



ASX RELEASE
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MOU for Joint Development of Iron Product with Sun Metals Corporation

- **Queensland Pacific Metals enters into MOU with Sun Metals Corporation to investigate the potential to produce a joint iron oxide product for sale into market**
- **Parties to establish a Project Team which will assess the potential to deliver benefits such as increased scale and market presence and any cost synergies**
- **Iron co-product adds financial benefit for the TECH Project**

Pure Minerals Limited (ASX:PM1) (“**PM1**” or “the **Company**”) is pleased to announce that its wholly owned subsidiary, Queensland Pacific Metals Pty Ltd (“**QPM**”) has entered into a Memorandum of Understanding (“**MOU**”) with Sun Metals Corporation Pty Ltd (“**Sun Metals**”). Sun Metals is the Australian subsidiary of Korea Zinc Company Limited, which owns and operates the Sun Metals zinc refinery located in Townsville.

As part of QPM’s Pre-Feasibility Study (“**PFS**”) on the TECH Project, one of the key co-products to be produced is haematite. Based on the PFS, the TECH Project will produce 327kt of high-grade iron oxide (haematite) per annum (refer to ASX announcement 7 April 2020). Sun Metals is currently undertaking an expansion and upgrade of its zinc refinery that will also see it produced an iron oxide product.

QPM and Sun Metals have entered into an MOU to assess the potential of combining the two iron oxide products to produce a single saleable product (the “**Project**”). The potential benefits of this include:

- Increased scale and market presence; and
- Greater economic returns resulting from cost saving synergies such as logistics, marketing and product agglomeration.

As part of the MOU, QPM and Sun Metals have agreed to form a Project Team. The Project Team will be tasked with undertaking:

- An assessment into the marketability of a joint iron oxide product with consideration given to grade, physical properties, impurities and other factors that would influence pricing and appeal to potential offtakers;
- Testwork to verify the ability to produce a combined product;
- A scoping study to determine preliminary economic results of producing a combined product; and
- An investigation of any other opportunities and benefits that may arise from this project.

The term of the MOU is for an initial period of 12 months and costs will be shared equally amongst

the respective parties. If the Project studies are successful, QPM and Sun Metals have agreed to negotiate in good faith a commercial arrangement that is mutually beneficial. This may include joint venture, offtake for each parties' respective product or some other commercial structure.

Managing Director John Downie commented:

"The Sun Metals zinc refinery is one of the true success stories for Townsville. One of the QPM's goals is to see how we can work with other companies in the region to promote regional growth, create synergies and build upon the benefits of the TECH Project.

Whilst our primary focus is battery chemicals, the iron co-product generated by the TECH Project delivers considerable financial benefit. We are pleased to be able to work with Sun Metals to investigate how we could increase the value of each companies' respective iron product."

This announcement has been authorised for release by the Board.

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