

QGold Pty Ltd

ACN 149 659 950

Level 15

40 Creek Street

Brisbane QLD 4000

22 March 2018

Company Announcements
ASX Limited
By facsimile: 1300 135 638

Market Bid for Strategic Minerals Corporation N.L. Supplementary Bidder's Statement

I refer to the market bid (takeover offer) made by QGold Pty Ltd ACN 149 659 950 ("QGold") to acquire all of the issued ordinary shares in Strategic Minerals Corporation N.L. ACN 008 901 380 (ASX:SMC) ("SMC"), as set out in its Bidder's Statement dated 4 December 2017 (the "Offer").

I enclose QGold's Supplementary Bidder's Statement for the Offer in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth).

The enclosed Supplementary Bidder's Statement supplements and is to be read together with QGold's Bidder's Statement dated 4 December 2017.

Yours faithfully



Christopher Wallin
Sole Director, QGold Pty Ltd

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

YOU SHOULD READ THIS DOCUMENT IN ITS ENTIRETY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISOR AS SOON AS POSSIBLE.

SUPPLEMENTARY BIDDER'S STATEMENT

IN RELATION TO THE MARKET BID (CASH OFFER) BY

**QGOLD PTY LTD
(ACN 149 659 950)**

TO ACQUIRE ALL OF THE ORDINARY SHARES IN

**STRATEGIC MINERALS CORPORATION NL
(ACN 008 901 380)**

This document should be read together with the Bidder's Statement dated 4 December 2017.

IMPORTANT INFORMATION AND NOTICES

(a) Supplementary Bidder's Statement

This document is a Supplementary Bidder's Statement issued by QGold Pty Ltd ACN 149 659 950 (**Bidder**).

This Supplementary Bidder's Statement is dated 22 March 2018 and is issued by the Bidder under section 643 of the Corporations Act. It relates to the offer by the Bidder to acquire all of the shares in Strategic Minerals Corporation NL ACN 008 901 380 (**SMC**) as set out in the Bidder's Statement dated, and lodged with the Australian Securities and Investments Commission (**ASIC**) on, 4 December 2017 (**Original Bidder's Statement**).

This Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement.

Unless the context requires otherwise, terms defined in the Original Bidder's Statement have the same meaning in this Supplementary Bidder's Statement. This Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement.

This Supplementary Bidder's Statement will be sent to:

- SMC shareholders;
- SMC;
- the operator of each prescribed financial market on which SMC's shares are quoted (being ASX and Chi-X).

(b) Australian Securities and Investments Commission

A copy of this Supplementary Bidder's Statement was lodged with ASIC on 22 March 2018. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Bidder's Statement.

(c) Disclosure regarding forward-looking statements

This Supplementary Bidder's Statement includes certain forward-looking statements and statements of current intention or expectation. As such statements relate to future matters, they are subject to inherent risks and uncertainties.

These risks and uncertainties include factors and risks specific to the industries in which the Bidder and SMC operate as well as matters such as general economic conditions, many of which are outside the control of the Bidder and its director. These factors may cause the actual results, performance or achievements of the Bidder or SMC to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forecasts or forward-looking statements.

The past performance of the Bidder and SMC is not a guarantee of future performance. The forward-looking statements do not constitute a representation that any such matter will be achieved in the amounts or by the dates indicated and are presented as a guide to assist you in assessing the Offer. The forward-looking statements are based on information available to the Bidder at the date of this Supplementary Bidder's Statement.

None of the Bidder, any of its directors or officers, any person named in this Supplementary Bidder's Statement or any person involved in the preparation of this Supplementary Bidder's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statements, or any events or results expressed or implied in any forward-looking statements, except to the extent required by law.

Subject to any obligations under law, the Bidder does not give any undertaking to update or revise any forward-looking statements, whether written or verbal, that may be made from time to time, whether as a result of new information, future events, or otherwise.

1. Takeovers Panel orders

The Takeovers Panel (**Panel**) made a declaration of unacceptable circumstances on 1 February 2018 in relation to an application by Ms Veronica Oma (a minority shareholder of SMC) in relation to the affairs of SMC. On 5 February 2018, SMC and the Bidder separately sought a review of the initial Panel's decision to make a declaration of unacceptable circumstances.

On 15 February 2018, the initial Panel made final orders in relation to its declaration of unacceptable circumstances. On 19 February 2018, the Bidder and Ms Oma separately sought a review of the initial Panel's decision to make orders.

The review Panel substantially affirmed the decision of the initial Panel by making a minor variation to the initial Panel's declaration of unacceptable circumstances and affirming the initial Panel's orders.

The Panel's media release (including the varied declaration) for the review Panel's decision is **attached** as Appendix 1 to this Supplementary Bidder's Statement, and can be accessed at <http://www.takeovers.gov.au/content/ListDocuments.aspx?Doctype=MR>

The final orders made by the Panel on 15 February 2018 that took effect on 2 March 2018 (**Panel Orders**) in effect require (among other things):

- The issue and dispatch of this Supplementary Bidder's Statement by the Bidder.
- The issue and dispatch of a supplementary target's statement (including a revised independent expert's report and a revised technical expert's report) by SMC.
- The Bidder to provide "Eligible Shareholders" (being persons who sold SMC shares between the date the Takeover Bid was announced on ASX and the date of the issue of the supplementary target's statement (containing the revised independent expert's report and the revised independent technical expert's report) to the market (inclusive)) with the ability to purchase from the Bidder (at a price of 40 cents per share) the number of shares that they sold.
- That the threshold to seek delisting of SMC is increased to take into account the shares sold during the takeover bid by the entity who received shares under a placement in November 2017.
- SMC and the Bidder to pay costs in aggregate of \$3,122.90 to the applicant (it has been agreed between SMC and the Bidder that they will each pay half i.e. \$1,561.45).

The Bidder is required under the Panel Orders to send a letter to "Eligible Shareholders" in due course in relation to their 'Reversal Rights' (ie rights to purchase from the Bidder (at a price of 40 cents per share) the number of shares that they sold).

It is proposed that letters will be sent by the Bidder to all persons who were registered SMC shareholders as at 4 December 2017 and whose shareholding decreased or was reduced to a zero balance since that date. Those persons are, in the Bidder's view, likely to be Eligible Shareholders or custodians or nominees holding on behalf of Eligible Shareholders and should include most Eligible Shareholders (or their custodians or nominees). Due to the way in which sales of shares on the ASX or Chi-X are cleared and settled, it is not possible to reconcile all transfers registered on SMC's share register with the market-based course of sales information available to the Bidder.

The Takeover Bid was announced on ASX on 4 December 2017. The date of the issue of a supplementary target's statement to the market is not yet known, however it should be noted that the Panel Orders require SMC to send a copy of a supplementary target's statement (containing the revised independent expert's report and the revised independent technical expert's report) to the ASX and the Bidder, lodge it with ASIC, and send it to each holder of SMC shares (other than the Bidder) within 14 days after the date of this Supplementary Bidder's Statement.

A full copy of the Panel Orders can be obtained on the Takeover's Panel website (<http://www.takeovers.gov.au/>) or the ASX website (<https://www.asx.com.au/asx/share-price-research/company/SMC>).

2. Information on the Bidder

2.1 Ownership structure of the Bidder

The sole shareholder of the Bidder is Queensland Gold Holdings Pty Ltd ACN 600 103 866 (**QGH**).

QGH holds the shares in the Bidder in its capacity as corporate trustee for the Christopher Wallin Family Trust No 2 (**Wallin Family Trust**), which is a discretionary trust.

QGH holds the legal title to the shares in the Bidder, but does not have any beneficial interest in the shares in the Bidder (or any shares in SMC).

The shareholders of QGH, holding a total of 10 shares between them, are:

- Christopher Ian Wallin (40%);
- Ross Hamilton McWatters (20%);
- Paul Alan Whimp (40%).

Mr McWatters and Mr Whimp have no beneficial entitlement or other interest under the Wallin Family Trust.

Christopher Wallin has sole and ultimate control of the Wallin Family Trust (and effective control of the Bidder), and under the trust deed for the Wallin Family Trust:

- Mr Wallin (as "Principal") has the power to remove QGH as trustee;
- Mr Wallin (as "Principal") has the power to appoint any new or replacement trustee;
- Mr Wallin has an express, unilateral and unequivocal right to exercise such powers (in respect of such matters) at any time in his absolute and sole discretion.

Accordingly, Mr Wallin is the directing mind and will of the Bidder.

2.2 Relevant interests in QGH

Having regard to the above, it is stated that the following persons/entities hold a relevant interest in shares in Queensland Gold Holdings Pty Ltd ACN 600 103 866:

Holder of relevant interest (s671B(3)(a))	Address (s671B(3)(a))	Nature of relevant interest (s671B(3)(b))	Class and number of securities (s671B(3)(b))	Relevant agreement (s671B(3)(c))	Associates (s671B(3)(d))
Christopher Ian Wallin	62 Yallamurra Street, The Gap Qld 4061	Direct by virtue of section 608(1)(a) Corporations Act – registered holder	4 fully paid ordinary shares in QGH	N/A	N/A
Ross Hamilton McWatters	5 Dunlop Street, Collinsville Qld 4804	Direct by virtue of section 608(1)(a) Corporations Act – registered holder	2 fully paid ordinary shares in QGH	N/A	N/A
Paul Alan Whimp	12 Dixon Street, New Farm Qld 4005	Direct by virtue of section 608(1)(a) Corporations Act – registered holder	4 fully paid ordinary shares in QGH	N/A	N/A

2.3 Relevant interests in the Bidder

Having regard to the above, it is stated that the following persons/entities hold a relevant interest in ordinary shares in the Bidder:

Holder of relevant interest (s671B(3)(a))	Address (s671B(3)(a))	Nature of relevant interest (s671B(3)(b))	Class and number of securities (s671B(3)(b))	Relevant agreement (s671B(3)(c))	Associates (s671B(3)(d))
Queensland Gold Holdings Pty Ltd ACN 600 103 866	C/- Harris Black, Level 16, 333 Ann Street, Brisbane City Qld 4000	Direct by virtue of section 608(1)(a) Corporations Act – registered holder	100 fully paid ordinary shares in the Bidder	N/A	N/A
Christopher Ian Wallin	62 Yallamurra Street, The Gap Qld 4061	Indirect by virtue of section 608(3)(a) of the Corporations Act 2001 – Mr Wallin has voting power of over 20% in QGH	100 fully paid ordinary shares in the Bidder	N/A	N/A
Paul Alan Whimp	12 Dixon Street, New Farm Qld 4005	Indirect by virtue of section 608(3)(a) of the Corporations Act 2001 – Mr Whimp has voting power of over 20% in QGH	100 fully paid ordinary shares in the Bidder	N/A	N/A

2.4 Voting power in SMC

Having regard to the above, as at the date of this Supplementary Bidder's Statement, the Bidder and/or Mr Wallin hold voting power of 80.46% in SMC.

3. Exploration permits held by entities controlled by Mr Wallin

3.1 Summary

Mr Wallin controls certain entities which hold exploration permits in the general region of the tenements held by SMC.

The Bidder did not include detailed information regarding such exploration permits in the Original Bidder's Statement on the basis that such information was not considered to be material to the making of the decision by a holder of bid class securities whether to accept the offer under the bid.

However, for completeness and the avoidance of any doubt, set out in the table below are details of each exploration permit held by an entity controlled by Mr Wallin, which abuts, or of which all or part is located within 100 kilometres of, a tenement held by SMC.

<i>Permit</i>	<i>Registered Holder</i>	<i>Date applied for</i>	<i>Date of grant</i>	<i>Term</i>	<i>Any JORC resources within the area of the permit</i>
EPM 19381	QGold Pty Ltd	10 March 2011	25 November 2013	5 years	NIL (see Section 3.2 below)
EPM 19720	QGold Pty Ltd	29 September 2011	18 December 2013	5 years	NIL (see Section 3.2 below)
EPM 18781	Energy Minerals Pty Ltd	22 July 2010	30 January 2014	5 years	NIL (see Section 3.2 below)
EPM 18839	Energy Minerals Pty Ltd	20 August 2010	30 January 2014	5 years	NIL (see Section 3.2 below)

EPM 19381 and EPM 19720 (the **QGold Tenements**) and EPM 18781 and EPM 18839 (the **Energy Minerals Tenements**) were applied for in 2010 and 2011, and were granted significantly prior to Mr Wallin being appointed as a director of SMC.

Maps showing the location of the QGold Tenements (shown in red) and Energy Minerals Tenements (shown in yellow) relative to the location of the tenements held by SMC (shown in blue and green) are contained in Appendix 2 of this Supplementary Bidder's Statement.

SMC is the holder of EPM 26263 (which is shown in green in the maps contained in Appendix 2). EPM 26263 was granted to SMC on 5 December 2016 which is significantly later than the date of grant of the QGold Tenements and Energy Minerals Tenements, and the other tenements held by SMC as shown in Appendix 2.

3.2 Status of permits

A summary of studies undertaken in respect of the QGold Tenements and Energy Minerals Tenements (and their outcomes) is set out below.

The relevant holder has undertaken studies of the existing geophysical and geochemical data sets, combined these with satellite data, spectral imagery and air photo images to prepare base maps of the area of the QGold Tenements and Energy Minerals Tenements.

Field mapping work has been undertaken within the area of the QGold Tenements and Energy Minerals Tenements to increase the knowledge of rock types, geological structures and potential mineralisation controls.

However, no drilling has been undertaken to date by the relevant holder in respect of the QGold Tenements and Energy Minerals Tenements, and therefore no resources have been defined in any of those tenements.

3.2 SMC shares held by the Bidder at time of application and grant of QGold Tenements / Energy Minerals Tenements

The Bidder did not have a relevant interest in SMC shares at the time that the applications for the QGold Tenements and Energy Minerals Tenements were made, or at the time that the QGold Tenements and Energy Minerals Tenements were granted.

However, for completeness, it is noted that the Christopher Wallin Superannuation Fund Trust did hold SMC shares at the time that the applications for the QGold Tenements and Energy Minerals Tenements were made, and at the time that the QGold Tenements and Energy Minerals Tenements were granted (as set out in the table below).

<i>Date</i>	<i>No. of SMC shares held</i>	<i>Total SMC shares on issue</i>	<i>% shareholding in SMC</i>
22 July 2010	35,868,262	377,020,428	9.51%
20 August 2010	35,868,262	413,862,533	8.67%
10 March 2011	72,710,367	423,862,533	17.15%
29 September 2011	190,382,589	565,147,377	33.69%
25 November 2013	286,325,967	659,338,607	43.43%
18 December 2013	286,325,967	659,338,663	43.43%
30 January 2014	286,325,967	659,338,663	43.43%

4. Updated statement of Bidder's intentions

Set out below is a revised and updated version of Section 5 (Bidder's Intentions) of the Original Bidder's Statement.

5. Bidder's intentions

5.1 Overview

This Section 5 sets out the Bidder's intentions, on the basis of the facts and information concerning SMC which are known to the Bidder and the existing circumstances affecting the business of SMC, in relation to:

- the continuation of the businesses of SMC;
- any major changes to the businesses of SMC and any redeployment of the fixed assets of SMC; and
- the future employment of the present employee/s and any contracted service providers of SMC.

The statements of intention set out in this section are based on information concerning SMC and its businesses that is known to the Bidder as at the date of this Supplementary Bidder's Statement.

Christopher Wallin is the sole director of the Bidder and, as noted in Section 2.1 of this Supplementary Bidder's Statement, is considered to be the directing mind and will of the Bidder. Mr Wallin is also a director of SMC.

As a result of Mr Wallin's directorship in SMC, Mr Wallin may have had access to certain commercial, operational and technical information of SMC (and certain information about SMC which is known to Mr Wallin may as a matter of law be imputed to or known by the Bidder). However, the Bidder considers that it has no such information that is material to the price or value of SMC Shares that is not in the public domain. Further, no such information has been used by the Bidder to form any intentions to seek to change the business of SMC or the future employment of the present employee/s of SMC.

In this regard it should be noted that:

- Mr Wallin is a non-executive director of SMC and is not involved in the day to day management of Strategic Minerals (and further, his time and efforts have for the last year been focused on managing the construction of the Byerwen coal project (which has over 500 staff, contractors and consultants) and managing the Sonoma and Drake mines (which have a further 500 staff, contractors and consultants);
- to the best of his knowledge and belief, all information known to Mr Wallin (whether obtained as a director of SMC, or otherwise) that is material to the making of the decision of a shareholder in SMC whether to accept the Takeover Bid (other than information clearly disclosed in the Target's Statement or ASX announcements of SMC since 1 December 2016) has been disclosed in the Original Bidder's Statement and this Supplementary Bidder's Statement;
- to the best of his knowledge and belief, Mr Wallin did not obtain or access or have regard to any other significant commercial, operational or technical information in relation to Strategic Minerals or its business that was:
 - not known SMC shareholders or otherwise in the public domain; and
 - material to the making of the decision of a shareholder in SMC whether to accept the Takeover Bid (or material to the Bidder's decision to make the Takeover Bid in the first instance).

Mr Wallin will continue to absent himself from any meetings of the SMC Board in which there are to be deliberations in relation to the Offer, due to the potential for conflict which arises as a result of his affiliation with the Bidder.

At the conclusion of the Offer Period the Bidder will, to the extent to which it is able, conduct a review of SMC and its operations, assets, liabilities and employees in light of the information available at that time, following which the Bidder will review its intentions as set out in this Section 5. Final decisions will only be reached after that review has been concluded and the results evaluated and in the light of all material information, facts and circumstances that exist at that time.

Consequently, the statements set out in this Section 5 are statements of the Bidder's current intention only, which may change as new information becomes available or circumstances change. The statements in this Section 5 should be read in this context.

5.2 Intentions upon acquiring 90% or more of SMC Shares

This Section 5.2 sets out the Bidder's intentions if it acquires a relevant interest in more than 90% of the SMC Shares and is entitled to proceed to compulsory acquisition of the outstanding SMC Shares.

Compulsory acquisition

If it becomes entitled to do so under the Corporations Act, the Bidder intends to proceed with the compulsory acquisition of the outstanding SMC Shares in accordance with Chapter 6A of the Corporations Act.

If it is required to do so under section 662A of the Corporations Act, the Bidder intends to give notices to SMC Shareholders offering to acquire their SMC Shares in accordance with section 662B of the Corporations Act.

If it becomes entitled to do so, the Bidder does not intend to compulsorily acquire any existing Options unless it is required to do so by law in accordance with Chapter 6A of the Corporations Act.

If it is required to do so under section 663A of the Corporations Act, the Bidder intends to give notices to holders of any Options offering to acquire their Options in accordance with section 663B of the Corporations Act.

ASX Listing

At the conclusion of the compulsory acquisition process, the Bidder intends to arrange for SMC to be removed from the official list of ASX (subject to any required approvals on the part of ASX), thereby eliminating the corporate administration costs associated with maintaining SMC as a listed company.

Directors

If SMC becomes wholly owned by the Bidder, the Bidder intends (subject to the Corporations Act and SMC's Constitution) to seek to re-constitute the Board of Directors of SMC such that it is comprised of nominees of the Bidder.

In respect of the period prior to the Bidder becoming entitled to and exercising any right to compulsorily acquire all SMC Shares, the Bidder intends (subject to the Corporations Act and SMC's Constitution) to seek to re-constitute the Board of Directors of SMC to reflect the Bidder's majority ownership of SMC whilst at the same time including one or more directors on the Board that are independent from the Bidder, which may include one or more of the current directors of SMC.

No decision has been made as to the constitution of the Board or who the Bidder's nominees would be, as their identity would depend on the size of the Bidder's stake in SMC and the relevant circumstances at the time (including the then current mix of skills and experience of the members of the Board).

SMC's businesses, assets and employees

Following the close of the Offer, if the Bidder is entitled to acquire 100% of SMC, the Bidder intends to conduct a review of the operations, assets, structure and employees of SMC in light of that information to identify:

- business opportunities and areas of revenue generation which may provide overall strategic operational benefit;
- areas of cost saving which may provide overall strategic and operational benefit; and
- any business or businesses which do not fit into the strategic plan for SMC and then evaluate the best and most appropriate way of organising such business or businesses.

Final decisions will only be reached after that review and in light of all material facts and circumstances.

While the Bidder does not currently have any specific intentions in relation to this review or its outcomes, its current expectation is that the review will focus on identifying the most effective means of utilising SMC's assets and maximising the investment the Bidder has made in SMC.

The status of SMC's existing employee and contracted service providers, if any, will be considered as part of the review outlined above.

5.3 Intentions upon acquiring less than 90% of SMC Shares

This Section 5.3 sets out the Bidder's intentions if it acquires a relevant interest in less than 90% of the SMC Shares.

ASX Listing

The Takeovers Panel has made final orders which in effect require (among other things) the following:

- The Bidder must provide "Eligible Shareholders" (being persons who sold SMC shares between the date the Takeover Bid was announced on ASX and the date of the issue of a supplementary target's statement (containing the revised independent expert's report and the revised independent technical expert's report) to the market (inclusive)) with the ability to purchase from the Bidder (at a price of 40 cents per share) the number of shares that they sold.
- SMC must not (and the Bidder must procure that it does not) request removal of SMC from the official list of the ASX, unless the Bidder and its related bodies corporate own or control at least 79.04% of SMC's ordinary securities immediately following the later of: (a) the last off market transfer of SMC shares to Eligible Shareholders (as contemplated by the orders) being processed and registered; and (b) the close of the Takeover Bid.

Subject to the above restriction imposed under the orders made by the Takeovers Panel, the Bidder intends to apply to the ASX for the removal of SMC from the official list of ASX (subject to the requirements of ASX).

The Bidder does not make or give any statement or opinion as to the likelihood of success of any such application made to ASX.

Directors

The Bidder intends, subject to the Corporations Act and SMC's Constitution, to seek to re-constitute the Board of Directors of SMC to reflect the Bidder's majority ownership of SMC whilst at the same time including one or more directors on the Board that are independent from the Bidder, which may include one or more of the current directors of SMC.

No decision has been made as to the constitution of the Board or who the Bidder's nominees would be, as their identity would depend on the size of the Bidder's stake in SMC and the relevant circumstances at the time (including the then current mix of skills and experience of the members of the Board).

SMC's businesses, assets and employees

The Bidder intends to attempt to procure that the SMC Board implements the intentions of the Bidder which are outlined in Section 5.2 above to the extent possible and appropriate.

Dividends

The Bidder intends to maintain SMC's current policy of not declaring dividends before the establishment of a stable profit stream which can support both SMC's anticipated exploration and capital expenditure requirements and dividend distributions.

Capital raisings & funding

SMC's existing business plan and the current intentions of the Bidder in relation to the development of SMC's businesses are likely to require significant exploration and capital expenditure requirements.

While no decision has been made in this regard, it may be necessary to undertake a substantial equity offering either alone or in conjunction with raising debt capital to fund SMC's anticipated exploration and development activities together with any committed capital expenditure requirements. The Bidder has not finalised its intentions in this regard and accordingly the form and timing of any future capital raisings or debt raisings have not been determined at this time.

See also Section 6 of this Supplementary Bidder's Statement below.

Further acquisitions of SMC Shares

The Bidder may acquire additional SMC Shares under the "creep" provisions of the Corporations Act. In summary, those provisions would permit the Bidder and its Associates to acquire up to 3% of SMC Shares every 6 months after completion of the Offer. The Bidder has not yet decided whether it will acquire further SMC Shares under the "creep" provisions in the future, as that will be dependent upon (among other things) the extent of Voting Power of the Bidder and its Associates in SMC and market conditions at the time.

The Bidder may also acquire additional SMC Shares as permitted by the Corporations Act as part of any future capital raising by SMC.

If the Bidder becomes entitled to give notices to compulsorily acquire any outstanding SMC Shares in accordance with section 664C of the Corporations Act as a result of additional SMC Shares, the Bidder intends to give such notices.

Information protocols

The Bidder will seek access to all books and records of SMC to assist it to implement its intentions as set out above. Whether such access is given would be a decision for the independent directors of SMC at the time, after complying with their statutory and fiduciary duties. If access is given, those books and records may contain confidential information concerning SMC. The Bidder contemplates that such access would be given under an appropriate confidentiality agreement.

5.4 QGold Tenements and Energy Minerals Tenements

Having regard to the early stage of studies/mapping done in relation to EPM 19381 and EPM 19720 (the **QGold Tenements**) and EPM 18781 and EPM 1839 (the **Energy Minerals Tenements**) (see Section 3 of this Supplementary Bidder's Statement), the Bidder and Mr Wallin have not finalised their intentions regarding these tenements. However, the Bidder notes the following:

- The intentions of Mr Wallin and the Bidder regarding the QGold Tenements and Energy Minerals Tenements are not dependent on the percentage of SMC shares which are ultimately held by the Bidder.
- The Bidder and Mr Wallin have not considered or formed any specific intentions regarding the QGold Tenements, the Energy Minerals Tenements and the SMC tenements on an aggregated basis.
- It is currently intended that:
 - the QGold Tenements will continue to be independently explored for Iron Oxide Copper Gold (IOCG) deposits and Broken Hill Type (BHT) lead, zinc, silver deposits (in a manner as is warranted and justified) by the Bidder;
 - the Energy Minerals Tenements will continue to be independently explored (in a manner as is warranted and justified) by Energy Minerals Pty Ltd.

5.5 Limitations on intentions

If, at the conclusion of the Offer, SMC is a controlled entity but is not a wholly owned subsidiary of the Bidder, there will be minority SMC Shareholders. In this event the Bidder expects that there will be one or more directors on the Board that are independent from the Bidder, which may include one or more of the current directors of SMC.

Any directors appointed to the Board by the Bidder will act at all times in accordance with their statutory and fiduciary duties. The Bidder intends that all requisite shareholder approvals and other requirements of law, including the Corporations Act and ASX Listing Rules, are complied with in pursuing any of the intentions referred to above.

As a result of these requirements the approval of minority SMC Shareholders may be required for the implementation of some or all of the intentions outlined above. The requirement for SMC directors to have regard to their fiduciary duties in the context of a partly owned subsidiary and the possible requirement to seek approval of SMC minority shareholders may prevent a particular intention from being achieved.

5.6 Intentions generally

Except as otherwise disclosed above, the Bidder intends on the basis of the facts and information concerning SMC which are known to it:

- to continue the businesses of SMC;
- not to make any major changes to the businesses of SMC or to redeploy SMC's fixed assets; and
- to continue the employment of SMC's present employee/s.

6. Information material to a decision of a SMC Shareholder whether to accept the Takeover Bid

On 9 March 2018, SMC entered into a loan facility with Mr Christopher Wallin (as disclosed in SMC's market announcement dated 9 March 2018). The material terms of the loan are as follows:

- *Amount:* \$1,000,000.
- *Interest rate:* 0%.
- *Term:* 8 months.
- *Security:* The loan is secured over certain mining tenements owned by SMC (the **Security**). The Security includes a term that if an event of default occurs and the lender exercises his rights under the Security, neither the lender nor any of his associates can acquire any legal or beneficial interest in an asset of SMC or its subsidiaries in full or part satisfaction of SMC's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without SMC first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or analogous person) appointed by the lender exercising his power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to the lender or any of his associates in accordance with his legal entitlements.

This loan was required by SMC to ensure that SMC can pay its debts as and when they fall due. ASX has granted a waiver from ASX Listing Rule 10.1 to the extent necessary to enter into the loan agreement (and subject to the conditions set out in SMC's market announcement dated 9 March 2018).

On 16 March 2018, the Bidder announced to the market an extension of the closing date of the Offer, so that the Offer Period will now end at the close of normal trading on ASX on Friday 29 June 2018, unless extended or withdrawn. A full copy of the Bidder's announcement can be obtained on the ASX website (<https://www.asx.com.au/asx/share-price-research/company/SMC>).

ASX Limited is SMC's relevant financial market. However, the Bidder may make offers under the Takeover Bid on any prescribed financial market that quotes SMC ordinary shares and accordingly these will be by way of buy orders through Ord Minnett Ltd on either ASX or Chi-X or both.

To the best of his knowledge and belief, all information known to Mr Wallin (whether obtained as a director of SMC, the Bidder or otherwise) that is material to the making of the decision of a shareholder in SMC whether to accept the Takeover Bid (other than information clearly disclosed in the Target's Statement or ASX announcements of SMC since 1 December 2016) has been disclosed in the Original Bidder's Statement and this Supplementary Bidder's Statement.

Mr Wallin is not aware of any other information which is material to making such a decision.

7. Consents

Christopher Wallin has consented to the inclusion of his name, each statement made by him and each statement based on a statement made by him in this Supplementary Bidder's Statement, in the form and context in which those references and statements appear. Christopher Wallin has not withdrawn that consent at the date of this Supplementary Bidder's Statement.

8. Approval of Supplementary Bidder's Statement

This Supplementary Bidder's Statement has been approved by a resolution of the sole director of the Bidder dated 22 March 2018.

Signed for and on behalf of the Bidder by:



.....
Christopher Wallin

Sole director of QGold Pty Ltd

Appendix 1 – Takeovers Panel Media Release

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Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/18

Friday, 2 March 2018

Strategic Minerals Corporation NL 02R, 03R, 04R and 05R - Review Panel Decision

The review Panel has substantially affirmed the decision of the initial Panel in *Strategic Minerals Corporation NL* (see [TP18/6](#) and [TP18/12](#)) by making a minor variation to the initial Panel's declaration of unacceptable circumstances (Annexure A) and affirming the initial Panel's orders.

On 5 February 2018, Strategic Minerals and QGold Pty Ltd separately sought a review of the initial Panel's decision to make a declaration of unacceptable circumstances (see [TP18/8](#)). On 19 February 2018, QGold and Ms Veronica Oma separately sought a review of the initial Panel's decision to make orders (see [TP18/15](#)).

The review Panel agreed with the initial Panel's conclusions for substantially the same reasons and decided to make a minor variation to one paragraph of the declaration to remove some wording it considered was not necessary or relevant to the conclusions of the declaration or the orders.

As a result of the review Panel's decision, the stay order made on 16 February 2018 (see [TP18/14](#)) has ended and the final orders made by the initial Panel on 15 February 2018 (see [TP 18/12](#)) have now taken effect.

The sitting Panel was Peter Day (sitting President), James Dickson and Bruce McLennan.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au



Australian Government

Takeovers Panel

ANNEXURE A

CORPORATIONS ACT SECTION 657EA VARIATION OF DECLARATION OF UNACCEPTABLE CIRCUMSTANCES

STRATEGIC MINERALS CORPORATION NL 02R, 03R, 04R AND 05R

VARIATION

The declaration made on 1 February 2018 in relation to the matter of *Strategic Minerals Corporation NL* is varied by deleting subparagraph 23(c) and substituting a new paragraph 23(c) so that the declaration reads as follows:

CIRCUMSTANCES

1. Strategic Minerals Corporation NL (SMC) is an ASX listed company (ASX: SMC).
2. Mr Christopher Wallin is, and has at all relevant times been, a director of SMC.
3. Mr Wallin is the directing mind and will of QGold Pty Ltd (QGold). On or around 8 October 2017, Mr Wallin was considering whether QGold should make a takeover bid for SMC and, on 10 October 2017, Mr Wallin received preliminary advice regarding takeover issues. At that time, QGold had a relevant interest in approximately 69.15% of SMC's shares.
4. In late October 2017, Mr Laif McLoughlin (the chairman of SMC and son-in-law of Mr Wallin) determined that SMC needed to raise additional funds. Mr McLoughlin contacted Mr Wallin, who recommended that SMC approach someone known to Mr Wallin (**Recommended Investor**) in connection with a placement by SMC.
5. On 26 October 2017, Mr McLoughlin met with the Recommended Investor regarding the proposed placement. The Recommended Investor was supportive of SMC's objectives for SMC and agreed (through his private investment company) to accept the whole placement (being 1,388,889 SMC shares, at an issue price of \$0.36 per share).
6. On or around 7 November 2017, Mr Wallin requested a fee estimate from legal advisors in respect of a potential on-market takeover bid for SMC. Mr Wallin

had, in early October 2017, approached a broker in connection with the possible takeover bid.

7. On 14 November 2017, SMC placed 1,388,889 ordinary shares (approximately 1.97% of the issued capital of SMC) with the private investment company controlled by the Recommended Investor (**Placee**).
8. On 15 November 2017, SMC announced the placement and issued a cleansing statement. SMC gave notice in the cleansing statement that, as at the date of the notice, there was "no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document". No enquiries were made of Mr Wallin before the cleansing statement was issued. Mr Wallin became aware of the cleansing notice and its contents after it had been released to ASX. No correction was made to the cleansing notice.
9. The price at which the SMC shares were issued to the Placee was at a premium to the price at which shares in SMC had last traded on-market.
10. On or around 30 November 2017, the Placee acquired 1,456,314 shares on-market (resulting in the Placee holding approximately 4.04% of the issued capital of SMC).
11. On 4 December 2017, QGold announced to the market its intention to make an on-market takeover bid for all of SMC's shares that it did not already own, offering \$0.40 cash per SMC share (**Takeover Bid**).
12. On the same day, QGold's broker started purchasing SMC shares (on behalf of QGold) on market at \$0.40 cash per SMC share.
13. Later that day, QGold lodged its bidder's statement for the Takeover Bid (**Bidder's Statement**). The Bidder's Statement included statements to the effect that QGold intended to apply to the ASX for the removal of SMC from the official list of ASX (subject to any required approvals on the part of ASX), whether the Takeover Bid resulted in QGold holding a relevant interest in more or less than 90% of SMC shares.
14. On 5 December 2017, the Placee disposed of all its shares in SMC.
15. On the same day, Mr McLoughlin approached Stantons International Securities Pty Ltd (**Independent Expert**) to prepare an independent expert's report and Corvidae Pty Ltd as trustee for Ravensgate Unit Trust trading as Ravensgate (**Technical Expert**) to prepare a technical expert's report. Mr McLoughlin discussed the terms of engagement and scope with the Independent Expert and Technical Expert.

16. Also on the same day, SMC advised shareholders to take no action in relation to the Takeover Bid and Bidder's Statement until they had received and considered SMC's target's statement.
17. On 8 December 2017, SMC formed a takeover response committee comprised of Mr Jay Stephenson (the sole independent director of SMC), a representative of SMC's legal advisor and a representative of SMC's corporate advisor (**Takeover Response Committee**). While the Takeover Response Committee was "of the view that Mr McLoughlin is independent of QGold in the current circumstances", it "formed a decision to exclude Mr McLoughlin from the Takeover Response Committee to remove any risk of there being a perceived conflict of interest". The Takeover Response Committee adopted an Independent Committee Charter.
18. By 12 December 2017, QGold had voting power in SMC of at least 75% (being the threshold required to apply for the delisting of SMC under paragraph 2.10 of ASX Guidance Note 33 *Removal of Entities from the ASX Official List*).
19. On 18 December 2017, SMC lodged its target's statement for the Takeover Bid (**Target's Statement**), which attached the Independent Expert's report and the Technical Expert's report. The Independent Expert relied on the Technical Expert's report and concluded that the Takeover Bid was fair and reasonable. Mr Stephenson recommended that SMC shareholders accept the Takeover Bid in the absence of a superior proposal. One of the principal reasons for Mr Stephenson's recommendation was the Independent Expert's conclusion.
20. In late December 2017 and early January 2018 the applicant and ASIC separately raised with SMC material disclosure deficiencies in relation to the report prepared by the Technical Expert (and, as a consequence, the Independent Expert's report).
21. On 2 January 2018, SMC was placed in a trading halt pending the release of a supplementary target's statement due to identified errors in the Technical Expert's report and Independent Expert's report being rectified.
22. On 4 January 2018, the securities of SMC were suspended from official quotation, pending the release of a supplementary target's statement due to revisions in the Technical Expert's report and Independent Expert's report.

Placement and related transactions

23. The Panel considers that the circumstances connected with the placement to the Placee, the Placee's additional on-market purchase of SMC shares and the sale of the Placee's shares give rise to unacceptable circumstances. These circumstances include:

- (a) Mr Wallin's involvement in the decision to make the placement and to approach the Placee at a time when Mr Wallin was considering whether QGold should make a takeover bid for SMC
- (b) the failure of SMC to ask or consult Mr Wallin as to whether the cleansing statement issued on 15 November 2017 could be issued
- (c) the Placee taking the placement and selling early after the announcement of the Takeover Bid
- (d) deficiencies in the Bidder's Statement and
- (e) the sale of the Placee's shares on 5 December 2017 that contributed to QGold acquiring voting power in 75% or more of SMC shares, thereby facilitating QGold's ability to cause SMC to apply for delisting from ASX which, together with QGold's stated intention in the Bidder's Statement to apply to the ASX for the delisting of SMC (even where the Takeover Bid results in QGold holding less than 90% of SMC shares), had the potential to coerce shareholders to accept the Takeover Bid.

Bidder's Statement

24. The Bidder's Statement does not include all information that is known to QGold and that is required under section 636(1) of the *Corporations Act 2001* (Cth) (Act), including sufficient information regarding:
- (a) the bidder, its ownership structure and that Mr Wallin is the directing mind and will of the bidder
 - (b) QGold's intentions regarding SMC and
 - (c) exploration permits held by entities controlled by Mr Wallin, which abut or are in the vicinity of the tenements held by SMC.

Target's Statement

25. There were deficiencies in the commissioning and engagement of experts to prepare the Technical Expert's report and Independent Expert's report included in the Target's Statement.
26. Further, due to the errors and deficiencies in the Technical Expert's report, the Target's Statement does not include all the information required under section 638 of the Act.

EFFECT

27. It appears to the Panel that:

- (a) the acquisition of control over voting shares in SMC has not taken place in an efficient, competitive and informed market
- (b) the holders of shares in SMC do not know the identity of persons who have acquired a substantial interest in SMC and
- (c) the holders of shares in SMC have not been given enough information to enable them to assess the merits of the Takeover Bid.

CONCLUSION

28. It appears to the Panel that the circumstances are unacceptable circumstances:

- (a) having regard to the effect that the Panel is satisfied they have had, are having or are likely to have on:
 - (i) the control, or potential control, of SMC or
 - (ii) the acquisition, or proposed acquisition, by a person of a substantial interest in SMC
- (b) in the alternative, having regard to the purposes of Chapter 6 set out in section 602 of the Act
- (c) in the further alternative, because they constituted, constitute, or gave or give rise to a contravention of a provision of Chapter 6 or of Chapter 6B or 6C of the Act.

29. The Panel considers that it is not against the public interest to make a declaration of unacceptable circumstances. It has had regard to the matters in section 657A(3) of the Act.

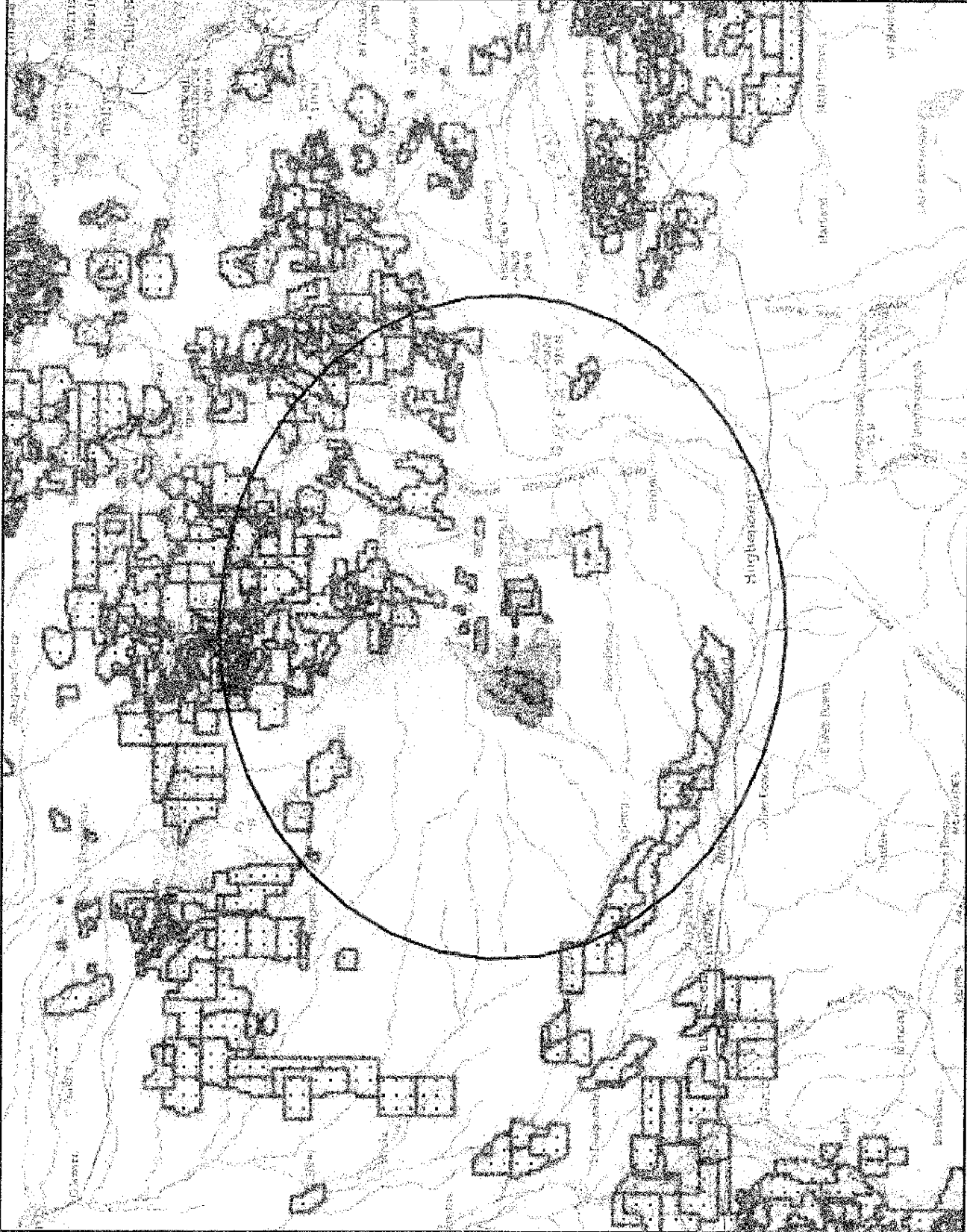
DECLARATION

The Panel declares that the circumstances constitute unacceptable circumstances in relation to the affairs of SMC.

Bruce Dyer
Counsel
with authority of Peter Day
President of the sitting Panel
Dated 2 March 2018

Appendix 2 – Maps of QGold Tenements and Energy Resources Tenements

2018-03-22 16:09:00 From: BRI Ferrier SQ To: 1300135638 Subject: #585 P.022/024



All enquiries and feedback:
 email: MinesOnlineMaps@drmm.qld.gov.au

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Selected Features

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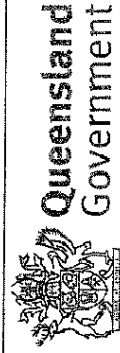
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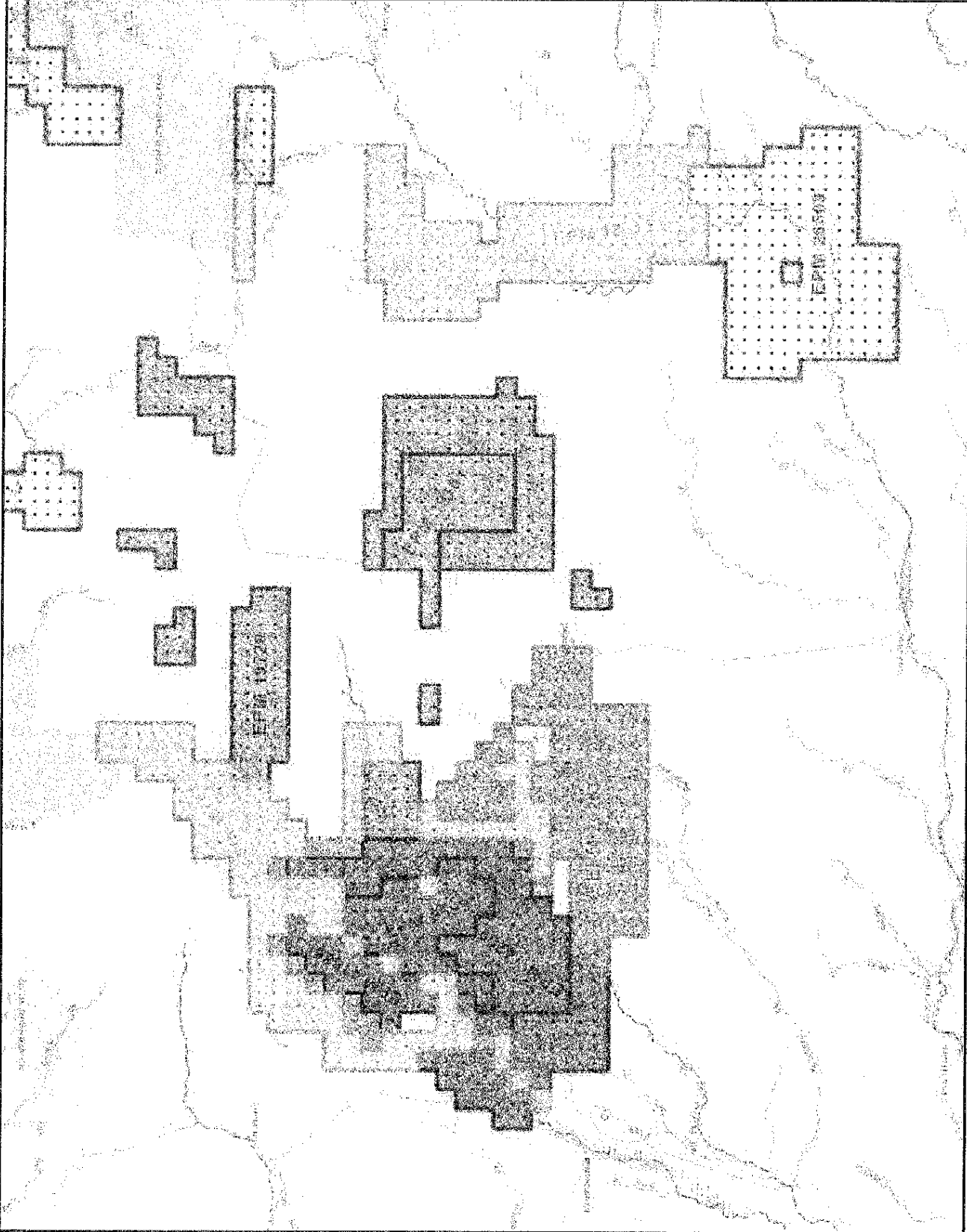
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- EPM 9599, EPM 11886, EPM 13942, EPM 14060, EPM 14209 (Strategic Minerals Corporation)
- EPM 26263 (Strategic Minerals Corporation)
- EPM18781 EPM18839 (Energy Minerals)
- EPM19381 EPM19720 (Qgold)
- Exploration Permit for Minerals



All enquiries and feedback:

email: MinesOnlineMaps@dnrm.qld.gov.au

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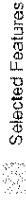
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-  EPM 9599, EPM 11886, EPM 13942, EPM 14209, EPM 14060, EPM 1886 (Strategic Minerals Corporation)
-  EPM 26263 (Strategic Minerals Corporation)
-  EPM 18781, EPM 18839 (Energy Minerals)
-  EPM 19381, EPM 19720 (Ogold)
-  Exploration Permit for Minerals