

QUEENSLAND
PACIFIC METALS

Developing the Townsville Energy Chemicals Hub – “TECH Project”

Battery Minerals Refinery

Investor Presentation

October 2019



Pure Minerals Limited

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COMPETENT PERSON STATEMENT: Information in this presentation relating to the processing and metallurgy is based on technical data compiled by Mr Boyd Willis, an Independent Consultant trading as Boyd Willis Hydromet Consulting. Mr Willis is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Willis has sufficient experience which is relevant to metal recovery from the style of mineralisation and type of deposits in New Caledonia where the ore will be sourced (from third parties pursuant to an ore supply agreement) and to the activity which they are undertaking to qualify as a Competent Person under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. This includes over 21 years of experience in metal recovery from Laterite ores. Mr Willis consents to the inclusion of the technical data in the form and context in which it appears.



Investment Highlights

- **“New Kid on the Block”** – very low market capitalisation compared with other ASX listed nickel-cobalt peers with transaction only recently completed to acquire QPM
- **Grade is King** – processing high grade material from New Caledonia delivers QPM a competitive advantage
- **Townsville** – great opportunity to utilise existing infrastructure and decades of experience to re-establish a value-add mineral processing business
- **Rapid Growth Potential to Deliver Shareholder Value** – not your typical resources marathon with years of exploration – the next 18 months (approximately) through to FID will be a sprint



The Story So Far



Pure Minerals Limited

100 % Acquisition Complete
on May 2019



QUEENSLAND
PACIFIC METALS

Secured a binding Ore Supply Agreement with two established New Caledonian mining Companies

Entered Agreement with Direct Nickel (DNI) to utilise revolutionary **DNi Process™** for nickel and cobalt extraction

Entered CSIRO Pilot Plant – to produce high purity nickel & cobalt sulphate from **DNi Process™**

Plans to build processing plant – Townsville Energy Chemical Hub Project (**TECH Project**)
Land Conditionally Committed



Townsville Energy Chemical Hub – “TECH Project”

- Criticism of the Australian Resources Sector is the lack of downstream processing
- TECH Project will reverse this trend by processing external ore sources to produce value-added chemicals for the emerging battery sector

New Caledonia:
Importation of
600ktpa high grade
Ni-Co ore



Townsville:
New modern refinery
supported by
infrastructure and rich
history of nickel
production

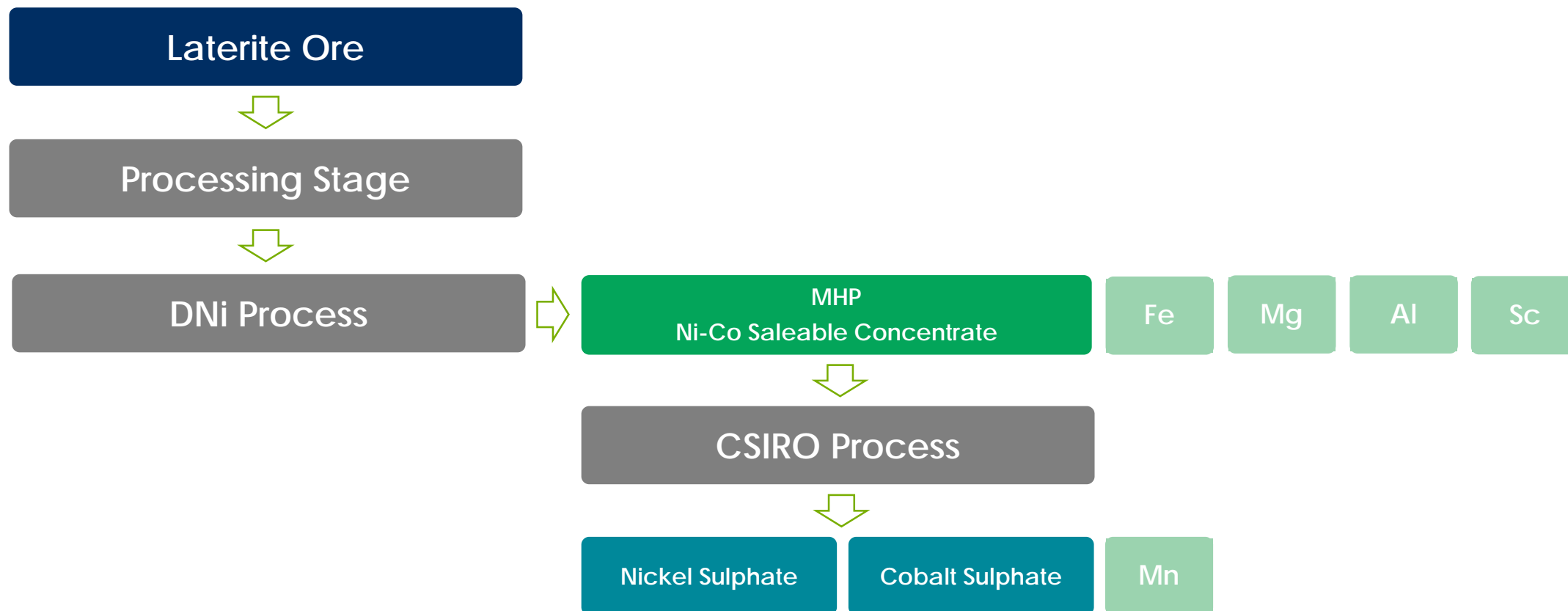
EV Market:
25,000tpa Ni sulphate
+ 3,000tpa Co sulphate
+ Valuable co-products



Source: Company



What will we produce?



DNi Technology advantages:

- 95% acid used is recyclable
- Atmospheric leaching
- Ability to extract all payable metals



Townsville – The Ideal Location

- **Long Term History** – through Queensland Nickel Refinery, over 50 million wet tonnes in New Caledonia Ni-Co feed has been imported and processed in Townsville over 30 years
- **Infrastructure** – Port, road, rail, power and water
- **Politics** – political alignment to create industry in Townsville and North Queensland in general
- **Skilled Labour** – Skilled labour workforce available regionally
- **Established Industrial Region** – Strong engineering support and long term history of industrial activity
- **Future Battery Hub** – Imperium3 is planning to construct a battery factory in Townsville
- **Logistics** – close proximity to New Caledonia minimising ocean freight costs
- **Acid Supply** – Sulphuric acid produced in Townsville (Sun Metals refinery) and Nitric acid produced in Gladstone



Figure: Port of Townsville



New Caledonia – Superior Quality Ni Province

- New Caledonia hosts the **best quality limonite** within the Asia Pacific region
- New Caledonia hosts the world’s largest laterite Ore Reserves, estimated to contain:

- 700kt of Cobalt
- 7Mt of Nickel
- 140 Mt of Iron
- 15Mt of Magnesia

(Source: <https://minerals.usgs.gov>)

- Australia is a long term, approved trading partner with New Caledonia
 - Ore supplied to Queensland Nickel since 1989
- Townsville
 - ~2,100km from New Caledonia
 - Well positioned to process ore

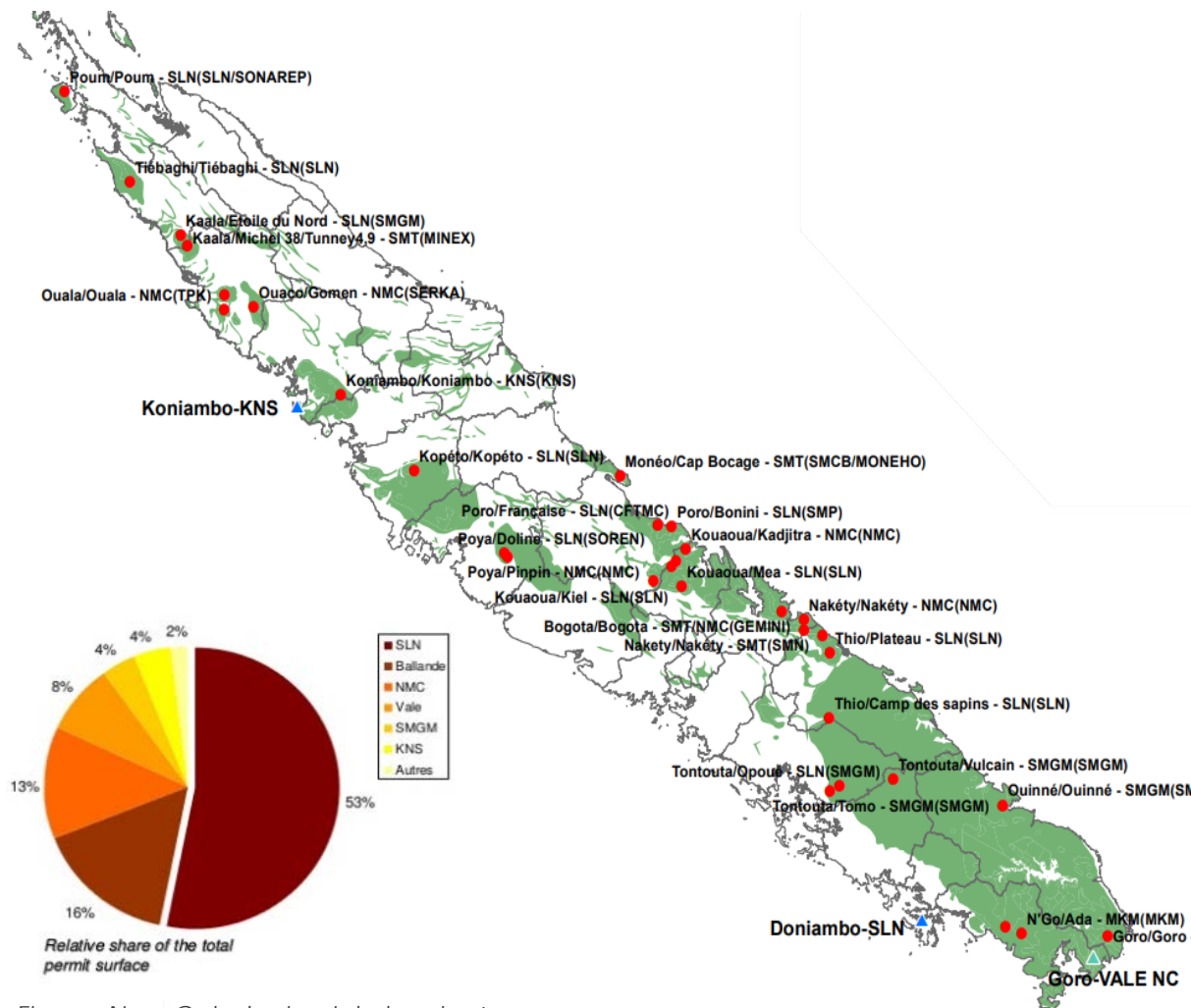


Figure: New Caledonia nickel projects

QPM Project Partners

- Ore supply partners Societe des Mines de la Tontouta (“SMT”) & Societe Miniere Georges Montagnat S.A.R.L (“SMGM”)
 - Initially supplying 600,000tpa – can be scaled up in the future
 - Hold 20% of the tenure in New Caledonia that comprises nickel projects
 - Well established mining companies that have been operating for decades
 - SMT and SMGM supplied Queensland Nickel Refinery from 1989 – 2016
 - High grade reliable supply – no mining/exploration risk
- Expected ore grade to be delivered to QPM 1.6% Ni / 0.18% Co*

New Caledonia Exports to Townsville	2008	2009	2010	2011	2012	2013	2014	2015	2016
Ore Tonnes Imported (t)	1,555,050	1,533,045	2,299,359	2,199,043	1,786,082	1,583,080	2,015,711	996,038	78,975
Contained Ni (t)	16,409	16,1680	23,202	22,338	18,290	16,144	20,190	9,962	865
Contained Co (t)	1,746	1,679	2,651	2,518	1,946	1,764	2,441	1,119	86
Ni Grade %	1.62%	1.62%	1.55%	1.56%	1.58%	1.57%	1.54%	1.54%	1.68%
Co Grade %	0.17%	0.17%	0.18%	0.18%	0.17%	0.17%	0.19%	0.17%	0.17%

Source: New Caledonia mines department

* PM1 ASX Announcement on 21 January 2019



Processing: Stage 1 DNi Process™

- Produces intermediate product – mixed hydroxide precipitate (“MHP”)
- Nitric acid leaching under atmospheric conditions
- Stainless steel plant construction – lowers capex, easy to source
- DNi Process™ recycles nitric acid (~95%), lowering opex
- Ability to extract co-products (iron, magnesia, alumina)
- Reduced residue footprint due to high product extraction and addition of few neutralising agents compared with other nickel processes
- Favourable licensing terms agreed with Direct Nickel for use of DNi Process™



Figure: Direct Nickel pilot plant in Western Australia



Processing: Stage 2 CSIRO Process

- Nickel sulphate and cobalt sulphate currently sell for a premium to the underlying metal price (15-25%)
- In partnership with CSIRO, QPM has successfully produced battery chemicals from a MHP generated by the DNi Process™



Figure: Battery chemicals produced from MHP

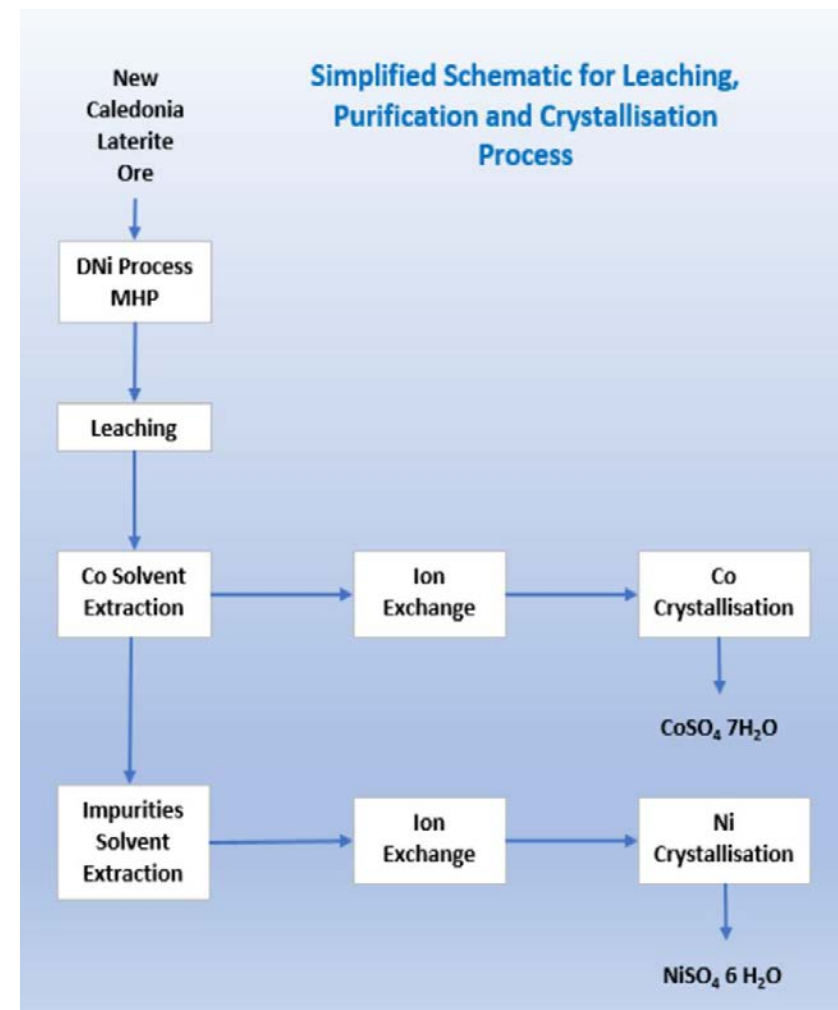


Figure: CSIRO Process Flowsheet



TECH Project Scoping Study Highlights

- Pre-Feasibility has commenced on back of positive Scoping Study
- Completion expected September 2019

Scoping Study Results	
Nickel Sulphate	25,000tpa (5,678t contained nickel)
Cobalt Sulphate	3,000tpa (639t contained cobalt)
Co-Products	221,000tpa hematite 8,700tpa alumina
Processing	Stage 1: Direct Nickel (DNi™ Process) to produce intermediate MHP product Stage 2: CSIRO Process to upgrade MHP to battery chemicals
Capex	US\$297M (includes 20% contingency)
Opex	\$108M pa \$0.93/lb nickel (after co-product credits)

Source: PM1 ASX Announcement on 21 January 2019

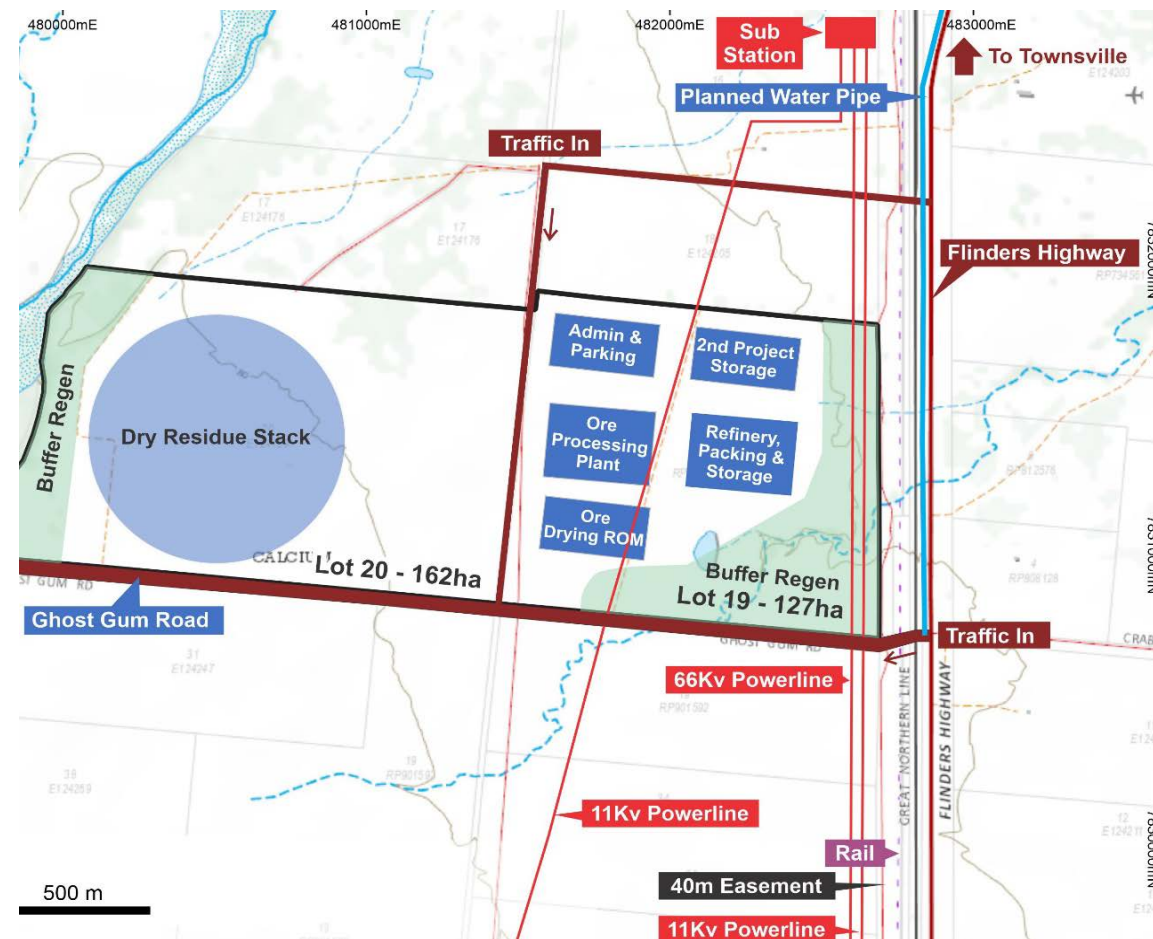


Figure: TECH Project layout

Forward Work Program

- Fast track to construction and production
- Near term focus is completion of Pre-Feasibility Study – Lycopodium has been appointed and has commenced

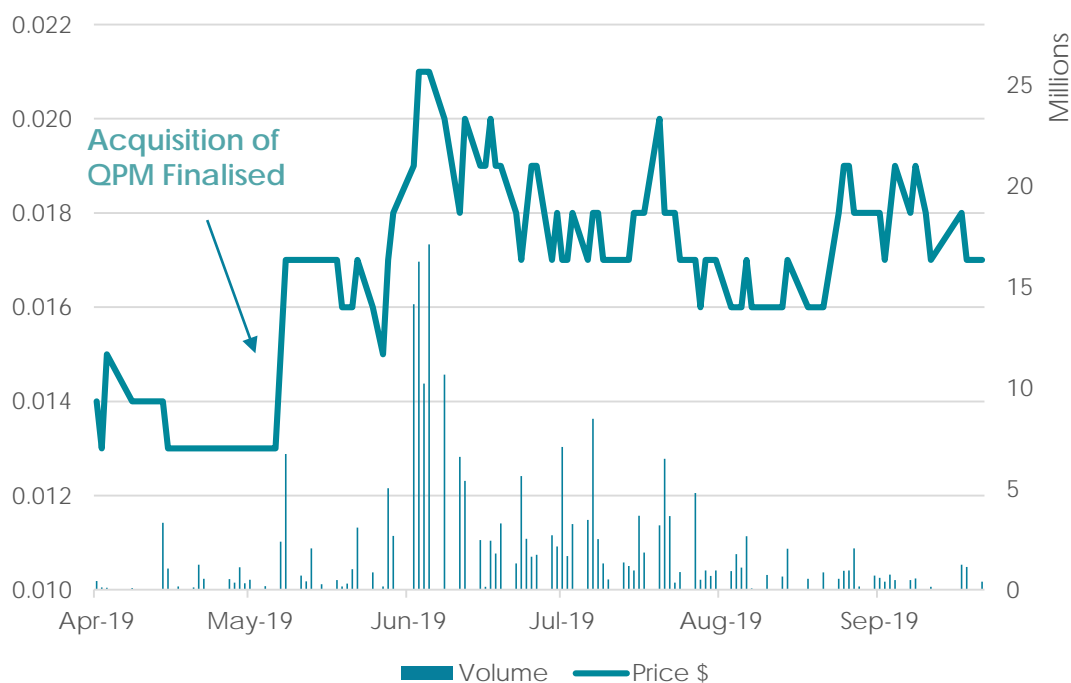
Pathway to Production	CY18	CY19				CY20				CY21	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Ore Supply Logistics											
Concept/Scoping Study											
Pre-Feasibility Study											
Metallurgical Test Work											
Environmental and Permitting											
Definitive Feasibility Study											
Offtake Partnering											
Funding											
Project Construction											

Indicative Timetable



Corporate Overview

Board	
Non Exec Chairman	Eddie King
Managing Director	John Downie
Non Exec Director	Cameron Mclean

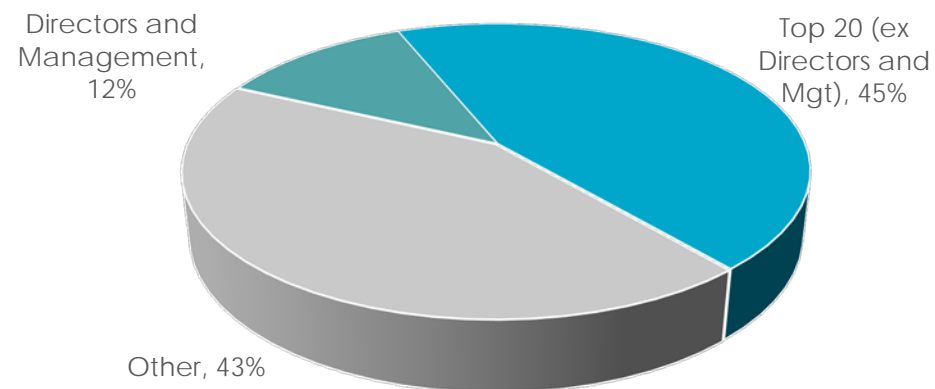


Proforma Capital Structure

Shares on issue	471.2M
Share Price (1 October 2019)	1.7c
Cash balance*	\$2.7M
Market Cap	\$8.0M
Deferred Consideration Shares (subject to performance milestones)	366.2M
3c Options	181.3M

*Include gross proceeds of Tranche 2 Placement and remaining balance paid to QPM

Shareholders



Nickel Market



BHP Group and Western Areas forecast big future for nickel as price continues climbing

By Lorna Nicholas - August 21, 2019



Miners such as BHP and Western Areas are poised to take advantage mounting demand for nickel.

EV's will make nickel a once-in-a-generation investment opportunity, says BHP

More EVs and more nickel in each of them will drive nickel demand through the roof, says the head of BHP's Nickel West arm. His forecast is great news for those juniors with large nickel deposits awaiting development, such as the Jaguar project just acquired by Centaurus from Brazilian giant Vale. Plus, Venturex's \$100m debt deal sets it up to become one of the few ASX-listed copper producers.

The display of oomph at last week's Diggers & Dealers conference in Kalgoorlie was not restricted to the gold stocks. The nickel stocks made sure of that, with none other than BHP leading the charge in a presentation by its Nickel West president, Eddy Haegel.



Nickel booms as supply deficit looms



Robert Guy Senior Writer

One of Australia's leading nickel producers has warned that a failure by the industry to find new supplies may encourage end-users to look for alternatives as the threat of an Indonesian export ban and forecast deficits propelled the stainless steel input to a near five-year high of more than \$US16,000 a tonne.

Nickel prices have proved immune to the volatility that has hobbled global stockmarkets and many growth-sensitive commodities over the past two weeks, with speculation over producer Indonesia's market being forward a ban

Western Areas capitalises on growing nickel price

August 20, 2019 News Alex Gluyas



Western Areas has boosted its financial position in the 2019 financial year off the back of a higher nickel price and increased sales from the Forresterina. Cosmos open-pit. Image: Western Areas

Why Invest

High Grade Ore Supply

- ✓ Secured high grade Ni-Co ore supply agreement with two New Caledonia mining companies
- ✓ Expected grades 1.6% Ni / 0.18% Co (Contract minimum 1.4% Ni, 0.15% Co)
- ✓ Reliable source that previously supplied Queensland Nickel Refinery from 1989 until closure
- ✓ Low mining/exploration risk

Positive Scoping Study

- ✓ 600ktpa processing plant
- ✓ 25,000tpa Ni Sulphate + 3,000tpa Co Sulphate + valuable co-products
- ✓ DNⁱ™ process – lower capex and opex compared to HPAL

Near Term Production

- ✓ Ore supply secured – feasibility and approvals work to commence in respect to construction of the processing plant
- ✓ Construction of the processing plant can potentially be commenced within 18 months

Townsville Location

- ✓ Extensive infrastructure network including Port, Rail and Road
- ✓ Long term history of handling and processing imported ore from New Caledonia/Philippines/Indonesia
- ✓ Skilled labour and engineering support

Battery Market Fundamentals

- ✓ Strong fundamentals for battery chemicals (Ni Sulphate / Co Sulphate)
- ✓ Nickel resurgence
- ✓ Majority of world's cobalt comes from DRC – QPM offers supply from a stable jurisdiction

Experienced Management

- ✓ Combined 75+ years nickel laterite experience and experience in New Caledonia
- ✓ Extensive expertise with dealing with offtakers for nickel and cobalt
- ✓ Strong project development knowledge



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