



Directors

Chair
Tim Wall

Managing Director
Gavin Loyden

Non-Executive Director
Daniel Harris

Non-Executive Director
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Julia Creek Project:

 Vanadium

 Oil



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ASX Announcement

25 September 2023

QEM enters into A\$2 million Unsecured Loan Facility

Highlights:

- QEM continues to make good progress in relation to its Julia Creek scoping study
- QEM obtains A\$1m loan with a further A\$1m available under the Facility
- Flexible Repayment Terms
- Funding to assist QEM to finalise the Scoping Study and to provide working capital.

QEM Limited (ASX: QEM) ("QEM" or "Company") is pleased to announce that it has entered into an unsecured loan facility ("Facility") with CL Fitch Pty Ltd ("Financier"), an entity controlled by QEM major shareholder and Non-Executive Director, David Fitch.

The Facility will be used primarily to fund the completion of the Scoping Study and to provide working capital for QEM.

The Facility provides QEM with an initial A\$1 million tranche of funding and the ability to call for an additional A\$1 million at the election of QEM at any time in the period 6 months after commencement of the Facility. The Facility bears interest at a rate of 10.0% per annum on the drawn amounts that is payable at maturity (12 months).

QEM may at its election at any time up to the date that is 9 months after the commencement of the Facility, repay the amount owing under the Facility (in whole or in part) by way of the issue of shares in QEM (subject to shareholder approval first being obtained).

The key terms of the unsecured loan facility are outlined in Appendix A.

The Directors independent of Mr Fitch wish to thank him for his ongoing financial support of QEM through the provision of this Facility.

Julia Creek Project Scoping Study

QEM has previously announced the completion of several important milestones on the Julia Creek Project, including completion the mining schedule, pit optimization for the first 30-years of mine life and is progressing well with on-going negotiations with renewables project developers. QEM has continued to make good progress in relation to the delivery of the Julia Creek Project Scoping Study and anticipates completing its Scoping Study early in the fourth quarter 2023.

ENDS

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

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ABOUT QEM

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

The Julia Creek vanadium project is a unique world class resource with the potential to utilise and deliver innovative and sustainable energy solutions, through the production of energy fuels and vanadium pentoxide. QEM strives to become a leading supplier of high-quality vanadium pentoxide, to both the nascent energy storage sector and the Australian steel industry.

This globally significant JORC (2012) Mineral Resource of 2,850 Mt @ 0.31% V2O5 is one of the single largest ASX listed vanadium resources and represents a significant opportunity for development. The resource is comprised of 360Mt @ 0.29% V2O5 in the Indicated category and 2,490Mt @ 0.31% V2O5 in the Inferred category, with the added benefit of a contingent (SPE-PRMS 2018) in-situ oil resource of 79MMBBLs of Oil equivalent in the 2C category, and 696MMBBLs in the 3C category, contained within the same ore body.

The tenements form part of the vast Toolebuc Formation, which is recognised as one of the largest deposits of vanadium and oil shale in the world and located less than 6km east of the township of Julia Creek. In close proximity to all major infrastructure and services, the project is intersected by the main infrastructure corridor of the Flinders Highway and Great Northern Railway which connects Mount Isa to Townsville.

*The information in this announcement that relates to the mineral resource and contingent resource estimates for the Company's Julia Creek Project was first reported by the Company in its IPO prospectus dated 20 August 2018 and supplementary prospectus dated 12 September 2018 (together, the "Prospectus") and the subsequent resource upgrade announcements ("Resource Upgrade") dated 14 October 2019 and 7 April 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and Resource Upgrade, and in the case of estimates of Mineral Resources and Contingent Resources, that all material assumptions and technical parameters underpinning the estimates in the Prospectus and Resource Upgrade continue to apply and have not materially changed.

APPENDIX A: Unsecured Loan Facility Terms

Key Terms	Details
Execution Date	22 September 2023
Term	12 months
Loan	Principal of A\$1,000,000
Additional Amount	A\$1,000,000 QEM may call for the Additional Amount at any time within the first 6 months of the Facility
Conditions	There are no conditions to drawdown under the Facility (other than the requirement for the Additional Amount to be called within the first 6 months of the Facility)
Security	The Facility is unsecured
Interest Rate	10%
Repayment date	12 months from the date of execution
Conversion to equity	<p>QEM may at its sole election at any time up to the date that is 9 months after the commencement of the Facility, give the Financier a conversion notice and repay the amount owing under the Facility (in whole or in part) by way of the issue of shares in QEM.</p> <p>If QEM gives the Financier a conversion notice (which it must not do if it would cause either party to contravene the law), QEM must use reasonable endeavours to obtain shareholder approval for the issue of shares to the Financier as soon as practicable and in any event, prior to the maturity date.</p> <p>In the event that shareholder approval is not obtained prior to the maturity date, the conversion notice will be of no effect and no shares may be issued to the Financier.</p> <p>The relevant conversion price applicable will be the 30-day VWAP for trading of QEM's shares on the ASX up to the date of issue by the Company of a conversion notice.</p>
Default	<p>Standard events of default for a Facility of this nature are included, namely if:</p> <ul style="list-style-type: none"> - the Company defaults in making any payments when due; - the Company fails to perform any of its obligations under the unsecured loan deed; - the Company suffers an insolvency event; - there is a change of control of the Company; or - a distress, attachment, sequestration or other execution is levied or enforced upon or against any part of the property of the Company.