



Re-Energising Australia with Critical Battery Metals Production

Moranbah Project Acquisition

Dr Stephen Grocott & David Wrench



QUEENSLAND
PACIFIC METALS

Disclaimer

COMPANY DISCLAIMER: The information in this presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions in connection with any acquisition of securities, investors should rely on their own examination and consult their own legal, business and/or financial advisers.

This document has been made available for information purposes only and does not constitute a prospectus, short form prospectus, profile statement or offer information statement. This document is not subject to the disclosure requirements affecting disclosure documents under Chapter 6D of the Corporations Act 2001 (Cth). The information in this document may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company.

Queensland Pacific Metals Ltd does not have a significant operating history on which to base an evaluation of its business and prospects. Therefore, the information contained in this document is inherently speculative. Further, securities of companies such as the Company generally involve a higher degree of risk and are more volatile than securities of more established companies. Accordingly, an investment in the Company must be considered as speculative.

The information contained in this document has been prepared in good faith, neither the Company, Queensland Pacific Metals Ltd, or any of their respective directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this document. Accordingly, to the maximum extent permitted by law, none of the Company, Queensland Pacific Metals Ltd, their respective directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this document or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this document.

This document may contain statements that may be deemed “forward looking statements”. Forward risks, uncertainties and other factors, many of which are outside the control of the Company can cause actual results to differ materially from such statements.

The Company makes no undertaking to update or revise such statements but has made every endeavour to ensure that they are fair and reasonable at the time of making this document. Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in any forward-looking statements made.



Acquisition of 100% of Moranbah Project



Significant Reserves & Resources	<ul style="list-style-type: none"> ✓ 240 PJ 2P Reserves + 269 PJ 2C Resources independently certified
Mature Producing Asset	<ul style="list-style-type: none"> ✓ ~110 producing wells and associated gas gathering and water management infrastructure ✓ In production since 2004 ✓ Current production of ~10 PJ gas / annum ✓ >\$1 billion spent historically on development capex
Significant Capacity to Facilitate Growth	<ul style="list-style-type: none"> ✓ Capacity to supply up to ~30 PJ gas / annum inclusive of 7 PJ / annum delivered at low pressure to Dyno Nobel (wholly owned subsidiary of Incitec Pivot) ✓ Central gas processing and compression facility with 64 TJ / day (23.4 PJ / annum) capacity connected to the North Queensland Gas Pipeline ("NQGP")
Carbon Abatement Strategy	<ul style="list-style-type: none"> ✓ Existing direct connection to 5 operating coal mines for capture and processing of waste mine gas ✓ Potential to connect to additional coal mines to grow gas production and increase carbon abatement
Townsville Power Station Capacity Rights	<ul style="list-style-type: none"> ✓ 100% capacity rights to 242MW Townsville Power Station ("TPS") (owned by Ratch Australia) ✓ Transportation and storage rights in the NQGP to operate TPS as a gas fired peaking power generator
Significant Revenue	<ul style="list-style-type: none"> ✓ Baseload gas contract with Dyno Nobel's Ammonium Nitrate Plant in Moranbah ✓ Significant revenue earned from electricity generator at TPS – well positioned to take advantage of volatility in Queensland market
Incitec Pivot / Dyno Nobel	<ul style="list-style-type: none"> ✓ Advanced negotiations with IPL regarding a long term gas supply agreement to Dyno Nobel Moranbah's ammonium nitrate plant commencing April 2026 (following expiry of current agreement) ✓ Potential funding support from Dyno Nobel to further develop Moranbah Project

Strategic Rationale



Security of Gas Reserves	<ul style="list-style-type: none"> ✓ TECH Project requires ~14 PJ / annum at full production – existing reserves and resources underpin long term production
De-risking Gas Supply for TECH Project	<ul style="list-style-type: none"> ✓ Existing production and infrastructure capacity fast tracks delivery of gas to the TECH Project to ensure gas is available when required ✓ Provides QPME with existing infrastructure to secure additional waste gas from regional coal mines
Execution of Carbon Abatement Strategy	<ul style="list-style-type: none"> ✓ Northern Bowen Basin (“NBB”) has one of the largest concentration of Safeguard Facilities in Australia ✓ Moranbah Project provides the critical infrastructure link to collect waste gas from coal mines and deliver to customers which will enable these Safeguard Facilities to reduce their carbon emissions in line with Safeguard Mechanism reforms over the next decade ✓ Will reinforce the TECH Project’s negative carbon nickel / cobalt production
Townsville Power Station Capacity Rights	<ul style="list-style-type: none"> ✓ Significant revenue from electricity generation ✓ Immediate “customer” for increased gas production ✓ Opportunity to improve efficiency of TPS by operating in combined cycle ✓ Capacity rights will provide flexibility for the TECH Project, which is particularly important during commissioning and ramp up when operations aren’t in steady state (e.g. no gas wastage)
Significant Revenue	<ul style="list-style-type: none"> ✓ Transforms QPM into a revenue generating company ✓ Pathway to generate cashflows during the construction of the TECH Project

Transaction Overview

The acquisition of Moranbah Project is transformational for QPM in securing its energy requirements

Vendors	✓ Subsidiaries of Arrow Energy (50%) and AGL (50%)
Consideration	<ul style="list-style-type: none">✓ QPM Energy (“QPME”) will acquire 100% of the Moranbah Project assets✓ QPME will pay \$5m to the vendors
Make Good Payment to QPM	✓ QPME will RECEIVE \$35 million from the Sellers for assuming obligations to supply gas under the Moranbah Project contracts.
Inventory	✓ All warehouse included in the acquisition
Conditions Precedent	<ul style="list-style-type: none">✓ Standard CP’s for a transaction of this nature✓ Consents required for key Moranbah Project contracts (IPL, Ratch, NQGP)✓ Qld Government ministerial consent to transfer the Petroleum Licenses to QPME

QPM will acquire 100% of Moranbah Project and receive net consideration of \$30m

Transaction Overview

Transaction Commentary

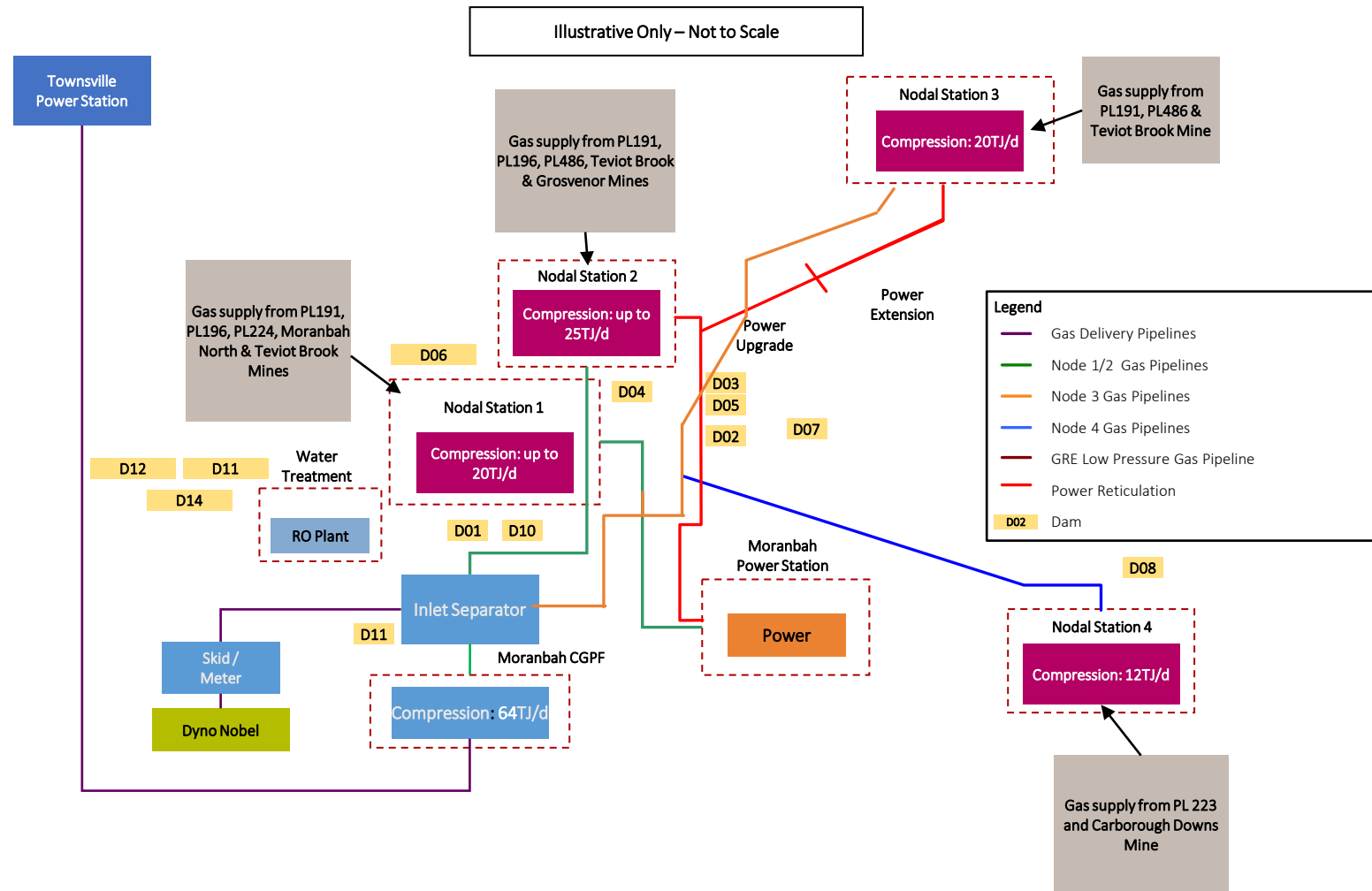
- QPME believes it has been able to secure attractive pricing for the Moranbah Project because:
 - The asset is non-core to the vendors
 - QPM holds the key to unlocking the potential of the Moranbah Project with its baseload demand from the TECH Project
 - QPM will implement a number of initiatives to operate the field on a “fit for purpose” basis and improve the operating and financial performance
- The purchase price paid by QPME and the consideration which will be paid to QPME reflects:
 - Historical contracts which remain in place but are due to expire in the next 1-3 years
 - Historical underperformance of the operation given a different operating model to QPM’s approach
- QPME is confident that the asset can be turned around and start to generate cashflow in a relatively short period of time
 - The \$30m net consideration being paid to QPME provides buffer and working capital against any short term losses
 - This will still be a more capital efficient outcome than building a standalone gas project in the Northern Bowen Basin

Moranbah Project Location



Moranbah Project Infrastructure

- Central gas processing facility connected to the NQGP which has 108 TJ per day (39 PJ per annum) capacity;
- Four nodal compression stations which collect gas from various petroleum leases and coal mines that have a combined capacity of 77 TJ per day (28.1 PJ per annum) at ~35kPa inlet pressure, which can be increased to increase capacity;
- Reverse osmosis water treatment plant;
- Storage dams and water offtake agreement;
- Low pressure gas and water gathering networks;
- High voltage electricity network; and
- Ancillary maintenance and support services.



QPME Carbon Abatement Strategy

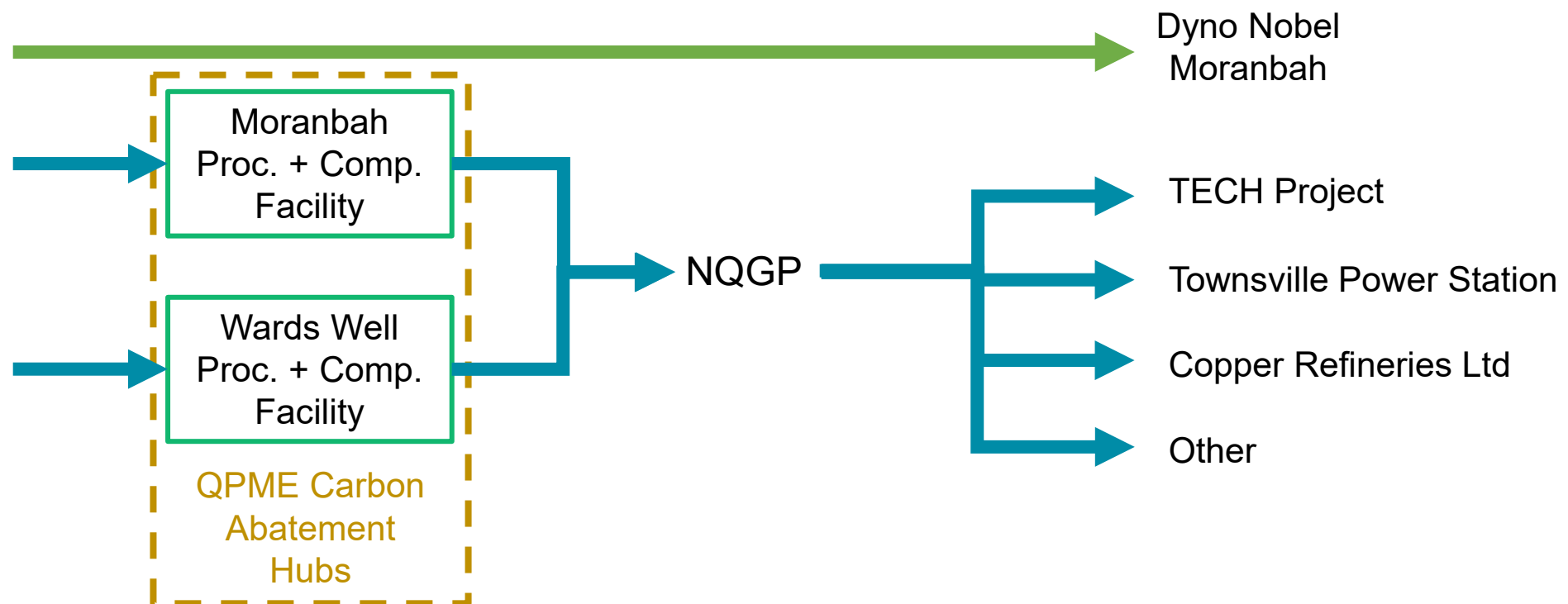


Southern Hub
Moranbah

- Moranbah Project
- Petroleum Leases
- 5 coal mines
- Other

Northern Hub
Wards Well

- Coal Projects
- Coal mines
- Petroleum Leases



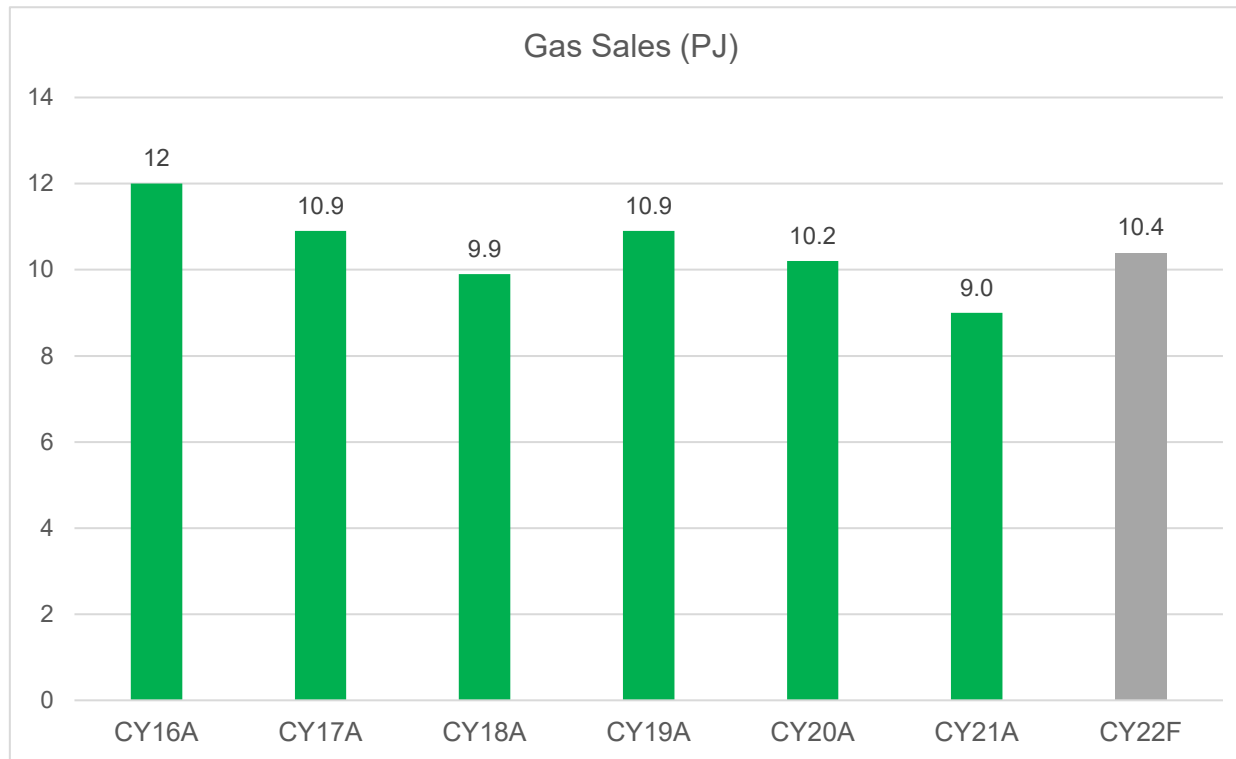
Moranbah Project – Capturing Waste Coal Mine Gas



- Moranbah Project is an operating example of capturing waste mine gas and using it in a productive way
- Moranbah Project currently captures gas from:
 - Anglo American's Grosvenor mine
 - Anglo American's Teviot Brook mine
 - Anglo American's Moranbah North mine
 - Fitzroy Resources' Carborough Downs mine
 - Stanmore's Isaac Plains mine
- **QPME has been in discussions with other coal mines in the region and is targeting capture of additional waste gas to put into the Moranbah Project infrastructure system for ultimate sale / use by the TECH Project**
- Safeguard Mechanism reforms recently passed by Australian Government will incentivise coal miners to work with QPM
 - Reforms require Australia's 215 major emitters to reduce baseline emissions by 4.9% per annum

Historical Gas Sales and Growth Opportunities

Historical Gas Sales






Gas Sales Growth Opportunities

- ✓ Improve operational efficiency of existing wells
- ✓ Undertake commercial arrangements with regional coal mines to capture additional waste gas
- ✓ Drill new wells in potential partnership with Incitec Pivot
- ✓ 2023 forecast production of 10+ PJ

QPME is targeting to grow total gas sales from the Moranbah Project to 12+ PJ per annum

Moranbah Project Customers

Customer	Project	Sales Contract	Comments
	Dyno Nobel Ammonium Nitrate Plant (Moranbah)	7 PJ per annum expiring March 2026	<ul style="list-style-type: none"> Minimal utilisation of compressor / pipeline infrastructure as the project is co-located
	Townsville Power Station (242MW capacity)	Tolling agreement for use of Power Station expiring February 2025	<ul style="list-style-type: none"> Gas is used to generate electricity for sale into Queensland electricity market 100% of revenue will be to QPME Operates as a peaking power station, capitalising on daily periods where electricity prices are generally at their highest
	Copper Refineries Pty Ltd (Townsville)	0.3PJ per annum expiring	<ul style="list-style-type: none"> Existing Townsville customer

Incitec Pivot / Dyno Nobel

QPM is in advanced negotiations with Incitec Pivot regarding a long term gas supply agreement and potential funding support to further develop the Moranbah Project

Dyno Nobel - Moranbah Ammonium Nitrate Plant

- ✓ IPL subsidiary Dyno Nobel owns the Moranbah Ammonium Nitrate ("AN") plant
- ✓ Production capacity of 330,000 tpa of ammonium nitrate
- ✓ Natural gas is the main raw material and fuel used in the plant
- ✓ Existing GSA in place with Moranbah Project for 7PJ per annum expiring March 2026

Principles of Discussion

Purpose	<ul style="list-style-type: none">✓ Dyno and the TECH Project require large quantities of gas and recognise the importance of vertical integration to secure long-term, cost effective gas supply
Gas Supply	<ul style="list-style-type: none">✓ The Moranbah Project will supply both Dyno's AN plant and the TECH Project✓ QPM and Dyno are seeking to agree a long term extension of Dyno's gas supply arrangements to Dyno's Moranbah AN plant
Potential Funding	<ul style="list-style-type: none">✓ Dyno may provide funding support to further develop the Moranbah Project over the next two years

Ratch / Townsville Power Station Partnership

Moranbah Project has a Dispatch Agreement with TPS for exclusive use to take gas and generate electricity

Townsville Power Station Capacity Rights

- 242MW power station consisting of 160MW Siemens turbine and 82MW heat recovery steam generator (“**HRSG**”)
- Power Purchase Agreement in place with Ratch that:
 - provides QPME with the exclusive right to 100% of the capacity and the electrical energy produced at TPS in return for a combination of fixed and variable charges
 - QPME has the rights to sell electricity generated into the National Electricity Market (“**NEM**”), determine electricity offer pricing and receive 100% of the revenue
- TPS is operated as a peaking power station e.g. generates electricity during daily periods when electricity is at its highest price. Furthermore electricity pricing is typically higher on weekdays compared with weekends
- It is important to deliver sufficient and constant gas to TPS in order to ensure the HRSG can be operated, which will maximise electricity generation per gas consumption

Electrical Generation / Operational Hours

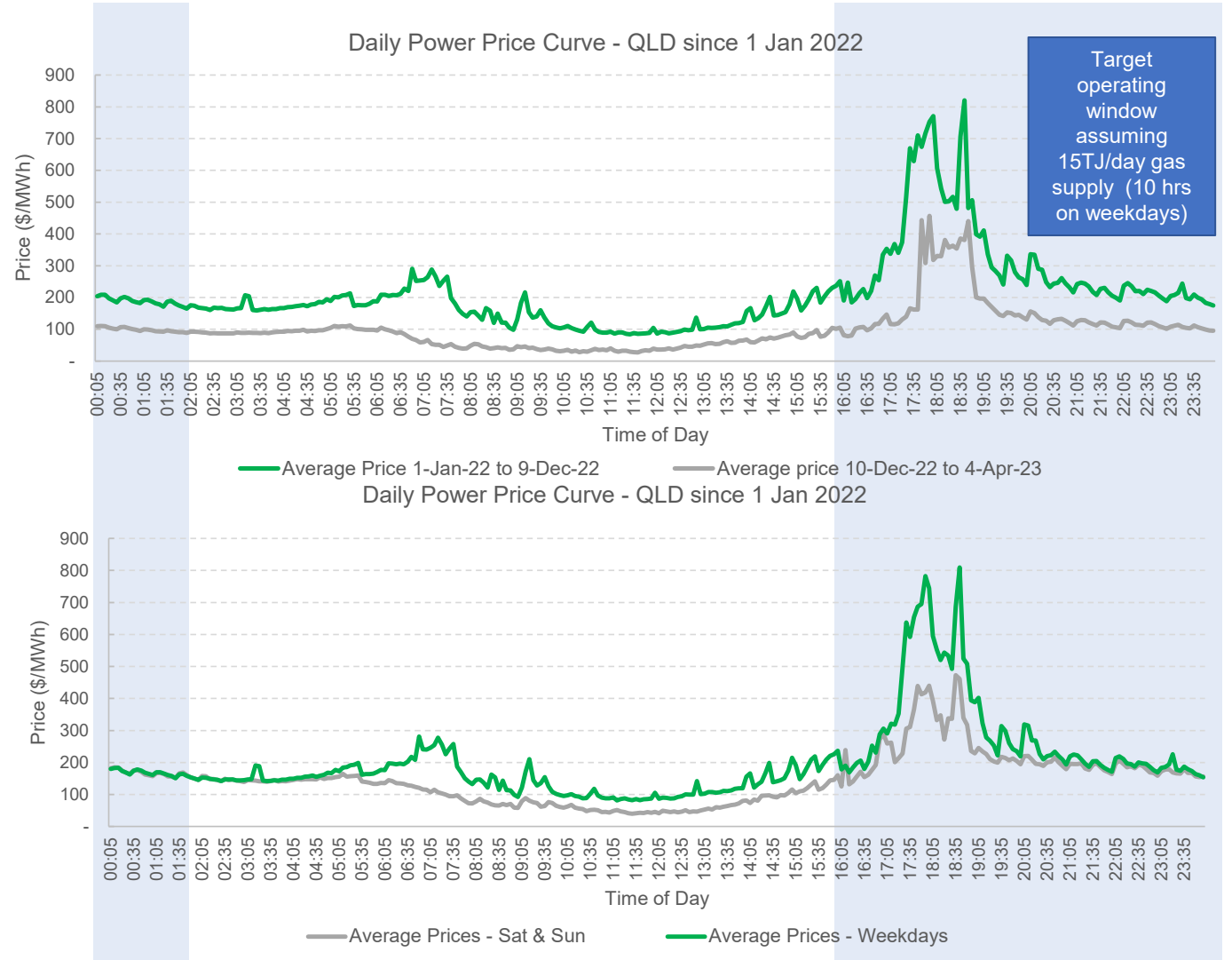
Annual Gas Delivered to TPS	Daily Operating Hours (Mon-Fri)	Total Electricity Generated (MWh / annum)
7 TJ / day (2.6 PJ / annum)	5.2 hours Open Cycle 150MW	201,158
11 TJ / day (4.0 PJ / annum)	7.4 hours Combined Cycle 225MW	431,053
15 TJ / day (5.5 PJ / annum)	10.0 hours Combined Cycle 225MW	587,799
19 TJ / day (6.9 PJ / annum)	12.7 hours Combined Cycle 225MW	744,545

Note: 150MW / 225MW operating efficiency is based on QPM's due diligence of operating performance of Townsville Power Station. Operating efficiency will vary throughout the year based on seasonal climate conditions.

Electricity Market Pricing

Electricity Market

- Coal + gas price caps have led to recent reduction in electricity price (10 Dec 2022)
- Recent AEMO warning (Feb 2023) that reliability gaps would begin to emerge from 2025 in all states and territories and the NEM will breach reliability standards in 2027 without urgent investment into power generation and the grid
- Volatility events drive profitability of peaking power stations - \$15,500 / MWh is the maximum price at which electricity can be sold into the grid
- Power generation shortages / instability drive volatility pricing events
- In 2022, there were 21 days of volatility events in Queensland alone where electricity traded above \$15,000 / MWh and 38 days where electricity traded above \$10,000 / MWh – an exceptional year in terms of volatility events



Source: AEMO

Moranbah Project Reserves and Resources

Petroleum Lease	Proved (1P) PJ	Proved + Probable (2P) PJ	Resources (2C) PJ
PL191	121	188	192
PL196	9	10	32
PL223	28	32	13
PL224	10	11	32
Total	168	240	269

The estimated proved and probable reserves, evaluated as of 31 March 2022 contained within PLs 191, 196, 223 and 224, referred to as the Moranbah Gas Project (“**Moranbah Project**”), located in the Bowen Basin of Queensland, Australia.

The volumes included in this estimate are attributable to coals in the LH seams from the Rangal Coal Measures and the GU, P, GM, and GL seams from the Moranbah Coal Measures. Economic analysis was performed only to assess economic viability and determine economic limits for the properties, using escalated price and cost parameters outlined in the Economic Parameters paragraphs.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. The contingent resources shown in this report are contingent upon acquisition of additional technical data that demonstrate producing rates and volumes sufficient to sustain economic viability of the project and, subsequently, the commitment to develop the resources. If these contingencies are successfully addressed, some portion of the contingent resources estimated in this report may be reclassified as reserves; our estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. The project maturity subclass for these contingent gas resources is development pending or development on hold.

The estimates of Reserves and Contingent Resources detailed throughout this announcement have been provided by Benjamin W. Johnson of Netherland, Sewell and Associates Inc (“NSAI”) in accordance with the Society of Petroleum Engineers’ Petroleum Resource Management System (SPE-PRMS) guidelines. Mr Johnson is a full time employee of NSAI, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Johnson is a Licensed Professional Engineer in the State of Texas and has consented to the use of the information presented herein.

The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards.