

ASX RELEASE
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MOU FOR THE SUPPLY AND TRANSPORTATION OF GAS FROM NORTHERN BOWEN BASIN TO TOWNSVILLE'S LANSDOWN ECO INDUSTRIAL PARK

Highlights

- QPM, Transition Energy Corporation Pty Ltd and North Queensland Gas Pipeline (collectively the "Parties") have signed a non-binding Memorandum of Understanding ("MOU") to work together to develop and deliver a gas field supply chain from the northern Bowen Basin to QPM's TECH Project to be located at the Townsville City Council's Lansdown Eco Industrial Park.
- The MOU outlines the framework for the Parties to negotiate gas supply and transportation agreements and work together to complete studies for the feasibility, design, approvals and construction of the initial gas supply chain, in order to seek to align the construction of that initial gas supply chain with the works being undertaken in relation to the TECH Project, which is due to be commissioned by end of 2023.
- Current development plans involve the draining and harvesting of gas (which would otherwise be flared or vented) from operating mines in the northern Bowen Basin for transportation to the Lansdown Eco Industrial Park via the North Queensland Gas Pipeline (NQGP).
- This is expected to result in a significant reduction in carbon emissions and has the potential to make the TECH Project a zero carbon nickel producer.

Queensland Pacific Metals Ltd (ASX:QPM) ("QPM" or "the **Company**") is pleased to announce the signing of a non-binding MOU with Transition Energy Corporation Pty Ltd ("TEC") and North Queensland Gas Pipeline ("NQGP") to develop a dedicated gas supply chain from the northern Bowen Basin to QPM's TECH Project".

The MOU brings together parties with experience in developing and operating natural gas projects with existing pipeline infrastructure already in place from Moranbah in the Bowen Basin to Townsville.

The strategic plan to be investigated and assessed by the Parties is for:

- Natural gas to be supplied from resources currently available in the northern Bowen Basin including those on operating metallurgical coal mines.
- TEC intends to assess the potential to drain and harvest gas that would otherwise be flared or vented into the atmosphere.
- Once produced, the gas would be transported to a new centralised gas processing and compression facility to be located in the region.
- When processed, the gas would be transported to, and injected into, the NQGP for

transporting to a Let Down Facility to be located at the Lansdown Eco Industrial Park adjacent to the TECH Project.

The MOU covers a number of key areas including;

- **Outline of the key Operating Agreements that need to be agreed between the parties** – primarily a Gas Sales Agreement (between QPM and TEC) and a Gas Transport Agreement (between QPM and NQGP).
- **Allocate key development work streams** – summarising feasibility, design and construction work required for the production, processing and delivery of gas.
- **Operating Responsibilities** – allocation of responsibilities between the Parties once gas supply has commenced.
- **Financing Plans between QPM and TEC** – optimising funding options (both debt and equity).

QPM's Gas Strategy – zero greenhouse gas (GHG) emissions nickel production

The TECH project is estimated to require 10 PJ pa of gas once in steady state operation.

QPM has previously commissioned Minviro to produce an interim report which assesses the GHG emissions arising from the TECH project (refer ASX Release of 8 March 2021). The study showed that nickel production from the TECH project would be one third lower than the global average for battery grade nickel sulfate.

The study also highlighted the opportunity for further reductions in GHG emissions that could result if the TECH Project's gas supply was sourced by harvesting gas from that which is currently being flared or vented from operating mines.

This report has highlighted that this could result in nickel production from the TECH Project having zero carbon emissions.

QPM CEO Stephen Grocott commented,

"I am delighted to have signed this agreement with such high-quality partners and I look forward to working with them as part of the completion of our Definitive Feasibility Study. In particular, I am pleased by the potential to help create Australia's first producer of net zero carbon nickel."

About the Parties

Transition Energy Corporation

Transition Energy Corporation Pty Ltd (TEC) is a private Queensland-based company who brings extensive expertise in the exploration development and production of coal seam gas projects in Queensland. TEC is developing a coal mine gas project in the northern Bowen Basin contributing to TEC's vision of becoming Queensland's next mid-tier gas company thereby offering diversification of gas supply for the Northern Australian region, creating jobs and opportunities that support the Queensland regional economy.



North Queensland Gas Pipeline

NQGP operates the 391km North Queensland Gas Pipeline that transports gas from the Moranbah Gas Project in the Bowen Basin to power and industrial users in Townsville, Queensland. For further information refer to <https://northqueenslandgaspipeline.com.au/>."

This announcement has been authorised for release by the Board.

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