



9th March 2018

ASX Release

Grant of \$1 Million Loan Facility

Strategic Minerals Corporation NL (**Company** or **Strategic**) is pleased to announce that director, Christopher Wallin, has made a \$1 million loan facility available to the Company (**Loan**). The Loan is repayable within 8 months following drawdown and was granted on an interest free basis to be secured over the Company's Queensland mining leases. Given the present circumstances and the absence of any other funding alternative, the board considers that the Loan is fair and reasonable and has been entered into on arms' length terms.

The Company signalled its financial position in the end of December 2017 Quarterly Release whereby it required urgent access to short term funding in order to progress exploration and evaluation initiatives arising from the 2017 campaign. Strategic has also needed to divert considerable funds toward meeting the legal costs associated with the Takeovers Panel application.

Given the on-market takeover bid made by QGold Pty Ltd (**QGold**), the Company has been unable to raise capital through undertaking a placement. Further, given the urgent need for capital, the Company does not consider that raising capital through a rights issue will make funds available to the Company to meet its immediate payment obligations. The Takeovers Panel application made in relation to the QGold takeover has added further complexity to the Company's ability to raise capital throughout 2018 to date.

The company made various enquiries via its current banking partner, corporate advisors and sophisticated investor network in order to attract short term financing but given the Takeover Panel application, QGold's on-market takeover, the Company's ownership structure and urgent need for funds no alternate funding solutions could be arranged.

The Company is presently examining its options to pay back the loan within the period prior to its maturity. This could include a rights issue when the QGold on-market takeover expires or a sale of assets. Under the terms of the Loan, the Company retains the right to raise further capital or sell existing assets, provided that such funds raised are applied toward repayment of the Loan.

The ASX has granted a waiver from ASX Listing Rule 10.1 in relation to the security granted in respect of the Loan. The terms of the waiver are as follows:

1. Based solely on the information provided, ASX Limited ("ASX") grants Strategic Minerals Corporation NL (the "Company") a waiver from listing rule 10.1 to the extent necessary to permit the Company to enter into a loan agreement with director Christopher Wallin for the amount of \$1,000,000 ("Loan") secured over certain mining tenements owned by the Company ("Security") without obtaining shareholder approval, on the following conditions.
 - 1.1. The Security includes a term that if an event of default occurs and the Lender exercises his rights under the Security, neither the Lender nor any of his associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries,

without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by the Lender exercising his power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to the Lender or any of his associates in accordance with his legal entitlements.

- 1.2. A summary of the material terms of the Loan and Security is made in each annual report of the Company during the term of the Loan.
 - 1.3. Any variations to the terms of the Loan or Security documents which are:
 - 1.3.1. not a minor change; or
 - 1.3.2. inconsistent with the terms of the waiver,must be subject to shareholder approval.
 - 1.4. The Company and the Lender must seek to discharge the Security when the funds advanced to the Company are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further period.
 - 1.5. The Company immediately releases to the market an announcement which sets out the material terms of this waiver, including:
 - 1.5.1. the Company's plans with respect to the repayment of the funds advanced under the Loan, and discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur; and
 - 1.5.2. a statement of the reasons why the Company has chosen to obtain a financial accommodation from a listing rule 10.1 party rather than a lender that is not a related party or substantial shareholder, and the steps the Company's board has taken to satisfy itself that the transaction is being entered into on arms' length terms and is fair and reasonable from the perspective of the Company's securityholders.
2. ASX has considered listing rule 10.1 only and makes no statement as to the Company's compliance with other listing rules.

Jay Stephenson
Director and Company Secretary