



# 2024 Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

**QEM LIMITED**  
ACN 167 966 770

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# Corporate Directory

## **DIRECTORS**

Tim Wall

Gavin Loyden

Daniel Harris

## **COMPANY SECRETARY**

Duncan Cornish

## **REGISTERED OFFICE**

Level 6, 10 Market Street

Brisbane QLD 4000

Telephone: (07) 3212 6299

Email: [info@qldem.com.au](mailto:info@qldem.com.au)

Website: [www.qldem.com.au](http://www.qldem.com.au)

## **PRINCIPAL PLACE OF BUSINESS**

Suite 6A, Level 6

50 Appel Street

Surfers Paradise QLD 4217

## **AUDITORS**

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road, Subiaco

Perth WA 6008

## **SHARE REGISTRAR**

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth WA 6000

Phone (within Australia): 1300 288 664

Phone (outside Australia): +61 2 9698 5414

## **STOCK EXCHANGE CODE**

ASX: QEM

# Directors' Report

Your directors submit the financial report of QEM Limited (referred to hereafter as “QEM”, or the “Company”) for the period ended 31 December 2024.

## DIRECTORS

The names of Directors who held office during or since the end of the period are:

Timothy Wall	Non-Executive Chairman
Gavin Loyden	Managing Director
Daniel Harris	Non-Executive Director
David Fitch	Non-Executive Director (resigned 27 August 2024)
Tony Pearson	None-Executive Director (resigned 20 November 2024)

## PRINCIPAL ACTIVITY

The principal activity of the Company during the financial period was the exploration at the Julia Creek vanadium and oil shale project.

## RESULTS

The loss after tax for the period ended 31 December 2024 was \$1,770,050 (2023: \$2,728,306).

## REVIEW OF OPERATIONS

### Mine development

#### Scoping Study Completion

RPM Advisory Services Pty Ltd (“RPM”) successfully completed the Scoping Study (hereafter referred to as the “Study”) for QEM’s Julia Creek Project Vanadium and Energy Project.

The proposed development is an open cut mining operation with on-site processing facilities to produce high-purity vanadium pentoxide and transport fuel products. The Project is significant at regional and national scales, as supported by the Critical Minerals Strategies published by both Queensland and Federal Governments. These strategies target the accelerated development of critical minerals projects to produce the required minerals, such as vanadium, for sustainable supply chains to support the energy transition challenge.

Please refer to ASX Announcement on 27 August 2024 “Julia Creek Project – Scoping Study Completed”.

#### Mineral Characterisation and Beneficiation work – University of Queensland

During the reporting period, The University of Queensland’s (UQ) Sustainable Minerals Institute conducted multiple beneficiation tests using 130kg of feed material prepared as composited and delivered to UQ’s Julius Kruttschnitt Mineral Research Centre to test various methods to separate hydrocarbon product (kerogen-rich feed) while providing an oil/carbon free feed (vanadium bearing clays). So far, the work has explored direct and reverse float techniques with various frothing and collector reagents.



### Vanadium Beneficiation Test work – Core Resources

During the reporting quarter, Core Resources continued testing a series of vanadium beneficiation and flotation studies targeted at calcite removal from the lower coquina (CQLA and CQLB) ore material.

### **Environmental and Approvals**

#### Coordinated Project Status – Queensland Government

On 23 December 2024, the QEM's Julia Creek Vanadium and Energy Project was designated a 'Coordinated Project' under Queensland's State Development and Public Works Organisation Act 1971 by the Office of the Coordinator General (OCG).

Coordinated Project Status is a major milestone recognizing JCVEP's complexity, strategic value and potential positive social and economic impact. The Declaration also establishes the environmental approvals processes, including an Environmental Impact

Statement (EIS), which could be assessed and decided through the Joint Queensland and Commonwealth Government Bilateral Agreement.

The draft Terms of Reference (ToR) are currently under preparation for the Project's EIS, which will then be released for public comment.

#### Controlled Action Declaration – Commonwealth Government

In October 2024, QEM submitted a referral under the Environmental and Biodiversity Conservation Act 1999 (EPBC Act) for the Project.

In late December, the Commonwealth's Department of Climate Change, Energy, the Environment and Water (DCCEEW) assessed the referral and determined that the JCVEP is a Controlled Action requiring assessment and approval under the EPBC Act. The Controlled Action Declaration was announced to the market post reporting period, on January 6th, 2025.

The DCCEEW also decided, under section 87 of the EPBC Act, that the Project will be assessed under Queensland State's Development and Public Works Organisation Act 1971. The Project will benefit by the bilateral agreement between the Commonwealth and Queensland Government. The bilateral agreement streamlines environmental assessment processes for projects that require both Commonwealth and State approvals, reducing duplication and improving efficiency.

#### Baseline Water Monitoring

During the reporting period, QEM conducted two rounds of environmental surface water and ground water surveys. The purpose of this work is to provide an assessment of baseline groundwater and surface water conditions to support preparation of an Environmental Impact Statement (EIS). In accordance with the Environmental Protection Act 1994, this EIS is a requisite to obtain Environmental Authority.

QEM has now completed 24 months of data collection and will continue collecting samples in 2025 on a quarterly basis.

### Waste Characterisation

RGS Consultants Pty Ltd (RGS) was commissioned by QEM Limited in 2023 to complete a soil quality, geochemical, and physical characterisation assessment of mine waste materials for the Julia Creek vanadium and oil shale project.

The RGS Phase 1 scope of work was to geochemically and physically characterise samples collected in the Q3 2023 drilling program. Test pit sampling for further soil characterisation (on large bulk samples) and process waste characterisation are likely to be required for the Progressive Rehabilitation and Closure Plan (PRCP) to meet Queensland regulatory requirements for the QEM vanadium and oil shale project.

Throughout the reporting period, RGS continued the 12-month Geochemical and Physical Sampling and Analysis Plan (GAPSAP). The final report will be available in Q1 2025.

### **Grants**

#### Collaborative Exploration Initiative

QEM applied for funding through the Queensland Government's Collaborative Exploration Initiative (CEI).

The CEI grant aims to encourage the discovery and development of Queensland's critical mineral deposits to help meet the growing demands of the world's technology and renewable energy sectors. Funding is currently provided under the Queensland Resources Industry Development Plan (QRIDP), with \$17.5 million available until June 2027 to support Queensland's exploration companies to discover the future mines to produce the minerals and metals that the world needs.

Should QEM's grant application be successful, the funds will be used to assist in funding the next drilling campaign in Julia Creek, along with advancing the company's vanadium and oil shale beneficiation studies. 8C cores will be used as part of the next drilling campaign to obtain larger volume ore samples that will be used to progress the projects processing studies and test work.

#### The Collaborative Development Program

QEM applied for funding through the Queensland Government's Collaborative Development Program (CDP). The CDP was announced as part of the Queensland Government's Critical Minerals Strategy and builds on the Queensland Resources Industry Development Plan. The CDP is administered by the Geological Survey of Queensland (GSQ) within the Department of Resources and offers a total of \$5 million in funding for the recovery or reprocessing of mine waste for the extraction of critical minerals in Queensland.

QEM's grant application aims to partially fund the next stage of test work on the company's Vanadium Recovery Project (Spent Catalyst). This package of work will be conducted in conjunction with the University of Queensland (UQ) School of Chemical Engineering and will focus on flowsheet optimisation and the development of a small-scale pilot testing program.

#### QIC Critical Minerals and Battery Technology Fund

QEM lodged an expression of interest to apply for financial assistance available under the QCMBTF via its grants program.

The \$100 million Queensland Critical Minerals and Battery Technology Fund (the Fund) has been established to support Australian businesses to compete globally by enhancing the extraction and processing of critical minerals in Queensland, accelerating the development of battery technologies and

production of precursor or advanced materials in Queensland and supporting Queensland jobs and economic growth.

The grant assistance stream aims to support businesses involved in extraction and processing of critical minerals, upstream segments of the battery technologies supply chain and production of precursor or advanced materials where there are demonstrated benefits to Queensland. The grant assistance will focus on the following objectives:

- build industry capability in Queensland to access national and global supply chains in metal refining, mineral processing and battery manufacturing.
- support the development of private sector infrastructure to facilitate the growth of the critical minerals, battery technologies and precursor or advanced materials supply chain within Queensland.
- support and accelerate private sector investment into Queensland based extraction and processing of critical minerals or the manufacturing of precursor or advanced materials using critical minerals and battery technologies.
- create sustainable employment, upskilling, and training opportunities in Queensland.

## Corporate

### ESG and Community Relations

On 19 July 2024, QEM released its Annual ESG Report to the market. This reporting period marks the eleventh and twelfth consecutive quarters that QEM is monitoring and disclosing the Company's ESG progress and initiatives via Socialsuite's ESG Go platform.

QEM's ESG reporting is based on the 21-core metrics set by the World Economic Forum (WEF), as part of WEF's standardised and globally recognised Stakeholder Capitalism Metrics ESG framework. Further details available on the QEM website.

### 2024 Annual Report and AGM

On 25 September 2024 the Company issued its Annual Report to shareholders for year ending 30 June 2024. The full report is available on the QEM website.

The QEM Annual General Meeting of shareholders was held on 20 November 2024, with all resolutions being passed by members.

## SUBSEQUENT EVENTS

There were no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial period.

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 31 December 2024 is set out on page 23.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Gavin Loyden', with a long horizontal flourish extending to the right.

Gavin Loyden  
Managing Director  
Dated: 13 March 2025



## Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Revenue		9,537	8,695
Corporate and compliance expenses		(355,365)	(234,622)
Director fees and employee benefits expense		(156,212)	(262,377)
Exploration expenditure		(1,026,093)	(1,681,258)
Share based payments		(43,527)	(19,034)
Depreciation – right of use asset		(30,093)	(45,914)
Depreciation – plant and equipment	4	(58,427)	(94,351)
Other expenses		(109,870)	(399,445)
<b>Loss before income tax expense</b>		<b>(1,770,050)</b>	<b>(2,728,306)</b>
Income tax expense			
Loss after income tax expense for the period		(1,770,050)	(2,728,306)
Other comprehensive loss, net of tax			-
<b>Total comprehensive loss for the period</b>		<b>(1,770,050)</b>	<b>(2,728,306)</b>
Net loss for the period is attributable to:			
Members of the parent entity		(1,770,050)	(2,728,306)
Total comprehensive loss for the period is attributable to:			
Members of the parent entity		(1,770,050)	(2,728,306)
Basic and diluted loss per share (cents per share)		(1.07)	(1.82)

The accompanying notes form part of these financial statements.

## Condensed Statement of Financial Position as at 31 December 2024

	Note	31 Dec 2024 \$	30 June 2024 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,203,889	1,645,176
Trade and other receivables		73,740	51,563
Other assets		47,879	38,178
Right of Use Asset	3a	-	30,609
<b>TOTAL CURRENT ASSETS</b>		<b>2,325,508</b>	<b>1,765,526</b>
<b>NON-CURRENT ASSETS</b>			
Other Assets		19,450	19,450
Right of Use Asset	3a	235,621	-
Plant and Equipment	4	481,298	531,181
<b>TOTAL NON-CURRENT ASSETS</b>		<b>736,369</b>	<b>550,631</b>
<b>TOTAL ASSETS</b>		<b>3,061,877</b>	<b>2,316,157</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		313,319	504,543
Lease liabilities	3b	70,122	36,485
Provisions		168,013	210,669
<b>TOTAL CURRENT LIABILITIES</b>		<b>551,454</b>	<b>751,697</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liability	3b	165,601	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>165,601</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>717,055</b>	<b>751,697</b>
<b>NET ASSETS</b>		<b>2,344,822</b>	<b>1,564,460</b>
<b>EQUITY</b>			
Issued capital	2	19,498,062	16,991,177
Reserves		830,135	807,683
Accumulated losses		(17,983,375)	(16,234,400)
<b>TOTAL EQUITY</b>		<b>2,344,822</b>	<b>1,564,460</b>

The accompanying notes form part of these financial statements.

## Condensed Statement of Changes in Equity for the half-year ended 31 December 2024

	Note	Issued Capital	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2023</b>		<b>16,230,949</b>	<b>724,869</b>	<b>(14,206,618)</b>	<b>2,749,200</b>
Loss for the period		-	-	(2,728,306)	(2,728,306)
Shares issued during the period	2	765,089	-	-	765,089
Options issued during the period		-	19,034	-	19,034
Less: Transaction costs arising from issue of shares	2	(4,861)	-	-	(4,861)
<b>Balance at 31 December 2023</b>		<b>16,991,177</b>	<b>743,903</b>	<b>(16,934,924)</b>	<b>800,156</b>
<b>Balance at 1 July 2024</b>		<b>16,991,177</b>	<b>807,683</b>	<b>(16,234,400)</b>	<b>1,564,460</b>
Loss for the period		-	-	(1,770,050)	(1,770,050)
Shares issued during the period	2	2,760,939	-	-	2,760,939
Share-based payments		-	43,527	-	43,527
Performance rights lapsed		-	(21,075)	21,075	-
Less: Transaction costs arising from issue of shares	2	(254,054)	-	-	(254,054)
<b>Balance at 31 December 2024</b>		<b>19,498,062</b>	<b>830,135</b>	<b>(17,983,375)</b>	<b>2,344,822</b>

The accompanying notes form part of these financial statements.

## Condensed Statement of Cash Flows for the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(814,606)	(729,597)
Exploration expenditure and project evaluation costs		(1,105,290)	(1,649,378)
Payments for lease liability		(34,397)	(45,914)
Interest received		9,537	8,695
Grants Received		-	-
<b>Net cash used in operating activities</b>		<b>(1,944,756)</b>	<b>(2,416,194)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment		(11,713)	(33,284)
<b>Net cash used in investing activities</b>		<b>(11,713)</b>	<b>(33,284)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares and options	2	2,760,939	765,089
Payments for capital raising costs		(245,757)	(4,861)
<b>Net cash provided by/(used in) financing activities</b>		<b>2,515,182</b>	<b>760,228</b>
<b>Net increase/(decrease) in cash held</b>		<b>558,713</b>	<b>(1,689,250)</b>
Cash and cash equivalents at beginning of period		1,645,176	1,970,158
<b>Cash and cash equivalents at end of reporting period</b>		<b>2,203,889</b>	<b>280,908</b>

The accompanying notes form part of these financial statements

# Notes to the Condensed Financial Statements for the half-year ended 31 December 2024

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### Basis of Preparation

These general purpose interim financial statements for the period reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by QEM Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements aside from the adoption of the accounting policy identified below.

### Going Concern

The half-year financial report has been prepared on the going concern basis which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2024 the Company generated a loss of \$1,770,050 and incurred operating cash outflows of \$1,944,756. As at 31 December 2024 the Company has cash and cash equivalents of \$2,203,889 and net assets of \$2,344,822.

The Company's ability to continue to adopt the going concern assumption will depend upon the Company being able to manage its liquidity requirement and by taking some or all of the following actions:

1. raising additional capital;
2. successful exploration and subsequent exploitation of the Company's tenements;
3. applying for government grant funding; and
4. reducing its working capital expenditure.

The Company has a strong track record of raising capital, evidenced by the \$17.1m raised since the Company's IPO in 2018. As announced on 25 October 2024, the Company a partially underwritten renounceable entitlement offer, raising \$2.8m (before costs).

The directors have concluded as a result of the requirement to raise funds currently, and in the future, there exists a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern and therefore, the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Nevertheless, after taking into account the current financial position of the Company, and the Company's ability to raise further capital, the directors have a reasonable expectation that the Company will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.



**1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

**New and Amended Standards and Interpretations**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Adoption of these new and amended standards and interpretations did not have material impact to the financial statements.

**2. CONTRIBUTED EQUITY****Fully paid ordinary shares**

	31 December 2024		30 June 2024	
	No. of Shares	\$	No. of Shares	\$
<b>(a) Issued and paid up capital</b>				
Ordinary shares fully paid	190,833,688	19,498,062	151,391,713	16,991,177
<b>(b) Movement in ordinary shares on issue</b>				
Balance at the beginning of the year (1 July)	151,391,713	16,991,177	146,891,190	16,230,949
Share issues:				
Issue of Ordinary Shares – 25 August 2023	-	-	4,500,523	765,089
Issue of Ordinary Shares – 25 October 2024 (i)	39,441,975	2,760,939	-	-
Transaction Costs	-	(254,054)	-	(4,861)
<b>Balance as at the end of the period</b>	<b>190,833,688</b>	<b>19,498,062</b>	<b>151,391,713</b>	<b>16,991,177</b>

Notes for the above table are:

(i) On 25 October 2024, the Company issued 39,441,975 shares at \$0.07 to raise \$2,760,939 before cost.

**Listed Options**

On 25 October 2024, the Company issued 20,769,014 quoted options as part of the Renounceable Entitlement Offer announced on 23 September 2024. The options were issued with an exercise price of \$0.14 expiring 30 September 2026.

## 2. CONTRIBUTED EQUITY (Continued)

### Unlisted Options

	Weighted average exercise price	31 Dec 2024 No. of Options	Weighted average exercise price	30 Jun 2024 No. of Options
Unlisted Share Options	\$0.275	8,850,000	\$0.328	6,350,000
Balance at the beginning of the year (1 July)	\$0.328	6,350,000	\$0.339	5,850,000
Changes during the period:				
Issued to employees – March 2024	-	-	\$0.20	500,000
Issued to Director – November 2024 (i)	\$0.14	2,500,000	-	-
<b>Outstanding at the end of the period</b>	<b>\$0.275</b>	<b>8,850,000</b>	<b>\$0.328</b>	<b>6,350,000</b>
<b>Exercisable at the end of the period</b>	<b>\$0.328</b>	<b>6,350,000</b>	<b>\$0.328</b>	<b>6,350,000</b>

Notes for the above table are:

- (i) A total of 2,500,000 options were issued to director on 22 November 2024. These options are in four tranches: Tranche 1, Tranche 2, Tranche 3 and Tranche 4.
- Tranche 1: 500,000 options with an exercise price of \$0.14 expiring 1 October 2027. These options will vest upon completion of core floatation and beneficiation test work completed by 30 March 2025; and UQ technical studies completed by 30 September 2025.
  - Tranche 2: 500,000 options with an exercise price of \$0.14 expiring 1 October 2027. These options will vest upon completion of necessary test-work and pre-PFS deliverables necessary to enter a Pre-Feasibility Study ("PFS"); and delivery of scope, schedule and cost proposals ready to enter a PFS by 30 September 2025.
  - Tranche 3: 500,000 options with an exercise price of \$0.14 expiring 31 July 2028. These options will vest upon the security of a strategic investor to the Company by 26 August 2027.
  - Tranche 4: 1,000,000 options with an exercise price of \$0.14 expiring 31 July 2028. These options will vest upon delivery of a PFS by 1 July 2026.

These options were calculated using the Black-Scholes option pricing model with the following inputs:

	Tranche 1 Options	Tranche 2 Options	Tranche 3 Options	Tranche 4 Options
Number of options granted	500,000	500,000	500,000	1,000,000
Grant date	22 November 2024	22 November 2024	22 November 2024	22 November 2024
Vesting date	30 September 2025	30 September 2025	26 August 2027	1 July 2026
Expiry date	1 October 2027	1 October 2027	31 July 2028	31 July 2028
Expected volatility (%)	70%	70%	70%	70%
Risk free interest rate (%)	4.24%	4.24%	4.24%	4.24%
Weighted average expected life of options (years)	2.858	2.858	3.69	3.69
Expected dividends	Nil	Nil	Nil	Nil
Option exercise price (\$)	\$0.14	\$0.14	\$0.14	\$0.14
Share price at grant date (\$)	\$0.042	\$0.042	\$0.042	\$0.042
Fair value of option (\$)	\$0.0075	\$0.0075	\$0.0104	\$0.0104

**2. CONTRIBUTED EQUITY (Continued)****Unlisted Options (Continued)**

	<b>Tranche 1 Options</b>	<b>Tranche 2 Options</b>	<b>Tranche 3 Options</b>	<b>Tranche 4 Options</b>
Management assessment of the probability of meeting the vesting conditions	>50%	>50%	>50%	<50%

**Performance Rights**

	<b>31 Dec 2024 No. of Performance Rights</b>	<b>30 Jun 2024 No. of Performance Rights</b>
Performance Rights	3,650,000	1,875,000
Balance at the beginning of the year (1 July)	1,875,000	-
Changes during the period:		
Issued to Directors – August 2023 (i)	(375,000)	375,000
Issued to Directors – November 2023 (ii)	(100,000)	1,500,000
Issued to Directors – November 2024 (iii)	2,250,000	-
<b>Outstanding at the end of the period</b>	<b>3,650,000</b>	<b>1,875,000</b>
<b>Exercisable at the end of the period</b>	<b>-</b>	<b>-</b>

Notes for the above table are:

- (i) 375,000 performance rights were issued to a director on 24 August 2023 in three tranches. These performance rights were lapsed following the resignation of the director on 20 November 2024.
- (ii) A total of 1,500,000 performance rights were issued to directors on 9 November 2023. These performance rights are in three tranches: Class A, Class B and Class C. 100,000 of Class A performance rights were lapsed following the resignation of a director on 27 August 2024.
- (iii) A total of 2,250,000 performance rights were issued to directors on 22 November 2024. These performance rights are in three tranches: Tranche 1, Tranche 2 and Tranche 3.
  - Tranche 1: 1,350,000 performance rights. Subject to continuous employment, 600,000 of these performance rights will vest on 30 November 2025; 450,000 performance rights will vest on 30 November 2026 and 300,000 performance rights will vest on 30 November 2027.
  - Tranche 2: 300,000 performance rights. These performance rights will vest upon the security of a strategic investor to the Company by 26 August 2027.
  - Tranche 3: 600,000 performance rights. These performance rights will vest upon delivery of a PFS by 1 July 2026.

## 2. CONTRIBUTED EQUITY (Continued)

### Performance Rights (Continued)

These performance rights were calculated using the Black-Scholes option pricing model with the following inputs:

	Tranche 1 Performance Rights	Tranche 2 Performance Rights	Tranche 3 Performance Rights
Number of performance rights	1,350,000	300,000	600,000
Grant date	22 November 2024	22 November 2024	22 November 2024
Vesting date	30 November 2025, 2026 and 2027	26 August 2027	1 July 2026
Expiry date	31 July 2028	31 July 2028	31 July 2028
Expected volatility (%)	70%	70%	70%
Risk free interest rate (%)	4.24%	4.24%	4.24%
Weighted average expected life of options (years)	3.69	3.69	3.69
Expected dividends	Nil	Nil	Nil
Exercise price (\$)	Nil	Nil	Nil
Share price at grant date (\$)	\$0.042	\$0.042	\$0.042
Fair value (\$)	\$0.042	\$0.042	\$0.042
Management assessment of the probability of meeting the vesting conditions	- Vesting on 30 Nov 2025 >50% - Vesting on 30 Nov 2026 >50% - Vesting on 30 Nov 2027 <50%	>50%	<50%

## 3. LEASES

	31 Dec 2024 \$	30 June 2024 \$
<b>a) Right-of-use asset</b>		
Balance at the beginning of the year (1 July)	30,609	122,437
Additions	242,551	-
Depreciation	(37,539)	(91,828)
<b>Balance at the end of the period</b>	<b>235,621</b>	<b>30,609</b>
<b>b) Lease liabilities</b>		
Office lease	235,273	36,485
Current	70,122	36,485
Non-Current	165,601	-
<b>Balance at the end of the period</b>	<b>235,723</b>	<b>36,485</b>

**4. PLANT AND EQUIPMENT**

	31 Dec 2024	30 June 2024
	\$	\$
Equipment at cost	66,785	58,241
Equipment – accumulated depreciation	(34,299)	(25,945)
Plant and Equipment at cost	693,361	693,361
Plant and Equipment – accumulated depreciation	(244,549)	(194,476)
<b>Balance at the end of the period</b>	<b>481,298</b>	<b>531,181</b>

**PLANT AND EQUIPMENT**

Balance at the beginning of the year (1 July)	531,181	1,062,649
Additions	8,544	28,537
Disposals	-	(517,333)
Depreciation	(58,427)	(42,672)
<b>Balance at the end of the period</b>	<b>481,298</b>	<b>531,181</b>

**5. DIVIDENDS**

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

**6. SEGMENT INFORMATION**

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. During the period ended 31 December 2024, the Board considers that it has only operated in one segment, being mineral exploration.

The Board as a whole will regularly review the identified segment in order to allocate resources to the segment and to assess its performance.

**7. EVENTS SUBSEQUENT TO REPORTING PERIOD**

There were no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.



## 8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Per terms of the Enel Green Power Agreement, announced 15 January 2024, the Company is entitled to the following payments contingent on conditions precedents being met for the Julia Creek Renewables Project (JCRP):

- \$3,000,000 upfront for sale interests of the Julia Creek Renewables Project assets;
- Two contingent milestone payments totalling \$4,000,000 in aggregate, payable in separate tranches upon achievement of key Project development milestones;
- A contingent milestone payment upon EGPA reaching a Final Investment Decision (FID). The FID payment amount is not currently ascertainable by QEM as it is dependent on a number of variables (including the total generation and storage capacity of the JCRP and the relevant proportions that wind, solar and BESS contribute to the project).

Separately, on and from the Commercial Operations Date, EGPA has agreed to pay QEM a revenue based royalty of between 1-2% generated by JCRP operations.

There have been no other changes in contingent liabilities or contingent assets since the last annual reporting date.

## 9. COMMITMENTS

### *Exploration commitments*

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration requirements specified by the Queensland Governments Department of Natural Resource and Mines. These obligations are not provided for in the financial statements.

Minimum Work Requirements	31 Dec 2024 \$	30 Jun 2024 \$
No later than 12 months	780,000	720,000
Between 1 and 5 years	4,600,000	4,500,000
<b>Total Commitment</b>	<b>5,380,000</b>	<b>5,220,000</b>

# Directors' Declaration for the half-year ended 31 December 2024

In the opinion of the Directors of QEM Limited (the Company):

1. The financial statements and notes thereto of the Company, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Gavin Loyden  
Managing Director

Brisbane, QLD  
Dated: 13 March 2025

# Auditor's Review Report



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QEM LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of QEM Limited ("the Company") which comprises the statement of financial position as at 31 December 2024, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of QEM Limited does not comply with the *Corporations Act 2001* including:

- Giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half year financial report, which indicates that the Company incurred a net loss of \$1,770,050 during the half year ended 31 December 2024. As stated in Note 1 these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



### Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads "Hall Chadwick".

HALL CHADWICK WA AUDIT PTY LTD

A handwritten signature in black ink that reads "Mark Delaurentis".

MARK DELAURENTIS CA  
Director

Dated this 13<sup>th</sup> day of March 2025  
Perth, Western Australia

# Auditor's Independence Declaration



To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of QEM Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

*Hall Chadwick*

HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*

MARK DELAURENTIS CA  
Director

Dated this 13<sup>th</sup> day of March 2025  
Perth, Western Australia