- difficulties with access to water, electricity and roads;
- seasonal climatic conditions; and
- unexpected shortages or increases in the costs of consumables, labour, spare parts, plant and equipment, fuel, electricity and acid.

No assurances can be given that QMC will achieve commercial viability through the successful exploration and/or mining of its tenement interests.

(f) **Resource and project estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect QMC's operations.

There is a risk that:

- a feasibility study will not demonstrate a case for a Solvent Extraction, Electro-Winning (**SX-EW**) Plant at the White Range project, or other alternative operations such as tank leaching or floatation;
- metallurgical testing program may show that the ore is not of sufficient quality to sustain SX-EW operations;
- QMC will not have an economic ore body;
- the resource drilling will not identify additional JORC resources;
- QMC will not be able to raise finance (equity and/or debt) to construct the SX-EW Plant or other alternative operation at the White Range project; and
- QMC's other resources may be too small to be economically developed.

(g) **Mining**

If QMC proceeds to mine at one or more of its projects, mining risks include fire, explosions, environmental hazards, and injury to persons and property. The occurrence of any of these risks could adversely affect QMC's operations, reputation or licence to operate.

(h) **Regulatory risks**

QMC may not be able to secure the necessary regulatory approvals and consents to develop and operate its projects. If the necessary approvals are secured, QMC must comply with those approvals and other applicable laws, regulations and policies. This may from time to time affect timing and scope of work to be undertaken.

(i) **Commodity price volatility and exchange rate risks**

If QMC achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of QMC to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of QMC. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of QMC are and will be taken into account in Australian currency, exposing QMC to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(j) **Environmental risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. Exploration and development of any resources will be dependent on the projects meeting environmental guidelines. The grants of development permits are dependent on approval of environmental programs and other criteria, including the payment of bonds/financial assurance.

The mining and operation of an SX-EW Plant at the White Range project may require the Company undertaking an Environmental Impact Study (**EIS**). The extent and timing of an EIS is unknown at this stage.

As with most exploration projects and mining operations, QMC's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is QMC's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in QMC's activities which could lead to extensive liability of QMC, such as accidental spills, leakages or other unforeseen circumstances.

(k) **Title risks**

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, QMC could lose title to or its interest in tenements (or sub blocks) if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. In addition, Queensland legislation requires the holders of a Queensland exploration tenement to periodically reduce the area of an exploration tenement, typically a 50% reduction on each renewal (subject to the exercise of any discretion).

(l) **Native title and Aboriginal heritage**

The existence of native title, registered native title claims and sacred Aboriginal sites or objects on the land the subject of QMC's tenements is a potential risk and may result in increased legal and administrative costs, or a complete or partial prohibition on mining activities, which may have a material adverse effect on QMC's profitability.

(m) **European cultural heritage**

The Kuridala tenement (ML 90081) contains an old mining settlement which is protected by State legislation as containing items of European cultural heritage. Before the tenement can be mined, QMC will need to conduct a heritage and archaeological assessment of the area. QMC may need to ensure that certain areas of the tenement are protected. This may restrict or preclude QMC from fully exploiting this tenement.

(n) **Land access and compensation**

The *Mineral Resources Act 1989* (Qld) requires that prior to grant or renewal the holder of the Queensland applications for mining tenements and the Queensland mining tenements must enter into a land compensation agreement with each background land owner. Whilst QMC considers that it has good relations with landowners, any failure to obtain a compensation agreement, or any disputes with a landowner would adversely affect QMC.

(o) **Insurance**

Insurance of all risks associated with resource exploration, development and production is not always available and, where available, the cost can be high. QMC will not be insured against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that such insurance would provide.

(p) **General risk factors**

The future prospects, operating and financial performance of QMC and the value of QMC Shares are affected by a variety of general business, economic and political factors in Australia and overseas, including economic growth or recession, inflation, interest rates, employment levels, changes in law, government policies or regulatory regimes, changes in taxation laws (or their interpretation) or regulation in the markets in which QMC operates. Deterioration of the general economic conditions, adverse foreign exchange rate movements, adverse movements in the Australian and overseas securities markets, natural disaster and catastrophic events may also affect QMC's financial and operating position.

8.11 **Moly shares held by QMC**

QMC does not have a relevant interest in securities of Moly or its related bodies corporate.

---

## 9. PROFILE OF MOLY

### 9.1 Important information

The following information about Moly is based on public information, including information in the Bidder's Statement, and has not been independently verified. Accordingly, QMC does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Moly in this Target's Statement should not be considered comprehensive. QMC Shareholders should refer to the Bidder's Statement for information about Moly.

### 9.2 Overview of Moly

#### (a) History

Moly Mines Limited ACN 103 295 521 (**Moly**) is a public unlisted company that was registered in Western Australia on 6 January 2003. Its registered office is Level 1, 80 Chandos Street, St Leonards, NSW 2065.

Moly has historically been involved in minerals exploration, mine development and operations, and more recently focussed on the identification and evaluation of near term mining opportunities.

In 2010, Moly Mines developed the Spinifex Ridge Iron Ore Mine which operated successfully until 2014, producing direct ship ore exported through Port Headland. In mid-2013, after operating the Spinifex Ridge Iron Ore Mine for approximately two and a half years, Moly completed a mine gate sale agreement for iron ore produced at Moly's Spinifex Ridge Iron Ore Mine, thus disposing of its main undertaking. The money generated from the mining operation and the Mine Gate Sale has been preserved to invest in future mining opportunities.

Moly previously owned, developed and successfully operated the Spinifex Ridge Iron Ore Mine located in Western Australia.

#### (b) Principal activities

Moly currently only owns the Spinifex Ridge molybdenum-copper project located in the Pilbara region of Western Australia. The project was progressed to full permitting and Definitive Feasibility Study in 2008. Subsequently, the development of the project was postponed as the project's economics did not support the funding for the development of the project and a final investment decision. The project currently remains on care and maintenance.

Moly made significant progress toward completing an acquisition during 2016. Moly considered the proposed Gulf Alumina transaction to be an outstanding opportunity for all shareholders of the company to acquire a low-cost, high margin, near term production asset which would have provided a pathway for relisting on the ASX and generation of returns for shareholders, had the transaction overcome various hurdles.

Moly has since recommenced looking at other potential corporate and project opportunities, resulting in the potential opportunity with the acquisition of QMC.

### 9.3 Moly Directors

The Moly Board is comprised of the following Moly Directors:

- Nelson Chen – Non-Executive Chairman;



- Greg Jones – Managing Director (acting);
- Lou Guo Qing – Non-Executive Director; and
- Ivo Polovineo – Non-Executive Director.

Details about the qualifications and experience of each of the Moly Directors are set out in Section 4.3 of the Bidder's Statement.

---

## 10. IMPORTANT INFORMATION ABOUT THE OFFER

### 10.1 The Offer

On 15 December 2017, QMC entered into a Bid Implementation Agreement with Moly pursuant to which the parties agreed to implement a Takeover Bid by Moly to acquire:

- all QMC Shares on issue as at the Record Date; and
- all QMC Shares that are issued pursuant to the conversion of any convertible security or the exercise of any option or other right to acquire a QMC Share, at any time from the Record Date to the last day of the Offer Period.

The Offer is to acquire all your QMC Shares, including any Rights attaching to them. You cannot accept the Offer for only some of your QMC Shares.

Completion of the Offer is conditional upon the satisfaction of each of the Conditions including, significantly, the Minimum Acceptance Condition (as described in further detail in section 10.2 below).

The consideration being offered to QMC Shareholders under the A\$0.17 in cash for every one QMC Share that you transfer to Moly (**Offer Consideration**).

If you are a Foreign QMC Shareholder, you are entitled to accept the Offer.

The conduct of the Offer is otherwise governed by the terms and conditions set out in the Bidder's Statement.

### 10.2 Conditions of the Offer

QMC Shareholders should note that the Offer, and any contract resulting from an acceptance of the Offer, is conditional on the satisfaction of a number of Conditions, including the Minimum Acceptance Condition, which is stated in the following terms:

#### **Minimum Acceptance Condition**

During, or at the end of, the Offer Period, the number of QMC Shares in which Moly and its associates together have relevant interests is at least 50.01% by number of all QMC Shares on issue.

For a complete description of the Conditions, please see Schedule 2 of the Bidder's Statement.

Under the Bid Implementation Agreement, Moly must declare the Offer free from any of the Conditions that have not been fulfilled or waived if:

- the number of QMC Shares in which Moly and its associates together have relevant interests; plus
- the number of QMC Shares that are the subject of the Acceptance Facility (and have not been withdrawn from the Acceptance Facility),

is more than 50% (by number) of all QMC Shares on issue at that time.

### 10.3 **Consequences of Conditions not being satisfied**

There is a risk that the Conditions may not be satisfied before the end of the Offer Period. However, even if the Conditions are not satisfied, Moly may – but is not obliged to – waive those Conditions.

If any of the Conditions remains unsatisfied by the 7<sup>th</sup> day prior to the end of the Offer Period, Moly will need to decide whether to free the Offer of those unsatisfied Conditions and proceed with the Takeover Bid or to allow the Offer to lapse as a result of those unsatisfied Conditions.

### 10.4 **Conditions Status Notice**

Moly must give a Conditions Status Notice by no later than 7 days prior to the end of the Offer Period. Moly is required to set out in its Conditions Status Notice:

- whether the Offer is free of any or all of the Conditions;
- whether, so far as Moly is aware, any of the Conditions have been fulfilled; and

Moly's voting power in QMC as at that time.

If the Offer Period is extended before the time by which the Conditions Status Notice is to be given, the date that Moly must give the Conditions Status Notice will be taken to be extended for the same period.

In the event of such an extension, Moly is required to give a notice to QMC and ASIC that states the new date for giving the Conditions Status Notice, as soon as practicable after the extension.

In addition, if a Condition is fulfilled during the Offer Period but before the date on which the Conditions Status Notice is required to be given, Moly must give the ASX and QMC a notice confirming that the particular Condition has been fulfilled, as soon as practicable.

### 10.5 **Extension of the Offer Period**

The Offer is scheduled to close at 7:00pm (Sydney time) on 19 January 2018 unless Moly extends or withdraws the Offer Period in accordance with the Corporations Act.

While the Offer remains subject to unsatisfied Conditions, Moly may extend the Offer Period at any time before the Conditions Status Notice has been given. Once the Conditions Status Notice is given, Moly can extend the Offer Period only where a third party has taken steps to make a competing takeover bid for QMC Shares or the consideration for a competing bid has been improved.

Once the Takeover Bid is declared to be unconditional, Moly may extend the Offer Period at any time before the end of the Offer Period, provided that the Offer Period is no longer than 12 months in total.

There will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, Moly improves the Offer Consideration under the Offer or Moly's voting power in QMC increases to more than 50%. If either of these two events occurs within the last 7 days of the Offer Period, the Offer Period is automatically extended so that it ends 14 days after the date upon which that relevant event occurs.

The Offer will lapse if, at the end of the Offer Period, any of the Conditions is not satisfied in accordance with its terms or waived. If this occurs, any acceptances by QMC Shareholders of the Offer, and any contracts resulting from the acceptance of the Offer by QMC Shareholders will become void. If the Offer lapses, QMC Shareholders who have accepted

that Offer will continue to own the QMC Shares that are the subject of that acceptance and will remain free to deal with them as they choose.

#### 10.6 **Effect of acceptance and rights of withdrawal**

By accepting the Offer, you will be deemed to have agreed to transfer all of your QMC Shares (including all of the Rights attaching to them) to Moly, with no guarantee of receipt of the Offer Consideration unless and until the Takeover Bid is declared unconditional.

In addition and subject to the withdrawal rights discussed below, accepting the Offer will:

- prevent you from accepting any competing bid for your QMC Shares that may be made by a third party or any Competing Proposal that may be recommended by the QMC Directors;
- in the event that not all Conditions are satisfied, give Moly the option to either complete the Offer and keep your QMC Shares (by waiving all remaining unsatisfied Conditions) or allow the Offer to lapse, in which case your acceptance of the Offer will be void and you will retain all your QMC Shares; and
- prevent you from selling your QMC Shares for at least the remainder of the Offer Period.

If you accept the Takeover Bid, you will only have a right to withdraw your acceptance in certain limited circumstances. Those withdrawal rights comprise general statutory withdrawal rights under the Corporations Act. In summary, under the Corporations Act, you may withdraw your acceptance of the Offer if Moly varies the Offer in a way that postpones the time when Moly needs to meet its obligations under the Offer for more than 1 month and, at that time, the Offer remains subject to unsatisfied Conditions.

In those circumstances, you will have a period of 1 month after the date that the Offer Period is extended to withdraw your acceptance. Your statutory withdrawal rights will terminate upon the expiry of that one month period, although if the Offer Period is then further extended you will receive further statutory withdrawal rights (i.e. a further 1 month to withdraw your acceptance for each and every extension thereafter, however long the extension may be, provided that the Offer remains subject to unsatisfied Conditions at the time of the extension).

If Moly improves the Offer Consideration, all QMC Shareholders who have validly accepted the Offer (whether before or after that improvement is made) will be entitled to the benefit of that improved Offer Consideration.

The effects of acceptance and the rights of withdrawal of the Offer are set out in more detail in Sections 13 and 15 of the Bidder's Statement. You should read those Sections in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your QMC Shares and the representations and warranties that you are deemed to give to Moly by accepting the Offer.

#### 10.7 **Implications for QMC Shareholders if Moly acquires less than 90% of QMC Shares**

If Moly acquires between 50.01% and 90% of all QMC Shares and the Offer is completed, those QMC Shareholders who do not accept the Offer will become minority shareholders of QMC. This has a number of possible implications, including:

- Moly will be in a position to cast the majority of votes at a general meeting of QMC. This will enable it to control the composition of the QMC Board and senior management, and control the strategic direction of the businesses of the QMC Group. Moly has indicated in Section 7.4 of the Bidder's Statement that it will seek to replace the QMC Board with its own nominees, which it expects will be members of Moly's management team; and

- it is possible that, even if Moly is not entitled to proceed to Compulsory Acquisition after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act. For example, this may occur as a result of acquisitions by Moly of QMC Shares in reliance on the '3% creep' exception in Section 611 (Item 9) of the Corporations Act.

## 10.8 Compulsory acquisition

Moly may compulsorily acquire all remaining QMC Shares (collectively, **Remaining QMC Shares**) in exercise of its right under Part 6A.1 of the Corporations Act if, by the end of the Offer Period, it has acquired a relevant interest in at least 90% of all QMC Shares then on issue. Moly has stated in Section 7.3 of the Bidder's Statement that Moly intends to, if at the end of the Offer Period, Moly and its associates have relevant interests in at least 90% of the QMC Shares, offer to buy out the remaining holders of QMC Shares.

The Compulsory Acquisition process may be commenced by Moly immediately on satisfying the requirements under Part 6A.1 of the Corporations Act or within 1 month after the end of the Offer Period, by lodging the prescribed Compulsory Acquisition Notice with ASIC and sending that notice to ASX and all remaining QMC Shareholders who have not accepted the Offer (**Remaining QMC Shareholders**).

The Remaining QMC Shareholders will be offered the same consideration for their Remaining QMC Shares as the consideration offered to QMC Shareholders for their QMC Shares under the Offer.

However, Remaining QMC Shareholders should be aware that if their Remaining QMC Shares are compulsorily acquired, they are not likely to receive the consideration until at least 1 month after the date of receipt of the Compulsory Acquisition Notice.

Remaining QMC Shareholders have a statutory right to challenge the Compulsory Acquisition. However, if Moly establishes to the satisfaction of a court that the consideration being offered for the Remaining QMC Shares represents 'fair value', the court is required by law to approve the Compulsory Acquisition on those terms.

On the other hand, if Moly acquires at least 90% of the QMC Shares on issue but does **not** exercise its power to proceed to Compulsory Acquisition, any Remaining QMC Shareholder who wishes to be 'bought out' has a statutory right to require Moly to acquire all of the Remaining QMC Shares held by that Remaining QMC Shareholder at the same consideration as offered under the Offer.

Moly is required to give written notice to each Remaining QMC Shareholder of its right to be 'bought out' within 1 month after the end of the Offer Period.

---

## **11. OTHER MATERIAL INFORMATION**

### **11.1 Early dispatch of takeover documents**

The QMC Directors have agreed that Moly may send the Bidder's Statement to QMC Shareholders earlier than would otherwise be permitted under the Corporations Act.

### **11.2 Bid Implementation Agreement**

On 15 December 2017, QMC entered into a Bid Implementation Agreement with Moly which set out the terms and conditions upon which the parties proposed to implement the Takeover Bid.

A copy of the Bid Implementation Agreement was released by QMC to ASX on 15 December 2017 and can be viewed on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX Code: QMN).

### **11.3 Share Sale Agreement**

Under the Bid Implementation Agreement, the Share Sale Agreement will be terminated by the mutual agreement of QMC and Moly if the Takeover Bid becomes unconditional, and with effect from that time.

### **11.4 Other material information**

This Target's Statement is required to include all the information that QMC Shareholders and their professional advisers would reasonably require to make an informed assessment as to whether to accept the Offer, but only:

- to the extent to which it is reasonable for QMC Shareholders and their professional advisers to expect to find such information in this Target's Statement; and
- if such information is known to any QMC Director.

The QMC Directors are of the opinion that the Bidder's Statement and this Target's Statement, together with all announcements and other statements made to QMC Shareholders prior to the date of this Target's Statement, comprise all information that QMC Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer.

The QMC Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless expressly indicated to the contrary in this Target's Statement). In deciding what information should be included in this Target's Statement, the QMC Directors have had regard to:

- the nature of the QMC Shares;
- the matters that QMC Shareholders may reasonably be expected to know; and
- the fact that certain matters may reasonably be expected to be known to the professional advisers of QMC Shareholders.

Except as disclosed in this Target's Statement or previously to the market, there is no other information material to the making of a decision by a QMC Shareholder as to whether or not to accept the Offer within the knowledge of any of the QMC Directors that has not previously been disclosed to QMC Shareholders.

## 11.5 Consents and disclaimers

Addisons has given its consent to being named in this Target's Statement as legal adviser to QMC in the form and context in which it is named. This consent has not been withdrawn prior to the lodging of this Target's Statement with ASIC.

Boardroom Pty Limited has given its consent to being named in this Target's Statement as the share registry of QMC in the form and context in which it is named. This consent has not been withdrawn prior to the lodging of this Target's Statement with ASIC.

Each person named in this section as having given its consent to the inclusion of a statement or being named in this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement or any statement which a statement in this Target's Statement is based on other than as specified in this section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and a statement included in the Target's Statement with the consent of that party as specified in this section; and
- has not caused or authorised the issue of this Target's Statement.

## 11.6 Publicly available information

ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including QMC. In particular, QMC relies on ASIC Class Order 13/521 which permits the Target's Statement to include, or be accompanied by, certain statements which are made, or based on statements made, in documents given to ASX in accordance with the Listing Rules or documents lodged with ASIC. If the conditions set out in that class order are satisfied, the consent of the person to whom a relevant statement is attributed is not required for that statement to be included in this Target's Statement.

This Target's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX (in compliance with the Listing Rules). As required by ASIC Class Order 13/521, any QMC Shareholder who would like to receive a copy of those documents may obtain a copy free of charge during the Offer Period by contacting QMC. The contact details of QMC are set out in the Corporate Directory at the end of this Target's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person; or
- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

Pursuant to this ASIC instrument, the consent of such persons to whom statements or documents are attributed is not required for the inclusion of those statements in this Target's Statement.

In addition, as permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Target's Statement contains ASX share price trading information sourced from ASX without its consent.

#### 11.7 **Continuous disclosure**

QMC is a disclosing entity as defined in the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Copies of documents filed with ASX may be obtained from the ASX website at [www.asx.com.au](http://www.asx.com.au) and announcements made by QMC may be obtained from QMC's website at [www.qmcl.com.au](http://www.qmcl.com.au).

Copies of documents lodged with ASIC in relation to QMC may be obtained from, or inspected at, an ASIC office.

QMC Shareholders may obtain a copy of:

- QMC's annual report;
- QMC's constitution; and
- any document lodged by QMC with ASX,

free of charge by contacting QMC or from the ASX website at [www.asx.com.au](http://www.asx.com.au). The contact details of QMC are set out in the Corporate Directory at the end of this Target's Statement.

Copies of QMC's annual reports and this Target's Statement may be obtained from the Investors section of QMC's website at [www.qmcl.com.au](http://www.qmcl.com.au).

#### 11.8 **Date of Target's Statement**

This Target's Statement is dated 15 December 2017, being the date on which it was lodged with ASIC.

#### 11.9 **Approval**

This Target's Statement has been approved by a resolution passed by the QMC Directors.

Signed for and on behalf of Queensland Mining Corporation Limited:



Lakshman Jayaweera  
Non-Executive Chairman



## 12. GLOSSARY AND INTERPRETATION

### 12.1 Definitions

The following defined terms are used throughout this Target's Statement unless the context otherwise requires.

Defined Term	Definition
<b>Acceptance Facility</b>	the acceptance facility in respect of the Takeover Bid established by Moly that is open to eligible institutional investors
<b>Acceptance Form</b>	the transfer and acceptance form enclosed with the Bidder's Statement that a QMC Shareholder may complete and submit to Moly during the Offer Period and otherwise in accordance with the terms and conditions of the Offer, to accept the Offer
<b>Announcement Date</b>	15 December 2017, being the date on which the Takeover Bid was announced by QMC on ASX
<b>ASIC</b>	Australian Securities & Investments Commission
<b>associate</b>	the meaning given in Division 2 of Part 1.2 of the Corporations Act
<b>ASX</b>	ASX Limited ACN 008 624 691 and, where the context requires, the securities market operated by it
<b>ASX Settlement</b>	ASX Settlement Pty Limited ACN 008 504 532
<b>ASX Settlement Operating Rules</b>	the operating rules of the settlement facility provided by ASX Settlement
<b>Bid Implementation Agreement</b>	the Bid Implementation Agreement dated 15 December 2017 between Moly and QMC in connection with Moly's proposal to make the Takeover Bid
<b>Bid Period</b>	the "bid period", as that term is defined in Section 9 of the Corporations Act, in respect of the Takeover Bid
<b>Bidder's Statement</b>	the bidder's statement issued by Moly for and in connection with the Offer under the Takeover Bid
<b>Business Day</b>	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday
<b>CGT</b>	capital gains tax
<b>CHESS</b>	Clearing House Electronic Subregister System, which provides for the electronic transfer of securities in Australia
<b>CHESS Holding</b>	has the meaning set out in the ASX Settlement Operating Rules
<b>Compulsory Acquisition</b>	the compulsory acquisition by Moly of all of the ordinary shares on issue in the capital of QMC that it does not already

Defined Term	Definition
	own, pursuant to Part 6A.1 of the Corporations Act
<b>Compulsory Acquisition Notice</b>	a notice given in accordance with Section 661B of the Corporations Act to commence the Compulsory Acquisition process
<b>Conditions</b>	the defeating conditions of the Takeover Bid more particularly set out in Schedule 2 of the Bidder's Statement
<b>Conditions Status Notice</b>	the notice to be given by Moly to QMC pursuant to Section 630 of the Corporations Act
<b>Closing Date</b>	the date on which the Offer Period ends, which is currently scheduled to occur on 19 January 2018 unless extended in accordance with Section 624(2) or 650C of the Corporations Act
<b>Competing Proposal</b>	<p>any expression of interest, proposal, offer, transaction or arrangement (other than any transaction that may be made and implemented in accordance with the Bid Implementation Agreement) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:</p> <ul style="list-style-type: none"> <li>• a third party will (other than as custodian, nominee or bare trustee): <ul style="list-style-type: none"> <li>- acquire an interest in, or a relevant interest in, or become the holder of, or acquire rights, the economic effect of which is equivalent or substantially equivalent to becoming a holder of, 10% or more of the shares in any member of the QMC Group;</li> <li>- directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a substantial part of the assets or business of any member of the QMC Group;</li> <li>- otherwise acquire control (within the meaning of section 50AA of the Corporations Act) of any member of the QMC Group; or</li> <li>- otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a significant shareholding or significant economic interest in, any member of the QMC Group or in all or a substantial part of their respective assets or business, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the QMC Group or other synthetic merger or any other transaction or arrangement; or</li> </ul> </li> <li>• requires or would require any QMC Director to change or withdraw their recommendation of the Takeover Bid</li> </ul>

<b>Defined Term</b>	<b>Definition</b>
<b>control</b>	the meaning given in Section 50AA of the Corporations Act
<b>Controlling Participant</b>	has the meaning set out in the ASX Settlement Operating Rules
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>EPM</b>	exploration permit for minerals
<b>Facility Operator</b>	Computershare Investor Services Pty Limited
<b>Foreign QMC Shareholder</b>	any QMC Shareholder whose address as shown in QMC's register of members is in a jurisdiction outside Australia and its external territories
<b>GTB</b>	Great Tang Brothers Resource Investment Pty Ltd (ACN 154 071 593)
<b>Issuer Sponsor Holding</b>	means a holding of QMC Shares on QMC's Issuer sponsored sub-register
<b>Listing Rules</b>	the listing rules and requirements from time to time of ASX
<b>Minimum Acceptance Condition</b>	the Condition referred to in paragraph 1 of Schedule 2 of the Bidder's Statement, namely, that during or at the end of, the Offer Period, Moly and its associates have relevant interests in at least 50.01% (by number) of all QMC Shares then on issue
<b>Moly</b>	Moly Mines Limited ACN 103 295 521
<b>Moly Board</b>	the board of Moly Directors, as constituted from time to time
<b>Moly Director</b>	a director of Moly as at the date of this Target's Statement
<b>Moly Group</b>	Moly and each of its subsidiaries
<b>Offer</b>	the offer by Moly to acquire all of the QMC Shares on the terms and conditions set out in Sections 12 and 13 of the Bidder's Statement, as may be varied from time to time in accordance with the Corporations Act
<b>Offer Consideration</b>	A\$0.17 in cash per QMC Share
<b>Offer Date</b>	the date on which the Offer commences, being 18 December 2017
<b>Offer Period</b>	the period during which the Offer will remain open for acceptance, being the period commencing on the Offer Date (18 December 2017) and ending at 7:00pm (Sydney time) on 19 January 2018, as amended in accordance with Section 14 of the Bidder's Statement
<b>Participant</b>	has the meaning set out in the ASX Settlement Operating Rules

<b>Defined Term</b>	<b>Definition</b>
<b>Perfect Nation</b>	Perfect Nation Global Limited (BVI company number 1690685)
<b>Public Authority</b>	any federal, provincial, state or other government, governmental or public department, court, tribunal, administrative, statutory or judicial entity, arbitral body, securities commission or stock exchange (such as ASX)
<b>QMC</b>	Queensland Mining Corporation Limited ACN 109 692 469
<b>QMC Board</b>	the board of QMC Directors, as constituted from time to time
<b>QMC Director</b>	a director of QMC as at the date of this Target's Statement
<b>QMC Group</b>	QMC and each of its subsidiaries
<b>QMC Option</b>	an option to acquire one QMC Share
<b>QMC Share</b>	an issued and outstanding ordinary share in the capital of QMC and includes all Rights attaching to it
<b>QMC Shareholder</b>	a holder of one or more QMC Shares
<b>Record Date</b>	7.00pm (Sydney time) on 15 December 2017, being the time and date prescribed under Section 633(2) of the Corporations Act as the date for determining to whom the Bidder's Statement and this Target's Statement should be sent
<b>related body corporate</b>	the meaning given in Section 50 of the Corporations Act
<b>relevant interest</b>	the meaning given in Sections 608 and 609 of the Corporations Act
<b>Rights</b>	all accretions, rights or benefits of whatever kind attaching to or arising from QMC Shares directly or indirectly after the date of the Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared or paid by QMC or any of its subsidiaries
<b>Share Sale Agreement</b>	the share sale agreement dated 13 October 2017 between QMC and Moly, pursuant to which QMC agreed to sell (amongst other things) a number of subsidiaries that hold the tenements that comprise the White Range project to Moly.
<b>Share Registry</b>	the share registry of QMC, being Boardroom Pty Limited ACN 003 209 836 as at the date of this Target's Statement.
<b>subsidiary</b>	the meaning given in Section 46 of the Corporations Act
<b>Superior Proposal</b>	a bona fide unsolicited Competing Proposal received by QMC after the date of the Bid Implementation Agreement which the QMC Board has determined, in good faith and acting reasonably after consultation with and the receipt of written advice from their external legal advisers, is, or is reasonably

Defined Term	Definition
	likely to result in a proposal by the person making the Competing Proposal that is: <ul style="list-style-type: none"> <li>reasonably capable of being valued and completed, taking into account all aspects of the Competing Proposal, including its conditions and the person making it; and</li> <li>more favourable to the QMC Shareholders than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal.</li> </ul>
<b>Takeover Bid</b>	the off-market takeover bid made by Moly for all of the QMC Shares, in accordance with the terms and conditions set out in the Bidder's Statement
<b>Target's Statement</b>	this Target's Statement that is issued by QMC in response to the Bidder's Statement and otherwise in accordance with the requirements of the Corporations Act
<b>voting power</b>	the meaning given to that term in Section 610 of the Corporations Act
<b>VWAP</b>	the volume weighted average price of QMC Shares sold on ASX over the relevant period.
<b>your QMC Shares</b>	in respect of a QMC Shareholder, all of the QMC Shares on issue as at the Record Date held by that QMC Shareholder or that are issued after the Record Date to that QMC Shareholder and before the end of the Offer Period, whether by way of conversion of, or the exercise of a right attaching to, any securities that existed as at the Record Date or otherwise, including all Rights attaching to them

## 12.2 Interpretation

Unless the contrary intention appears, the following rules apply in interpreting this Target's Statement:

- (a) words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- (b) a reference to a section is a reference to a section of this Target's Statement;
- (c) a reference to legislation, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) the singular includes the plural and vice versa;
- (e) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;
- (f) a reference to Australian dollars, AUD, \$ or dollars is to the lawful currency of the Commonwealth of Australia; and
- (g) a reference to time is to Sydney time.

---

## CORPORATE DIRECTORY

### **Directors**

Lakshman Jayaweera – Non-Executive Chairman  
Eddy Wu – Executive Director  
Jun Qiu – Non-Executive Director  
Joyce Wang – Alternate Director of Jun Qiu

### **Registered Office**

Suite 2004, Level 20  
201 Elizabeth Street  
Sydney NSW 2000  
Telephone: +61 2 9267 8932

### **Company Secretary**

Pipvide Tang

### **Share Registry**

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

### **Website**

[www.qmcl.com.au](http://www.qmcl.com.au)

### **Legal Adviser**

Addisons  
Level 12, 60 Carrington Street  
Sydney NSW 2000