



QUEENSLAND PACIFIC METALS

Presentation

Dr Stephen Grocott
Managing Director & CEO

October 2021

ASX:QPM

www.qpmetals.com.au

*Re-energising Australia with
critical battery metals production*

*Corporate Presentation
Investor Roadshow*

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Company



Dr Stephen Grocott

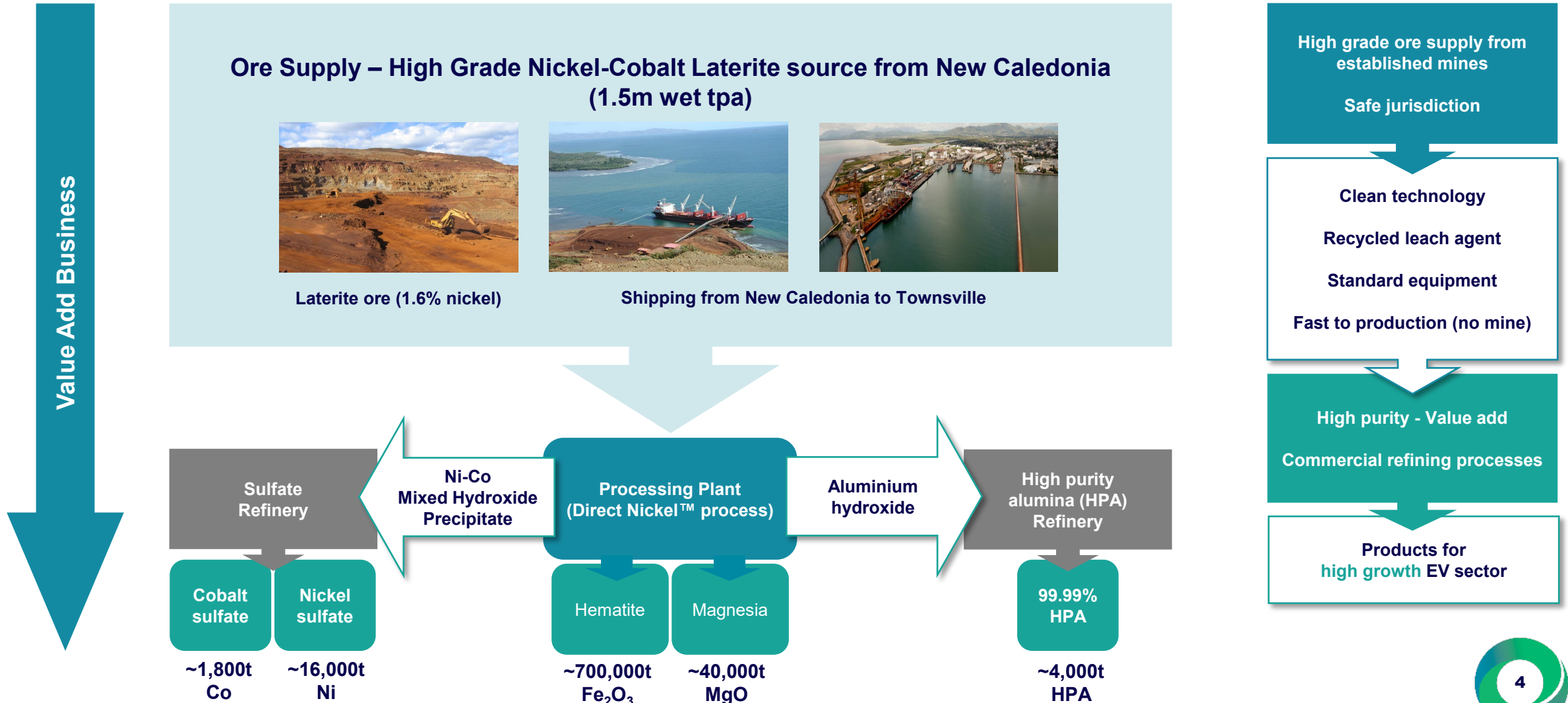
Managing Director & CEO

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Conceptual TECH Project



Townsville Energy Chemicals Hub – “TECH Project”



Selection of Products from Pilot Plant



Nickel Laterite Ore
(crushed and dried)



Ni-Co MHP



Hematite



Inert Residue

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

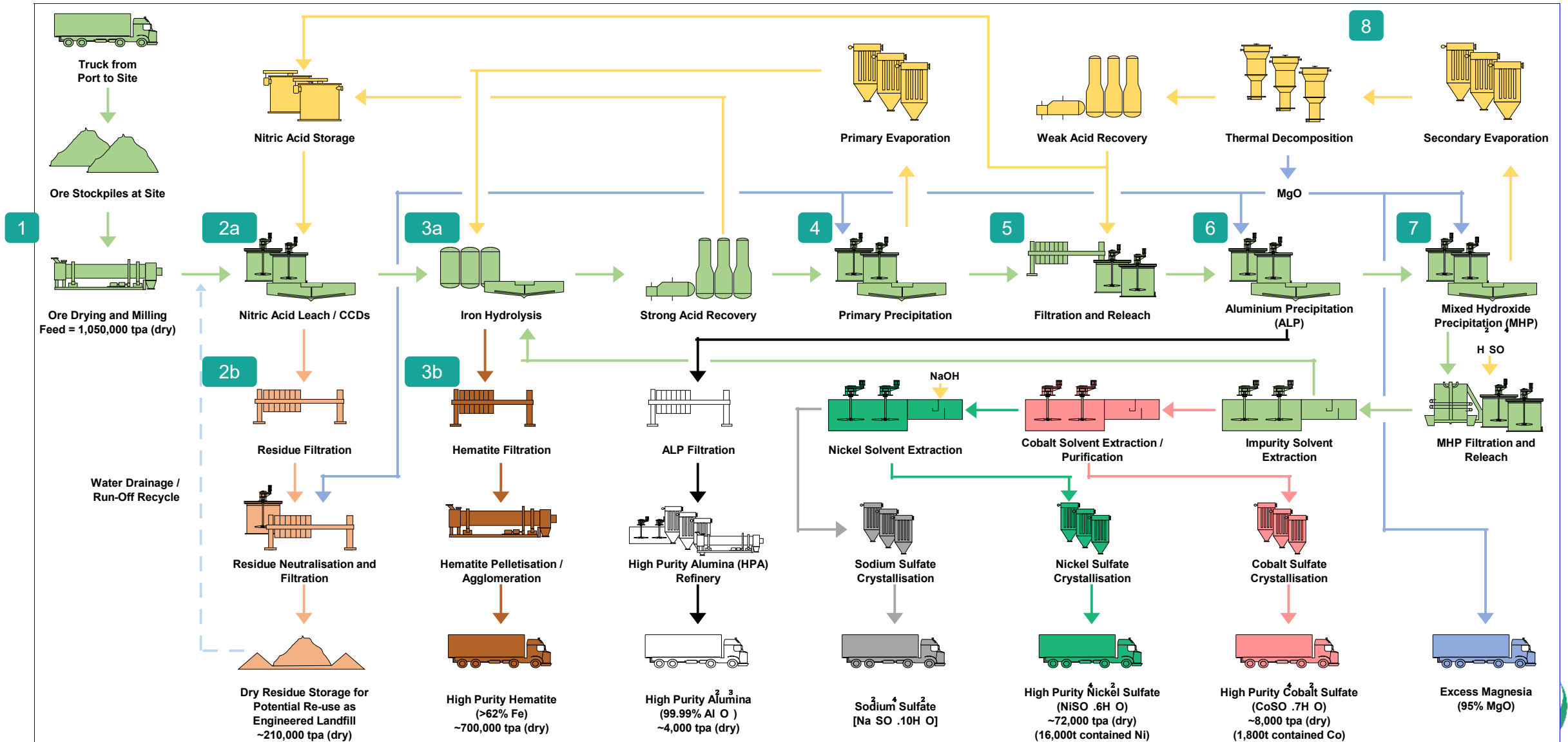


“This is the most meaningful investment in our supply chain for LG Energy Solution since the company spun out from LG Chem. We believe the TECH Project will deliver sustainable nickel and cobalt production that is in line with LGES’ operating philosophy. And our proactive investments in the supply chain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

DFS – De-risking scaleup



DFS – De-risking scaleup

- The DFS is deploying commercialised solutions to the individual unit operations of our flowsheet to minimise technical and scale-up risk

Ref	Process	Simplified Description	Industrial History	Examples / Suppliers
1	Ore drying / crushing	Ore drying in rotary dryers and low energy milling	Conventional practice and standard equipment with >100 year history	Used in all ore feeds in ferronickel furnaces at dozens of sites including China, Japan, Korea, Indonesia and New Caledonia
2a	Nitric acid leach	Agitated leaching of ore in nitric acid under atmospheric conditions	Conventional practice and standard equipment dating back to 1950s for phosphate rock, uranium ores, aluminum clay and refractory gold ore	Nitric acid has long been known as the most powerful leaching agent but its cost meant that it was not commercialised for nickel ore
2b	Residue neutralisation / filtration	Removal of residue using conventional thickening, filtration and clarification	Almost every hydrometallurgical plant in the world employs thickeners, filters and clarifiers	1000s of operating sites Conventional equipment to be sourced from major suppliers such as FLSmidth and Metso Outotec
3a	Iron Hydrolysis / acid recovery	Heating the metal nitrate solution to distil the nitric acid and precipitate the iron as hematite	Standard process of iron recovery as precipitated hematite used in steel pickling plants around the world.	Iron hydrolysis is highly standardised and Metso Outotec sells dedicated equipment to carry out this process
3b	Hematite filtration and pelletisation	Conventional thickening and filtration followed by pelletisation	Iron fines around the world are agglomerated / pelletised prior to feed into blast furnace	100s of commercial plants Convention equipment to be sourced from suppliers such as Feeco, Drytech or Eirich
4	Primary precipitation	Addition of magnesia to increase pH and precipitate nickel, cobalt and aluminium	Standard practice in the majority of nickel laterite leaching operations	Ravensthorp, Goro, Minara, Ramu, Gordes and the new nickel HPAL plants in development in Indonesia

DFS – De-risking scaleup

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Ref	Process	Simplified Description	Industrial History	Examples / Suppliers
5	Filtration and re-leach	Re-leach the primary precipitation to re-dissolve the nickel, cobalt and aluminium. This step assists to minimise nickel and cobalt losses in the aluminium precipitate.	Standard practice in the majority of nickel laterite leaching operations	Ravensthorp, Goro, Minara, Ramu, Gordes and the new nickel HPAL plants in development in Indonesia
6	Aluminum hydroxide precipitation	Addition of magnesia to increase pH to precipitate aluminium hydroxide	pH adjustment by magnesia is standard practice in nickel laterite leaching operations	Ravensthorp, Goro, Minara, Ramu, Gordes and the new nickel HPAL plants in development in Indonesia
7	MHP precipitation	Addition of magnesia to increase pH nickel and cobalt in the form of hydroxides	pH adjustment by magnesia is standard practice in nickel laterite leaching operations	Ravensthorp, Goro, Minara, Ramu, Gordes and the new nickel HPAL plants in development in Indonesia
8	Nitric acid recovery	With Ni, Co and Al removed, all that remains is magnesium nitrate. Heat this solution up to recover magnesia and recycle the nitric acid.	Fluid bed roasters are used in magnesia industry to produce magnesia from Magnesium chloride. Applying this process to magnesium nitrate should be easiest because...	Major vendors included Andritz and Tenova

The Right Time for the Direct Nickel Process

First HPAL* 1960

* HPAL "High pressure acid leach"

2nd Generation HPAL

Bulong 1998-2003 (C&M)
Murrin Murrin 1999 → (operational, 75% design)
Cawse 1998-2009 (C&M)

3rd Generation HPAL

Ravensthorpe 2008-2009, 2011-2017 (C&M), 2020
Goro 2009 → (operational, 65% design)
Ramu 2012 → (operational, 5 year ramp-up)
Ambatovy 2012 → (operational, poor availability)
Taganito 2013 → (operational, poor availability)
Gordes 2014 → (operational, low throughput)

3rd Generation HPAL
Coral Bay 2005- (operational)

1st Gen Nickel Pig Iron

China plants – 8% Ni (low quality)

2nd Gen Nickel Pig Iron (NPI)

14% Ni (high quality) squeezing out need for LME nickel metal for stainless steel.
Most viable process for stainless steel industry

DNi Pilot Plant

Successful demonstration of technology - but the time (product market) wasn't right

EV Revolution

Class 1 nickel (after refining) for batteries – NPI not suitable for batteries.
Not enough sulfide resources to meet demand – laterites must be developed.
HPAL issues (capital, environment, failures) – Right time for DNi Process™



The Need for Green

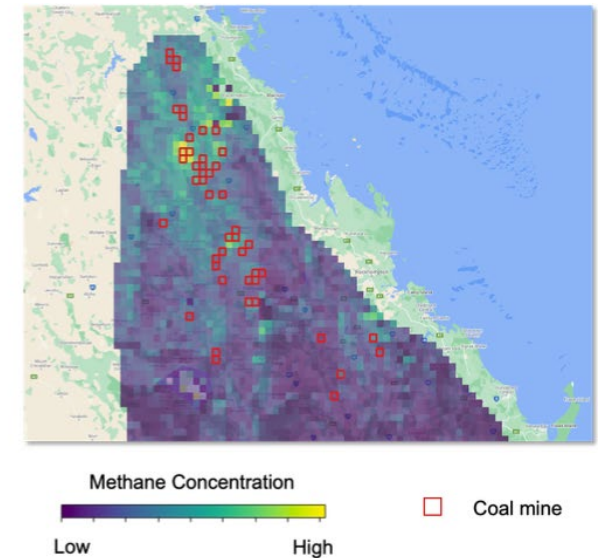
The world is more socially, environmentally conscious.

- HPAL/NPI - sovereign risk, tailings
- NPI - very high GHG intensity

TECH Project – delivering Ni/Co from a safe jurisdiction with an attractive environmental footprint

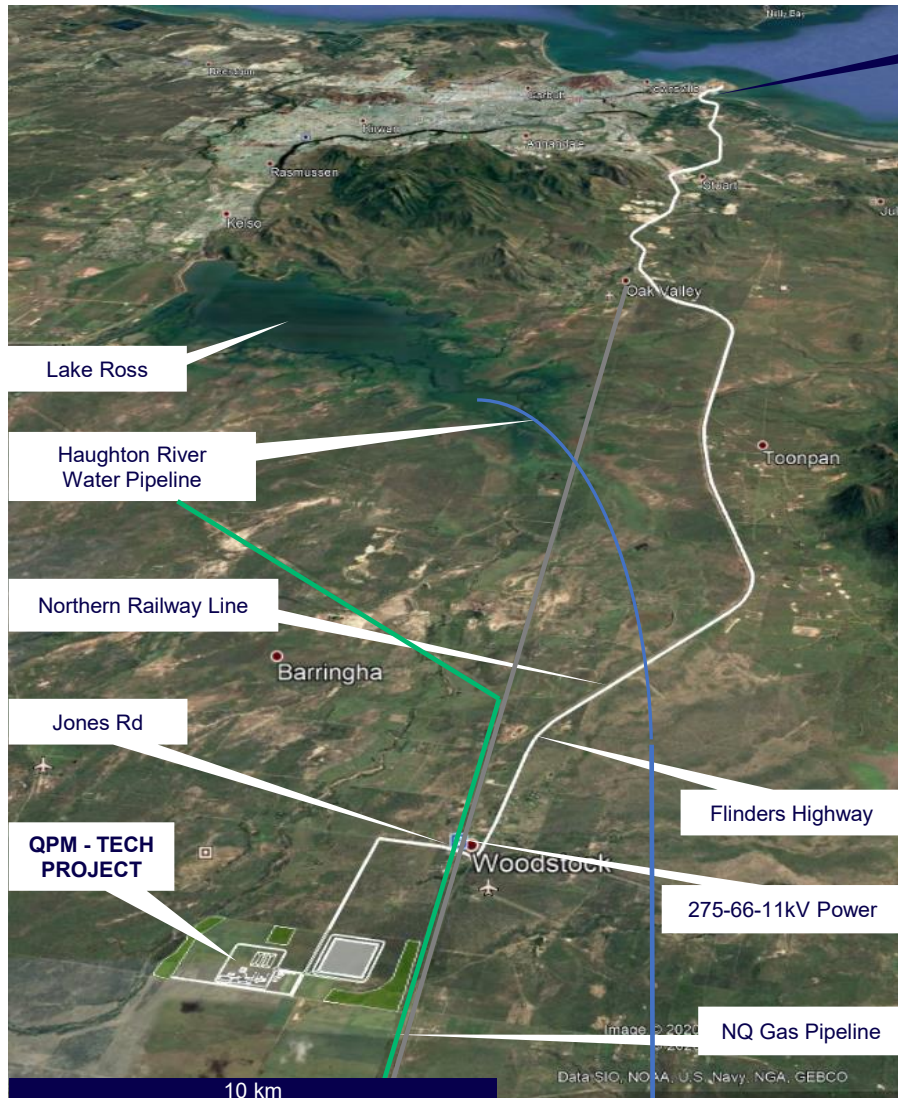
Pathway to Zero Carbon Nickel

Using waste gas to fuel the TECH Project – MOU signed with Transition Energy Corp for supply and North Queensland Gas Pipelines for transport



- **Underground:** Majority of gas is pre-drained and flared ahead of mining for safety reasons resulting in a direct CO₂ emission. Some gas (methane) is vented
- **Open pit:** Fugitive emissions of gas (methane) as mining proceeds. **Methane has a global warming potential factor 28 times worse than CO₂ under ISO standards**
- High tech satellite imagery is now highlighting the issue over the Bowen Basin
- **By harvesting waste gas (particularly fugitive emissions), QPM will receive an offset against it's CO₂ emissions, but more importantly help solve a growing problem**

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 10-12 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

Project of State Significance

[139]



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State Development and Public Works Organisation Act 1971

DECLARATION OF A PRESCRIBED PROJECT

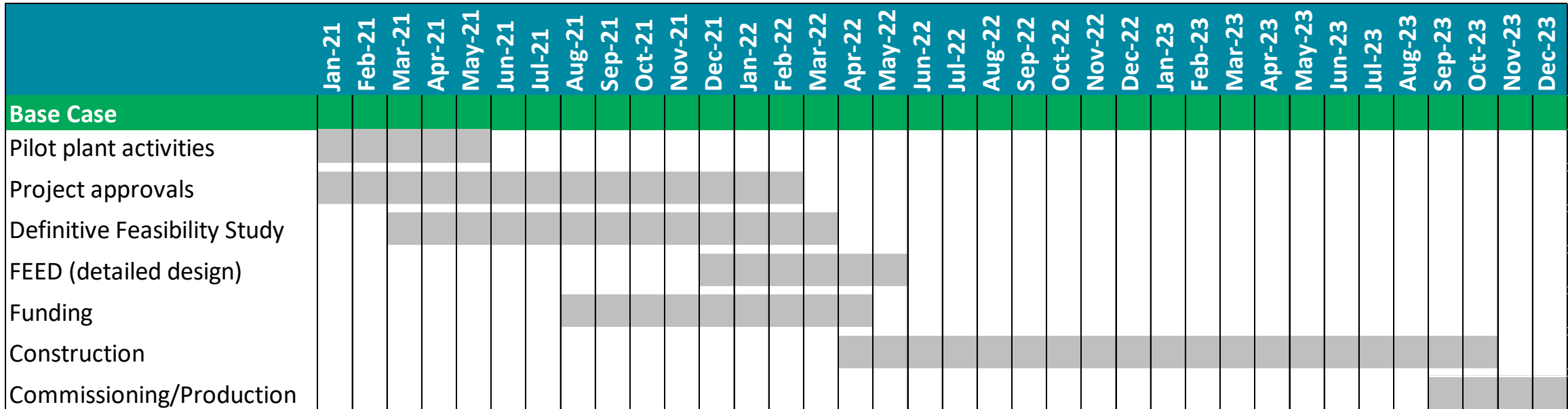
I, Steven Miles, appointed as the Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning, do hereby declare the Townsville Energy Chemicals Hub Project to be a prescribed project pursuant to section 76E of the *State Development and Public Works Organisation Act 1971*.

This declaration takes effect from the date of its publication in the gazette, pursuant to section 76E(3) of the *State Development and Public Works Organisation Act 1971*.

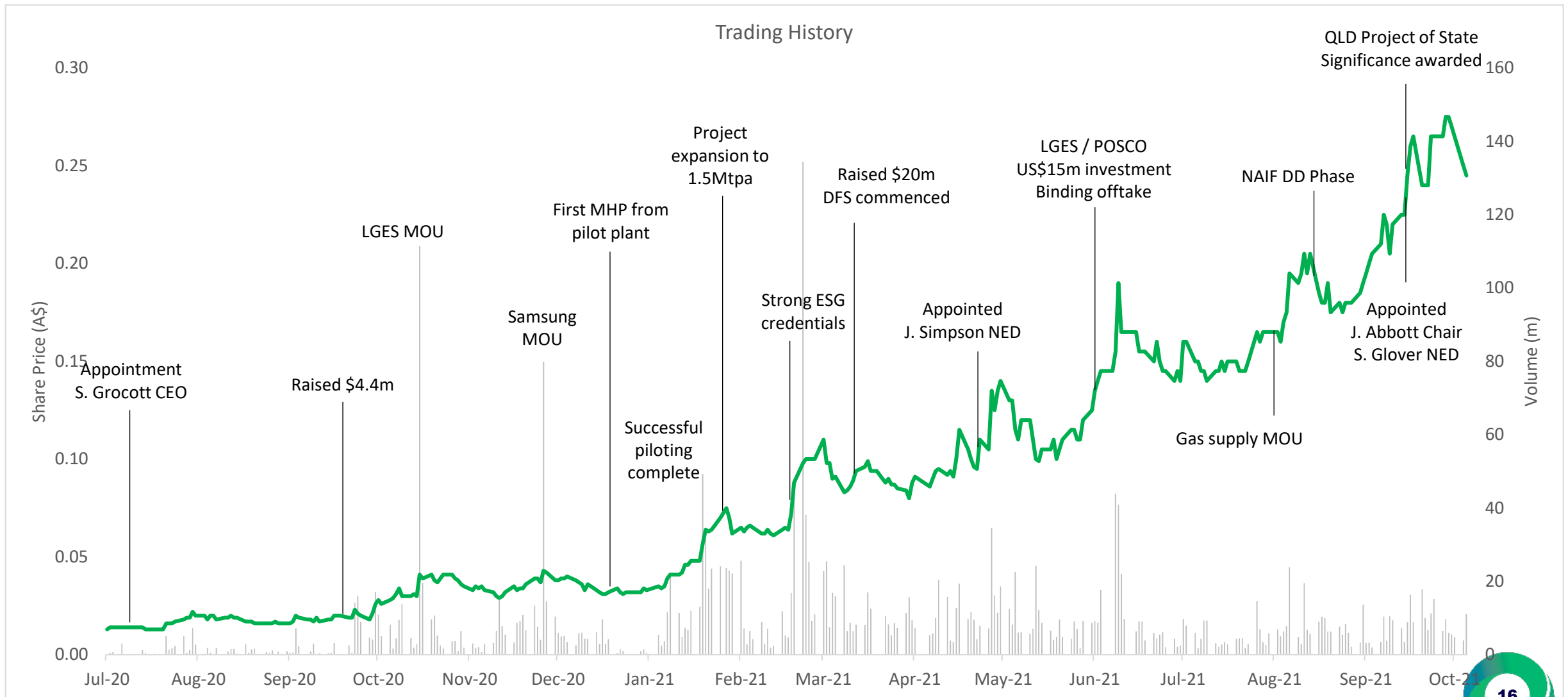
- TECH Project awarded Prescribed Project status by Queensland Government
- A Prescribed Project is one which is of significance, particularly economically or socially, to Queensland or a region
- Prescribed Project status enlivens the Coordinator-General's powers under the State Development and Public Works Act to ensure timely decision making with respect to approvals for the Project
- Project approvals continue to advance well

Project Schedule

Targeting construction to begin mid 2022 with plant commissioning late 2023



Delivering value for our shareholders



What's Next?

- **De-risking the project**
 - Advance and complete DFS
 - Detailed engineering with key vendors
 - Obtain project approvals
 - Finalise key agreements including ore / gas supply
- **ESG Credentials**
 - Update GHG calculations
 - Residue work on commercial application
- **Advancing HPA**
 - Testwork
 - Marketing and offtake
- **Commercial**
 - Consideration of offtake for remaining ~35% production
 - Co-product offtake – hematite
- **Funding**
 - Seek expressions of interest
 - Debt syndicate appointed



Corporate Overview

Capital Structure

Pro Forma Shares on issue	1,355.6M
Share Price	24c
Pro Forma Market cap	A\$325M
Top 20	39%

Major Shareholders

LG Energy Solutions	99.2m	7.4%
POSCO GEM 1 ST FUND	42.5m	3.2%
UBS Nominees	40.0m	3.0%
Citicorp Nominees	39.4m	2.9%
Robert Pearce	38.9m	2.9%

Board and Key Management

John Abbott	Non Exec Chair
Stephen Grocott	Managing Director
John Downie	Exec Director
Jim Simpson	Non Exec Director
Sharna Glover	Non Exec Director
Eddie King	Non Exec Director



The QPM TECH Project



Pathway for nickel and cobalt production

**QPM - TECH
PROJECT**