



QEM Limited
ACN 167 966 770

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of the Company, at Suite 6A, Level 6, 50 Appel Street, Surfers Paradise, Queensland, Australia on Thursday, 17 November 2022 at 10:00 am (AEST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary, David Palumbo, by telephone on +61 (08) 9481 0389.

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in-person Meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an announcement on the ASX market announcements platform.

Shareholders are encouraged to vote by lodging the proxy form attached to the Notice

QEM Limited
ACN 167 966 770
(Company)

Notice of Annual General Meeting

Notice is given that the annual general meeting of QEM Limited will be held at the offices of the Company, at Suite 6A, Level 6, 50 Appel Street, Surfers Paradise, Queensland, Australia on Thursday, 17 November 2022 at 10:00 am (AEST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

Terms and abbreviations used in the Notice are defined the Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Re-election of Director – Mr Daniel Harris

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That Mr Daniel Harris, who retires in accordance with Article 7.2 of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Election of Director – Mr Tim Wall

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, in accordance with Clause 7.6(c) of the Constitution Listing Rule 14.4 and for all other purposes, Mr Tim Wall, a Director who was appointed on 12 October 2022, retires and, being eligible, is elected as Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 - Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the issue of 7,322,720 Placement Shares at \$0.22 per Share is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 - Approval to issue Placement Shares to Director

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the issue of up to 2,727,272 Placement Shares at \$0.22 per Share to Mr David Fitch (or his nominee) is approved under and for the purposes of Listing Rule 10.11 on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 - Ratification of prior issue of Options to Mr Tim Wall

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the issue of 600,000 Options to Mr Tim Wall (or his nominees) is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7- Ratification of prior issue of Options to Ms Joanne Bergamin

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the issue of 200,000 Options to Ms Joanne Bergamin (or her nominees) is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 4 by or on behalf of any person who participated in the issue of the Shares or is a counterparty to the agreement being approved, or any of their respective associates;
- (b) Resolution 5 by or on behalf of Mr David Fitch (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (c) Resolution 6 by or on behalf of Mr Tim Wall (or his nominees) and any person who participated in the issue of the securities or is a counterparty to the agreement being approved, or any of their respective associates;
- (d) Resolution 7 by or on behalf of Ms Joanne Bergamin (or her nominees) and any person who participated in the issue of the securities or is a counterparty to the agreement being approved, or any of their respective associates; and
- (e) Resolution 8, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



David Palumbo

Company Secretary
QEM Limited

Dated: 17 October 2022

QEM Limited
ACN 167 966 770
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, at Suite 6A, Level 6, 50 Appel Street, Surfers Paradise, Queensland, Australia on Thursday, 17 November 2022 at 10:00 am (AEST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Introduction
Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Daniel Harris
Section 6	Resolution 3 – Election of Director – Mr Tim Wall
Section 7	Resolution 4 - Ratification of prior issue of Placement Shares
Section 8	Resolution 5 - Approval to issue Placement Shares to Director
Section 9	Resolution 6 - Ratification of prior issue of Options to Mr Tim Wall
Section 10	Resolution 7 - Ratification of prior issue of Options to Ms Joanne Bergamin
Section 11	Resolution 8 – Approval of 10% Placement Facility
Schedule 1	Definitions
Schedule 2	Terms and Conditions of the Options
Schedule 3	Terms and Conditions of the Employee Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affects the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

2.2 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 Voting by proxy

Shareholders are encouraged to vote by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting and Proxy Forms must be received by the Company no later than 10:00 am (AEST) on Tuesday, 15 November 2022, being at least 48 hours before the Meeting.

Proxy Forms can be lodged:

Online:	https://investor.automic.com.au/#/loginsah
By mail:	Automic Registry Services GPO BOX 5193 Sydney NSW 2001
By fax:	+61 2 8583 3040
By email:	meetings@automicgroup.com.au

By mobile:	Scan the QR Code on your Proxy Form and follow the prompts
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2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://www.qldem.com.au/investor-centre/#asx>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

4.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the

Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2021 annual general meeting held on 26 November 2021. Shareholders should be aware that if the Remuneration Report receives a Strike at this Meeting, this may result in the re-election of the Board if a second Strike is received at the 2023 annual general meeting.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Re-election of Director – Mr Daniel Harris

5.1 General

Article 7.2(a) of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or three years, whichever is longer.

Article 7.4 of the Constitution provides that a Director who retires in accordance with Article 7.2 is eligible for re-election.

Non-Executive Director Mr Daniel Harris was last elected at the annual general meeting held on 29 November 2019. Accordingly, Mr Harris retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If elected, the Board considers Mr Harris to be an independent Director.

5.2 Mr Daniel Harris

Mr Daniel Harris is a seasoned and highly experienced mining executive and director. He has most recently held the role of interim CEO and managing director of ASX listed Atlas Iron Limited, a mid-sized, independent Australian iron ore mining company with operations in the Northern Pilbara of Western Australia.

Mr Harris has been involved in all aspects of the vanadium industry for over 37 years and held both COO and CEO positions in Atlantic Ltd. The company's subsidiary, Midwest Vanadium, owned a \$500 million-dollar production plant and vanadium mine in Western Australia. As COO, Mr Harris was tasked with the start-up of the newly constructed vanadium plant and brought it into commercial operation.

Mr Harris is also the former Vice President of EVRAZ Plc, Vanadium assets responsible for their global vanadium business. EVRAZ plc is a £4.2 billion publicly traded steel, mining and vanadium business with operations in the Russian Federation, Ukraine, Europe, USA, Canada and South Africa. EVRAZ consolidated vanadium business produced and marketed approximately one third of the world's vanadium supply, with annual turnover, in excess of \$600 million dollars.

Prior to EVRAZ, Mr Harris held numerous positions with Strategic Minerals Corporation. Throughout his 30 years with the company, he advanced his career from junior engineer, through to CFO and CEO roles within the group and was responsible for increasing the capacity of the Hot Springs Project by 50%.

Mr Harris is a non-executive director on the Board of Australian Vanadium Ltd, a Perth based vanadium company now finalizing a DFS for their Gabanintha vanadium project. Additionally, Mr Harris is an Executive Director and member of the board of U. S. Vanadium, Ltd, a US based vanadium producer of high purity vanadium oxides and chemicals.

Mr Harris also acts as a technical executive consultant to GSA Environmental in the UK, a process engineering company that is well credentialed in the vanadium and oil industries. GSA is the UK's leading technology company for extraction and recovery of metals from ashes, minerals, refinery residues, spent catalyst and industrial by-products.

Mr Harris brings a wealth of experience, in all aspects of mining and project development and will assist the Company in creating a world class project in Queensland, Australia.

5.3 Board recommendation

Resolution 2 is an ordinary resolution.

The Board (other than Mr Harris) recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Election of Director – Mr Tim Wall

6.1 General

Article 7.6(a) of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 7.6(c) of the Constitution, any Director so appointed holds office until the conclusion of the next annual general meeting of the Company but is eligible for election by Shareholders at that meeting.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

On 12 October 2022, Mr Tim Wall was appointed as a Non-Executive Director of the Company.

Accordingly, Mr Wall resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 3.

If elected, the Board considers Mr Wall to be an independent Director.

6.2 Mr Tim Wall

Mr Tim Wall is a highly experienced company director and executive across the energy, infrastructure, transport & resources sectors, with a strong leadership track record at multiple ASX100 companies.

His impressive list of recent achievements includes driving a strategic shift in manufacturing while President of Global Manufacturing & Corporate HSE for Incitec Pivot, which generated an EBIT uplift of at least \$40 million for the business. Mr Wall also delivered highly successful operational outcomes while occupying senior managerial positions at Caltex Australia and BP Australia.

Mr Wall currently serves as a Senior Advisor - Oil and Gas at management consultant dss+ and as a director for energy consultant TJW Energy, with specific expertise in hydrogen and ammonia manufacturing, storage & transportation and energy storage technologies.

In his executive career spanning over 30 years, Mr Wall has held many senior positions, with global accountability in operations, strategy, asset management, supply and trading, safety and risk management, major project development and engineering.

6.3 Board recommendation

Resolution 3 is an ordinary resolution.

On the basis of Mr Wall's skills, qualifications and experience and his contributions to the Board's activities, the Board (other than Mr Wall) recommends Shareholders vote in favour of Resolution 3.

7. Resolution 4 - Ratification of prior issue of Placement Shares

7.1 General

On 3 October 2022, the Company announced that it had received binding commitments for a placement to raise \$2,200,000 before costs (**Placement**) by the issue of 10,049,992 Shares at \$0.22 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

Company Director, Mr David Fitch, intends to participate in the Placement and has agreed to subscribe for 2,727,272 Placement Shares to raise \$600,000. Mr Fitch's participation is the subject of Resolution 5.

On 11 October 2022, the Company issued 7,322,720 Placement Shares to unrelated Placement Participants using the Company's placement capacity under Listing Rule 7.1 to raise \$1,610,998 (before costs).

Resolution 4 seeks approval of the Shareholders to ratify the issue of 7,322,720 Placement Shares to the unrelated Placement Participants under and for the purposes of Listing Rule 7.4.

7.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of 7,322,720 Placement Shares to unrelated Placement Participants does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Shares to unrelated Placement Participants.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval to ratify the issue of 7,322,720 Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the issue of 7,322,720 Placement Shares to unrelated Placement Participants will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

If Resolution 4 is not passed, the Placement Shares to unrelated Placement Participants will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following the issue of those Placement Shares.

7.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) 7,322,720 Placement Shares were issued to the unrelated Placement Participants, being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act. Fresh Equities Pty Ltd and Viriathus Capital Pty Ltd acted as Joint Lead Managers to the Placement (**Joint Lead Managers**). The Placement Participants are existing contacts of the Company (including existing Shareholders) and clients of the Joint Lead Managers. The Joint Lead Managers identified investors through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the capital

raising from non-related parties of the Company. The Placement Participants are not considered to be Material Investors in accordance with ASX Guidance Note 21;

- (a) none of the Placement Participants is a related party of the Company, with the exception of Mr David Fitch. The Company is seeking Shareholder approval separately for Mr Fitch to participate in the Placement under Resolution 5;
- (b) the Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (c) a total of 7,322,720 Placement Shares were issued on 11 October 2022;
- (d) the Placement Shares were issued at \$0.22 per Share;
- (e) the proceeds from the issue of the Placement Shares are intended to be used towards the development of the Julia Creek Vanadium-Oil Project, as well as for costs of the Placement and general working capital;
- (f) there are no additional material terms with respect to the agreements for the issue of the Placement Shares; and
- (g) a voting exclusion statement is included in the Notice.

7.4 Board recommendation

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

8. Resolution 5 - Approval to issue Placement Shares to Director

8.1 General

Mr David Fitch is a non-executive director of the Company and wishes to participate in the Placement, subject to Shareholder approval being obtained.

Resolution 5 seeks the approval of Shareholders for the issue of up to 2,727,272 Shares to Mr Fitch (or his nominee) arising from his participation in the Placement (**Participation**) under and for the purposes of Listing Rule 10.11.

8.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);

- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The proposed issue of Shares to Mr Fitch (or his nominee) falls within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. That proposed issue therefore requires the approval of Shareholders under Listing Rule 10.11.

If Resolution 5 is passed, the Company will be able to proceed with the issue of 2,727,272 Placement Shares to Mr Fitch (or his nominee) and the Company will raise up to a total of \$600,000 from Mr Fitch (or his nominee).

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of 2,727,272 Placement Shares to Mr Fitch (or his nominee) and the Company may need to raise additional funds through debt financing, joint ventures, licensing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and projects may result in delay and indefinite postponement of development of the Julia Creek Project. In turn, this could affect the Company's ability to operate as a going concern. There can be no assurance that additional finance will be available when needed or, if available, that the terms of the financing will be favourable to the Company.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of 2,727,272 Placement Shares to Mr Fitch will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

8.3 Specific information required by Listing Rule 10.13

Under and for the purposes of Listing Rule 10.13, the following information is provided in relation to the proposed Participation:

- (c) the 2,727,272 Placement Shares will be issued to Director Mr David Fitch (or his nominee);
- (d) Mr David Fitch is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.11.1. In the event the 2,727,272 Placement Shares are issued to his nominee, that person will fall into the category stipulated by Listing Rule 10.11.4;
- (e) the maximum number of Placement Shares to be issued to Mr Fitch (or his nominee) is 2,727,272;
- (f) the 2,727,272 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the 2,727,272 Placement Shares will be issued to Mr Fitch (or his nominee) no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (h) the issue price will be \$0.22 per Share, being the same issue price as all other Shares issued under the Placement;
- (i) the funds raised will be used for the same purposes as all other funds raised under the Placement (as set out in Section 7.3(e));
- (j) the Participation is not intended to remunerate or incentivise Mr Fitch;
- (k) there are no additional material terms with respect to the agreements for the proposed issue of the 2,727,272 Placement Shares; and
- (l) a voting exclusion statement is included in the Notice.

8.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Fitch is a related party of the Company by virtue of being a Director.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Mr Fitch on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

8.5 Board recommendation

Resolution 5 is an ordinary resolution.

The Board (other than Mr David Fitch who has a material personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 5.

9. Resolution 6 - Ratification of prior issue of Options to Mr Tim Wall

9.1 General

On 12 October 2022, the Company announced the appointment of Mr Tim Wall as Non-Executive Director of the Company, effective from 12 October 2022.

Pursuant to the letter of appointment with Mr Wall, Mr Wall's remuneration is \$31,800 per annum (plus superannuation) and the Company agreed to issue to Mr Wall (or his nominees) 600,000 Options exercisable at \$0.345 each on or before 12 August 2025. The full terms and conditions of the Options are set out at Schedule 2. The letter of appointment is otherwise on terms considered standard for an agreement of this nature.

The Options were issued within the 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 6 seeks the approval of Shareholders to ratify the issue of the Options under and for the purposes of Listing Rule 7.4.

9.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are contained in Section 7.1 above.

The issue of the Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the agreement to issue Options.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval to the issue of the Options under and for the purposes of Listing Rule 7.4.

If Resolution 6 is passed, the issue of the Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the agreement to issue Options.

If Resolution 6 not passed, the issue of the Options will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following the agreement to issue those Options.

9.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Options:

- (a) a total of 600,000 Options were issued to Mr Tim Wall (or his nominees);
- (b) the Options are exercisable at \$0.345 each on or before 12 August 2025 and were otherwise issued on the terms and conditions set out in Schedule 2;
- (c) the Options were issued on 12 October 2022;
- (d) the Options will be issued for nil consideration and as long term incentives in connection with Mr Wall's employment with the Company. Accordingly, no funds will be raised from the issue;
- (e) a summary of the material terms of Mr Wall's employment arrangements are set out at Section 9.1 above; and
- (f) a voting exclusion statement is included in the Notice.

9.4 Board recommendation

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

10. Resolution 7 - Ratification of prior issue of Options to Ms Joanne Bergamin

10.1 General

On 12 August 2022, the Company issued Ms Joanne Bergamin (an employee of the Company) 200,000 unquoted Options exercisable at \$0.345 each on or before 12 August 2025 (**Employee Options**).

The Employee Options were issued within the 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 7 seeks the approval of Shareholders to ratify the issue of the Employee Options under and for the purposes of Listing Rule 7.4.

10.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are contained in Section 7.1 above.

The issue of the Employee Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the agreement to issue Employee Options.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 7 seeks Shareholder approval to the issue of the Employee Options under and for the purposes of Listing Rule 7.4.

If Resolution 7 is passed, the issue of the Employee Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the agreement to issue Employee Options.

If Resolution 7 not passed, the issue of the Employee Options will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following the agreement to issue those Employee Options.

10.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Employee Options:

- (a) a total of 200,000 Employee Options were issued to Ms Joanne Bergamin (or her nominees) who is an employee of the Company;
- (b) the Employee Options are exercisable at \$0.345 each on or before 12 August 2025 and were otherwise issued on the terms and conditions set out in Schedule 3;
- (c) the Employee Options were issued on 12 August 2022;
- (d) the Employee Options were issued for nil consideration. Accordingly, no funds were raised from the issue;
- (e) there are no additional material terms with respect to the agreements for the issue of the Employee Options; and
- (f) a voting exclusion statement is included in the Notice.

10.4 Board recommendation

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

11. Resolution 8 – Approval of 10% Placement Facility

11.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

Resolution 8 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 11.2(e) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c) below).

If Resolution 8 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 8 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

11.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less.

The Company is an eligible entity for these purposes as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$27.8 million, based on the closing price of Shares (\$0.21) on 17 October 2022.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 8 will no longer be effective and will be withdrawn.

(b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

- (1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (2) on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the 12 month period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (3) under an agreement to issue securities within Rule 7.2 exception 16 where:

- the agreement was entered into before the 12 month period; or
- the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and

(4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;

(B) plus the number of partly paid shares that became fully paid in the 12 months; and

(C) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) At what price can the Equity Securities be issued?

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(e) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(f) What is the effect of Resolution 8?

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

11.3 Specific information required by Listing Rule 7.3A

Under and for the purposes of Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 11.2(e) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 11.2(d) above).

(c) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for cash consideration in order to raise funds for continued investment in the Company's Julia Creek Project, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and

voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 11.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.105 50% decrease in Current Market Price	\$0.21 Current Market Price	\$0.42 100% increase in Current Market Price
132,416,297 Shares Variable A	10% Voting Dilution	13,241,630 Shares	13,241,630 Shares	13,241,630 Shares
	Funds raised	\$1,390,371	\$2,780,742	\$5,561,484
198,624,446 Shares 50% increase in Variable A	10% Voting Dilution	19,862,445 Shares	19,862,445 Shares	19,862,445 Shares
	Funds raised	\$2,085,557	\$4,171,113	\$8,342,227
264,832,594 Shares 100% increase in Variable A	10% Voting Dilution	26,483,259 Shares	26,483,259 Shares	26,483,259 Shares
	Funds raised	\$2,780,742	\$5,561,484	\$11,122,969

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price (\$0.21), being the closing price of the Shares on ASX on 17 October 2022, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
 - (b) Variable A is 132,416,297, comprising of existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;

- (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 26 November 2021.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

11.4 Board recommendation

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 8.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

10% Placement Facility	has the meaning given in Section 11.1.
10% Placement Period	has the meaning given in Section 11.2(e).
\$ or A\$	means Australian Dollars.
AEST	means Australian Eastern Standard Time.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.
Article	means an article of the Constitution.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means QEM Limited (ACN 167 966 770).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Joint Lead Managers	means Fresh Equities Pty Ltd and Viriathus Capital Pty Ltd.

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 11.2(d).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Participation	has the meaning given in Section 8.1.
Placement	has the meaning given in Section 7.1.
Placement Participants	means the sophisticated professional investors who participated in the Placement.
Placement Shares	means up to 10,049,992 Shares to be issued at \$0.22 each to the Placement Participants under the Placement, which are the subject of Resolution 4 and Resolution 5.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.

Securities	means any Equity Securities of the Company (including Shares and/or Options).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.

Schedule 2 Terms and Conditions of the Options

The terms of the Options are as follows:

- 1 **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- 1 **(Issue Price)**: No cash consideration is payable for the issue of the Options.
- 2 **(Exercise Price)**: The Options have an exercise price of \$0.345 per Option (**Exercise Price**).
- 3 **(Expiry Date)**: The Options expire at 5.00 pm (AEDT) on 12 August 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 4 **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- 5 **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
- 6 **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
- 7 **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- 8 **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the receipt of a Notice of Exercise and the later of the following:
 - (a) the Exercise Date; and
 - (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,the Company will:
 - (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- 9 **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 10(d), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- 10 **(Shares issued on exercise)**: Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

- 11 **(Quotation of Shares on exercise)**: If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
- 12 **(Reconstruction of capital)**: If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- 13 **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- 14 **(Adjustment for bonus issues of Shares)**: If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
- 15 **(Cessation of employment)**: Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised Options will automatically lapse and be forfeited by the holder, unless the Board otherwise determines in its discretion.
- 16 **(Change of Control)**: Upon the occurrence of:
- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (i) having received acceptances for greater than 50% of the Company's shares on issue; and
 - (ii) having been declared unconditional by the bidder;
 - (b) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
 - (c) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph 16(b) above,
- (together, a **Change of Control Event**)
- or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 3 Terms and Conditions of the Employee Options

The terms of the Employee Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price)**: Each Option will be exercisable at a 50% premium to the Company's Share price on the day of the General Meeting **(Exercise Price)**.
4. **(Expiry Date)**: The Options expire at 5.00 pm (AEST) on 12 August 2025 **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and, subject to a cashless exercise (see below), payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and, in the case of cash exercise, the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.

9. **(Cashless Exercise Facility)**: If a holder elects to use the Cashless Exercise Facility, the holder will only be entitled to that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the Exercise Price payable for the Options and the market value of the Shares at the Exercise Date. The market value will be based on the 5-day VWAP of the Company's Shares prior to and excluding the Exercise Date, unless otherwise determined by the Board at its sole discretion.

Expressed as formula, the number of Shares that a holder is entitled to when using the Cashless Exercise Facility will be determined in the following manner:

Shares received = A x Number of Options Exercised, where:

- (i) A = (B - Exercise Price per Option)/B; and
- (ii) B = VWAP of Shares on the ASX over the 5 trading days prior to and excluding the Exercise Date, unless otherwise determined by the Board.

10. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the later of the following:
- (a) the Exercise Date; and
 - (b) where a notice that complies with section 708A(5)(e) of the Corporations Act is required, when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
- the Company will:
- (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and, in respect of a cash exercise, for which cleared funds have been received by the Company;
 - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
11. **(Restrictions on transfer of Shares):** Shares issued on exercise of Options may not be disposed of, nor may agreements be made to dispose of shares issued on exercise of Options, within the two year period following their issue.
12. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
13. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
14. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
16. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
17. **(Cessation of employment):** Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised Options will automatically lapse and be forfeited by the holder, unless the Board otherwise determines in its discretion.



QEM Limited | ACN 167 966 770

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (AEST), on Tuesday, 15 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

