



**ASIC**  
Australian Securities &  
Investments Commission

<b>Committee</b>	Parliamentary Joint Committee on Corporations and Financial Services
<b>Inquiry</b>	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation
<b>Question No.</b>	022
<b>Date</b>	27 February 2023
<b>Topic</b>	Strategic Minerals
<b>Reference</b>	Written, 27 February 2023
<b>Committee member</b>	Senator Louise Pratt

## Question

As discussed in the Senate Oversight hearing Ms Oma sought via a Request for Information in September 2021 to the Queensland DER, release of the confidential attachments to SMC NL's MLA 100236 concerning financial and technical capability and commitments and other supporting documents.

4 pages were released in August 2023, following objections by SMC PL /QGold (attached). These additional documents provide crucial new evidence which has never been released to the market:

- Letter from SMC NL Chief Financial Officer to QDER, dated 16 Dec 2019. "Financial Capability Statement: In my capacity as CFO, I **confirm that Strategic can access the required funding to successfully complete the proposed activities on the MLA. The MLA is required to secure the necessary ground required to construct essential infrastructure for the project including the processing plant and tailings/co disposal structures.** As such the grant of the MLA is essential to the future of the Woolgar Gold project".
- Letter from SMC NL Executive chairman to QDER, dated 16 Dec 2019. "Technical Capability Statement: Ongoing exploration and **feasibility work for the project has identified the need to secure additional ground immediately south of existing ML 90238 (ie MLA 100236) to locate essential infrastructure for the project** including the processing plant and associated structures and buildings. **The Southern Star MLA (ie MLA 100236) has been applied for to facilitate this essential project infrastructure.**"
- Email from Hetherington's (land title agents for SMC NL) to QDER, dated 16 June 2020. "On behalf of Strategic Minerals Corporation NL, I confirm that the applicant is willing to accept a reduced initial term of 21 years for MLA 100236. Based on our earlier discussions, I understand that **you (ie QDER) are satisfied with the level of supporting information provided by the Applicant to date, and are prepared to recommend an initial 21 year term**".

1. Has ASIC seen the attached documents before?
2. Has ASIC considered if these documents indicate likely or possible breaches of statutes administered by ASIC, including but not limited to lack of significant material disclosure by SMC NL and QGold PL, assessment of fair value, breach of Directors' duties, deceptive and misleading statements in SMC NL's public documents released during 2020?
3. If these documents had been available to be submitted as evidence attached to Ms Oma's ROM, would ASIC have likely formed a different view and undertaking an investigation of the ROM with a view to possible enforcement action? If not, why not?

4. In the context of ASIC's response to Q No. 017, (ASIC's role in control proposals, page 2, reference spoken, 27 August 2021, Hansard page 34) "Rather ASIC is concerned to ensure that investors receive information to enable them to make an informed decision, have an equal opportunity to participate in a control proposal if they wish to do so and that control proposals are made in an efficient and competitive market"

Does ASIC agree that investors did or did not receive relevant information in relation to QGold's compulsory acquisition of minority shareholders' shares?

**Answer**

1. No.
2. No.
3. No. While the documents may have assisted ASIC's assessment of Ms Oma's ROM, they do not themselves confirm any alleged misconduct nor confirm any final investment decision had been made. They also do not impact our prior assessment that there were limited actions available to ASIC to address any alleged misconduct.
4. At the time, ASIC's view was that investors received information to enable them to make an informed decision. Based on the documents now provided, ASIC's view remains unchanged. While we appreciate reasonable minds may differ on the sufficiency of disclosure, in this case this is because we consider investors were informed of the substantive issue that a mining lease application has been made.