

# FAX COVER SHEET

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TO

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COMPANY

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FAXNUMBER 611300135638

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FROM Bruce Richards

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DATE 2017-12-04 04:54:08 GMT

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RE

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COVER MESSAGE

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# QGold Pty Ltd

ACN 149 659 950  
Level 15  
40 Creek Street  
Brisbane QLD 4000

4 December 2017

Company Announcements  
ASX Limited  
By facsimile: 1300 135 638

## **On-Market Takeover Offer for Strategic Minerals Corporation N.L. Bidder's Statement**

I refer to the announcement lodged earlier today by Ord Minnett Ltd, the broker for QGold Pty Ltd ACN 149 659 950 ("Bidder") regarding the Bidder's on-market takeover offer ("Offer") for all issued ordinary shares of Strategic Minerals Corporation N.L. ACN 008 901 380 (ASX:SMC) ("SMC"), at a price of \$0.40 per share.

To fulfil the Bidder's obligations under section 635(1) of the *Corporations Act 2001* (Cth), the Bidder's Statement for the Offer is lodged with this letter.

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.**

**BIDDER'S STATEMENT**  
**FOR AN UNCONDITIONAL ON-MARKET CASH OFFER BY**  
**QGOLD PTY LTD**  
(ACN 149 659 950)  
**TO ACQUIRE ALL YOUR ORDINARY SHARES IN**  
**STRATEGIC MINERALS CORPORATION NL**  
(ACN 008 901 380)  
**FOR \$0.40 CASH PER SHARE**

ORD MINNETT LIMITED HAS BEEN APPOINTED AS THE BROKER FOR QGOLD PTY LTD AND WILL STAND IN THE MARKET AND RECEIVE SMC SHARES OFFERED TO IT AT THE OFFER PRICE FROM 4 DECEMBER 2017)

TO ACCEPT THIS OFFER PLEASE INSTRUCT YOUR BROKER TO SELL YOUR SHAREHOLDING TO QGOLD PTY LTD ACN 149 659 950 ON-MARKET THROUGH THE ASX.

THE OFFER HAS NO CONDITIONS AND IS ABLE TO BE ACCEPTED BY SELLING ON ASX IMMEDIATELY, ALLOWING TWO TRADING DAYS FOR RECEIPT OF CASH.

Please call +61 (7) 3214 5522 if you require assistance with your acceptance.

The Offer is dated 19 December 2017 and will close at the end of trading (4:00pm, Sydney time) on 30 March 2018, unless withdrawn or extended.

**BROKER TO THE OFFER**

**ORD MINNETT**

**LEGAL ADVISOR**

 **DELPHI  
PARTNERS**

## KEY DATES

Date of announcement of Offer	4 December 2017
Bidder's Statement lodged with SMC, ASIC and ASX	4 December 2017
SMC Shareholders able to sell SMC Shares to the Bidder	4 December 2017
Date of Offer	19 December 2017
Offer closes (unless extended or withdrawn) 4.00pm (AEDT)	30 March 2018

These dates may vary as permitted under the Corporations Act. Any changes to the above timetable will be notified by way of announcements on the ASX under SMC's ASX code.

## ACCEPTANCE

To accept the Offer, you should follow the instructions set out in Section 2 of this Bidder's Statement.

## QUESTIONS

If you have any questions in relation to this document, the Offer or how to accept the Offer, please call the Offer Information Line on +61 (7) 3214 5522 from Monday to Friday between 9:00am and 5:00pm (AEDT). Please note that calls to this number may be recorded.

## IMPORTANT INFORMATION AND NOTICES

### (a) Bidder's Statement

This Bidder's Statement is given by QGOLD PTY LTD ACN 149 659 950 (**Bidder**) to STRATEGIC MINERALS CORPORATION NL ACN 008 901 380 (**SMC**) under Part 6.5 of the Corporations Act and relates to the Offer.

This Bidder's Statement is dated 4 December 2017.

The Offer relates to all SMC Shares that exist or will exist at any time during the Offer Period.

### (b) Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with ASIC on 4 December 2017. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

### (c) Offers outside Australia

The distribution of this Bidder's Statement may, in some jurisdictions, be restricted by law or regulation. The Offer is not being made, directly or indirectly, in or into, and will not be capable of acceptance from, any jurisdiction in which the making of the Offer, or acceptance of the Offer, would not be in compliance with the laws of that jurisdiction.

Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions. The Bidder does not accept or assume any liability or responsibility for any violation by any person of any such restrictions.

### (d) Important notice to US shareholders

The Offer is made for the shares of an Australian-registered company. It is important that US shareholders understand that the Offer is subject to disclosure requirements in Australia that are quite different from those in the US.

You should be aware that, subject to the Corporations Act, the Bidder may purchase SMC Shares otherwise than under the Offer, such as in the open market.

**(e) Disclosure regarding forward-looking statements**

This Bidder's Statement includes certain forward-looking statements and statements of current intention or expectation (which include those in Section 5 of this Bidder's Statement). 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 Bidder's Statement.

None of the Bidder, any of its directors or officers, any person named in this Bidder's Statement or any person involved in the preparation of this 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.

**(f) Investment decisions**

Nothing in this Bidder's Statement constitutes investment, legal, financial or tax advice. This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You should therefore seek your own independent financial and taxation advice before deciding whether or not to accept the Offer.

**(g) Information on SMC**

All information in this Bidder's Statement relating to SMC has been prepared by the Bidder using information included in public documents filed by SMC or published by SMC on its website.

None of the information in this Bidder's Statement relating to SMC has been commented on or verified by SMC or its directors or independently verified by the Bidder or its director for the purposes of this Bidder's Statement.

Accordingly, subject to the Corporations Act, the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on SMC in this Bidder's Statement should not be considered comprehensive.

In addition, the Corporations Act requires the directors of SMC to provide a target's statement to SMC Shareholders in response to this Bidder's Statement, setting out certain material information concerning SMC.

**(h) Privacy**

The Bidder has collected your information from the register of SMC Shareholders for the purposes of making the Offer. The Corporations Act requires the names and addresses of SMC Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to the Bidder's related bodies corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC. In accordance with the Privacy Act 1988 (Cth), SMC Shareholders may request access to personal information about them held by the Bidder and its agents. The registered office of the Bidder is Level 16, 333 Ann Street, Brisbane, Queensland 4000.

(i) **Rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Bidder's Statement.

(j) **Defined terms and interpretation**

Unless otherwise noted, capitalised terms and certain abbreviations used in this Bidder's Statement are defined in the Glossary in Section 10. Section 10 also sets out certain rules of interpretation which apply to this Bidder's Statement.

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## Bidder's letter

Dear SMC Shareholder,

I am pleased to enclose a Bidder's Statement in relation to an Offer from QGold Pty Ltd ACN 149 659 950 (the **Bidder**) to acquire all of the issued ordinary shares of Strategic Minerals Corporation N.L. ACN 008 901 380 (**SMC**).

The Bidder is offering \$0.40 cash for each of your SMC Shares. The Offer is unconditional and will remain open until 30 March 2018, unless extended or withdrawn.

The Bidder has instructed its Broker, Ord Minnett Ltd, to purchase all SMC Shares offered for sale to it on the ASX during the Offer Period at the Offer Price of \$0.40 per share.

The Offer provides you certain and immediate value and the opportunity to receive cash within two trading days from the date you instruct your Broker to sell your SMC Shares.

Key reasons for accepting the Offer include:

- (a) the Offer price of \$0.40 per SMC Share represents:
  - a 14.29% premium to the last trading price of SMC Shares on ASX as at 1 December 2017 (being the last Trading Day before the Announcement Date), being \$0.35; and
  - a 14.90% premium to the 90 trading day volume weighted average price of SMC Shares on ASX as at 1 December 2017 (being the last Trading Day before the Announcement Date), being \$0.348138836;
- (b) the Offer value will be paid to you in cash, providing you with a certain and immediate value for your SMC Shares;
- (c) as the Offer is unconditional, you can sell your SMC Shares to the Bidder immediately and receive cash 2 Trading Days (T+2) after your acceptance; and
- (d) the Offer removes any risks and uncertainties that could otherwise affect the future value of your SMC Shares.

If you wish to accept this Offer you can do so by instructing your Broker to sell your shareholding in SMC on market through the ASX. I encourage you to read this Bidder's Statement for more details about the Offer.

If you have any questions in relation to the Offer please contact your legal, financial or other professional advisor. Alternatively, you may contact the Offer Information Line on +61 (7) 3214 5522 from Monday to Friday between 9:00am and 5:00pm (AEDT).

Yours sincerely

Christopher Wallin  
Sole Director  
QGold Pty Ltd

## Reasons why you should accept the Offer

There are a number of important reasons why you should accept the Bidder's Offer. These include:

**1. The Offer Price is at a significant premium to the last trading price**

The Bidder's Offer gives you the opportunity to sell your SMC Shares for \$0.40 cash per SMC Share.

The Offer Price of \$0.40 per SMC Share represents:

- a 14.29% premium to the last trading price of SMC Shares on ASX as at 1 December 2017 (being the last Trading Day before the Announcement Date), being \$0.35; and
- a 14.90% premium to the 90 trading day volume weighted average price of SMC Shares on ASX as at 1 December 2017 (being the last Trading Day before the Announcement Date), being \$0.348138836.

**2. The Offer is unconditional and you can sell your SMC Shares immediately and receive a cash payment two trading days after your acceptance**

There are no conditions attached to the Offer and, although the Offer officially commences from 19 December 2017, you can sell your SMC shares at \$0.40 cash per SMC Share on market now.

Accordingly, you can ACCEPT the Offer knowing that you will be paid in cash 2 trading days after your acceptance (T+2 Basis).

Section 2 of this Bidder's Statement provides instructions on how you can ACCEPT the Offer.

**3. The Bidder is offering cash for your SMC Shares which provides you with certainty compared with retaining your SMC Shares**

The Bidder's Offer is to acquire your SMC Shares for 100% cash consideration.

The certainty provided by receiving cash at an attractive price under the Offer should be compared with the risks and uncertainties associated with remaining a SMC Shareholder, including the uncertainty of SMC's ability to generate future earnings, positive cash flow or dividends.

**4. If the Offer is not accepted it is possible that the market price of SMC Shares may fall**

While there are many factors that will influence the market price of SMC Shares, in the absence of the Offer or a competing bid, it is possible that after the close of the Offer the SMC Share price will fall below the value of the Offer, given that the Offer represents a premium to the prior recent market price of SMC Shares.

## Frequently asked questions

### 1. What is the Offer?

The Bidder is making an unconditional Offer to acquire all of your SMC Shares. The Offer consideration is \$0.40 cash for each SMC Share.

### 2. When can I sell my SMC Shares to the Bidder?

You can sell your SMC Shares on market to the Bidder **immediately** and receive cash proceeds within two trading days.

The Bidder's Broker, Ord Minnett Limited, will stand in the market on behalf of the Bidder and receive SMC Shares offered to it at the Offer Price from the Announcement Date (i.e. 4 December 2017) until 30 March 2018, the date the Offer is scheduled to close (unless extended or withdrawn in accordance with the Corporations Act). To accept the Offer, you should follow the instructions set out in Section 2 of this Bidder's Statement.

### 3. What is this Bidder's Statement?

This Bidder's Statement was prepared by the Bidder for distribution to SMC Shareholders. This Bidder's Statement describes the terms of the Offer for your SMC Shares and information relevant to your decision whether or not to accept the Offer. This Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional advisor.

### 4. Who is the Bidder?

QGold Pty Ltd is a private company that currently holds Exploration Permits for Minerals in Queensland. Its sole director is Christopher Wallin.

Christopher Wallin is also the founder and managing director of QCoal Pty Ltd which mines coal from the Bowen Basin, including the Sonoma Coal Mine and Drake Coal Mine. These mines produce 6 million tonnes of coking and thermal coal which is exported through the Abbot Point Coal Terminal each year. QCoal also has several other mines in either early production or development stage. One such mine, the Byerwen Coal Mine, will enter production phase next year.

Refer to Section 3 for further information.

### 5. How do I accept the Offer?

The Offer can only be accepted by selling all or some of your SMC Shares on market to the Bidder's Broker before the end of the Offer Period. This means that you must give instructions to a Broker to sell all or some of your SMC Shares on market. You are not required to complete a form to accept the Offer. Further information on how to accept the Offer is set out in Section 2 of this Bidder's Statement.

### 6. Are there any conditions of the Offer?

No. The Offer is an unconditional cash offer.

### 7. When does the Offer close?

The Offer is currently scheduled to close at 4.00pm (AEDT) on 30 March 2018 (unless extended or withdrawn in accordance with the Corporations Act).

### 8. Will I need to pay brokerage if I accept the Offer?

You are responsible for paying your Broker's fees.

**9. If I accept the Offer, when will I be paid?**

The usual rules for settlement of transactions which occur on market on ASX will apply in respect of the Bidder's purchase of SMC Shares on market. This means that you will be paid on a T+2 Basis.

**10. What are the tax implications of accepting the Offer?**

A general description of the taxation treatment for certain Australian resident SMC Shareholders accepting the Offer is set out in Section 8.

The description in Section 8 is a general description only and not advice. It does not take into account your particular circumstance or needs. You should not rely on that description as advice for your own affairs.

You should consult your taxation advisor for detailed taxation advice before making a decision as to whether or not to accept the Offer for your SMC Shares.

**10. What is the effect of the Offer on Options issued by SMC?**

The Offer will not extend to the acquisition of any Options. However, the Offer will extend to any SMC Shares that are issued and listed for quotation on ASX at any time during the Offer Period as a result of the exercise or conversion of any existing Options.

The Bidder has no intention to compulsorily acquire any Options unless it is required to do so by law.

## 1. Overview of the Offer

### 1.1 Summary of Offer terms

The Bidder Offers under an on-market takeover bid to purchase all SMC Shares that exist or will exist at any time during the Offer Period for \$0.40 cash per share.

A copy of the takeover announcement made to ASX on 4 December 2017 by the Bidder's Broker, Ord Minnett Ltd, is set out in Appendix 1 of this Bidder's Statement.

### 1.2 Offer

The Bidder hereby offers to acquire all SMC Shares together with rights attaching to them for consideration of \$0.40 cash per share, on the terms and conditions set out in this Offer.

The Offer will not extend to the acquisition of any Options. However, the Offer will extend to any SMC Shares that are issued and listed for quotation on ASX at any time during the Offer Period as a result of the exercise or conversion of any existing Options.

### 1.3 How the Offers will be made

The Offers will be made on behalf of the Bidder by the Bidder's Broker through the ASX during the Offer Period.

### 1.4 Persons to whom the Offer is made

The Offer is made to all holders of ordinary shares of SMC to which the Bidder (or its Associates) are not already entitled.

### 1.5 Offer Period

The Offer Period will officially commence at the start of trading on ASX on 19 December 2017 and will finish immediately at the close of trading on the ASX on 30 March 2018, unless extended or withdrawn.

### 1.6 Acquisitions prior to official Offer Period

However, notwithstanding the Offer Period will not officially commence until 19 December 2017, and as permitted by the Corporations Act, the Bidder's Broker (on behalf of the Bidder) will accept at the Offer Price every SMC Share offered to the Bidder's Broker on market during the period commencing on 4 December 2017 and ending at close of trading on ASX on 30 March 2018, unless the offer is withdrawn.

### 1.7 Extension of Offer Period

The Bidder may, at its discretion, extend the Offer Period (subject to the Corporations Act).

### 1.8 Payment date

The usual rules for settlement of transactions which occur on market on the ASX will apply in respect of the Bidder's purchase of SMC Shares pursuant to the Offer. This means that if you accept the Offer, you will be paid on a T+2 Basis.

### 1.9 No conditions

The Offer is not subject to any conditions.

### 1.10 Brokerage and other costs

As the Offer by the Bidder is pursuant to an on-market takeover bid, Offers will be made during normal trading on ASX. SMC Shareholders may only accept the Offer through Brokers who are members of ASX. Any brokerage fees charged by such Brokers will be the sole responsibility of

accepting SMC Shareholders. Generally, no stamp duty or goods and services tax (GST) will be payable by you on the transfer of SMC Shares pursuant to the Offer (other than GST payable to your Broker in respect of brokerage fees charged to you) — see Section 8 for more general information.

#### **1.11 Withdrawal of Offer**

The Bidder may withdraw the Offer in respect of any unaccepted Offers at any time:

- with the written consent of ASIC and subject to the conditions (if any) specified in such consent; or
- where a Prescribed Occurrence occurs, if at the time of the Prescribed Occurrence, the Bidder's voting power in SMC is at or below 50% (the Bidder's and its Associates' current voting power in SMC is approximately 69.148%); or
- upon the occurrence of an Insolvency Event in relation to SMC (regardless of the Bidder's voting power in SMC).

Notice of withdrawal of the Offer must be given by the Bidder to the ASX.

#### **1.12 Variation of Offer**

The Bidder may vary the Offer by increasing the Offer Price in accordance with the Corporations Act. If a SMC Shareholder has sold their SMC Shares prior to any such variation, that SMC Shareholder will not receive any benefit from the variation.

#### **1.13 Jurisdiction**

The Offer and any contract that results from a SMC Shareholder's acceptance of the Offer are governed by the laws of Queensland.

## 2. How to accept the Offer

### 2.1 How to sell your SMC Shares to the Bidder

SMC Shareholders may sell their SMC Shares to the Bidder on-market immediately by offering to sell some or all of their SMC Shares on ASX at the Offer Price on and from the start of trading on ASX on 4 December 2017 until the end of the Offer Period.

The Bidder's Broker will stand in the market to acquire on behalf of the Bidder all SMC Shares offered at the Offer Price during normal trading on ASX on and from 4 December 2017. The Bidder's on-market purchases of Target Shares will be subject to normal ASX market rules and procedures, including time and price based priorities.

**If you hold your SMC Shares in an Issuer Sponsored Holding (your SRN starts with an "I"), to sell your SMC Shares to the Bidder you will need to instruct a Broker (which may include Ord Minnett Limited, where Ord Minnett Limited is your existing Broker) to sell your SMC Shares at the Offer Price during the Offer Period.**

**If you hold your SMC Shares in a CHESS Holding (your HIN starts with an "X"), to sell your SMC Shares to the Bidder you will need to instruct your Controlling Participant (for example, your Broker) to sell your SMC Shares at the Offer Price during the Offer Period.**

**If you are a Broker or Controlling Participant, acceptances of the Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.**

You are not required to complete a form to accept the Offer.

If you have any questions in relation to how to accept this Offer, please call the Offer Information Line on +61 (7) 3214 5522 from Monday to Friday between 9:00am and 5:00pm (AEDT).

## **3. Information on the Bidder**

### **3.1 Overview of the Bidder**

QGold Pty Ltd is an unlisted proprietary company incorporated in Australia, with its registered office located at Level 16, 333 Ann Street, Brisbane, Queensland 4000.

It currently holds Exploration Permits for minerals in Queensland. Its sole director is Christopher Wallin.

### **3.2 Director of the Bidder**

The Bidder's sole director, Christopher Wallin, is also the founder and managing director of QCoal Pty Ltd which mines coal from the Bowen Basin, including the Sonoma Coal Mine and Drake Coal Mine. These mines produce 6 million tonnes of coking and thermal coal which is exported through the Abbot Point Coal Terminal each year. QCoal also has several other mines in either early production or development stage. One such mine, the Byerwen Coal Mine, will enter production phase next year.

Although Christopher Wallin is the sole director of QCoal Pty Ltd and sole director of the Bidder, the Bidder is not a subsidiary of QCoal Pty Ltd and QCoal Pty Ltd is not a subsidiary of the Bidder.

### **3.3 The Bidder's Relevant Interest and Voting Power in SMC**

As at the date of this Bidder's Statement, the Bidder and its Associates had a relevant interest in 48,714,823 SMC Shares. The Bidder and its Associates' voting power in SMC was approximately 69.148% because of their relevant interest in SMC Shares.

### **3.4 Directors' Interests in SMC**

As at the date of this Bidder's Statement, Christopher Wallin (the sole director of the Bidder) has an interest in the following SMC Shares through the following entity:

- QGold Pty Ltd (of which Christopher Wallin is the sole director) holds 48,714,823 SMC Shares, representing approximately 69.148% of the total issued SMC Shares.

### **3.5 Relationship with the Chairman of SMC**

The Chairman of SMC, Laif McLoughlin, is married to Fiona Wallin who is the daughter of Christopher Wallin, the sole director of the Bidder.

### **3.6 The Bidder's intentions before commencement of the Offer Period**

The Bidder intends to purchase SMC Shares on ASX from the time the Offer is announced up to the commencement of the Offer Period. Any such SMC Shares will be purchased at the Offer Price.

## 4. Information on SMC

### 4.1 Overview of SMC

SMC is an Australian based gold exploration company whose principal major gold exploration project is located at Woolgar, in Central Northern Queensland, Australia. SMC has been publicly listed on the ASX since 1981.

The Woolgar Project, which is 100% owned and managed by SMC, is located 120 kilometres north of Richmond, in Queensland. The Woolgar Project incorporates six Exploration Permits for Minerals (EPMs) covering an area of 493 km<sup>2</sup> over prospective areas within an area 31 kilometres north to south and 26 kilometres east to west, along with eight Mining Leases (MLs) over resources and infrastructure.

The Woolgar Project contains multiple resources hosted in mesothermal, epithermal and intrusion related gold systems. The Big Vein South (BVS) deposit located within the Lower Camp is a shear-hosted mesothermal vein gold system. The historic resources of the Sandy Creek epithermal vein sector are located in the east of the Woolgar Project, approximately 10 to 13 kilometres east-northeast of the main BVS resource, and encompass Lost Word, Explorer, Camp Vein and Grand Central. Lastly, Soapstar, an intrusive-related deposit, is approximately 15 kilometres northeast of BVS. The BVS resource is a mesothermal gold deposit both spatially and genetically unrelated to the historic resources.

SMC, through its subsidiary company Alpha Uranium N.L., has established a uranium exploration portfolio, which includes substantive targets within the Woolgar project area. Exploration activity for uranium is currently in hiatus due to the state-wide prohibition on the mining of uranium.

### 4.2 Directors of SMC

As at the date of this Bidder's Statement, the directors of SMC are:

- Jay Richard Stephenson
- Laif Allen McLoughlin
- Christopher Ian Wallin

### 4.3 Capital Structure of SMC

Section 6 of this Bidder's Statement contains information regarding SMC's capital structure.

### 4.4 Substantial shareholders of SMC

As at the date of this Bidder's Statement, the Bidder understands that there are no SMC Shareholders (other than the Bidder itself) which have substantial shareholdings in the issued ordinary share capital of SMC.

### 4.5 Disclaimer / Publicly available information

The information in this Section has been prepared based on a review of publicly available information concerning SMC. It has not been verified and the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information concerning SMC may be included in its target's statement in relation to the Offer.

Being a company listed on the ASX, SMC is subject to the periodic and continuous disclosure requirements. Accordingly, more information concerning SMC, including SMC's 2016 Annual Report, may be accessed via the ASX website ([www.asx.com.au](http://www.asx.com.au)) or SMC's website: [www.stratmin.com.au](http://www.stratmin.com.au).

## 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 contained in this Bidder's Statement are based on information concerning SMC and its businesses that is known to the Bidder as at the date of this Bidder's Statement, from publicly available information.

However, the Bidder has not undertaken any formal due diligence in relation to SMC and its businesses in connection with the Offer and consequently does not believe that it is aware of all material information, facts and circumstances that may be necessary to enable it to assess all of the operational, commercial, taxation and financial implications of its current intentions.

Christopher Wallin is the sole director of the Bidder and is also a director of SMC. As a result of Mr Wallin's directorship in SMC, information about SMC 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.

Mr Wallin intends 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***

The Bidder intends to keep all current members of the Board of SMC, its Subsidiaries and any company in respect of which SMC has nominated directors.

#### ***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 Bidder intends 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).

#### ***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 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 relevant circumstances at the time.

#### ***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.

### *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 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 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.

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.

## 5.5 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 on SMC securities**

**6.1 Issued securities**

According to publicly available information, SMC has 70,450,536 fully paid ordinary shares on issue at the date of this Bidder's Statement.

At the annual general meeting of SMC on 30 May 2017, the shareholders of SMC also approved the issue of 350,000 SMC Options. These Options are yet to be issued.

The key terms of the abovementioned 350,000 Options are set out below:

Entitlement	Each Option entitles the holder to subscribe for one (1) SMC Shares upon exercise of the Option.
Exercise Price	145% of the 5 day VWAP
Expiry	35 months from date of issue
Ranking	SMC Shares issued on the exercise of Options will rank equally with the then issued SMC Shares
Quotation	The Options are not quoted on ASX or any other securities exchange, however if it is admitted to the official list of the ASX at the time, application will be made by SMC to ASX for quotation of the SMC Shares issued upon exercise of the Options.

Any SMC Shares issued on exercise of any Options during the Offer Period may be accepted under the Offer.

**6.2 Relevant interest in SMC securities and voting power**

As at the date of this Bidder's Statement, the Bidder and its Associates have a relevant interest in 48,714,823 SMC Shares. The Bidder and its Associates' voting power in SMC is approximately 69.148% because of their relevant interest in SMC Shares.

**6.3 Consideration provided for SMC securities during previous four months**

During the period beginning 4 months before the date of this Bidder's Statement, neither the Bidder nor any of its Associates have provided, or agreed to provide, consideration for a SMC Share under any purchase or other agreement.

**6.4 SMC Share price history**

The last sale price of SMC Shares on ASX as at 1 December 2017 (being the last day on which SMC Shares were traded on ASX before the Announcement Date) was \$0.35 per share.

The highest and lowest closing prices during the three months immediately before the date of this Bidder's Statement were:

- Highest – \$0.35 on 28<sup>th</sup>, 29<sup>th</sup> and 30<sup>th</sup> November 2017
- Lowest – \$0.28 on 28<sup>th</sup> September 2017

#### 6.5 Inducing benefits given during previous four months

Neither the Bidder nor any of its Associates has, during the period of four months ending on the day immediately before the date of the Offer, given, offered or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

- accept the Offer; or
- dispose of SMC Shares,

which benefit was not offered to all SMC Shareholders under the Offer.

## 7. Funding

### 7.1 Maximum cash consideration

The consideration for the acquisition of SMC Shares to which the Offer relates will be satisfied wholly in cash.

As at the date of this Bidder's Statement, there are 70,450,536 SMC Shares on issue (of which 48,714,823 are held by the Bidder).

At the annual general meeting of SMC on 30 May 2017, the shareholders of SMC also approved the issue of 350,000 SMC Options. These Options are yet to be issued.

The maximum consideration payable by the Bidder for the acquisition of all SMC shares (assuming all Options are issued and subsequently exercised and converted into SMC Shares during the Offer Period) will be approximately \$8,834,285.20 (**Maximum Consideration Amount**), being the Offer Price of \$0.40 per SMC Share multiplied by 22,085,713 SMC Shares.

### 7.2 The Bidder's funding arrangements

As at the date of this Bidder's Statement, the Bidder does not itself hold any cash amounts specifically for the payment of the consideration required for the acquisition of SMC Shares under the Offer.

The Bidder intends to fund the consideration payable for the Offer using advances from its sole director, Christopher Wallin.

Christopher Wallin has, under the terms of a binding Facility Deed dated 4 December 2017, irrevocably and unconditionally undertaken to the Bidder that it will make available sufficient funds to enable the Bidder to:

- satisfy its obligations to pay the consideration required for the acquisition of SMC Shares under the Offer; and
- meet the transaction costs associated with the Offer.

Under the terms of the internal funding arrangements between Christopher Wallin and the Bidder (**Internal Funding Arrangements**):

- Christopher Wallin will advance funds on request by the Bidder for the purposes set out above;
- the funds borrowed by the Bidder will be non-interest bearing, and will be repayable on demand; and
- there will be no conditions precedent to the Bidder drawing down on such funds.

The Internal Funding Arrangements will be unsecured.

Christopher Wallin (together with his related entities) holds readily available cash reserves well in excess of the Maximum Consideration Amount for the sole purpose of advancing those funds to the Bidder under the Internal Funding Arrangements to enable the Bidder to:

- satisfy the Bidder's obligations to pay the consideration required for the acquisition of SMC Shares under the Offer; and
- meet the transaction costs associated with the Offer.

Christopher Wallin will source the funds that he has undertaken to provide to the Bidder under the Internal Funding Arrangements solely out of these existing cash reserves.

The funds available to the Bidder under the Internal Funding Arrangements are sufficient to fund the maximum amount of consideration payable under the Offer and all associated transaction costs.

On the basis of the arrangements set out in this Section 7, the Bidder considers that it has a reasonable basis for believing, and it does believe, that it will be able to pay the consideration required to SMC Shareholders who accept the Offer and to meet all other obligations associated with the Offer.

## **B. Taxation Implications**

### **B.1 No tax advice given**

The following is a general description of the Australian income tax, GST and stamp duty consequences for SMC Shareholders of disposing of SMC Shares in return for cash under the Offer. This taxation summary is not, and is not intended to be, taxation advice to any SMC Shareholder and should not be relied on as such.

Acceptance of the Offer may have taxation implications, which may differ depending on the individual financial affairs of each shareholder. You should seek professional advice regarding the taxation implications of accepting the Offer.

The Bidder and its advisors do not accept any liability or responsibility for any taxation implications arising from the acceptance of the Offer by Australian resident and non-resident Shareholders or for the summary below. Shareholders should obtain independent Australian advice on the taxation consequences of the Offer before accepting.

### **B.2 Australian taxation issues**

It is not possible to cover all Shareholder situations in the Australian taxation summary that follows (which, except where otherwise expressly stated, applies only to Australian tax-resident taxpayers) and the taxation implications of the decision by a Shareholder whether or not to accept the Offer will depend on the particular circumstances of each Shareholder.

The Australian taxation summary that follows is based on the law, and interpretation thereof, in force as at the date of this Bidder's Statement.

#### ***Australian resident shareholders***

##### ***SMC Shares held on revenue account***

For Shareholders who are tax resident in Australia and who dispose of SMC Shares held on revenue account, any gain or loss from the disposal will be assessed as ordinary income or claimed as a revenue deduction. CGT roll-over relief will have no application to the Shareholders. The CGT discount will also not be available.

##### ***SMC Shares held on capital account***

Shareholders may realise a capital gain or capital loss in respect of the disposal of their SMC Shares where the shares are held on capital account. The acceptance of this Offer would constitute the disposal of SMC Shares by the Shareholder, which in turn would constitute a CGT event for Australian taxation purposes. CGT roll-over relief will not be available to the Shareholders. For Shareholders who are tax resident in Australia, a capital gain should arise on disposal of their SMC Shares to the extent that the capital proceeds from the disposal (being the consideration received under the Offer) exceed the cost base of the shares. The taxation treatment of the gain will depend on the date of acquisition of the SMC Shares, the Shareholder's cost base and the nature and tax attributes of the Shareholder.

For SMC Shares disposed of within 12 months of acquisition, the full amount of the capital gain realised would be assessable. If a Shareholder (being an individual, trust or superannuation fund) has held their SMC Shares for at least 12 months, the Shareholder may apply the CGT discount. The CGT discount is used to reduce the assessable capital gain by one half (i.e. 50%) for individuals and trusts, and by one third (i.e. 33 1/3%) for superannuation funds. Companies are not entitled to the CGT discount. (CGT discount is applied after the realisation of any current or carried forward capital losses.)

Shareholders who are tax resident in Australia may realise a capital loss on disposal of their SMC Shares to the extent the amount of the capital proceeds received is less than the cost base of the shares. The Shareholder may utilise the capital loss against any available capital gains of the current year in working out their net capital gains for the income year for inclusion in their assessable income. Any excess capital loss may be carried forward to be offset against any capital gains made by the Shareholder in a future year.

### *Non-resident shareholders*

#### *SMC Shares held on revenue account*

If a Shareholder who is not resident in Australia enters into a profit making transaction in Australia with respect to their SMC Shares, the profit on disposal of the SMC Shares may be included in its assessable income as ordinary income. The Australian taxation implications will depend on the source of the gain and whether there is a double tax agreement between the non-resident Shareholder's country of residence and Australia.

#### *SMC Shares held on capital account*

Shareholders who are not resident in Australia will generally not be subject to Australian CGT on acceptance of the Offer unless they, together with their Associates, directly own at least 10% or more of the SMC Shares and more than 50% of the value of SMC's assets are attributable to Australian real property.

### **8.3 Foreign taxation issues**

The foreign taxation implications of non-resident Shareholders disposing of SMC Shares will be a function of the taxation laws (foreign and Australian) as they apply to the Shareholders. It is not possible to address these situations as they will be specifically dependent on the taxation laws of the applicable jurisdictions, any relevant double-tax agreements and the particular circumstances of the Shareholder.

### **8.4 Transfer taxes**

Generally, no stamp duty (share transfer duty) is payable for transfers of shares in listed companies. 'Land rich' or 'Landholder' duty may be payable following an acquisition of 90% or more of SMC shares if SMC directly or indirectly holds any interests in land in Australia with a value over a certain threshold. Should any such duty become payable as a result of the Offer, the applicable duty will be paid by the Bidder.

### **8.5 GST**

The disposal of SMC Shares pursuant to the Offer would not be subject to GST. To the extent that you are charged GST in relation to your Broker carrying out your instructions to institute acceptance of the Offer or for any other costs incurred in accepting the Offer, you may not be able to claim any or full input tax credits for GST incurred on the costs as the disposal of shares is input taxed. This will depend on the individual circumstances of each Shareholder.

## 9. Additional Information

### 9.1 ASIC modifications

The Bidder has relied on the modification to section 636(3) of the Corporations Act set out in ASIC Class Order 13/521 to include references to certain statements which are made, or based on statements made, in the documents lodged by SMC with ASIC or ASX including:

- Annual Report to Shareholders 2016 lodged on 30 March 2017
- Resource Update lodged on 26 October 2017
- Quarterly Activities Report and Quarterly Cashflow Report lodged on 30 October 2017
- Amendment to Resource Update lodged on 30 October 2017
- Further results of 2017 Drill Program lodged on 1 December 2017.

Pursuant to ASIC Class Order 13/521, the relevant person making those statements is not required to consent to, and have not consented to, the inclusion of such statements in this Bidder's Statement.

As required by ASIC Class Order 13/521, the Bidder will on request during the Bid Period make available a copy of these documents (or of relevant extracts from these documents) free of charge within 2 business days of the request, to you and other SMC Shareholders who request it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), you may telephone the Offer Information Line on +61 (7) 3214 5522 from Monday to Friday between 9.00am and 5.00pm (AEDT).

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement contains security price trading data references obtained from Iress Limited without their consent.

The Bidder has not obtained from ASIC any modifications of or exemptions from the Corporations Act in relation to the Offer. The Bidder may rely on class order relief granted by ASIC which applies generally to all persons, including the Bidder.

### 9.2 Approvals for payment of consideration

If, at the time you accept the Offer, any authority or clearance by a government authority is required for you to receive consideration under the Offer or you are resident in or a resident of a place to which, or you are a person to whom or to whose assets the following apply:

- the *Autonomous Sanctions Regulations 2011* (Cth);
- the *Banking (Foreign Exchange) Regulations 1959* (Cth);
- Part 4 of the *Charter of the United Nations Act 1945* (Cth);
- the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Al-Qaida and the Taliban) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Cote d'Ivoire) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Democratic People's Republic of Korea) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Democratic People's Republic of the Congo) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Eritrea) Regulations 2010* (Cth);
- the *Charter of the United Nations (Sanctions – Iran) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Iraq) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Lebanon) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Liberia) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Libyan Arab Jamahiriya) Regulations 2011* (Cth);
- the *Charter of the United Nations (Sanctions – Somalia) Regulations 2008* (Cth);
- the *Charter of the United Nations (Sanctions – Sudan) Regulations 2008* (Cth); or
- any other law of Australia that would make it unlawful for the Bidder to provide consideration for your SMC Shares,

then you will not be entitled to receive payment under the Offer until all requisite authorities and clearances have been obtained.

### 9.3 Regulatory and other approvals

There are no regulatory approvals that the Bidder is required to obtain before acquiring SMC Shares under the Offer.

### 9.4 No escalation agreements

Neither the Bidder nor any Associate of the Bidder has entered into any escalation agreement in respect of SMC Shares that is prohibited by section 622 of the Corporations Act.

### 9.5 Consents

Each of Delphi Partners and Ord Minnett Limited has given and has not, before lodgement of this Bidder's Statement with ASIC, withdrawn their consent to the inclusion of:

- references to their name; and
- additionally, in the case of Ord Minnett Limited, the statement it has made as set out in Appendix 1,

in this Bidder's Statement in the form and context in which those references and statements appear.

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 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 Bidder's Statement.

Each person who is named in this Bidder's Statement as acting in a professional capacity for the Bidder in relation to the Offer (including, without limitation, Delphi Partners and Ord Minnett Limited):

- does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based, other than a statement included in this Bidder's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than any statement which has been included in this Bidder's Statement with the consent of that party.

### 9.6 No other material information

There is no other information that:

- is material to the making of the decision by a holder of SMC Shares whether or not to accept the Offer; and
- which is known to the Bidder,

other than:

- as set out or referred to elsewhere in this Bidder's Statement; or
- information which it would be unreasonable to require the Bidder to disclose because the information has previously been disclosed to holders of SMC Shares.

## 10. Glossary and Interpretation

### 10.1 Glossary

The following terms have the meanings set out below unless the context requires otherwise:

**AEDT** means Australian Eastern Daylight Time.

**Announcement Date** means 4 December 2017, being the date of the Broker Announcement.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in section 12 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange it operates, as the context requires.

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532).

**ASX Settlement Operating Rules** means the settlement rules of ASX Settlement.

**ASX Settlement Participant** means a participant under the ASX Settlement Operating Rules.

**Bid Period** means the period commencing on the Announcement Date and expiring at the end of the Offer Period.

**Bidder** means QGold Pty Ltd ACN 149 659 950.

**Bidder's Broker** means Ord Minnett Limited (AFSL 237121).

**Bidder's Statement** means this document, being the bidder's statement of QGold Pty Ltd ACN 149 659 950 under Part 6.5 of the Corporations Act relating to the Offer.

**Broker** means a person who is admitted by ASX as a Market Participant (as that term is defined in the ASX Settlement Operating Rules).

**Broker Announcement** means the announcement in relation to the Offer made by the Bidder's Broker on 4 December 2017, a copy of which is set out in Appendix 1.

**Business Day** means a day on which banks are open for general banking business in Brisbane (not being a Saturday, Sunday or public holiday in that place).

**CGT** means Australian capital gains tax.

**CHESS** means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia.

**CHESS Holding** means a holding of SMC Shares on the CHESS subregister of SMC.

**Controlling Participant** means the Broker or ASX Settlement Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

**Corporations Act** means the *Corporations Act 2001 (Cth)* and any regulations made under that Act.

**GST** means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

**Insolvency Event** means any of the events set out in section 652C(2) of the Corporations Act.

**Listing Rules** means the listing rules of ASX as amended or varied from time to time.

**Offer** means the offer to acquire SMC Shares under the terms and conditions contained in this Bidder's Statement, as varied in accordance with the Corporations Act.

**Offer Period** means the period commencing on 19 December 2017 and ending on 30 March 2018, or such later date to which the Offer has been extended.

**Offer Price** means \$0.40 per SMC Share.

**Options** means options to acquire SMC Shares.

**Prescribed Occurrence** means any of the events set out in section 652C(1) of the Corporations Act.

**Register** means the register of SMC Shareholders maintained by SMC in accordance with the Corporations Act.

**SMC** means Strategic Minerals Corporation N.L. ACN 008 901 380.

**SMC Shareholder** or **Shareholder** means a person who is registered as the holder of one or more SMC Shares in the Register.

**SMC Shares** means fully paid, ordinary shares in SMC.

**T+2 Basis** means that settlement occurs on the second Trading Day after the date of the transaction in accordance with ASX practice.

**Trading Day** has the meaning given to it in the Listing Rules.

**Voting Power** has the meaning given to it in section 610 of the Corporations Act.

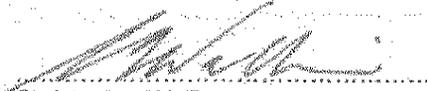
## 10.2 Interpretation

- (a) Annexures to this Bidder's Statement form part of this Bidder's Statement.
- (b) Words and phrases to which a meaning is given by the Corporations Act or the Listing Rules have that meaning in this Bidder's Statement unless that meaning is inconsistent with the context in which the word or phrase is used.
- (c) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (d) The singular includes the plural and vice versa and words importing any gender includes the other gender, and references to persons include corporations.
- (e) References to Sections are to sections of this Bidder's Statement.
- (f) References to paragraphs are references to paragraphs within the Section in which the reference to the paragraph is made.
- (g) References to time are references to the time in Brisbane, Australia on the relevant date, unless stated otherwise.
- (h) References to "dollars", "\$" or "cents" are to Australian currency, unless stated otherwise.

11. Approval of Bidder's Statement:

This Bidder's Statement has been approved by a resolution of the sole director of the Bidder dated 4 December 2017.

Signed for and on behalf of the Bidder by:



Christopher Wallin

## Appendix 1 – Broker Announcement

4 December 2017

To The Company Announcements Office  
ASX Limited

For immediate release to market

### On-market takeover bid by QGold Pty Ltd for ordinary shares in the capital of Strategic Minerals Corporation N.L.

In accordance with section 6.1.1 of the ASIC Market Integrity Rule (ASX Market) 2010, Ord Minnett Ltd (the Bidder's Broker) announces that the Bidder's Broker will, on behalf of QGold Pty Ltd ACN 149 659 950 (the Bidder), pursuant to section 635 of the *Corporations Act (Cth) 2001 (Corporations Act)*, offer to acquire on market at a price of \$0.40 per share (Offer Price), all of the fully paid ordinary shares (SMC Shares) in the capital of Strategic Minerals Corporation N.L. ACN 008 901 380 (SMC) which are listed for quotation on the official list of the Australian Securities Exchange (ASX) that exist or will exist during the Offer Period (as defined below) (Offer).

From the date and time of this announcement and ending at close of trading on ASX on 30 March 2018, the Bidder's Broker (on behalf of the Bidder) will accept at the Offer Price every SMC Share offered to the Bidder's Broker on market up to a maximum of 21,735,713 Shares (being all the SMC Shares on issue at the date of this announcement, excluding those held by the Bidder) together with any additional SMC Shares which are issued during the Offer Period.

#### Terms of the Offer

Given that the offer is an on-market bid, it is unconditional and the consideration will be paid by way of cash.

The key features of the Offer are:

- It is an on-market unconditional offer of \$0.40 per SMC Share;
- the Bidder's Broker will accept SMC Shares offered to it on market from today at the Offer Price until the conclusion of the Offer Period (defined below); and
- the Offer Period may be extended and the Offer Price may be increased or the Offer withdrawn in accordance with the Corporations Act.

#### Acquisition from Announcement

The Bidder has appointed the Bidder's Broker to purchase all SMC Shares that exist or will exist from today until the conclusion of the Offer Period which are not already owned by the Bidder on its behalf on market during the official trading days (Trading Days) of ASX. The Bidder's Broker has been instructed to purchase, at the Offer Price, every SMC Share offered for sale during the Trading Days in the period from the date of this announcement until the end of the Offer Period.

#### Settlement and Brokerage

Payment for SMC Shares sold to the Bidder under the Offer will be made on a T+2 settlement basis in accordance with the usual ASX Settlement Operating Rules for ASX trading.

As the Offer will only be capable of acceptance by holders of SMC Shares (Shareholders) selling through Brokers which are participating organisations of ASX, all SMC Shares to be purchased by the Bidder will be purchased on market only during Trading Days.

Any brokerage charged by Brokers acting for shareholders wishing to sell their SMC Shares will be the sole responsibility of those shareholders.

### **Offer Period**

The Bidder's Broker will stand in the market on behalf of the Bidder and accept SMC Shares offered to it at the Offer Price from the date of this announcement. However, the Offer will be made during the period commencing 19 December 2017 (being the first trading day after the end of 14 days after the date of this announcement) and ending on 30 March 2018 (**Offer Period**) unless extended by the Bidder pursuant to the Corporations Act.

The Bidder reserves the right to withdraw unaccepted Offers in the circumstances permitted by, and in accordance with, Part 6.7 of the Corporations Act, at any time before the end of the Offer Period.

### **Bidder's Statement**

In accordance with section 635 of the Corporations Act, a Bidder's Statement will be served on SMC and lodged with each of the ASX and Australian Securities and Investments Commission today. A copy of the Bidder's Statement will also be sent to SMC shareholders prior to commencement of the Offer Period.

### **The SMC Shares**

The SMC Shares which are subject of the Offer are all fully paid ordinary shares in the capital of SMC which the Bidder does not already have a relevant interest in at the date of the Bidder's Statement or such other shares which are issued during the Offer Period. Immediately before the making of this announcement:

- in so far as the Bidder is aware, there are 70,450,536 SMC Shares on issue, all of which are quoted on ASX; and
- the Bidder and its Associates have a relevant interest in 48,714,823 SMC Shares, which represent approximately 69.148% of all SMC Shares on issue in the capital of SMC.

Signed on behalf of Ord Minnett Limited

.....  
Karl Morris  
Executive Chairman

**Corporate Directory**

**Bidder**

QGold Pty Ltd ACN 149 659 950  
Level 15  
40 Creek Street  
Brisbane QLD 4000

**Legal Advisor to the Bidder**

Delphi Partners  
Level 23  
307 Queen Street  
Brisbane QLD 4000

**Broker to the Offer**

Ord Minnett Limited  
Level 31  
10 Eagle St  
Brisbane QLD 4000

**OFFER INFORMATION LINE: +61 (7) 3214 5522**  
**Monday to Friday between 9.00am and 5.00pm (AEDT)**