

22 February 2021

Simon Barcham
Adviser, Listings Compliance (Perth)
by email: ListingsCompliancePerth@asx.com.au

Re: Queensland Pacific Metals Limited ("QPM"): General – Aware Query

Dear Simon,

QPM has provided a response below to each of the questions below.

- 1. Does QPM consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

Not applicable.

- 3. When did QPM first become aware of the Information?**

- 4. If the answer to question 1 is "yes" and QPM first became aware of the Information before the relevant date (22 February 2021), did QPM make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe QPM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps QPM took to ensure that the information was released promptly and without delay.**

Questions 3 and 4 have been answered together below.

In light of the Memorandums of Understanding entered into with LG Chem and Samsung SDI, QPM has been considering the scale of the TECH Project. The most recent communication of this was in the December 2020 Quarterly Report where QPM communicated to the market that it intended to finalise the scale of the TECH Project in the March 2021 quarter.

As part of the consideration to the increased scale of the TECH Project, QPM has been investigating various aspects of the project to see if it would be feasible. One of these aspects is the capacity of Port of Townsville and QPM's ability to utilise capacity for the TECH Project. The Memorandum of Understanding with Port of Townsville Limited was communicated to the ASX on 16 February 2021.

The final aspect of the Information that provided QPM with the confidence to formally commit to expand the size of the TECH Project was the execution of a license agreement with Altilium Group for the DNi Process™, which is the processing method to be used at the TECH Project.

The license agreement between Altilium Group and QPM was executed at 12:33am AEDT on Saturday 20th February. As part of its continuous disclosure requirements, QPM announced the

execution of this license agreement and the formal expansion this morning, prior to the ASX market opening.

5. Please confirm that QPM is complying with the Listing Rules and, in particular, Listing Rule 3.1.

QPM confirms that it is compliant with the Listing Rules, in particular, Listing Rule 3.1.

6. Please confirm that QPM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of QPM with delegated authority from the board to respond to ASX on disclosure matters.

QPM confirms that the responses to the questions above have been authorised and approved by the Board.

Yours Faithfully



Mauro Piccini
Company Secretary





22 February 2021

Reference: 31161

Mr Mauro Piccini
Company Secretary
Queensland Pacific Metals Limited

By email:

Dear Mr Piccini

Queensland Pacific Metals Limited ('QPM'): General – Aware Query

ASX refers to the following:

- A. The change in price of QPM's securities from a low of \$0.065 at the commencement of trading on Thursday, 18 February 2021, to a high of \$0.088 at the close of trading on Friday, 19 February 2021.
- B. The increase in volume of QPM's securities traded from 18 February 2021 to 19 February 2021.
- C. QPM's announcement entitled "Strong Offtake Interest Drives Major Expansion of TECH Project" lodged on the ASX Market Announcements Platform and released at 3:30PM (AEDT) on 22 February 2021 (the 'Announcement'), disclosing the increase in the scale of the TECH Project and the finalisation of a definitive agreement with Altilium Group for licensing of the DNI Process ('Information').
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks QPM to respond separately to each of the following questions and requests for information:

1. Does QPM consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did QPM first become aware of the Information?
4. If the answer to question 1 is “yes” and QPM first became aware of the Information before the relevant date (22 February 2021), did QPM make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe QPM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps QPM took to ensure that the information was released promptly and without delay.
5. Please confirm that QPM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that QPM’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of QPM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:30 PM AWST Wednesday, 24 February 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, QPM’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require QPM to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in QPM's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in QPM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to QPM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that QPM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Simon Barcham
Adviser, Listings Compliance (Perth)