

Prospectus

IN RELATION TO AN OFFER BY

QGOLD PTY LTD

(ACN 149 659 950)

TO SELL ORDINARY SHARES IN

STRATEGIC MINERALS CORPORATION NL

(ACN 008 901 380)

TO ELIGIBLE PARTICIPANTS

Offer

QGold Pty Ltd (**QGold**) invites Eligible Participants to acquire, by way of transfer, a limited number of Shares in Strategic Minerals Corporation NL (**SMC**) at a sale price of 40 cents per Share on the terms of this Prospectus (**Offer**). The Offer is an invitation to Eligible Participants only, where they are able to comply with the terms of the Offer as set out in this Prospectus.

Purpose of Prospectus

This Prospectus has been prepared by QGold for the purposes of section 707(2) of the Corporations Act (off-market sales), and to give effect to Orders made by the Takeovers Panel (**Panel**) which took effect on 2 March 2018. Please refer to Sections 1.1 and 1.3 of this Prospectus for further details.

IMPORTANT NOTICE

This Prospectus is a transaction-specific prospectus prepared in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the information in this document and on the accompanying Application Form before making any decision in relation to the Offer. Entitlements under the Offer may be valuable and it is important that you determine whether to take up or do nothing in respect of any entitlement you may have under the Offer. If you do not understand this document you should consult your professional adviser without delay. The securities offered by this Prospectus should be considered speculative.

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IMPORTANT INFORMATION

General

The Prospectus is dated 6 June 2018 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX and the Panel do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction-specific prospectus prepared by QGold for an offer of continuously quoted securities (as defined in the Corporations Act). It has been prepared in accordance with section 713 of the Corporations Act.

No new Shares will be issued pursuant to this Prospectus. The Offer relates to the potential sale of some of the existing Shares that are owned by QGold.

An electronic disclosure document will not be used for the Offer.

No securities will be sold on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Risk factors

Before deciding to re-invest in SMC, potential investors are advised by QGold that they should read the entire Prospectus. In considering the prospects for SMC, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could, in QGold's view, affect the performance of SMC. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to re-invest.

Publicly available information

Information about SMC is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au). The contents of any website or ASIC or ASX filing by SMC are not incorporated into or included in this Prospectus and do not constitute part of the Offer.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to SMC which has been notified to ASX. Applicants can therefore have regard to the other publicly available information in relation to SMC before making a decision whether or not to purchase Shares in SMC from QGold.

Although this Prospectus necessarily mentions SMC in several places, QGold expressly disclaims mentioning SMC as the authority for any particular statement.

Offer restrictions

The offer of Shares for sale made pursuant to this Prospectus is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Shares. No action has been taken to register the Offer or this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 7.

All references in this Prospectus to \$, AUD, cents or dollars are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Queensland, Australia.

1. BACKGROUND

1.1 Background to the Offer

On 4 December 2017, QGold announced a market bid (takeover bid) to acquire all of the shares in SMC (**the Takeover Bid**) as set out in its Bidder's Statement dated 4 December 2017 and lodged with the Australian Securities and Investments Commission (**ASIC**). SMC issued its Target's Statement on 18 December 2017 in response to the Takeover Bid.

On 1 February 2018, the Panel made a declaration of unacceptable circumstances, after an application by Ms Veronica Oma (a minority shareholder of SMC), in relation to the affairs of SMC.

On 15 February 2018, the initial Panel made final orders in relation to its declaration of unacceptable circumstances. On 19 February 2018, QGold 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 for the initial Panel's decision (including the initial declaration) and the subsequent decision made by the review Panel (including the varied declaration) can be accessed at <http://www.takeovers.gov.au/content/ListDocuments.aspx?Doctype=MR>

The reasons for the Panel's decision can be accessed at the Panel's website: <https://www.takeovers.gov.au/content/ListDocuments.aspx?Doctype=RD>

The Panel has made final orders (**Orders**) which require (among other things):

- The issue and dispatch of a Supplementary Bidder's Statement by QGold. On 22 March 2018, QGold issued a Supplementary Bidder's Statement (which supplements its original Bidder's Statement) and lodged it with ASIC.
- 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. SMC lodged its Supplementary Target's Statement with ASIC on 31 May 2018 (containing the revised independent expert's report and the revised independent technical expert's report).
- QGold to provide Eligible Participants (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 to the market) with the ability to purchase from QGold (at a price of 40 cents per Share) the number of Shares that they sold. The Offer under this Prospectus gives effect to this Order.

A full copy of the 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>).

You should consider this Prospectus as regards making a decision to re-invest (ie re-purchase Shares) in SMC. The Prospectus has been sent out by QGold together with the Supplementary Bidder's Statement and Supplementary Target's Statement as required by the Orders.

1.2 What is the Offer?

The Offer under this Prospectus is:

- an invitation to acquire, by way of transfer, ordinary shares in SMC;
- made available by QGold to a discrete class of persons, being Eligible Participants;
- able to be taken up at an acceptance price of **40 cents** per Share (i.e. the bid price under the Takeover Bid);
- an invitation that expires at 5.00pm Brisbane time on 29 June 2018; and
- only able to be accepted by completing, executing and delivering to QGold an Application Form, together with Application Monies and the Eligibility Document(s) required under section 2.5. Upon receipt of these documents QGold will assess the application and make a determination as to whether you are an Eligible Participant and the number of Shares you are entitled to purchase from it.

1.3 Why is this Prospectus being sent out by QGold?

This Prospectus is being sent out to comply with section 707(2) of the Corporations Act. Generally, section 707(2) of the Corporations Act requires that a prospectus be used in relation to a widely-made offer of a body's securities for sale by a person who controls the body, if the securities are quoted and not offered for sale in the ordinary course of trading on a relevant financial market. QGold currently holds 80.46% of the Shares in, and therefore controls, SMC.

QGold is responsible for everything in this Prospectus, subject to the defences available to it under the Corporations Act.

Various documents mentioned in this Prospectus, particularly those relating to the Takeover Offer or those issued by SMC, are not cited for any particular proposition, other than as may be attributed to QGold.

1.4 The Takeover Bid

The Takeover Bid is due to end on Friday, 29 June 2018, unless extended by QGold in its absolute discretion. QGold has been granted relief from ASIC from section 654A of the Corporations Act (which prohibits a bidder from disposing of securities in the bid class during the bid period) in order to make and complete the Offer under this Prospectus.

Provided they do so early enough, Eligible Participants who purchase Shares under the Offer may still be able to then accept the Takeover Bid while it remains open. QGold reserves the right to vary the Takeover Bid in its absolute discretion, subject to the Corporations Act.

As stated above, this Prospectus has been sent out by QGold together with the Supplementary Bidder's Statement and Supplementary Target's Statement as required by the Orders.

2. DETAILS OF THE OFFER

2.1 Summary of the Offer

QGold invites Eligible Participants to acquire, by way of transfer, a specific number of Shares in SMC at a sale price of 40 cents per Share (**Offer**).

The Offer is open to Eligible Participants only and is subject to Eligible Participants being able to provide the required Eligibility Documents to QGold no later than the Closing Date. Refer to section 2.3 which sets out who is an Eligible Participant and section 2.5 which sets out what Eligibility Documents are required to be submitted by Eligible Participants. **In most cases, an Eligibility Document is a transaction confirmation (sometimes called a contract note).**

QGold currently holds 56,684,380 ordinary shares in SMC. It is prepared to transfer the appropriate quantity of Shares to Eligible Participants who submit valid Application Forms together with Application Monies and valid Eligibility Documents, which are received by the Closing Date.

2.2 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgment of this Prospectus with ASIC by QGold	6 June 2018
Offer materials dispatched by QGold	8 June 2018
Closing Date	29 June 2018

The Orders specify that the Offer is to be open for 15 Business Days from the date the last of the offer materials is dispatched. They also specify that QGold must send the letter and accompanying documents, including this Prospectus, within 5 Business Days of the issue of the Supplementary Target's Statement.

2.3 Who is an Eligible Participant?

A person is an Eligible Participant if they sold SMC ordinary shares between 4 December 2017 (being the date the Takeover Bid was announced on ASX) and 1 June 2018 (being the date of the issue of the Supplementary Target's Statement to the market) (inclusive).

Eligible Participants can, for convenience and practicality, be classified into 2 Classes:

- **Class A** - persons who sold Shares through a Stockbroker on either the ASX Market or the Chi-X Market after 3:43 pm AEST on 4 December 2017 (being the time the Takeover Bid was announced on ASX) and 29 December 2017 (both dates inclusive);
- **Class B** - persons not in Class A who may have sold SMC ordinary shares between 4 December 2017 and 1 June 2018 (being the date the Supplementary Target's Statement was announced on the ASX) (inclusive).

Eligible Participants may have sold Shares at any price and to anyone. Sales may have been 'off-market'.

In effect, the Offer enables Eligible Participants to re-acquire Shares by buying them from QGold for 40 cents each.

The table in section 2.5 below sets out the Eligibility Documents required for Eligible Participants based on whether they fall within Class A or Class B.

QGold expects most Eligible Participants who sold Shares to fall within Class A.

2.4 How many Shares am I entitled to buy under the Offer?

Only persons who are Eligible Participants and who provide the Eligibility Documents to QGold in accordance with this Prospectus will be entitled to buy Shares under the Offer.

The number of Shares each Eligible Participant is entitled to buy is equal to the same number of Shares the Eligible Participant sold since 4 December 2017 (being the date the Takeover Bid was announced on ASX).

2.5 What Eligibility Documents are required to be submitted?

The following table sets out what Eligibility Documents are required from Eligible Participants.

Class	Description	Eligibility Document
Class A	Persons who sold Shares through a Stockbroker on either the ASX Market or the Chi-X Market after 3:43 pm AEST on 4 December 2017 (being the time the Takeover Bid was announced on ASX) and 29 December 2017 (both dates inclusive)	Original or certified copy of transaction confirmation (i.e. contract note) from selling Stockbroker
Class B	Persons <u>not in Class A</u> who may have sold SMC ordinary shares between 4 December 2017 and 1 June 2018	Original or certified copy of share sale agreement evidencing a sale on or after 4 December 2017 and information regarding or evidencing registration of corresponding share transfer by Share Registry

2.6 Applications

Application Forms under the Offer may only be submitted by persons who are Eligible Participants and who can provide the Eligibility Documents.

Application Forms must be delivered or mailed together with a cheque drawn on a financial institution (eg a bank) for the Application Monies to be received by QGold on or before the Closing Date. Cheques must be drawn on an Australian branch of a financial institution in Australian currency and made payable to "QGold Pty Ltd" and crossed "Not Negotiable".

QGold has sent Application Forms and a copy of this Prospectus to current or former shareholders of SMC who are likely to be Eligible Participants. However, if you believe you may be an Eligible Participant (as described in section 2.3) and you have not received an Application Form regarding the Offer from QGold, you should contact Delphi Partners on (07) 3077 7167 as soon as possible. Delphi Partners is QGold's law firm and is handling Application Forms.

By submitting an Application Form, you declare that you were given a copy of this Prospectus (and any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a copy of this Prospectus.

2.7 Options for Eligible Participants

If you are an Eligible Participant, you may do any of the following:

- **Accept the Offer in full** – If you wish to accept the Offer in full and purchase your full entitlement to Shares, you should submit the Application Form together with your Eligibility Documents and Application Monies to QGold at the address indicated on the Application Form (either in person or by mail) by the Closing Date. The completed Application Form, Eligibility Documents and Application Monies must reach this address by no later than the Closing Date. Upon receipt of these documents QGold will assess the application and make a determination as to whether you are an Eligible Participant and the number of Shares you are entitled to purchase; or
- **Accept the Offer in part** - If you wish to accept the Offer in part and purchase only a portion of your entitlement to Shares, you should submit the Application Form (and nominate the number of Shares you wish to purchase) together with your Eligibility Documents and Application Monies to QGold at the address indicated on the Application Form (either in person or by mail) by the Closing Date. The completed Application Form, Eligibility Documents and Application Monies must reach this address by no later than the Closing Date. Upon receipt of these documents QGold will assess the application and make a determination whether to you are an Eligible Participant and the number of Shares you are entitled to purchase. The remaining portion of your entitlement to apply to buy Shares will lapse. Any rights under the Offer are non-renounceable. Accordingly, you cannot transfer or assign your right to purchase Shares under the Offer to anyone else; or
- **Reject the Offer** – by doing nothing, you will be deemed to have rejected the Offer. Any rights under the Offer are non-renounceable. Accordingly, you cannot transfer or assign your right to purchase Shares under the Offer to anyone else.

If for any reason QGold does not accept an Application Form it will do the following (as required by the Orders):

- within 1 Business Day it must provide the Application Form and its reasons for non-acceptance to ASIC;
- ASIC must, within 2 Business Days of receipt, make a decision on whether or not the Application Form should be accepted; and
- if ASIC is unable to make a determination as to whether the Application Form should be accepted, ASIC must refer the matter to the Panel within 3 Business Days of receipt of the Application Form from QGold.

Any Application Monies received by QGold will be held on trust as required by the Corporations Act until transfer of the relevant Shares to the Eligible Participant. QGold may retain any interest earned on the Application Monies held on trust pending the transfer of Shares to successful Eligible Participants applying to purchase Shares under the Offer.

The transfer of the Shares to each Eligible Participant will occur (as required by the Orders) on the later of:

- 5 Business Days from the receipt of a properly completed Application Form (subject to ASIC or Panel review); or
- 1 Business Day from QGold's receipt of cleared Application Monies.

2.8 Warranties made when submitting an Application Form

By completing and returning your Application Form and Eligibility Documents and making a payment of Application Monies, you will be deemed to have acknowledged, agreed, represented and warranted to QGold that:

- a) you are an Eligible Participant;

- b) the Eligibility Documents you have submitted and all details and statements in the Application Form you have submitted are complete and accurate and not misleading and/or deceptive;
- c) you were given a copy of this Prospectus (and any supplementary or replacement prospectus), together with an Application Form and you have read this Prospectus in its entirety and agree to the terms and conditions of the Offer as set out in this Prospectus;
- d) you will provide any requested documents or information required by QGold, ASIC or the Panel to substantiate your eligibility to participate in the Offer;
- e) you acknowledge the information contained in this Prospectus and your Application Form is not investment advice or financial product advice and has been prepared by QGold without taking into account your investment objectives, financial circumstances or particular needs or circumstances;
- f) the law of any place does not prohibit you from being given this Prospectus, nor does it prohibit you from making an application for Shares under the Offer;
- g) you are not in the United States and you are not acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer of or sell Shares under the Offer and under any applicable laws and regulations; and
- h) you understand and acknowledge that the Shares under the Offer have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia.

2.9 Identification of Eligible Participants

QGold has been provided with a list of potential Eligible Participants from the Share Registry as required by the Panel Orders. QGold has sent a letter regarding the Offer (together with an Application Form and a copy of this Prospectus) to those persons. The list comprises all persons who were registered shareholders as at 3 December 2017 and whose shareholding decreased or was reduced to a zero balance since that date. Those persons are, in QGold's view, likely to be Eligible Participants or custodians or nominees holding on behalf of Eligible Participants and should include most Eligible Participants (or their custodians or nominees). Some nominees are Stockbroker nominees used in connection with trading in Shares.

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 QGold.

However, there are possibly Eligible Participants who QGold has been unable to identify. If you believe you are or may be an Eligible Participant and you have not received a letter regarding the Offer from QGold, you should contact QGold's law firm Delphi Partners on (07) 3077 7167 as soon as possible.

QGold expects almost all Eligible Participants to fall within Class A (as referred to in section 2.3), as QGold understands that no off-market transfers were received by the Share Registry between 4 December 2017 and 8 February 2018.

By way of background, QGold has analysed the Shares in SMC traded on ASX or Chi-X since QGold's Takeover Bid was announced at 3:43 pm AEST on 4 December 2017. This has been done by reviewing course of sales information. Ord Minnett Ltd as a Stockbroker on behalf of QGold bought a total of 7,929,153 ordinary shares in SMC, and other Stockbrokers bought a total of 1,543,976 ordinary shares in SMC. These purchases were spread over 17 Trading Days (5 December 2017 to 29 December 2017) and through 67 separate market trades. Of the total 9,473,129 shares traded, 461,661 shares were traded on the Chi-X Market and the balance of 9,011,468 shares were traded on the ASX Market. Most shares were traded at 40 cents, but course of sales information indicates there was some trading at 40.25, 40.5 and 41 cents.

There has been no trading on ASX or Chi-X in ordinary shares in SMC since 29 December 2017

until recently due to a trading halt and the shares in SMC then remaining suspended from official quotation since 4 January 2018. The Panel ordered SMC to keep its shares suspended until it has issued its Supplementary Target's Statement (as ordered by the Panel). These 2 factors place a practical limit on the number of Eligible Participants.

2.10 How many Shares will be sold by QGold under the Offer?

The exact quantity of Shares to be sold by QGold under the Offer is not known, primarily due to the inability to estimate the number of Eligible Participants who fall within Class B as set out in section 2.3 of this Prospectus. However, QGold does not reasonably expect the number of Shares to be sold by it under the Offer to be significantly more than 9,473,129 Shares (which is far less than QGold's current holding).

2.11 Rights and liabilities attaching to Shares

The Shares to be sold by QGold pursuant to this Offer are ordinary shares which rank equally in all respects with all of the existing Shares on issue. The rights and liabilities attaching to Shares are further described in Section 5.2, although QGold notes that applicants are likely to be former holders of Shares.

2.12 On-sale restrictions

Because of this Prospectus, an offer of SMC ordinary shares for sale within 12 months after their disposal by QGold should not need disclosure to investors under Part 6D.2 of the Corporations Act.

2.13 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the sale to them of Shares offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

2.14 Privacy disclosure

Persons who apply to purchase Shares pursuant to this Prospectus are asked to provide personal information to QGold and SMC, either directly or through the Share Registry. QGold, and the Share Registry of SMC collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to QGold's agents and service providers and to SMC's agents and service providers, ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting QGold or the Share Registry.

2.15 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisors. QGold does not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

2.16 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer process can be directed to QGold's law firm Delphi Partners on (07) 3077 7167.

3. EFFECT OF THE OFFER

3.1 Effect of the Offer on SMC

By this Prospectus, QGold is offering to sell a number of Shares it owns in SMC at a sale price of 40 cents per Share to Eligible Participants. Accordingly, the Offer does not involve the issue of any new shares by SMC and the Offer will not raise any capital for SMC. However, depending on the level of acceptances, the Offer is likely to result in a change to the ownership of existing Shares in SMC, by lowering the voting power of QGold. However, QGold's Takeover Bid remains on foot and it may increase its voting power accordingly, by purchasing Shares at the bid price.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

3.2 Effect of the Offer on control

QGold currently holds approximately 80.46% of the issued capital of SMC. SMC has 70,450,536 fully paid ordinary shares on issue. QGold considers that it is unlikely that the Offer will have a material impact on the control of SMC given that the estimated number of Shares being offered for sale under the Offer totals 13.45% of the issued capital of SMC, and QGold is not expecting any large quantity Share applications (ie no Eligible Participant is expected by QGold to buy more than 3 million Shares).

QGold may acquire further Shares by way of the Takeover Bid while the Offer remains open.

3.3 Financial position

The Offer is being made by QGold and the direct expenses of the Offer will be paid by QGold. QGold does not anticipate that there will be any direct material effect on the financial position of SMC as a result of the Offer. Note that the Offer does not involve the issue of any new shares by SMC and the Offer will not raise any capital for SMC.

3.4 The effect of the Offer on the capital structure

The Offer does not involve the issue of any new Shares in SMC. However, the Offer may result in a change to the ownership of existing Shares in SMC.

The total number of Shares to be transferred from QGold to accepting Eligible Participants is not yet known (as it will depend, among other things, on whether likely Eligible Participants wish to buy Shares and can provide the relevant Eligibility Documents as required by this Prospectus). However, QGold reasonably estimates that the number of Shares that will be offered for sale under the Offer will not be significantly more than 9,473,129 Shares (being approximately 13.45% of the issued capital of SMC).

4. RISK FACTORS

As with any share investment, QGold (as the person selling Shares under the Offer) advises you that there are risks associated with buying ordinary shares in SMC. The numerous risk factors are both of a specific and a general nature. Some could be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of QGold and SMC and cannot be mitigated.

This section 4 identifies the major areas of risk (in QGold's view) associated with re-acquiring Shares in SMC, but should not be taken as an exhaustive list of the risk factors to which SMC and its Shareholders are exposed. Eligible Participants should read the entire Prospectus and consult their professional advisor before deciding whether to apply for Shares from QGold. The following is not intended to be an exhaustive list of the risk factors to which SMC is or may be exposed. QGold is itself a Shareholder and notes that applicants are likely to be former holders of Shares and that there are matters (such as risk factors) that applicants may reasonably be expected to know.

The views expressed in this section 4 are to be attributed to QGold and QGold alone. No attribution to SMC or its directors (other than Christopher Wallin) is to be implied. Deductions may have been made or drawn by QGold and its sole director, but these are not to be attributed to SMC or other persons.

4.1 Specific Risks

(a) Control risk

QGold is currently the largest Shareholder of SMC and has a relevant interest in approximately 80.46% of the voting Shares in SMC as at the date of this Prospectus.

QGold's significant interest in the capital of SMC means that it is in a position to potentially influence the financial decisions of SMC, and its interests may not align with those of all other Shareholders. Further, QGold is also a related party of SMC by virtue of being controlled by Mr Christopher Wallin, a Director of SMC.

QGold holds a relevant interest in more than 25% of the Shares in SMC which means that it has the potential to prevent a special resolution from being passed by shareholders of SMC (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required to approve certain matters including amending SMC's Constitution, approving the voluntary winding up of SMC and, if at any time the share capital of SMC is divided into different classes of shares, approving a variation of the rights attached to any such class.

Given that QGold holds a relevant interest in more than 75% of the Shares in SMC it may pass a special resolution by itself (if there are no voting exclusions that apply to it).

However, under Order 15 of the Panel's orders dated 15 February 2018, SMC must not (and QGold must procure that it does not) request removal of SMC from the official list of the ASX, unless QGold and its related bodies corporate own or control at least 79.04% of SMC's Shares immediately following the later of:

- the last off-market transfer of SMC shares under this Offer being processed and registered; and
- the close of the Takeover Bid.

A full copy of the Orders can be obtained on the Panel's website (<http://www.takeovers.gov.au/>).

(b) Additional requirements for capital

SMC's capital requirements will depend on numerous factors. Depending on any ability of SMC to generate income from its operations, it may require further financing in addition to amounts raised from recent or further issues of Shares.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may (in QGold's view) involve restrictions on financing and operating activities.

If SMC is unable to obtain additional financing as may be needed, it may (in QGold's view) be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee by QGold that SMC will be able to secure any additional funding or be able to secure funding on terms favourable to SMC.

The ability of SMC to continue as a going concern is dependent on its ability to secure additional funding through equity, successful exploration and subsequent exploitation of SMC's tenements and/or sale of its non-core assets. Should SMC be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

Potential applicants for Shares should note that SMC has entered into a loan facility with Mr Christopher Wallin. Mr Christopher Wallin is the sole director of QGold. ASX granted a waiver from ASX Listing Rule 10.1 to allow SMC to enter into the loan agreement. The material terms of the loan are as follows:

- Amount: \$1,000,000.
- Interest rate: 0%.
- Term: 8 months ending on 11 November 2018.
- 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 Mr Wallin exercises his rights under the Security, neither Mr Wallin 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 SMC or its subsidiaries, without SMC first having complied with any applicable ASX Listing Rules, including Rule 10.1, other than as required by law or through a receiver, or receiver and manager (or analogous person) appointed by Mr Wallin 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 himself or any of his associates in accordance with his legal entitlements.

(c) Exploration costs

The exploration costs of SMC are, as is normal for exploration companies, based on certain assumptions with respect to the method and timing of exploration. QGold notes that by their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given by QGold or anyone that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect SMC's viability.

(d) Gold price volatility and exchange rate risk

QGold advises that if SMC achieves success leading to mineral production, the revenue it may derive through the sale of commodities exposes the potential income of SMC to commodity price and exchange rate risks (in particular, the risk of changes in the market price of gold, which in the past have fluctuated widely). Commodity prices fluctuate and are affected by many factors that may be beyond the control of SMC. In QGold's view, such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, the international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of SMC are and will be taken into account in Australian currency, exposing (to QGold's understanding) SMC to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(e) Other energy sources

QGold notes that nuclear energy is in direct competition with other more conventional sources of energy, which include gas, coal and hydro-electricity.

Furthermore, any potential growth of the nuclear power industry (with any potential attendant increase in the demand for uranium) beyond its current level will depend on continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject (in QGold's view) to some negative public opinion owing to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have no or very low carbon emissions. However, QGold notes that to date these have not been cost-effective enough to be used for large scale base load power. Technology changes may occur that make alternative energy systems more efficient, reliable or cost-effective.

(f) Uranium regulation

The Commonwealth Government maintains tight controls over the export of uranium through its licensing process. Uranium may only be sold and exported in accordance with the Customs (Prohibited Exports) Regulations 1958 (Cth) and the Nuclear Non-Proliferation (Safeguards) Act 1987 (Cth). Australian uranium can only be exported to countries that undertake to use it for peaceful purposes. Uranium mining itself is also extensively regulated. Complying with these laws and regulations increases the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. The approvals required are more rigorous than those for the mining of other metals. QGold notes that there is a risk that should economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

In Queensland, uranium mining ceased in 1982, and had been prohibited since 1989. Although exploration for uranium was not prohibited, little exploration was undertaken after 1989. On 30 October 2012, the Queensland Government announced it would recommence uranium mining in Queensland by changing the Queensland Government policy on uranium mining but the uranium mining ban was subsequently reintroduced in 2015. There can be no assurance given by QGold that the policy will revert back to permitting uranium mining in Queensland, and, in QGold's view, this may adversely affect the long term prospects for SMC's interests in its Queensland tenements.

(g) Exploration and Development Success

Applicants intending to purchase Shares from QGold should be aware that exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. In QGold's There can be no guarantee that SMC's planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit or further, a commercial uranium mining operation for SMC.

The future exploration activities of SMC may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of SMC and its shareholders including QGold.

Any success of SMC's business will, in QGold's view, also depend upon it having access to sufficient development capital, being able to maintain title to its mining tenements, and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its mining tenements, a reduction in the potential size of the uranium deposits of SMC and possible relinquishment of its mining tenements.

(h) Operating risks

QGold notes that the current and future operations of SMC, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- adverse geological conditions;
- limitations on activities due to seasonal weather patterns and cyclone activity;
- unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment;
- industrial and environmental accidents, industrial disputes and other force majeure events;
- unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- inability to obtain necessary consents or approvals.

(i) Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, QGold notes that SMC could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which SMC has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of SMC to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

(j) Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There can be no guarantee that current or future tenements or future applications for production tenements will be approved.

QGold also notes that SMC's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising SMC's projects. In QGold's view, the imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of SMC.

(k) Liquidity risk

SMC has historically been a relatively illiquid stock with low volumes of SMC Shares being traded. Limited trading liquidity can have a negative impact on the trading price of Shares, making it difficult for Shareholders to realise a reasonable value for their Shares by selling them on-market.

4.2 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on SMC's exploration, development and production activities, as well as on its own ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of SMC's quoted securities regardless of SMC's exploration results or operating performance. QGold notes that share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. QGold does not warrant the future performance of SMC or any return on a purchase of Shares in SMC.

(c) Dividends

Any future determination as to the payment of any dividends by SMC will be at the discretion of the then directors of the company and will depend on the financial condition of SMC, future capital requirements and general business and other factors considered relevant by its then directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by QGold.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential applicants for Shares are urged by QGold to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, QGold, its officers and each of its advisors accept no liability and responsibility with respect to the taxation consequences of purchasing Shares from QGold under this Prospectus.

(e) Reliance on key personnel

In QGold's assessment, the responsibility of overseeing the day-to-day operations and the management of SMC depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on SMC if one or more of these employees cease their employment.

4.3 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by SMC or by shareholders of SMC. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of SMC and the value of the Shares offered under this Prospectus.

Therefore, the Shares offered by QGold under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Eligible Participants should consider that any re-investment in SMC is speculative and they should consult their professional advisers before deciding whether to purchase Shares pursuant to this Prospectus.

5. ADDITIONAL INFORMATION

5.1 Continuous disclosure obligations

As SMC is admitted to the official list of ASX, SMC is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, SMC is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of SMC’s securities.

Price sensitive information is publicly released by SMC through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. **Although this Prospectus necessarily mentions SMC in several places, QGold expressly disclaims mentioning SMC as the authority for any particular statement.**

By virtue of section 713 of the Corporations Act, QGold is entitled to prepare and use a “transaction-specific” prospectus in respect of the Offer, which is being conducted as a ‘controller sell-down’.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the offer of the securities on SMC and the rights and liabilities attaching to the securities being offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of SMC.

As a disclosing entity under the Corporations Act:

- (a) SMC is subject to regular reporting and disclosure obligations; and
- (b) copies of documents lodged with ASIC in relation to SMC may be obtained from, or inspected at, an ASIC office.

QGold, as the company making the Offer, will provide a copy of each of the following documents, free of charge, to any person on request between the date of this Prospectus and the Closing Date:

- (a) the annual financial report of SMC for the financial year ended 31 December 2017 as lodged with ASIC on 29 March 2018;
- (b) all continuous disclosure notices given by SMC after the lodgement of the annual financial report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC (see below).

It is QGold’s view that there is no information about the Offer (only) which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors and their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of SMC; and

- (ii) the rights and liabilities attaching to the securities (i.e. Shares) the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer, being a sale offer by a controller (i.e. QGold). If you require further information in relation to SMC, you are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of SMC since the recent lodgement of SMC's annual financial report for the year ended 31 December 2017.

Date	Title
01/06/2018	Reinstatement to Official Quotation - Monday 4 June 2018
01/06/2018	Supplementary Target's Statement
30/05/2018	Results of Meeting
01/05/2018	TOV: Strategic Minerals Corporation NL Fourth Variation of Order
30/04/2018	Quarterly Activities and Cashflow Report
30/04/2018	Notice of Annual General Meeting/Proxy Form
11/04/2018	TOV: Strategic Minerals Corp NL Further Variations Orders
05/04/2018	TOV: Strategic Minerals Corporation NL Variation of Orders
29/03/2018	Appendix 4G

5.2 Rights and liabilities attaching to the Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is made by QGold and is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution, a copy of which is available from QGold on request.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

(a) Quotation

The Shares have been admitted to quotation on ASX.

(b) Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects.

(c) Voting rights

Subject to any rights or restrictions, at meetings of Shareholders or classes of Shareholders:

- every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative; and
- has one vote on a show of hands; or
- has one vote for every fully paid Share held, upon a poll. (There are no partly paid

shares on issue.)

(d) Dividend rights

Subject to and in accordance with the Corporations Act, the ASX Listing Rules, the rights of any preference shareholders of SMC and to the rights of the holders of any shares in SMC created or raised under any special arrangement as to dividend, the directors of SMC may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all shares irrespective of the amount paid-up or credited as paid-up on the shares.

A Shareholder will not be entitled to a dividend on a share if a call has been made on the share and is due and unpaid.

No dividend carries interest against SMC.

Shareholders may be paid interim dividends at the discretion of the then directors of SMC. The directors of SMC may set aside a sum out of the profits of SMC, as reserves.

(e) Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of the class.

(f) Transfer of Shares

Shares can be transferred by: (i) an ASX Settlement Transfer or any other method of transferring or dealing in Shares introduced by ASX or operated in accordance with the ASX Settlement Operating Rules or ASX Listing Rules and in any such case recognised under the Corporations Act; or (ii) an instrument in writing in any usual or common form or in any other form that the directors of SMC approve.

The transferor of Shares remains the registered holder of the Shares transferred until an ASX Settlement Transfer has taken effect in accordance with the ASX Settlement Operating Rules or the transfer is registered in the name of the transferee and is entered in the register of Shareholders in respect of them, whichever is earlier.

In some circumstances, the directors of SMC may refuse to register a transfer if the ASX Listing Rules permit or require SMC to do so or the transfer is a transfer of restricted securities (as defined in the ASX Listing Rules) which is or might be in breach of the ASX Listing Rules or any escrow agreement entered into by SMC in relation to such restricted securities pursuant to the ASX Listing Rules.

(g) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of SMC.

The Constitution provides that the directors of SMC may convene a general meeting by resolution passed by a majority of such directors. Any director of SMC may, whenever he or she thinks fit, convene a general meeting of Shareholders, and a general meeting will also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitioners as empowered to do so by the Corporations Act.

(h) Unmarketable parcels

SMC's Constitution provides a process for the sale of unmarketable parcels subject to any applicable laws and provided (among other things) a notice is given to the minority shareholder stating that SMC intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(i) Rights on winding up

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding up and the Corporations Act all monies and property that are to be distributed among Shareholders on a winding up, will be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

5.3 Interests of certain people involved in the Offer

(a) Other than as set out in section 5.4 below or elsewhere in this Prospectus, no:

- Director of SMC or proposed Director of SMC;
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of SMC,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offer of Shares by QGold or in the formation or promotion of, or in any property acquired or proposed to be acquired by, SMC in connection with its formation or promotion, or the Offer of Shares. Refer to section 5.4 below regarding the interests of Christopher Wallin (the sole Director of QGold who is also a Director of SMC).

(b) Other than as set out in section 5.4 or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a Director of SMC or proposed Director of SMC to induce him to become, or to qualify him as, a Director of SMC; or
- (ii) for services provided in connection with the formation or promotion of SMC, or the Offer of Shares, by any Director of SMC or proposed Director of SMC, by any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, or by any promoter of SMC.

QGold states that it is not a promoter of SMC and it is not aware of any promoter of SMC. Further, SMC's formation was more than 2 years ago.

5.4 Details of interests

(a) Directors' security holdings

Directors of SMC have disclosed their interests in Shares by way of forms lodged with ASX by or on behalf of each of them. As at the date of this Prospectus, QGold understands that these interests are as follows:

Director	Ordinary Shares
Laif McLoughlin	146,739
Christopher Wallin (via QGold)	56,684,380
Jay Stephenson	Nil

Christopher Wallin is the sole director of QGold. The sole shareholder of QGold is Queensland Gold Holdings Pty Ltd ACN 600 103 866 (**QGH**). QGH holds the shares in QGold 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 QGold, but does not have any beneficial interest in the shares in QGold (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 QGold), 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 QGold. QGold will receive all proceeds of the Offer of Shares.

(b) Director's remuneration

To QGold's knowledge, the remuneration paid or payable to directors of SMC for the last 2 financial years is as follows:

Director	2016	2017
Laif McLoughlin	\$168,841	\$218,015
Christopher Wallin	\$25,550	\$43,800
Jay Stephenson	\$38,000	Nil

(c) Legal advisors

Delphi Partners has acted as solicitors to QGold in relation to the Offer and this Prospectus. QGold estimates that it will pay Delphi Partners \$15,000 excluding GST and disbursements for its services in relation to the Offer. Further amounts may be paid to Delphi Partners in accordance with their usual time-based charge out rates.

5.5 Market price of Shares

Shares in SMC have been admitted to quotation on ASX. Since 18 August 2017, when the Shares traded at 30 cents, the Shares have traded as low as 28 cents (on 28 September 2017), and as high as 35 cents (from 28 November 2017 to 4 December 2017 (before the Takeover Bid was announced with a 40 cent bid price)).

The Takeover Bid was announced at 3:43 pm AEST on 4 December 2017. On 6, 7 and 19 December 2017 the Share price reached a high of 41 cents. There was no trading in Shares in SMC between 30 December 2017 and 3 June 2018 (both dates inclusive). Refer Section 2.9 for more information.

ASX lifted the suspension on SMC ordinary shares as from the morning of 4 June 2018. This has allowed resumption of the Takeover Bid. Noting the 40 cent bid price, no trades were made in the Shares on 4 and 5 June 2018, but there was a small purchase of Shares by QGold at 40 cents on the morning of 6 June 2018.

5.6 Consents

(a) Delphi Partners

Delphi Partners has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as legal advisor to QGold in respect of the Offer, in the form and context in which it is named.

(b) Share Registry

The Share Registry (ie Security Transfer Australia Pty Ltd) has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as share registry to SMC, in the form and context in which it is named.

5.7 SMC's connection with this Prospectus

This Prospectus has been prepared by QGold, with limited involvement from SMC. QGold has made enquiries of SMC, and SMC is a disclosing entity and is subject to regular reporting and disclosure obligations.

QGold and its sole director Christopher Wallin are primarily responsible for the contents of this Prospectus.

Other than Mr Wallin as set out in section 5.4, to QGold's knowledge the directors of SMC do not have any interests in this Offer of Shares by QGold or the promotion of SMC. The lodgement of this Prospectus by QGold has not required the consent of directors of SMC (other than Mr Wallin in his capacity as a director of QGold).

SMC was invited by QGold to give its consent to be named in this Prospectus as having made any statements that are included in it or on which statements made in it are based. It has declined to do so. This means that SMC has no liability for any such statements.

Although this Prospectus necessarily mentions SMC in several places, QGold expressly disclaims mentioning SMC as the authority for any particular statement. Any views expressed in this Prospectus are to be attributed to QGold and QGold alone. No attribution to SMC or its directors (other than Christopher Wallin) is to be implied. Deductions may have been made or drawn by QGold and its sole director, but these are not to be attributed to SMC or other persons.

QGold and Christopher Wallin as its sole director consider that they have made all inquiries that are reasonable in the circumstances of the Offer.

6. DIRECTOR'S AUTHORISATION

This Prospectus is prepared by QGold and its issue has been authorised by a resolution of the sole director of QGold.

In accordance with section 720 of the Corporations Act, the sole director of QGold has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of QGold Pty Ltd on 6 June 2018.

6 June 2018.



Christopher Wallin
Sole director of QGold Pty Ltd

7. DEFINITIONS

Definitions used in this Prospectus are as follows:

Application Form means the form accompanying this Prospectus pursuant to which Eligible Participants may apply to buy Shares under the Offer.

Application Monies means the total number of Shares applied for by an Eligible Participant under an Application Form multiplied by 40 cents per Share. Cheques must be drawn on an Australian branch of a financial institution in Australian currency and made payable to "QGold Pty Ltd" and crossed "Not Negotiable".

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time.

ASX means ASX Limited (ACN 008 624 691).

ASX Market has the meaning given to that term in the ASIC Market Integrity Rules (Securities Markets) 2017.

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

Bidder's Statement means QGold's Bidder's Statement in relation to the Takeover Bid and dated 4 December 2017 and lodged with ASIC.

Business Day means a day on which banks are open for business in Brisbane, Queensland excluding a Saturday, Sunday or public holiday.

Chi-X has the meaning given to the expression 'Chi-X Australia' in the ASIC Market Integrity Rules (Securities Markets) 2017.

Chi-X Market has the meaning given to that term in the ASIC Market Integrity Rules (Securities Markets) 2017.

Closing Date means the date that the Offer closes which is 29 June 2018.

Constitution means the constitution of SMC.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Participants means persons who qualify as Eligible Participants as set out in section 2.3 of this Prospectus, being persons who fall within either Class A or Class B under that section.

Eligibility Documents means the relevant eligibility documents required to be provided by Eligible Participants (depending on whether they fall within Class A or Class B under section 2.5 of this Prospectus).

Offer means the invitation by QGold to Eligible Participants to apply to acquire by way of transfer, a specific number of Shares in SMC at a sale price of 40 cents per Share on the terms of this Prospectus.

Offer Period means the period ending on the Closing Date.

Official List means the official list of the ASX.

Orders means the orders made by the Panel on 15 February 2018 and that took effect on 2 March 2018 (as varied by subsequent orders made by the Panel).

Panel means the Takeovers Panel.

Prospectus means this prospectus dated 6 June 2018.

QGold means QGold Pty Ltd ACN 149 659 950.

Share means a fully paid ordinary share in the capital of SMC.

Shareholder means a holder of Shares.

Share Registry means SMC's share registry, namely Security Transfer Australia Pty Ltd (ACN 008 894 488).

SMC means Strategic Minerals Corporation NL (ACN 008 901 380).

Stockbroker means a Trading Participant as that term is defined in the ASIC Market Integrity Rules (Securities Markets) 2017, meaning a participant entitled to trade in the ASX Market or Chi-X Market.

Takeover Bid means QGold's market bid (takeover bid) to acquire all of the shares in SMC as set out in its Bidder's Statement.

Target's Statement means SMC's Target's Statement issued on 18 December 2017 in response to the Takeover Bid.

Trading Day has the meaning given to that term in the ASIC Market Integrity Rules (Securities Markets) 2017.