

## March 2024 Quarterly Report

### Highlights

- ✓ **Positive operating surplus recorded for Moranbah Gas Project, signifying a successful turnaround of the asset since acquisition in August 2023:**
  - Zero lost time incidents;
  - Ongoing implementation of production growth initiatives including well workovers and gathering system optimisation;
  - Strong electricity market pricing realised during January and February with weaker pricing during March (typical seasonality);
  - Ongoing preparation of maiden drilling campaign of 7 new production wells, culminating in spudding of first well in April; and
  - Origination and evaluation of new gas supply and sales opportunities.
  
- ✓ **TECH Project focussed on value adding activities that could be completed whilst limiting expenditure:**
  - Further de-risking and optimisation of engineering design;
  - Marketing of co-products including HPA, hematite and ammonium sulfate; and
  - Advancing discussions with key stakeholders including government to find pathways forward under the challenging nickel environment.

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

### QPM Energy Moranbah Project

#### Production

The Moranbah Project’s total gas supply at includes production from QPM Energy managed wells plus gas supplied to the Moranbah Project by third parties.

Gas Supply Source	Daily Average (TJ/day)	Quarter Total (PJ)
QPM Energy managed production	21.3	1.94
Third Party Supply	6.5	0.59
<b>Total Production</b>	<b>27.8</b>	<b>2.53</b>

## Revenue

QPM Energy generated \$29.6m of revenue recorded its first positive quarterly operating surplus signifying a successful asset turnaround since acquiring the Moranbah Project.

Source	\$m
Total revenue from gas and electricity sales	\$29.62

Revenue consists of gas sales (Dyno Nobel and Copper Refineries) and revenue from electricity generation dispatched from Townsville Power Station ("TPS"). Electricity revenue was strong in January and February but weaker in March, in line with typical seasonality for electricity pricing. While Queensland electricity prices have remained soft through April the Company expects prices to improve during winter months as per seasonal trends.

Most pleasing was that gas field operating expenditure was in line with previous months. QPM Energy has established a stable operating cost base and we expect unit costs to continue to fall as gas supply increases.

## Power Generation

Growth in gas production as well as a scheduled maintenance shutdown of Dyno Nobel's ammonium nitrate plant provided QPM Energy with opportunities to run the TPS for extended periods. This included 24 hour runs with load shaping to match the peaks and troughs of daily electricity pricing. The data and knowledge gained from this is valuable, particularly as QPM Energy considers its future growth opportunities with regards to electricity generation and dispatch.

Description	Quarter
Total gas supplied to TPS	846.62TJ
Total electricity generated	78,343MWh
Average realised electricity price	\$262/MWh
Average net-back gas price	\$24.28/GJ

## New Well Development Program funded under the Dyno Nobel Development Funding Facility ("DFF")

QPM Energy prepared and advanced its planned well development program which culminated in spudding

of the first well subsequent to quarter end. The Company will drill and complete 7 new Surface to Inseam (“SIS”) well pairs in the Teviot Brook South area of PL191. Each well consists of a vertical production well that is paired with a lateral well drilled in the Goonyella Middle Seam to intersect the vertical well. The in-seam laterals will average about 1,000m of exposure to the coal seam.

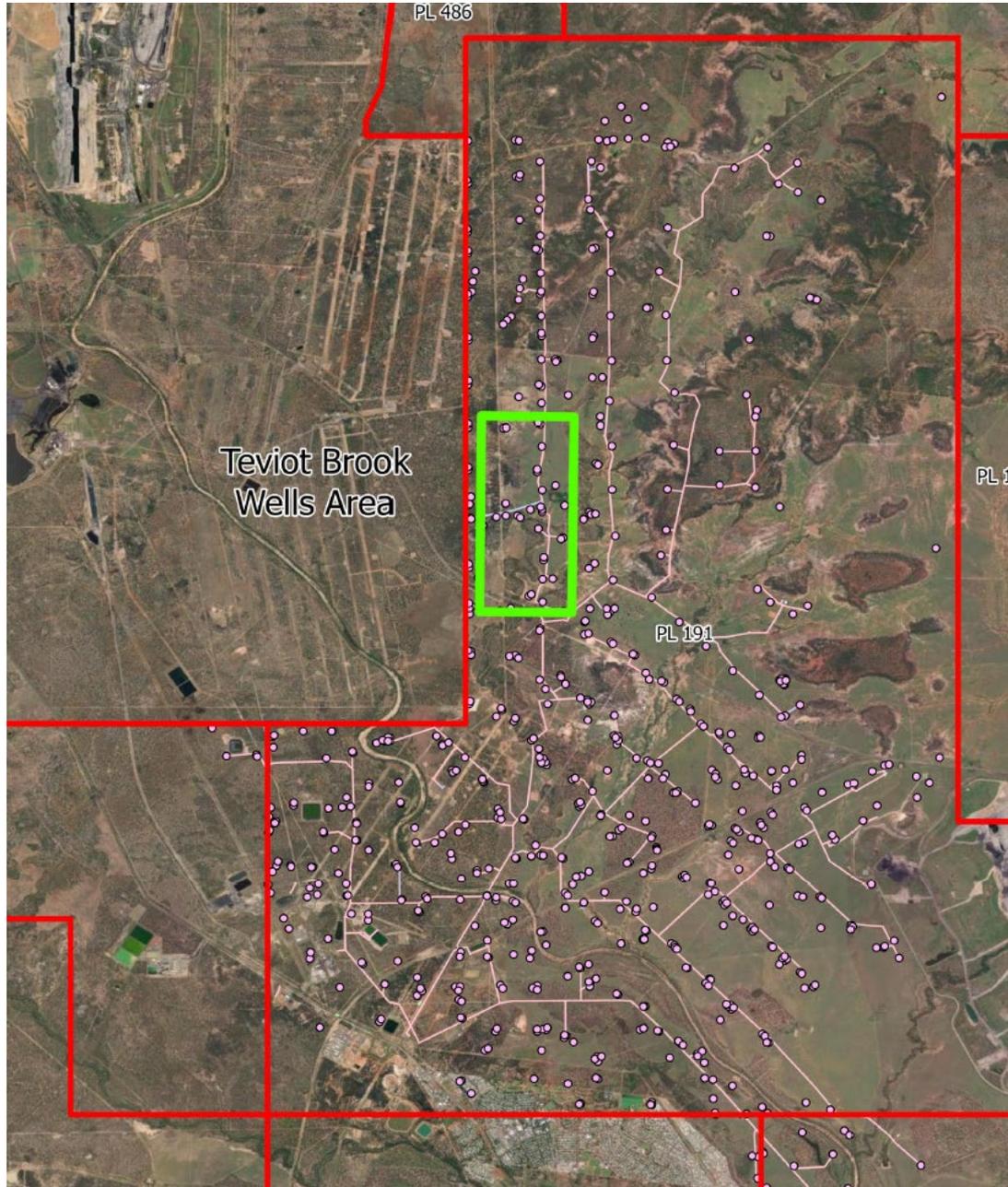


Figure: Teviot Brook South program location (pink dots are existing wells)

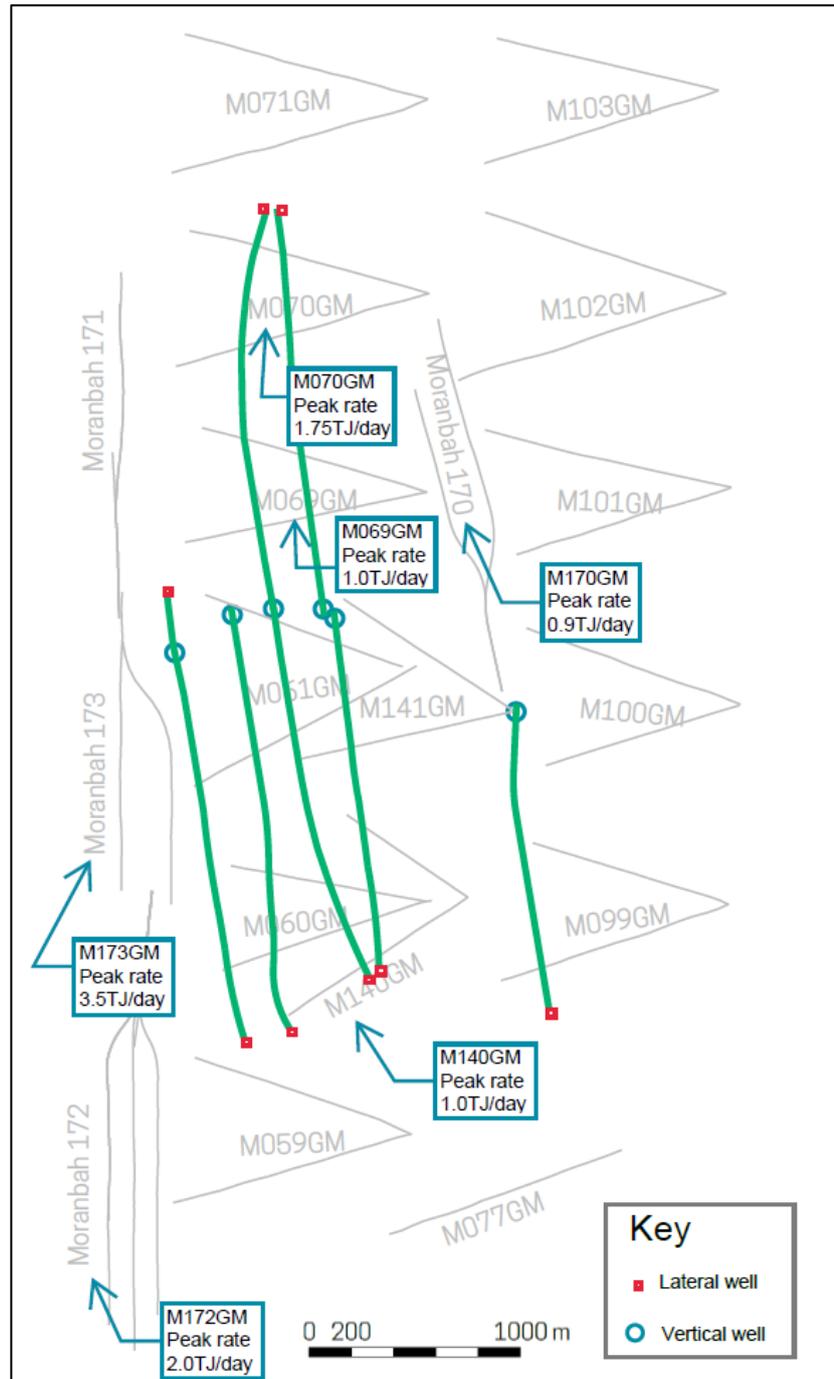


Figure: Teviot Brook South well trajectories and adjacent well peak flow rates

The location for this program has been selected in a highly productive area of the MGP field. Historical performance of offset wells adjacent to the proposed new well locations is shown in the figure above.

### Well Workover Program

Over the last 6 months QPME has been progressively working over wells across the field that were either offline or suspended to return them to production. Typically, wells stop producing due to pump failures, tubing leaks or other downhole blockages. The workover program is designed to replace and repair the equipment required to bring the well back online.

At completion of the acquisition in September 2023 there were 96 producing wells across the field. QPME's

workover program has, so far, returned 22 wells to production increasing the producing well count to 118 wells.

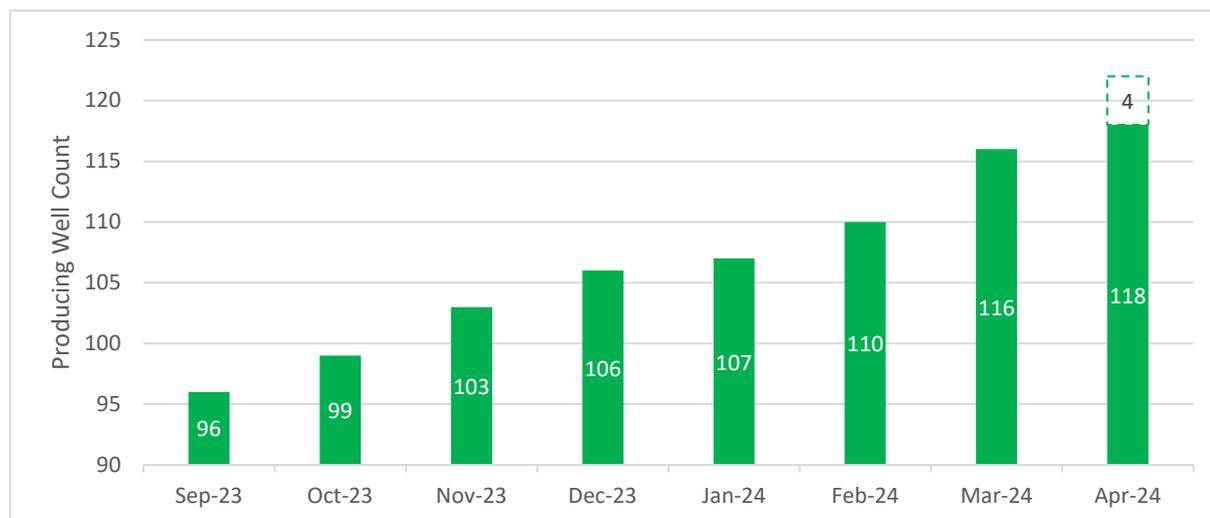


Figure: MGP Producing Well Count

## TECH Project

### Technical Workstreams

The core QPM technical team continued to be focussed on project optimisation, maximising synergies with the QPME business and further de-risking to make the project as attractive as possible to financiers and investors.

### Stakeholder Engagement

In light of nickel market conditions, QPM engaged extensively with key stakeholders including all levels of government and its offtake partners to try find and evaluate potential pathways forward. QPM is confident in the underlying value of the work it has undertaken to date on the TECH Project and will seek to maximise value from this for shareholders.

### High Purity Alumina (“HPA”)

During the quarter, QPM transported HPA produced from the Lava Blue demonstration plant to the USA for marketing to potential offtakers. Once arriving in the United States, internationally recognised materials testing company Eurofins EAG Laboratories were engaged to assay two of the 5kg batches (Blend 4 of 6) as being representative of the total material.

Blend 4, which was split into Batch 4-1 and Batch 4-2, returned exceptional assays. Batch 4-1 assayed at 99.99916% purity and Batch 4-2 assayed at 99.9988% purity. Another important assay result is that chloride was <1 ppm. This is important because it confirms complete conversion to HPA and provides full recovery of chloride back into the process.

This is an outstanding result demonstrating the potential to produce 5N HPA which sells at a premium to 4N HPA.

### Hematite (iron sinter pellets)

Discussions were held with a number of potential offtakers for the sinter pellets produced from the hematite precipitated in the iron hydrolysis steps of the Direct Nickel Process. These potential offtakers expressed interest in the especially high purity characteristics of the material.

### Cash and Corporate

As at 31<sup>st</sup> March 2024, QPM's cash and cash equivalents balance totalled \$30.6M. This includes, \$11M of restricted cash related to the Incitec Pivot funding arrangements and \$1.2M prepayment required under current contractual arrangements with the Townsville Power Station.

Subsequent to quarter end, QPM also announced executive management and board changes which resulted in David Wrench being appointed as CEO and Dr Stephen Grocott being appointed as Non-Executive Director (refer to ASX announcement 22 April 2024).

### Additional ASX Information

**ASX Listing Rule 5.3.1:** Cash outflow from Exploration and Evaluation during the quarter was \$2.0m.

**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 31 December 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

### ASX Listing Rule 5.3.5:

RELATED PARTY	AMOUNT	DESCRIPTION
Directors and CEO	\$259,867	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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	37,089	52,530
1.2 Payments for		
(a) exploration & evaluation	(2,031)	(30,178)
(b) development	-	-
(c) production	(13,031)	(24,813)
(d) staff costs	(3,207)	(9,065)
(e) administration and corporate costs	(846)	(7,084)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	164	582
1.5 Interest and other costs of finance paid	(2,488)	(4,778)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	942	41,836
<b>1.9 Net cash from / (used in) operating activities</b>	<b>16,592</b>	<b>19,030</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(1,684)	(2,853)
(d) exploration & evaluation	(64)	(102)
(e) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
(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 Net cash from / (used in) investing activities</b>	<b>(1,748)</b>	<b>(8,505)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	17,931
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	-	(1,077)
3.5 Proceeds from borrowings	5,933	21,428
3.6 Repayment of borrowings	(531)	(531)
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.	(17,209)	(33,480)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(11,807)</b>	<b>3,726</b>

## 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 (9 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	27,520	16,382
4.2	Net cash from / (used in) operating activities (item 1.9 above)	16,592	19,030
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,748)	(8,505)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11,808)	3,725
4.5	Effect of movement in exchange rates on cash held	5	(71)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>30,561</b>	<b>30,561</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	18,373	15,016
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	i) Balance comprises of \$11M* (restricted) cash deposited related to IPL funding arrangements and \$1.2M deposit for TPS variable charges.	12,188	12,504
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>30,561</b>	<b>27,520</b>

\*Subsequent to quarter end, \$5M 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	260
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	\$259,867

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

7. <b>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) *	92,650	21,428
<b>7.4 Total financing facilities</b>	<b>92,650</b>	<b>21,428</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>71,222</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 March quarter, QPM received a second drawdown of \$5.93M from the \$80M Development Funding Facility ("DFF")		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	16,592
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(64)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	16,528
8.4 Cash and cash equivalents at quarter end (item 4.6)	30,561
8.5 Unused finance facilities available at quarter end (item 7.5)	71,222
8.6 Total available funding (item 8.4 + item 8.5)	101,783
<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: 30 April 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.