



Re-Energising Australia with Critical Battery Metals Production

Southwest Connect



QUEENSLAND
PACIFIC METALS

Important Notice and Disclaimer

Important Information and Disclaimer

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Company Snapshot

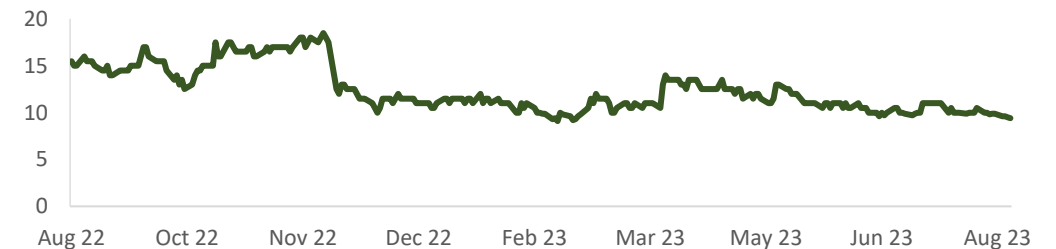
Company metrics	
Market capitalisation	A\$130.3m
Debt (30 June 2023)	Nil
Pro Forma Cash ¹	A\$61.7m
Enterprise Value	A\$68.6m
Shares outstanding	1,985m
Options outstanding	49.8m
Performance rights	66.1m

1 – 30 June cash balance, adjusted for recent Placement and cash consideration received from Moranbah Project acquisition.

Substantial shareholders	
General Motors	9.9%
LG	5.0%
POSCO	2.1%

Moranbah Gas Project – Guidance (A\$m)		
	Jun H 2024	Dec H 2024
Revenue	76.8	94.4
EBITDA	11.9	28.4

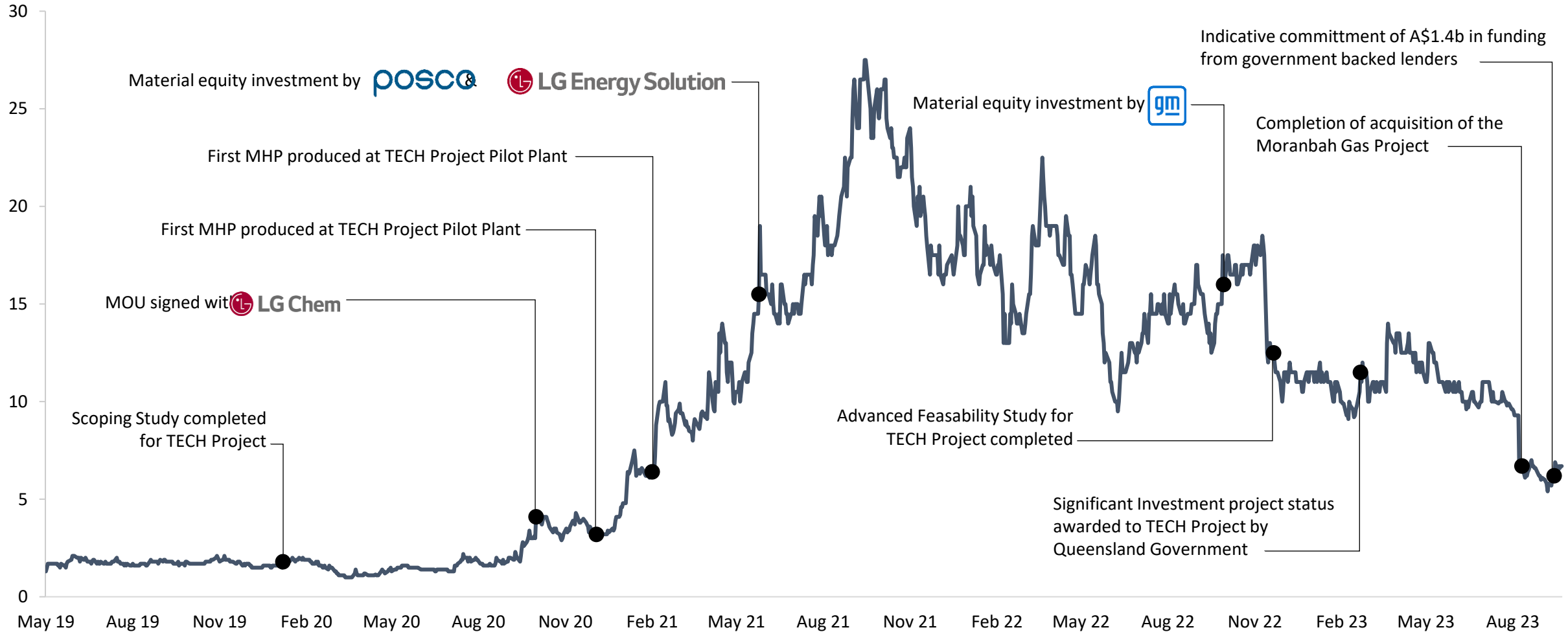
QPM share price – 12 months



Source: IRESS

Share Price History and Milestones

Share price since acquisition of QPM



TECH NICKEL - COBALT PROJECT

Vertically Integrated Advanced Manufacturer



- Will be 6th largest domestic gas producer on ASX and growing
- **Targeting 989kt CO₂ emissions reductions** from utilising waste coal mine gas¹
- Standalone business that will generate earnings
- Gas supply for the TECH project.

New Caledonia Ore Supply



- 1.6m wet t per annum
- High grade 1.6% Ni / 0.18% Co
- Four established miners

TECH Project



~16,000t Ni



~1,750t Co



~600,000t Hematite



~4,000t HPA

- **Global leading ESG credentials goal – working towards zero solids waste and negative CO₂ emissions and zero process liquid discharge**
- Project of State Significance + Significant Investment Project status from Qld Gov

Customers and Shareholders



- Life of project offtake not committed to LGES / POSCO
- A\$100m+ equity capital commitment to QPM



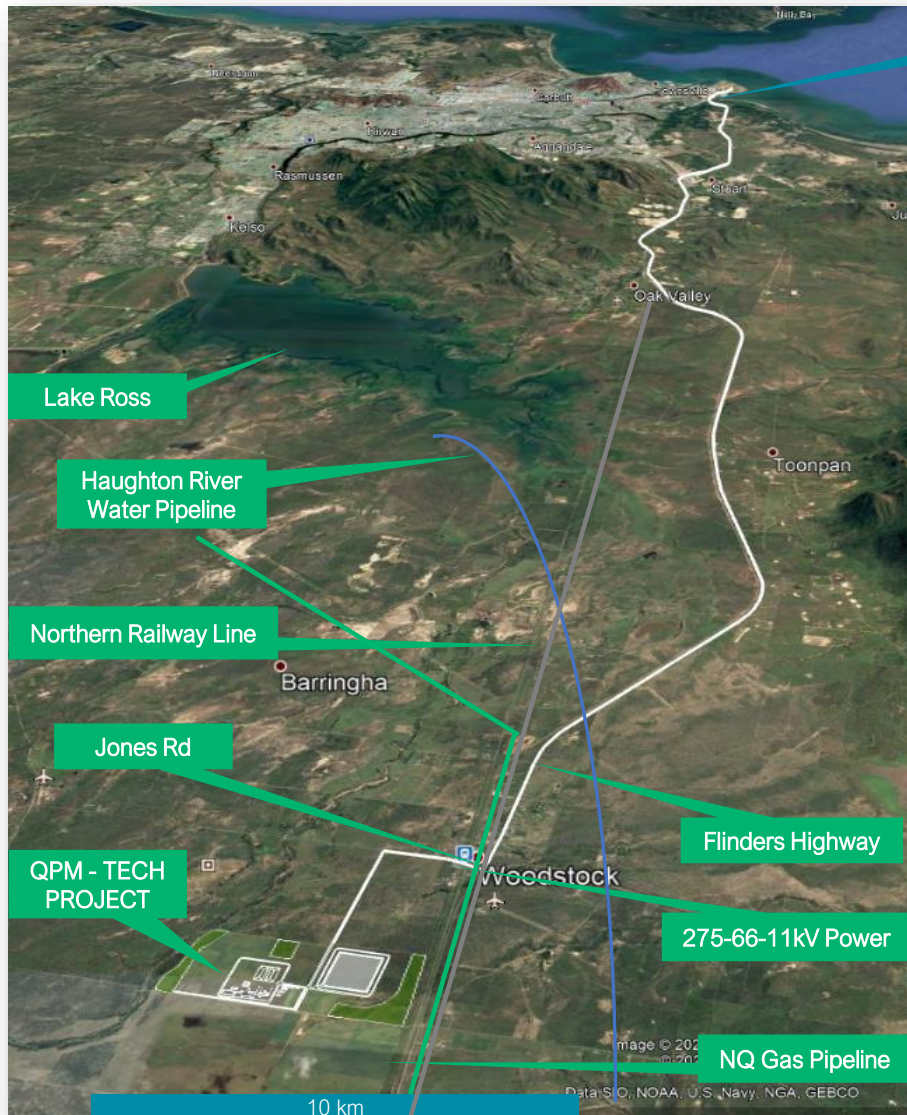
LG Energy Solution

POSCO

- Offtake for ~65% Ni/Co production for first 7 years
- US\$15m investment
- Major part of GM supply chain

¹ Refer to QPMs ASX announcement dated 25 November 2022 titled "QPM to create Carbon Abatement Hub in the Northern Bowen Basin"

Project Location



TOWNSVILLE PORT



Ideal site (290 Ha) allocated to QPM in the Lansdown Eco-Industrial Precinct

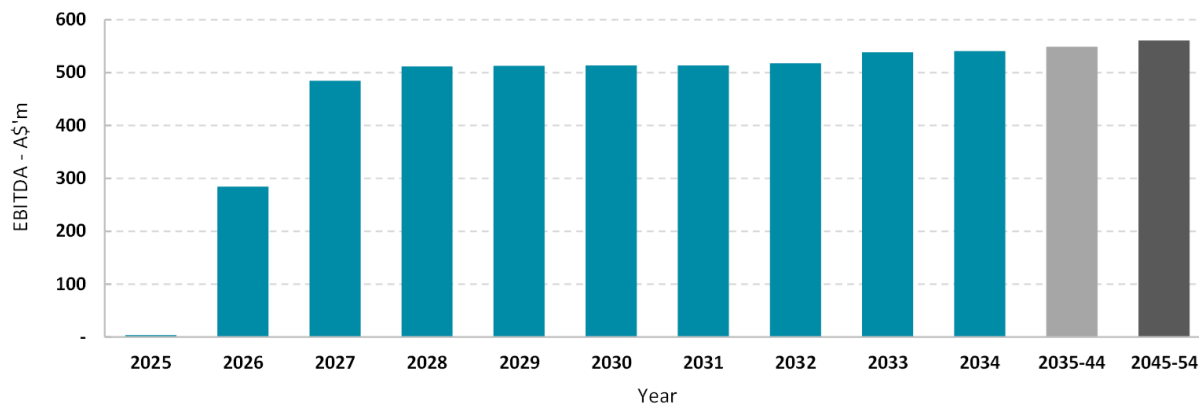
- Water pipeline 12 km away
- Gas pipeline (35 PJ/y capacity – we need ~14 PJ/y)
- Electric transmission lines (275kV, 66kV and 11kV)
- Fibre optic communications
- Existing Ross River (140 MW) and future Edify (400MW) solar arrays
- Road train access to Townsville Port (Flinders Highway)
- Rail line
- Environment - gently undulating grazing land, sparsely wooded
- Zoned heavy industrial
- Cultural Heritage Management Agreement signed
- Skilled workforce and attractive lifestyle location

Feasibility Study Results

Stage 1 – ~16,000tpa Nickel

- 1.05m dmt ore processed to produce:
 - 15,992t Ni as Ni Sulfate
 - 1,746t Co as Co Sulfate
 - 607,395t 65-66% Fe hematite pellets
 - 4,000t 4N HPA
- Strong earnings profile at full production
 - Base Case EBITDA \$546m
 - Spot Case EBITDA \$577m
- Lowest quartile operating costs

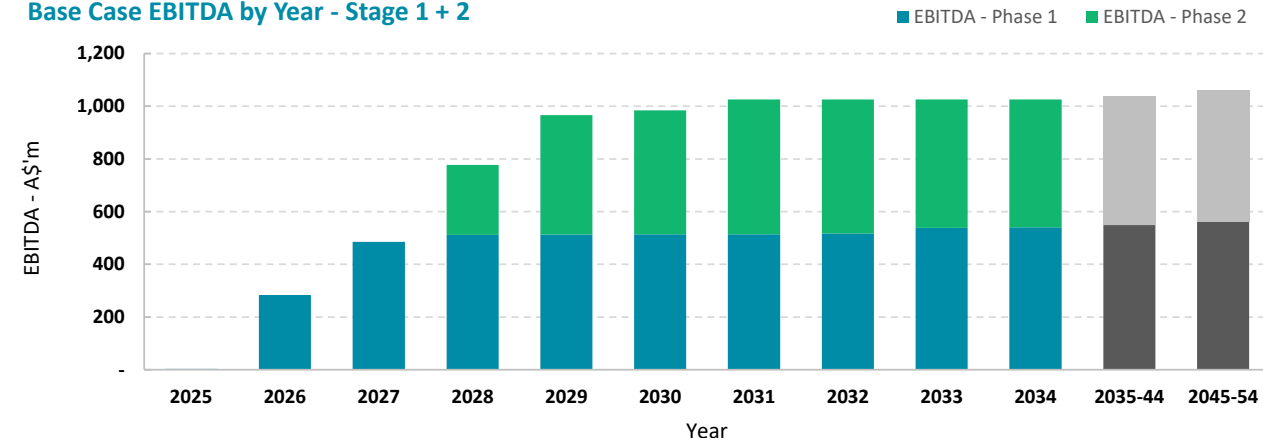
Base Case EBITDA by Year - Stage 1



Stage 2 Expansion – ~32,000tpa Nickel

- Additional 1.05m dmt ore processed to produce:
 - 32,784t Ni as Ni Sulfate
 - 3,579t Co as Co Sulfate
 - 1,245,160t 65-66% Fe hematite pellets
 - 4,000t 4N HPA
- Strong earnings profile at full production
 - Base Case EBITDA \$1,042m
 - Spot Case EBITDA \$1,098m
- Lowest quartile operating costs

Base Case EBITDA by Year - Stage 1 + 2











Key Financial Outputs

	Units	Base Case		Spot Case	
		Stage 1	Stage 2 Expansion	Stage 1	Stage 2 Expansion
Financials					
Nameplate revenue	A\$m	1,061	2,035	1,111	2,129
Nameplate operating expenditure	A\$m	515	993	534	1,031
Nameplate EBITDA	A\$m	546	1,042	577	1,098
Valuation Metrics					
Pre-tax NPV ₈	A\$m	2,665	4,919	2,944	5,393
Post-tax NPV ₈	A\$m	1,613	3,035	1,808	3,366
Pre-tax IRR	%	18.4%	19.7%	19.3%	20.7%
Post-tax IRR	%	15.0%	16.1%	15.8%	16.8%
Capex					
Construction	A\$b	2.1	1.75 additional	2.1	1.75 additional
Sustaining	A\$m	33	61	33	61
Nickel unit costs after co-product credits	A\$/lb	(0.24)	0.97	0.60	1.89
Key Macro assumptions					
Nickel price	US\$/t	25,000		26,459	
Cobalt Price	US\$/t	62,500		51,507	
Hematite price	US\$/t	105		95	
HPA price	US\$/t	25,000		25,000	
AUD:USD	FX	0.70		0.665	

Capex and Potential Funding Progress

	Stage 1
Direct Costs	
Materials handling and front end	91.0
Extraction plant, including DNI processing	969.7
Nickel/cobalt sulfate refinery	176.3
HPA refinery	82.4
Utilities and infrastructure	103.1
Total Direct Costs	1,422.5
Indirect Costs	
Project indirects	238.7
Detailed engineering, EPCM and Owners team	256.9
Total Indirect Costs	495.6
Total Capex ex contingency	1,918.1
Contingency allowance @ 10%	191.8
Total Capex including contingency	2,109.9

Debt Financiers	Amount	Comments
	A\$250m	<ul style="list-style-type: none"> MOU in place with K-SURE regarding financing of Australian projects
	Up to A\$250m	<ul style="list-style-type: none"> Continuing to progress due diligence
	A\$400m	<ul style="list-style-type: none"> Recent increase from A\$200m to A\$400m
	Up to A\$500m	<ul style="list-style-type: none"> Tied to German equipment
	Up to US\$250m	<ul style="list-style-type: none"> Financing commitment split with Euler Hermes as non-guaranteed ECA debt
	Pending	<ul style="list-style-type: none"> Support based on LGES / POSCO offtake
Equity Financiers	Amount	Comments
	US\$44m	<ul style="list-style-type: none"> Commitment at FID
	Pending	<ul style="list-style-type: none"> Significant Investment Project status granted
	\$5m initial investment	<ul style="list-style-type: none"> Strategic partnership that will consider investment opportunities

Attract Investment and Build Partnerships

Partnership driven approach has driven success at the TECH Project

World class offtakers and shareholders

- 100% Nickel Sulfate and Cobalt Sulfate offtake sold for stages 1 and 2



Attract international investment to support project development and downstream processing

- Hatch lead engineering with essential design undertaken by major equipment partners
- Advancing through commercial agreements, which will include performance guarantees on equipment



Optimise trade and investment settings

- GM, LG Energy Solution & POSCO all hold equity
- GM committed another US\$44m in equity at FID
- A\$1.4+ billion secured in conditional debt commitments

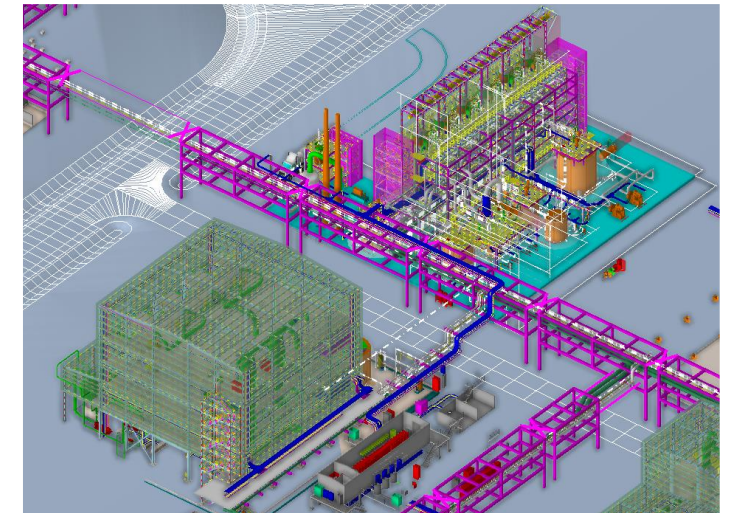
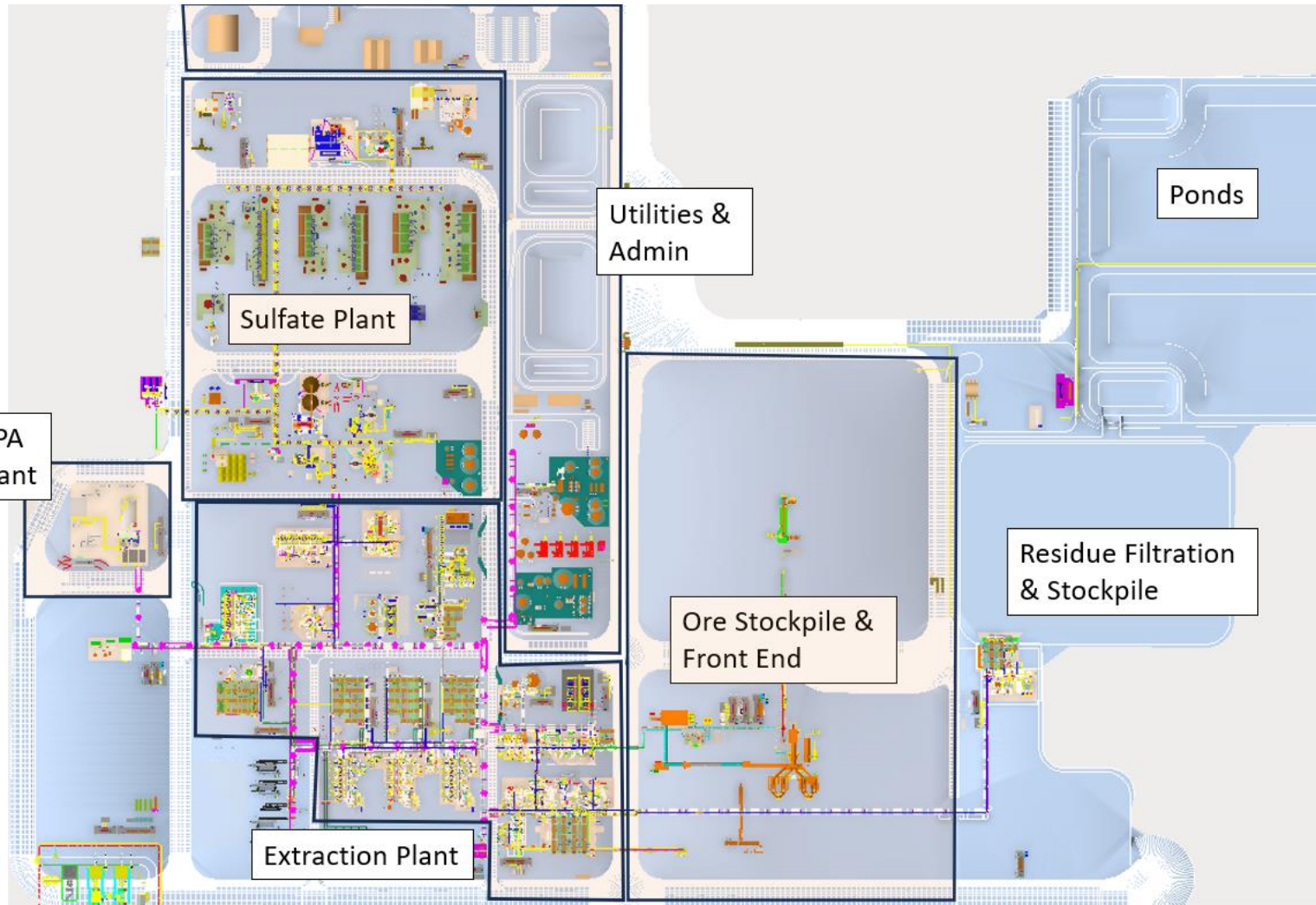


Facilitate business-to-business engagement

- Binding ore supply agreements with New Caledonian miners SLN, SMT, SMGM & MKM
- SMT is an equity investor



Engineering Progress



Qld Significant Investment Project Status



MORANBAH GAS PROJECT

Securing energy to supply the TECH Project



QPME – Already a unique, integrated energy business

Gas production and supply

- 10PJ/year (6th largest ASX listed domestic gas producer)
- 240PJ 2P reserves + 269PJ 2C contingent resources
- ~100 producing wells, gathering infrastructure
- Coal mine waste gas supply connections
- Gas processing & compression – 23.4PJ/year capacity

Gas sales

Dyno Nobel – 7PJ/year, CRL 0.3PJ/year

Electricity generation and sales

- 242MW Townsville Power Station

Energy storage

- 7,500MWh (30 generation hours) energy storage using North Queensland Gas Pipeline



Moranbah Project – Capturing Waste Coal Mine Gas



- ✓ The Moranbah Project already collects, processes and transports waste mine gas for beneficial use.
- ✓ The Moranbah Project Petroleum Leases overlap the following mining operations:
 - ✓ 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 connection of additional waste gas supply into the Moranbah Project infrastructure for ultimate sale / use by the TECH Project.**
- ✓ The Safeguard Mechanism reforms provide strong financial incentives for coal mine operators to supply gas to QPME's infrastructure.
 - ✓ Reforms require Australia's 215 major emitters to reduce baseline emissions by 4.9% per annum

Moranbah Project



Moranbah site office and stores



Moranbah Gas Processing Facility

Moranbah Project

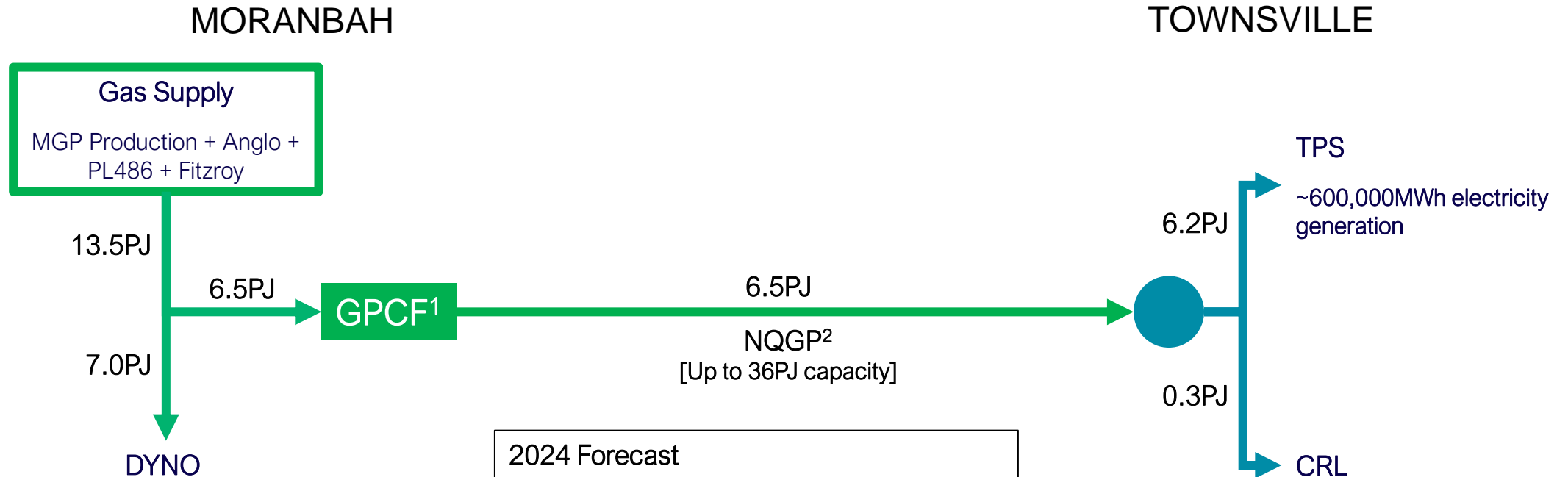


Moranbah Node 1



Moranbah Node 2

QPM Energy - 2024



2024 Forecast

Gas Supply	13.5PJ/year 37TJ/day
Gas Sales	7.3PJ
Electricity Sales	~600,000MWh
Gas Revenue	\$42m
Electricity Revenue	\$120m
Total Revenue	\$162m

¹ Gas Processing and Compression Facility

² North Queensland Gas Pipeline

QPM Energy Guidance

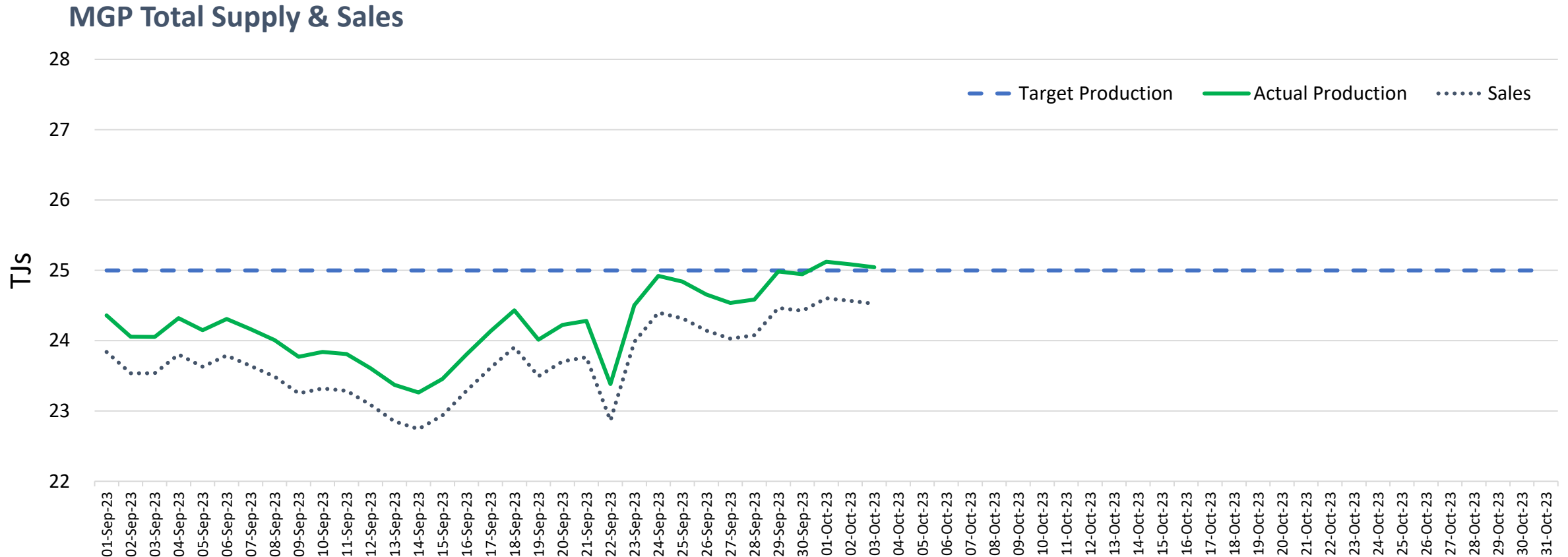
	Units	Dec 23 Q	Mar 24 Q	Jun 24 Q	3Q included in FY24	Sep 24 Q	Dec 24 Q
Production							
Gas supply (pre field, compression and system use losses)	<i>PJ</i>	2.85 PJ	3.06 PJ	3.40 PJ	9.31PJ	3.60PJ	3.70PJ
Financial							
Revenue from gas sales + electricity sales (net of royalties)	<i>\$m</i>	29.6	34.8	42.0	106.4	46.0	48.4
Opex inc field operating costs + NQGP transportation and TPS electricity generation costs	<i>\$m</i>	31.2	32.0	32.9	96.1	32.2	33.8
EBITDA	<i>\$m</i>	(1.6)	2.8	9.1	10.3	13.8	14.6

QPM is targeting increased production and revenue which will be achieved by:

- Existing well work over program to increase gas production - Initial 9 well campaign planned, due to start around October 2023
- Installation of tie in points on adjacent Anglo mine site to capture gas currently being drained and flared - 3 anticipated to be completed by September 2023 and 3 more completed by December 2023
- New well drilling program funded under the \$80m Dyno Nobel Development Funding Facility - Commencement of drilling targeted for early 2024 with first gas anticipated mid 2024
- Other infrastructure optimisation activities

Daily Gas Production

Since acquisition, QPME have increased supply and sales from the MGP asset



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.