

ASX ANNOUNCEMENT



19 July 2021

Julia Creek Wind Farm Study Additional Information

Following queries from ASX, QEM Limited (ASX: QEM) ("**QEM**" or "**Company**") is pleased to provide the following additional information on the proposed Wind Farm sub-component of the Julia Creek vanadium and oil shale project in North Queensland, which includes assessment of green hydrogen opportunities at the project, released to ASX on 9 July 2021 ("**Announcement**").

The Company would like to ensure that the market understands that the Julia Creek Wind Farm sub-component is only one component of the Julia Creek project, for which further studies are underway, including a pilot plant as announced on 24 May 2021. By stating that the Julia Creek Wind Farm is viable based on the work completed by DNV Australia ("**DNV**"), the Company is confirming that wind could be considered as a possible source of power generation at the project.

As also noted in the Announcement, DNV has recommended further wind studies, including monitoring on-site wind speeds, to provide confirmation of the indication that the wind farm is conceptually feasible. The Announcement was not intended to imply, at this stage, viability of the entire Julia Creek project or of a separate wind farm, only that the wind farm portion to contribute to green power generation is conceptually feasible. Further, as a wind and solar power generation study, it is noted that the JORC Code is not applicable to this reporting (that is, the study is not a 'PFS' as defined by the JORC Code). Given the early-stage nature of the work completed by DNV and uncertainties involved in overall project development, investors are cautioned not to make investment decisions based solely on the Announcement.

If ultimately determined to be economically feasible, any power generation and subsequent hydrogen production will ultimately be used by QEM at its Julia Creek Project. As also announced on 9 July 2021, Siecap has undertaken market research to assist QEM in understanding whether there is a market to increase hydrogen production above the Julia Creek needs to fulfil local demand. Further, as announced on 20 April 2021, Siecap has been engaged in a project management role which encompasses developing an execution strategy for the mining, extraction, processing and export of vanadium pentoxide, transport fuels and green hydrogen from the Julia Creek Project.

QEM remains very pleased with the progress of these early stage studies, and the positive indications received to date.

ENDS

This announcement was authorised for release on the ASX by the Board of QEM Limited.

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*The information in this announcement that relates to the mineral resource and contingent resource estimates for the Company's Julia Creek Project was first reported by the Company in its IPO prospectus dated 20 August 2018 and supplementary prospectus dated 12 September 2018 (together, the "Prospectus") and the subsequent resource upgrade announcement ("Resource Upgrade") dated 14 October 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and Resource Upgrade, and in the case of estimates of Mineral Resources and Contingent Resources, that all material assumptions and technical parameters underpinning the estimates in the Prospectus and Resource Upgrade continue to apply and have not materially changed.

ABOUT QEM

QEM Limited (ASX:QEM) is a publicly listed company which is focussed on the exploration and development of its flagship Julia Creek Project, covering 250km² in the Julia Creek area of North Western Queensland.

The Julia Creek vanadium / oil shale project is a unique world class resource with the potential to deliver innovative energy solutions, through the production of energy fuels and vanadium pentoxide. QEM strives to become a leading producer of transport fuels, including hydrogen and in response to a global vanadium deficit, also aims to become a global supplier of high-quality vanadium pentoxide, to both the nascent energy storage sector and the Australian steel industry.

QEM also seeks to construct a hybrid renewable energy project at Julia Creek capable of feeding power to the grid via the CopperString 2.0 network and to supply power for an on-site Green Hydrogen electrolyser to support the hydrogen requirements of the project and additionally, to meet local market demand and to create a hydrogen hub for the North West Minerals Province.

This globally significant JORC (2012) Mineral Resource of 2,760 Mt @ 0.30% V₂O₅ is one of the single largest ASX listed vanadium resources and represents a significant opportunity for development.

The tenements form part of the vast Toolebuc Formation, which is recognised as one of the largest deposits of vanadium and oil shale in the world and located 5.5km east of the township of Julia Creek. In close proximity to all major infrastructure and services, the project is intersected by the main infrastructure corridor of the Flinders Highway and Great Northern Railway, connecting Mt Isa to Townsville.