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## **Information Update for Shareholders**

Dear Shareholder,

We have been receiving enquiries from many of our shareholders who would like to know more about the restructuring currently underway at QMC. Most of these enquiries are on common themes and so this additional information is provided for the benefit of all shareholders. For clarity and convenience, we have set the information out in a Question and Answer format.

### **1. Why have Mr Messrs Tony Martin (CEO) and Mr Riccardo Vittino (CFO and Company Secretary) tendered their resignations?**

**Answer:** Mr Martin and Mr Vittino have each made significant contributions to the transition of management and restructuring in the company. However, it is understood that they now wish to resign from their current positions for personal reasons. The Board will make every effort to minimize the impacts of this management change on the company's operations and we are confident that productivity will be maintained. At the same time, the Board believes that, under the current market situation, it is imperative to protect shareholders' interests by tightly controlling operating costs of the company.

### **2. Why did QMC move its head office to Perth and move back to Sydney again? What is the cost benefit of these moving?**

**Answer:** The company decided to move its head office to Perth as a part of the initial restructuring plan. The office was down-sized significantly in Perth and the management team has also been reduced to a minimal level. However, the departure of Mr Martin and Mr Vittino provides a further opportunity to reduce costs by returning the head office again to Sydney, where the Board members are mostly located and an offer of low cost office space has recently been made. The plan for the company is to share office with another resource company and the operating cost of this office is expected to be less than 50% of the cost of the current Perth office and much less than the previous Sydney office.

### **3. What does management think QMC is worth today?**

**Answer:** The Board believes the current share price of QMC significantly undervalues the company's assets. In this respect we are similar to many other junior resource companies in Australia. However, the QMC Board believes the quality of our assets and the continuing support of our key shareholders will see us through the current lean period, provided we continue to take every opportunity to reduce costs and ensure that the business operates as efficiently as possible. If this is done, we believe the real value of the company will be eventually reflected in our share price and thus will reward the patience of our shareholders.

### **4. Is the new corporate advisor, Mr Eddy Wu, related to Ms Cathie Wu? What is the implication of this appointment to the company management structure?**

**Answer:** Mr Eddy Wu is the husband of Mrs Cathie Wu. Mrs Wu was nominated as a Director of the company by Perfect Nation Global Ltd (PNG) and has been strongly protecting all shareholders' interests during the restructuring of the previous QMC Board. However, due to her commitments elsewhere, it is possible that PNG may nominate Mr Wu as a Director in the near future, in place of Mrs Wu. The Board will make a decision about that change at the appropriate time. Mr Wu was the CEO of Murray Zircon Pty Ltd from early 2011 until this February. He successfully brought the Mindarie Mineral Sands Project into production in December 2012 and then moved back to Sydney where his family is located. In the interests of assisting us to control costs, and looking to the longer term, Mr Wu has agreed to work as a temporary Corporate Advisor without any charge to the company. We believe this arrangement is highly beneficial to the company and thus to the shareholders' interests. Mr Wu has a strong track record of success in respect of liaison between Australian mining companies and Chinese investors.

We trust the above information will clarify any current uncertainties for our shareholders. However, should you have any further questions, please do not hesitate to contact us at:

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Yours sincerely,

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