

## June 2024 Quarterly Report

### Highlights

- ✓ Continued operational growth and progress at the Moranbah Gas Project (“MGP”):
  - Zero lost time incidents;
  - Record daily field production rate under QPM ownership of 30.7TJ achieved;
  - June quarter gas supply of 2.63PJ, >5% increase from March 24 quarter;
  - Increased producing well count from 116 to 121 at quarter end;
  - Teviot Brook South drilling program on track with all 7 verticals and first lateral completed. First well lateral / vertical well pair is currently being commissioned; and
  - Impact of the recent underground fire at Anglo American’s Grosvenor coal mine successfully managed.
- ✓ Advancing commercial discussions to deliver stronger project economics:
  - Discussion on key terms with Townsville Power Station (“TPS”) and North Queensland Gas Pipeline (“NQGP”) are progressing well with the expectation that these will be agreed in the near future ahead of long form documentation.
- ✓ \$16m in grant funding secured to advance the TECH Project:
  - Respective \$8m grants awarded by Australian Federal Government and Queensland State Government;
  - Catalyst for formal evaluation of demerger of TECH Project from QPM ownership structure.

Queensland Pacific Metals Ltd (ASX:QPM) (“QPM” or “the Company”) is pleased to present a summary of activities during the June 2024 quarter.

## Key Performance Indicators

### Production

Description		Jun 24 Qtr	Mar 24 Qtr	Change	FY 24 Total
Gas Supply	<i>TJ/day</i>	28.9	27.8	3.9%	<b>27.2</b>
	<i>PJ</i>	2.63	2.53	3.9%	<b>8.46</b>
Gas Sales	<i>TJ/day</i>	28.4	27.0	5.3%	<b>26.6</b>
	<i>PJ</i>	2.59	2.46	5.3%	<b>8.26</b>
Electricity Generation	<i>MWh</i>	57,034	78,343	(27.2%)	<b>188,599</b>
Sales Revenue	<i>\$m</i>	21.6	29.6	(27.1%)	<b>75.3</b>
Capex <sup>1</sup>	<i>\$m</i>	12.5	4.0		<b>19.7</b>
Cash and equivalents	<i>\$m</i>	32.7	30.6		

1. Majority funded by Dyno Nobel Development Funding Facility

## QPM Energy Moranbah Gas Project

### Production

The MGP's total gas supply includes production from wells operated by QPM Energy and gas supplied to the Moranbah Project by third parties.

Gas Supply Source	June 2024 Quarter		March 2024 Quarter	
	Daily Average (TJ/day)	Quarter Total (PJ)	Daily Average (TJ/day)	Quarter Total (PJ)
QPM Energy managed production	19.5	1.78	20.5	1.94
Third Party Supply	9.4	0.85	7.3	0.59
<b>Total Production and Supply</b>	<b>28.9</b>	<b>2.63</b>	<b>27.8</b>	<b>2.53</b>

June quarter gas supply continued to grow, with a 5% increase from the previous quarter. Third Party gas supply increased due to production from a number of new Anglo American wells which were connected to QPM Energy's gathering system during the quarter. However, the additional third party gas supply caused an increase in flowing pressures across the PL191 gas gathering system resulting in a decline MGP well production managed by QPM.

QPM Energy is currently focussed on addressing pressure within its gathering system, particularly ahead of commissioning of the 7 new production wells that are currently being drilled. Optimising the gathering system to lower pressures will assist in maximising gas production from new wells and minimising offsetting losses as overall field flows increase.

## Revenue

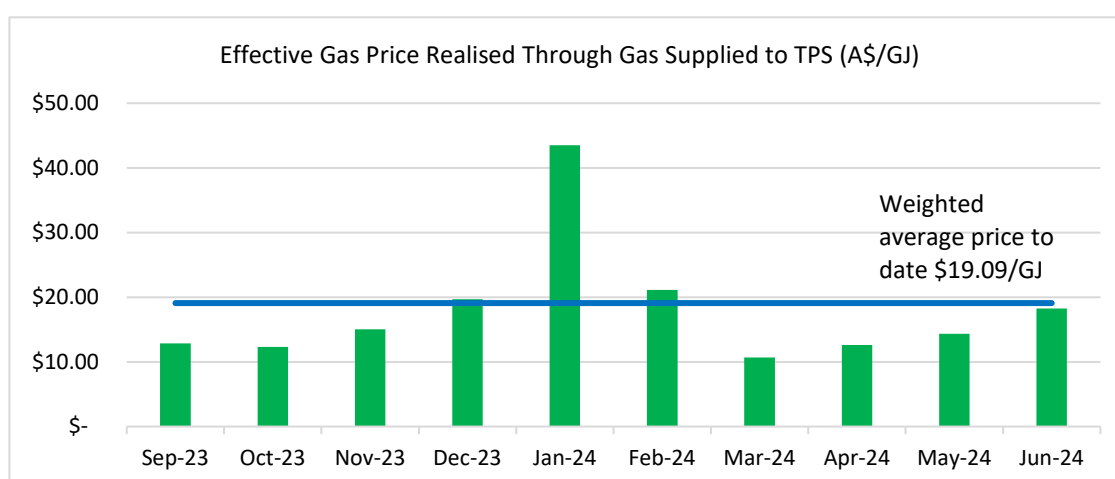
QPM Energy generated \$21.6m of revenue during the quarter. Despite increased production, electricity revenue was lower than the March quarter due to less gas available for electricity generation (see below) and weaker pricing, as is typical in the Autumn shoulder period.

Source	\$m
Total revenue from gas and electricity sales	21.6

## Power Generation

701TJ of gas was supplied to TPS during the June quarter compared to 847TJ in the previous quarter. Dyno Noble conducted its' annual maintenance shut down during the March quarter allowing gas that would have otherwise been delivered to Dyno to be supplied to TPS. Electricity prices were weaker in April and May, but strengthened in June as winter conditions commenced.

Description	June 2024 Quarter	March 2024 Quarter
Total gas supplied to TPS	700.99TJ	846.62TJ
Total electricity dispatched (net losses)	57,034MWh	78,343MWh
Average realised electricity price	\$186/MWh	\$262/MWh
Average net-back gas price	\$15.15/GJ	\$24.28/GJ



## 7 Well Development Program funded under the Dyno Nobel Development Funding Facility (“DFF”)

Good progress was made on the drilling campaign for the 7 new production wells. Each production well consists of a 480-500m deep vertical well paired with an in-seam lateral of around 1,000m in coal drilled to intersect the vertical well. To date, all 7 vertical wells are complete, as is the first lateral which successfully intersected its vertical pair. The pump and control skid have been installed and the well has been commissioned with dewatering having commenced on 30 July.

Commissioning of the first well is ahead of schedule and will provide valuable technical information ahead of commissioning the remaining 6 wells, particularly with respect to overall pressure balance in the gathering system.



*Figure: Lucas rig drilling second lateral*

### **Anglo American's Grosvenor Mine Incident**

On 29 June, an underground coal gas ignition incident occurred at Anglo American's Grosvenor Mine, which overlaps an area within the Moranbah Gas Project. All QPM staff and contractors were safe and QPM was also pleased to hear that the Grosvenor Mine workforce was also safe and evacuated with no injuries reported.

To date, the impact on MGP has been minimised and QPM has safe access to the gas field to carry on normal operations. QPM is currently unsure of Anglo American's future intentions with regards to the Grosvenor Mine, but at this stage there is no material impact to the MGP business. Regardless of what happens with the Grosvenor Mine, QPM stresses that it has full title to the gas within its Petroleum Licenses, including PL191 which overlaps with Grosvenor.

### **Ratch TPS Contract and Palisade NQGP Contract**

During the quarter, QPM made significant progress regarding its two most material operating contracts relating to the TPS and NQGP. The existing agreements expire February 2025 and QPM is targeting an outcome to significantly reduce fixed costs to ensure the MGP is a robust business moving forward with a stable platform to grow.

QPM anticipates that key terms will be agreed upon in the near future, which will then facilitate the commencement of long form documentation for a Power Purchase Agreement (TPS) and a Gas Transportation Agreement (NQGP).

## TECH Project

### Grant Funding Received

Subsequent to quarter end, QPM was awarded a total of \$16m in grant funding for the TECH Project, with \$8m coming from the Australian Federal Government under the International Partnerships Program and \$8m matched funding coming from the Queensland State Government.

Subject to finalisation of contractual agreements for the grants, QPM intends to use the funding to continue to advance the TECH Project towards investment readiness. This will give the TECH Project a competitive advantage against other development stage nickel projects which have largely been halted, leaving the TECH Project in a strong position for when there is a positive change in sentiment in the nickel market.

QPM's Board resolved to evaluate a demerger of the TECH Project from the existing ownership structure, with the view to maximising value for shareholders of both the TECH Project and MGP.

## Cash and Corporate

As at 30 June, QPM's cash and cash equivalents balance was \$32.7m. This includes \$6m of restricted cash deposited relating to Incitec Pivot funding arrangements and \$1.2m prepayment required under current contractual arrangements with the TPS. Subsequent to quarter end, another \$2m of restricted cash was released by Incitec Pivot.

## Additional ASX Information

**ASX Listing Rule 5.3.1:** Cash outflow from Exploration and Evaluation during the quarter was \$3.9m. This largely relates to historical invoices from previous quarters that were unpaid by agreement until the R&D tax return was received.

**ASX Listing Rule 5.3.2:** There were no substantive mining production and development activities during the quarter.

**Tenement Table: ASX Listing Rule 5.3.3:** Tenements currently held by QPM as at 30 June 2024 are detailed in the table below.

TENEMENT ID	STATUS	APPLIC DATE	GRANTED DATE	EXPIRY DATE	HOLDING	NAME	REGISTERED CO.
EL 1761	Renewal application submitted and pending approval	11 Mar 2020	18 Sep 2020	12-Mar-22	100%	Sewa Bay	Queensland Pacific Metals Ltd

Figure: TECH Project related tenements

TENEMENT ID	STATUS	LOCATION	HOLDING
PL191	Production	Moranbah	100%
PL196	Production	Moranbah	100%
PL223	Production	Moranbah	100%
PL224	Production	Moranbah	100%

*Figure: MGP related tenements*

#### ASX Listing Rule 5.3.5:

RELATED PARTY	AMOUNT	DESCRIPTION
Directors and CEO	\$282,393	Director and consulting fees paid to Directors and/or Director related entities

*This announcement has been authorised for release by the Board.*



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**FORWARD LOOKING STATEMENT** Statements & material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of QPM, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events & expectations and, as such, involve known and unknown risks & uncertainties. Although reasonable care has been taken to ensure facts stated in this Release are accurate and/or that the opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results & developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this Release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Queensland Pacific Metals Limited

ABN

61 125 368 658

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	24,847	77,377
1.2 Payments for		
(a) exploration & evaluation	(3,909)	(34,087)
(b) development	-	-
(c) production	(24,090)	(48,903)
(d) staff costs	(3,032)	(12,097)
(e) administration and corporate costs	(857)	(7,941)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	537	1,119
1.5 Interest and other costs of finance paid	(1,944)	(6,722)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives*	15,839	15,839
1.8 Other (provide details if material)	853	42,689
<b>1.9 Net cash from / (used in) operating activities</b>	<b>8,243</b>	<b>27,274</b>

\*The \$12.6M short term loan and associated interest payable were offset against the R&D tax refund per the ASX announcement dated 6 May 2024.

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(7,696)	(10,548)
(d) exploration & evaluation	(26)	(128)
(e) investments	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets (relates to amounts (incl GST) paid by QPM for the acquisition of the Moranbah project)	-	(5,500)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	(50)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7,722)</b>	<b>(16,226)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	19,300	37,231
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	300
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(995)	(2,072)
3.5	Proceeds from borrowings	9,100	30,528
3.6	Repayment of borrowings*	(13,020)	(13,551)
3.7	Transaction costs related to loans and borrowings	-	(845)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	i) Balance includes lease principal payments on IFRS 16 leases held by the company.	(12,747)	(46,227)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,638</b>	<b>5,364</b>

\*The \$12.6M short term loan and associated interest payable was offset against the R&D tax refund per the ASX announcement dated 6 May 2024.



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	30,561	16,382
4.2	Net cash from / (used in) operating activities (item 1.9 above)	8,243	27,273
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,722)	(16,227)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,638	5,363
4.5	Effect of movement in exchange rates on cash held	5	(66)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>32,725</b>	<b>32,725</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	25,537	18,373
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	i) Balance comprises of \$6M* (restricted) cash deposited related to IPL funding arrangements and \$1.2M deposit for TPS variable charges.	7,188	12,188
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>32,725</b>	<b>30,561</b>

\*Subsequent to quarter end, \$2M was released from the restricted cash balance.

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	282
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1	Director and consulting fees paid to Directors and/or Director related entities	\$282,393

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) *	80,000	17,878
<b>7.4 Total financing facilities</b>	<b>80,000</b>	<b>17,878</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>62,122</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
* During the June quarter, QPM received a third draw down of \$9.1M from the \$80M Development Funding Facility ("DFF")		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	8,423
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(26)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	8,217
8.4 Cash and cash equivalents at quarter end (item 4.6)	32,725
8.5 Unused finance facilities available at quarter end (item 7.5)	62,122
8.6 Total available funding (item 8.4 + item 8.5)	94,847
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: The Board of Queensland Pacific Metals Limited  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.