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24 September 2024

Dear Optionholder

**QEM Limited ACN 167 966 770 - a renounceable pro-rata offer**

On 23 September 2024, QEM Limited ACN 167 966 770 (ASX: QEM) (**Company**) announced that it would be offering eligible shareholders the opportunity to participate in a pro rata renounceable entitlement offer to subscribe for 1 new fully paid ordinary share in the Company (**New Shares**) for every 3.5 existing fully paid ordinary shares in the Company (**Shares**) held as at 7:00pm AEST on the record date (being 26 September 2024) (**Record Date**) at an issue price of \$0.07 per New Share, to raise up to approximately \$3,027,834 (**Entitlement Offer**) before costs. The Entitlement Offer includes 1 free attaching option for every 2 New Shares, with an exercise price of \$0.14 with expiry on 30 September 2026 (**New Options**).

Eligible shareholders who have taken up their full entitlement under the Entitlement Offer can apply to take up additional New Shares and attaching New Options in excess of their pro rata entitlement (**Shortfall Offer**). Applications under the Shortfall Offer will only be considered to the extent that there is a shortfall under the Entitlement Offer and subject to the discretion of the Company directors in consultation with Mahe Capital Pty Ltd (**Mahe Capital**).

**Eligible Shareholders**

Only shareholders with a registered address in Australia and New Zealand will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

As the rights to New Shares and attaching New Options are renounceable, they can be traded on the ASX or otherwise. New Shares will rank equally with the Shares and the shares allotted upon the exercise of New Options will upon allotment rank equally in all respects with other issued fully paid shares of the Company.

The Entitlement Offer will be made by way of a prospectus (**Prospectus**). The Prospectus is available on the Company's website at [qldem.com.au](http://qldem.com.au) and on the ASX website at [asx.com.au](http://asx.com.au). Eligible Shareholders should consider the Prospectus carefully before deciding whether to participate in the Entitlement Offer and consult with their professional advisors if they have any queries.

The Entitlement Offer is lead managed and partly underwritten by Mahe Capital up to \$1,600,000, with \$984,394 sub-underwritten by the Company directors and a former Company director.

**Purpose of Entitlement Offer**

Successful completion of the Entitlement Offer will raise up to approximately \$3,027,834 (before costs). Funds raised will be used:

- towards completing the current test work program to optimize and lock-down flow sheets for entry into a pre-feasibility study in relation to the Company's Julia Creek project;
- to progress the Julia Creek pre-feasibility study program;
- to continue environmental studies, EIS Term of Reference, approvals documentation; and
- as general working capital

## Indicative Timetable

The timetable for the Entitlement Offer is as follows:

Event	Date
Offer Announced Prospectus lodged with ASIC and ASX Appendix 3B lodged with ASX Prior to the commencement of trading	Monday, 23 September 2024
Ex Date Rights trading commences	Wednesday, 25 September 2024
Record Date	Thursday, 26 September 2024
Despatch Prospectus with Entitlement and Acceptance Forms Offer Opens	Tuesday, 1 October 2024
Rights Trading Ends	Tuesday, 8 October 2024
Securities quoted on deferred settlement basis	Wednesday, 9 October 2024
Last date to extend Closing Date (before noon)	Thursday, 10 October 2024
Closing Date (5pm AEST)	Tuesday, 15 October 2024
Results of Offer announced	Friday, 18 October 2024
Settlement and Issue of Offer Securities Appendix 2A lodged with ASX Holding Statements sent	Tuesday, 22 October 2024
Trading in New Shares commences	Wednesday, 23 October 2024

*\*All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The directors may extend the Closing Date in respect of the Entitlement Offer by giving at least 3 business days' notice to ASX prior to the Closing Date. As such, the date the securities issued under the Entitlement Offer are expected to commence trading on ASX, may vary.*

Commenting on the capital raising, QEM's Chair Tim Wall: *"This fundraising follows delivery of a positive Scoping Study for QEM's Julia Creek Project demonstrating a distinctive and commercially attractive project for onsite critical minerals refining in Queensland. We look forward to continued shareholder support as we further de-risk and progress the project through the pre-feasibility stage and deliver value for our shareholders."*

## Optionholders

There is no obligation for you to exercise your existing options. This letter is intended to inform you of your rights in relation to the options and the Entitlement Offer. If you do not wish to participate in the Entitlement Offer, you do not need to take any action.

If you wish to participate in the Entitlement Offer in relation to the New Shares, you must exercise your existing options before the Record Date. If you require an option exercise form, please contact the Company.

For further information, please contact:

Duncan Cornish

Company Secretary

P: +61 7 3212 6299

E: [dcornish@corprservices.com.au](mailto:dcornish@corprservices.com.au)

**ENDS**

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

## **Important information**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the US Securities Act), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This announcement may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. CMG does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

## **ABOUT QEM**

QEM Limited (ASX: QEM) is a publicly listed company which is focused on the exploration and development of its flagship Julia Creek Project, covering 250km<sup>2</sup> in the Julia Creek area of North Western Queensland.

The Julia Creek vanadium and oil shale project is a unique world class resource with the potential to utilise innovative and sustainable energy solutions, for the production of transport fuels and vanadium pentoxide.

QEM strives to become a leading producer of liquid fuels and a global supplier of high-quality vanadium pentoxide, to both the nascent long duration energy storage sector and global steel and alloy industries.

This globally significant JORC (2012) Mineral Resource of 2,870 Mt @ 0.31% V<sub>2</sub>O<sub>5</sub> is one of the single largest ASX listed vanadium resources and represents a significant opportunity for development. The resource is comprised of 461Mt @ 0.28% V<sub>2</sub>O<sub>5</sub> in the Indicated category and 2,406Mt @ 0.31% V<sub>2</sub>O<sub>5</sub> in the Inferred category, with the added benefit of a contingent (SPE-PRMS 2018) in-situ oil resource of 6.3 MMbbls of Oil equivalent in the 1C category, 94MMbbls in the 2C category, and 654MMbbls 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, connecting Mt Isa to Townsville.