

11 August 2010

Australian Securities Exchange Limited
Companies Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Off-market takeover bid by Heemskirk Consolidated Limited (ACN 106 720 138) for North Queensland Metals Limited (ACN 115 279 653)

I refer to Heemskirk Consolidated Limited's (*Heemskirk*) off-market takeover bid for all the ordinary shares in North Queensland Metals Limited (*NQM*).

Please find **enclosed**, pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of Heemskirk's Second Supplementary Bidder's Statement dated 11 August 2010.

I also confirm that Heemskirk has today lodged a copy of the above document with ASIC and has despatched a copy to NQM.

Yours faithfully,



Kevin Robinson
Managing Director

Second Supplementary Bidder's Statement

In relation to the Offer by

Heemskirk Consolidated Limited

ACN 106 720 138

to acquire all of your shares in

North Queensland Metals Limited

ACN 115 279 653

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional adviser as soon as possible.

Second Supplementary Bidder's Statement

1. Introduction

This document is a supplementary Bidder's Statement dated 11 August 2010 pursuant to section 643 of the *Corporations Act 2001* (Cth). It is the second supplementary Bidder's Statement (*Second Supplementary Bidder's Statement*) issued by Heemskirk Consolidated Limited (*Heemskirk or HSK*) concerning its off-market takeover bid for all issued ordinary shares in North Queensland Metals Limited (*NQM*).

This Second Supplementary Bidder's Statement is a supplement to, and should be read in conjunction with, HSK's replacement Bidder's Statement dated 21 July 2010 (which incorporates the amendments made by the First Supplementary Bidder's Statement of the same date), which was despatched to all NQM Shareholders on 26 July 2010. Unless the context requires otherwise, words and phrases defined in the replacement Bidder's Statement have the same meaning in this Second Supplementary Bidder's Statement.

2. Acceptance Facility

2.1. Background

Heemskirk encourages all NQM Shareholders to accept the Offer without delay, but recognises there may be some NQM Shareholders, particularly institutional and sophisticated shareholders, who may be unwilling or unable to accept the Offer before it becomes unconditional.

Accordingly, in order to allow such NQM Shareholders to publicly indicate their intention to accept the Offer, Heemskirk has established a shareholder acceptance facility in relation to its Offer (*Acceptance Facility*), pursuant to which Computershare Investor Services Pty Limited (ACN 078 279 277) in its capacity as an HSK's collection and lodgement agent for the Acceptance Facility (and not as HSK's share registry) (*Facility Operator*) will hold Acceptance Instructions (which is defined in Section 2.3(a)(i)) on behalf of NQM Shareholders participating in the Acceptance Facility.

Please note that participation in the Acceptance Facility is not restricted to any particular type of NQM Shareholding either direct or indirect or any minimum number of NQM Shares held.

Acceptance Instructions lodged with the Facility Operator will demonstrate the intention of the participating NQM Shareholder to accept the Offer, but will not constitute acceptances of the Offer while they are held by the Facility Operator.

2.2. Appointment of the Facility Operator

NQM Shareholders who wish to participate in the Acceptance Facility must appoint the Facility Operator by completing the Appointment of Facility Operator form. This form, including the Terms of the appointment, is available to all NQM Shareholders upon request from Heemskirk.

Requests can be made to:

Contact Telephone	+ 61 3 9614 0666
Email	hsk@heemskirk.com
Fax	+ 61 3 9614 4466

2.3. Key features of the Acceptance Facility

The key features of the Acceptance Facility are set out below.

- (a) NQM Shareholders who wish to take advantage of the Acceptance Facility must:
 - (i) lodge Acceptance Instructions with the Facility Operator, in the form of Acceptance Forms and/or directions to custodians to accept the Offer (*Acceptance Instructions*); and
 - (ii) complete and return to a duly completed and executed Appointment of Facility Operator form.
- (b) The Facility Operator will hold the Acceptance Instructions as collection and lodgement agent for the relevant NQM Shareholder and will not acquire a relevant interest in any of the NQM Shares that are the subject of the Acceptance Instructions.
- (c) NQM Shareholders who lodge Acceptance Instructions with the Facility Operator will have directed the Facility Operator to deliver:
 - (i) the Acceptance Form to Computershare Investor Services Pty Limited (ACN 078 279 277) in its capacity as HSK's share registry (and not as Facility Operator) in the case of Issuer Sponsored Holdings, or the relevant Controlling Participant in the case of CHES Holdings; and/or
 - (ii) the custodian direction to the custodian (as appropriate),

as formal acceptances of the Offer three Business Days after it receives a Confirmation Notice from Heemskirk that:

- (i) it has declared the Offer wholly unconditional; or
 - (ii) it will declare the Offer wholly unconditional as soon as practicable and in any event within one Business Day after the Confirmation Notice is delivered to the Facility Operator and before 8:30 am (Melbourne time) on the last day of the Offer Period.
- (d) The date of delivery of the Confirmation Notice will be at Heemskirk's discretion. Heemskirk reserves the right to give a Confirmation Notice before the processing or implementation of the Acceptance Instructions is complete. Heemskirk may declare the Offer free from all defeating conditions at any time (subject to the Corporations Act) irrespective of the number of acceptances held by Heemskirk, or the number of Acceptance Instructions held by the Facility Operator. Heemskirk will use its best endeavours to ensure that the Acceptance Instructions are processed and implemented as soon as practicable following the issue of the Confirmation Notice.
- (e) NQM Shareholders who lodge Acceptance Instructions retain all rights in relation to, and full control over, their NQM Shares and are able to withdraw their Acceptance Instructions at any time prior to three Business Days after the Facility Operator receiving the Confirmation Notice. While Acceptance Instructions are held by the Facility Operator, they will not constitute acceptances of the Offer.

2.4. Disclosure of Acceptance Instructions

- (a) It is anticipated that Heemskirk will issue various notices to ASX reflecting the number of NQM Shares that are subject to Acceptance Instructions under the Institutional Acceptance Facility. In particular:
- (i) before 8:30 am on each Business Day, the Facility Operator will inform Heemskirk of the number of NQM Shares in respect of which Acceptance Instructions have been received as at 7:00 pm on the previous day; and
 - (ii) Heemskirk will provide a notice to the ASX on that Business Day if there is a change of 1% or more in the aggregate the number of NQM Shares that are the subject of actual or proposed acceptances (that is, the aggregate of the NQM Shares that are subject to Acceptance Instructions under the Acceptance Facility and the NQM Shares that are subject to acceptance under the Offer in which Heemskirk has a relevant interest).

- (b) In accordance with the Corporations Act, Heemskirk will continue to provide substantial shareholder notices to ASX and NQM (in the ordinary form) in relation to increases of 1% in the acceptances under the Offer. Heemskirk intends to disclose the aggregate position described above at the same time it provides those substantial shareholder notices to ASX, together with a breakdown of the aggregate amount between these two categories.

2.5. **Service Fee**

Computershare Investor Services Pty Limited (ACN 078 279 277) will be remunerated in accordance with its standard services fees for work performed in its capacity as the Facility Operator under the Acceptance Facility.

3. **Relevant interest**

- 3.1. As at 9:00 am on 11 August 2010, HSK has a relevant interest in 17,907,945 NQM Shares, representing 8.97% NQM Shares on issue.

4. **Other**

4.1. **Lodgement with ASIC**

A copy of this document was lodged with ASIC on 11 August 2010. This Second Supplementary Bidder's Statement prevails to the extent of any inconsistency with the replacement Bidder's Statement. Neither ASIC nor any of its officers takes any responsibility for the contents of this Second Supplementary Bidder's Statement.

4.2. **Authorisation**

This Second Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the Voting Directors of HSK.

Signed for on behalf of
Heemskirk Consolidated Limited



Mr Ross Herron
Acting Chairman

Date: 11 August 2010