



QUEENSLAND
PACIFIC METALS

Presentation

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Managing Director & CEO

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ASX:QPM

www.qpmetals.com.au

***Re-energising Australia with
critical battery metals production***

Gold Coast Investment Showcase

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Company

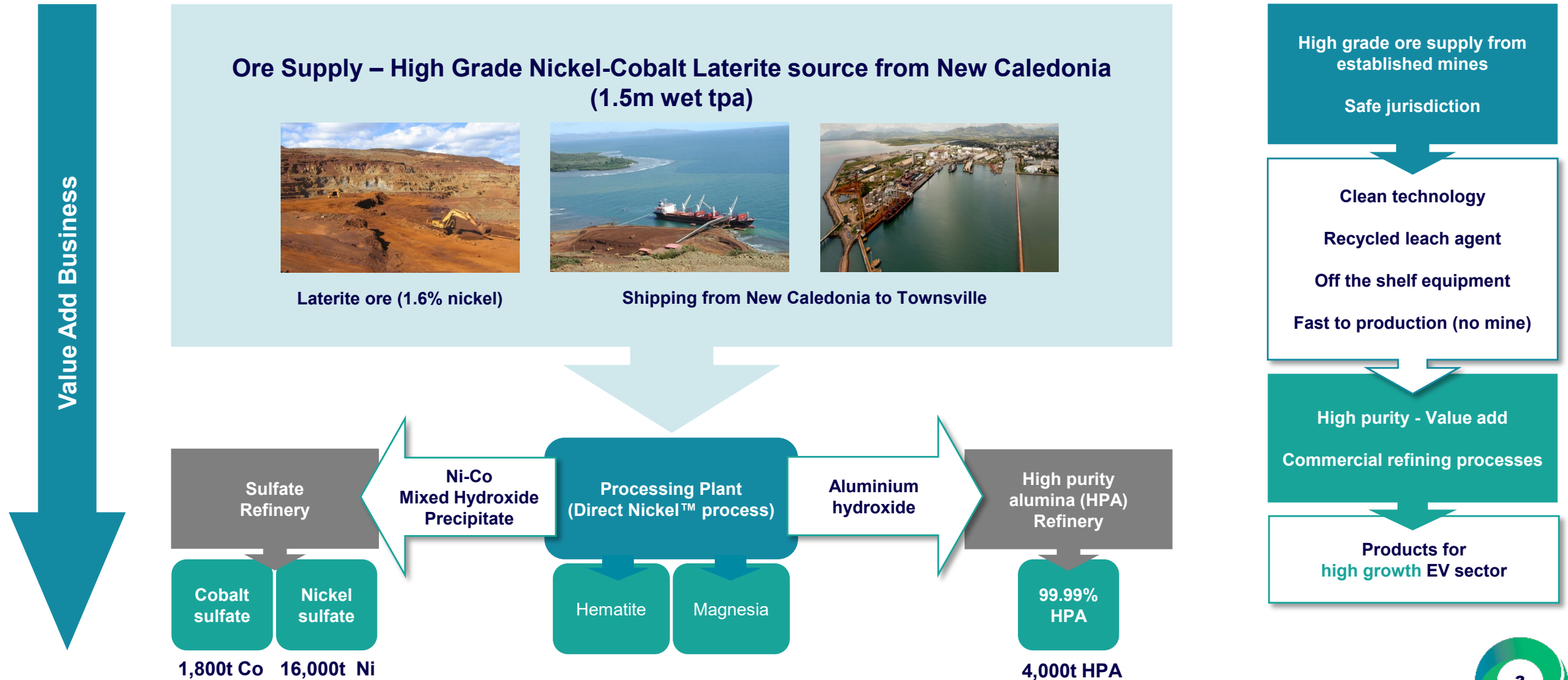


Stephen Grocott

Managing Director & CEO

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Townsville Energy Chemicals Hub – “TECH Project”



World Class Partners



Combined US\$15m equity investment

- \$0.1364 per share (16.8% premium to 1-month VWAP)
- LGES 7.5% shareholder
- POSCO 3.2% shareholder

Binding offtake agreement signed

- 7 year term + 3 year first right of refusal after term expires
- 7,000tpa nickel / 700tpa cobalt LGES
- 3,000tpa nickel / 300tpa cobalt POSCO
- Pricing linked to commodity prices at time of sale

Extensive due diligence undertaken

- Technical due diligence undertaken by RPM Global focusing on process, scalability, New Caledonia ore supply and approvals pathway

What does this mean for the TECH Project?

- World class, bankable offtake partners secured will assist in financing
- Baseload customers – majority of nickel and cobalt production is now contracted
- Additional equity investment allows QPM to bring forward detailed engineering work in parallel with DFS
- Vote of confidence from two world class battery manufacturers

World Class Partners



“This is the most meaningful investment in our supply chain for LG Energy Solution since the company spun out from LG Chem. We believe the TECH Project will deliver sustainable nickel and cobalt production that is in line with LGES’ operating philosophy. And our proactive investments in the supply chain such as this will ultimately play a role in further satisfying our customers.”



“We are delighted to co-invest with LG Energy Solution in Queensland Pacific Metals. We look forward to building our relationship with QPM and assess other business opportunities that may arise between QPM and POSCO.”

Sustainable Nickel Production

Global leader in lowest CO₂ emissions for nickel sulfate production

- 3.4kg CO₂ per kg nickel sulfate (NiSO₄.6H₂O, 22.3% Ni)
- Industry average from Nickel Institute data is 5.4kg CO₂ per kg nickel sulfate (\equiv 24.2 kg CO₂/kg Ni)
- 36% lower GHG intensity than industry average
- Emissions can be further reduced by using vented/flared gas from existing coal mines (CO₂ credit received)
- Nickel matte, which is derived from nickel pig iron, is not a clean source of nickel for nickel sulfate
- Refining nickel matte is complex and capital intensive – it only takes place at a few places in the world

	1kg Class 1 Ni (>99.8% Ni)	1 kg Ni in FeNi or Nickel Pig Iron (10 – 30% Ni)	1kg Ni metal in Ni Sulfate (4.48 kg Ni Sulfate) (22.3% Ni) <i>Nickel Institute*</i>	1kg Ni metal in Ni Sulfate (4.48 kg Ni Sulfate) (22.3% Ni) <i>Queensland Pacific Metals</i>
CO ₂ eq emissions (kg)	13	45	24.2	15.2

*No data provided by any Chinese producer

No Tailings Dam

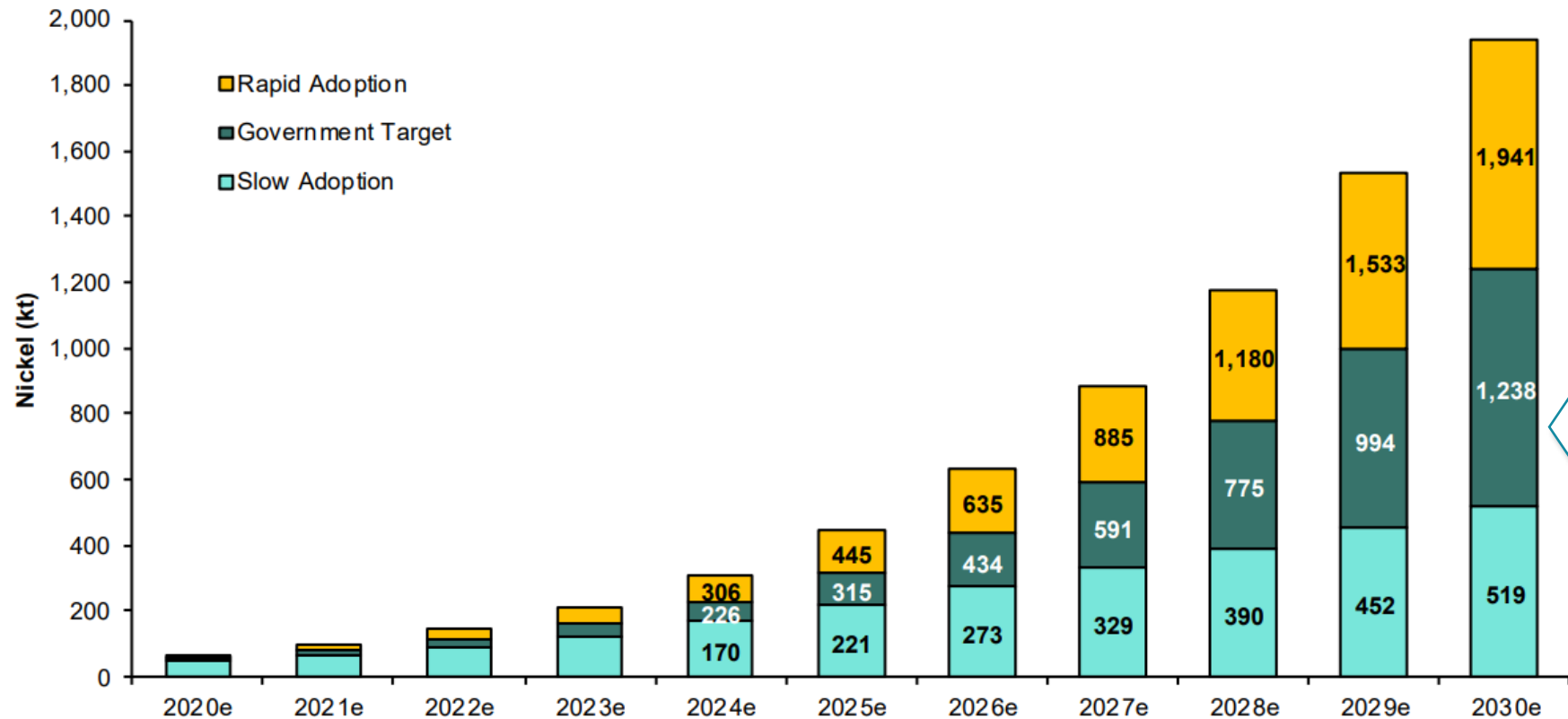
- All metals are leached into solution and nitric acid is recycled
- Residue is inert silicate
- James Cook University investigating potential to utilise residue in commercial opportunities such as engineered landfill



Vale TSF failure - Bento Rodrigues

Nickel Demand and the Project Pipeline

... in addition to current 2.5 Mtpa Ni for stainless steel, alloys, etc!




Source: Bernstein estimates and analysis

???

...but where will this extra 0.5 – 2M tpa nickel come from?

Tesla's estimate (although ambitious) for their own nickel demand alone was 1.15Mt!

Where will the nickel come from – the cupboard is empty?

Nickel pig iron	<ul style="list-style-type: none"> • Conversion to nickel sulfate is chemically possible but not economically possible • Needs nickel at >US\$23,000/t • Very “ugly” environmental footprint 	 <p>Nickel pig iron (NPI) 8 – 16% Ni</p>
Ferronickel	<ul style="list-style-type: none"> • Ditto 	
Nickel sulfides or MSP	<ul style="list-style-type: none"> • Sustainability – tailings, acid mine drainage, etc • Going from a sulfide concentrate to nickel sulfate is complex, difficult and expensive • Going directly from sulfide to nickel sulfate is mostly at lab/pilot scale or challenging • ... anyway, there’s not enough sulfide resource to meet global demand 	
Nickel metal	<ul style="list-style-type: none"> • Common practice (at a cost of ~US\$0.50 – 1.00/lb) • But the world still needs some Class I nickel metal for stainless steel and alloys – so this is only a stop-gap measure • Class I metal is in deficit – price gaps between NPI and Class I metal and NiSO₄ are widening 	
High pressure acid Leach (HPAL)	<ul style="list-style-type: none"> • 10 – 11 of 12 existing HPAL operations have failed to meet objectives • Big sustainability challenges – effluent to ocean, >1.2t wet tailings/t ore, tailings disposal or filtration (e.g. Goro - very high capital) • Indonesia? Barriers include sustainability (tailings, effluent), destined for China jurisdictions • High capital intensity US\$60 - \$120k/annual tonne nickel-equiv (not even counting ESG capital) • Low availability (averages << 80%) • Long ramp up (averages >5 years) • Very slow development (minimum 5 yrs, typically >10 yrs) • Complex technology (can be done but you have to be good to develop, build and operate) 	
MHP refinery	<ul style="list-style-type: none"> • But where will the MHP come from – HPAL (see above !) • Needs a MHP refinery • Brownfields refinery (with HPAL) is attractive but adds to capital intensity 	

Pilot Plant Activities

Pilot Plant

- Completed piloting activities at ALS Global
- Strong team included QPM Owner's team, Altilium Group, CSIRO, ALS Global and Hatch
- Commissioning run completed before end of 2020
- Continuous pilot runs undertaken through Q1 2021

Objectives met

- Confirmed flowsheet for TECH Project
- Produced samples of MHP for offtakers
 - MHP was the key – offtakers view conversion of MHP to sulfate as low risk, since this is already common practice and MHP is a more liquid market
- Upgraded MHP to nickel sulfate and cobalt sulfate
- Produced aluminium hydroxide for conversion into HPA
- Produced iron product for conversion into saleable high-grade haematite
- Produced residue for characterisation testing and evaluation as engineered landfill
- Provided data for DFS

Definitive Feasibility Study

- Appointed Hatch (world class engineering group) as study lead manager
- Built owners' team
- Commenced towards end of March 2021 (post piloting)



John Downie (L) and Dr Stephen Grocott (R) with first MHP produced from pilot plant

Pilot Plant Activities



QPM Pilot Plant located at ALS Global Hydrometallurgy Centre of Excellence, Perth, Western Australia

Highly Experienced Team



Dr Stephen Grocott
MD & CEO

- 40 years experience
- Extensive nickel experience including laterites (HPAL, atmospheric, heap and bio leach) and sulfides
- Extensive alumina refining experience
- Previous positions include:
 - Chief Technical Development Officer at Clean TeQ
 - Chief Advisor Processing at Rio Tinto
 - Global Technology Manager at BHP



John Downie
Exec Director

- 40+ years experience
- Extensive nickel laterite experience
- Previous positions include:
 - Director of Mines at Goro
 - Director of Projects at Queensland Nickel
 - CEO of Gladstone Pacific Nickel



Barry Sanders
Project Director

- 30+ years experience
- Leadership / strategy roles in feasibility, construction, commissioning and project delivery
- Previous senior positions include:
 - GE
 - John Holland
 - Thiess
 - Jacobs
 - Clough



Graham Milner
Engineering Manager

- 40+ years experience
- Extensive large project experience
- Worked for many internationally recognised E&C contractors
- Previous senior positions include:
 - British Gas
 - Foster Wheeler



Sam Spencer
Chief Technical Officer

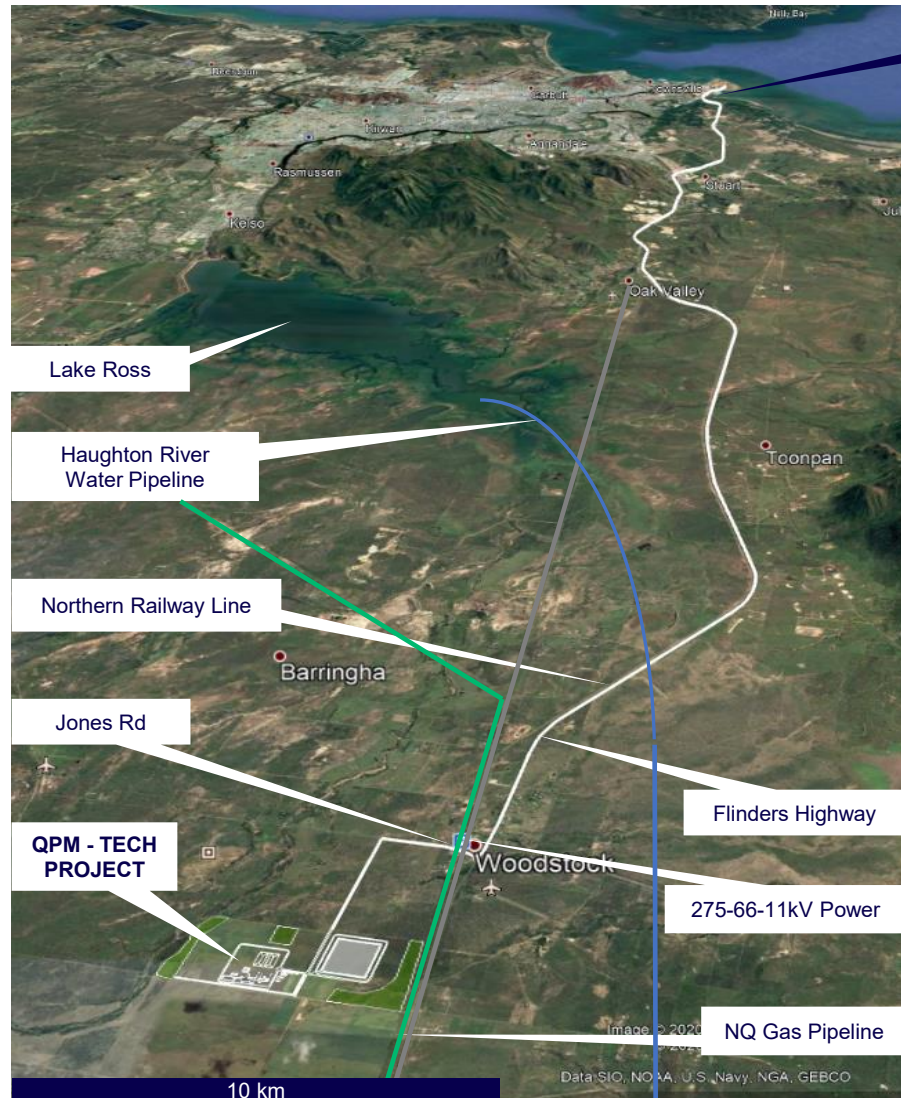
- 20+ years experience
- Technical and economic development of innovative resource projects
- Previous project experience includes:
 - Sunrise Ni-Co-Sc project
 - Weda Bay Ni-Co project
 - \$38b Petronas refinery



Dr Frank Houllis
Chief Processing Officer

- 25+ years experience
- Extensive process commercialisation experience
- Previous positions include:
 - CEO Magnis Energy Technologies
 - Director Imperium 3 Townsville
 - Project Leader ANSTO Minerals

The Right location for the TECH Project - Lansdown



Ideal site (290 Ha) allocated to QPM in the Lansdown Eco-Industrial Precinct

- Water pipeline 12 km away
- Gas pipeline (35 PJ/y capacity – we need ~8 PJ/y)
- Electric transmission lines (275kV, 66kV and 11kV)
- Fibre optic communications
- Existing Ross River (140 MW) and Edify (400MW) solar arrays
- Road train access to Townsville Port (Flinders Highway)
- Rail line
- Environment - gently undulating grazing land, sparsely wooded
- Zoned heavy industrial
- Cultural Heritage Management Agreement signed

Infrastructure, Logistics and Supporting Services

Port	<ul style="list-style-type: none">• Advanced negotiations with Port of Townsville for berth access and development of warehouse for ore stockpile to unload cargoes
Road/Rail	<ul style="list-style-type: none">• Optimisation study for road vs rail to transport ore and final products• A\$12M committed by Qld Labor government to upgrade road infrastructure to Lansdown
Gas	<ul style="list-style-type: none">• Confirmed significant availability in gas pipeline owned by Palisade (current utilisation <15%)• MOU with Blue Energy• Ongoing discussions with other gas suppliers including green gas suppliers (coal mine flared or vented gas)
Power	<ul style="list-style-type: none">• Solar power will reinforce green credentials of TECH Project• Existing Ross River solar array and planned 400MW Edify solar station• Significant power to come from co-gen (gas used to produce steam) which massively improves energy and greenhouse efficiency
Water	<ul style="list-style-type: none">• Existing Haughton River water pipeline• Sufficient water supply from Haughton River

Approvals

Approvals work has commenced

- Appointed EMM Consulting – highly experienced
- Lansdown Eco Industrial Precinct has been re-zoned heavy industrial – much of the heavy lifting has already been completed by Townsville City Council
- Working closely with Office of Co-Ordinator General in Queensland
- Confident that an EIS approval will not be required, therefore compressing approvals timeline
- Strong support to date from key Federal and State Governments
- Obtain approvals by Q4 2021
- Cultural Heritage Management Agreement executed



Bindal People at Lansdown

Project Schedule

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	
Base Case																																					
Pilot plant activities																																					
Project approvals																																					
Definitive Feasibility Study																																					
FEED (detailed design)																																					
Funding																																					
Construction																																					
Commissioning/Production																																					

Funding Considerations

Project Feasibility Stage (current)

- Piloting
- Feasibility studies
- Regulatory approvals
- Secure project partners/offtake
- Front-end engineering design (FEED) and capital conformation

Funding Options

- Traditional equity investors
- Strategic investment by partner(s)/offtaker(s)
- Government grants including manufacturing grant
- R&D tax incentive

Project Construction – Funding Options

QPM is advancing discussions with a number of parties regarding debt and equity funding for the TECH Project. Achieving success in the project feasibility stage will increase the value of the company and open doors to funding opportunities for project construction.

Debt

- **Project Partners:** Strategic opportunity for a 'Big Brother' to be involved in a project that would be a game changer for the nickel industry
- **NAIF:** TECH Project meets NAIF criteria being in Northern Australia, is a centralised processing plant and will deliver many social benefits to Townsville and surrounding region
- **Export Finance Australia:** EFA is targeting assistance to critical minerals projects, which the TECH Project will produce
- **Offtake Finance:** Offtake is in high demand given the lack of nickel supply – end users understand the need for project participation or funding to secure offtake
- **International Export Credit Agencies:** Potential to obtain international ECA funding, particularly for plant and equipment being sourced from overseas

Equity

- **Project Partners/Offtakers:** Securing project or offtake participation by way of equity investment
- **Institutional Investors:** Traditional equity investors targeting critical minerals investment
- **Green Funds:** Many funds targeting green investments and the emerging EV sector



Corporate Overview

Capital Structure

Pro Forma Shares on issue	1,342.7M
Share Price	15c
Pro Forma Market cap	A\$199M
Top 20	37%

Board and Key Management

Eddie King	Non Exec Chair
Stephen Grocott	Managing Director
John Downie	Exec Director
Cameron Mclean	Non Exec Director
Jim Simpson	Non Exec Director

Trading History



The QPM TECH Project

