

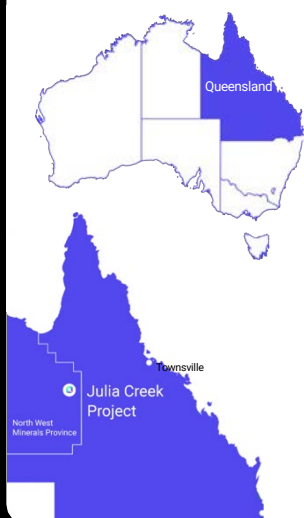
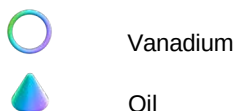


Chair
Tim Wall

Managing Director
Gavin Loyden

Non-Executive Director
Daniel Harris

Julia Creek Vanadium and Energy Project:



QEM Limited:

Registered Office:
Corporate Administration
Services

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ASX Announcement

31 December 2024

Quarterly update for the period ending 31 December 2024

Highlights:

- **Coordinated Project Declaration** received from Queensland State Government's Office of the Coordinator General.
- **EPBC Controlled Action Decision (Streamlined EIS Assessment Pathway).**
- **Renounceable Rights issue** announced 23 September and closed on 25 October. Successfully raising \$2.76m before costs.
- **Continued beneficiation and flowsheet optimization work** with University of Queensland and Core Resources Pty Ltd.

QEM Limited (ASX: QEM) ("**QEM**" or "**Company**") is pleased to provide an update on its activities for the quarter ending 31 December 2024 for its 100% owned Julia Creek Vanadium and Energy Project (JCVEP) in Julia Creek, Northwest Queensland.

QEM Managing Director Gavin Loyden said, "This quarter has seen our Company achieve a number of key milestones in the development of the Julia Creek Vanadium and Energy Project."

"Significantly, the Company received two important declarations from the Queensland Office of the Coordinator General and the Commonwealth Department of Climate Change, Energy, the Environment and Water. The two major milestones indicate government support for the project and recognise JCVEP's strategic value and potential positive social and economic impact and will assist QEM with permitting and approvals processes, including a streamlined Environmental Impact Statement (EIS)."

"In October, we successfully raised \$2.76m in a very constrained market, which included further investment from the QEM Board and major shareholders, and we are very happy for their ongoing support".

"We are committed to developing the JCVEP and to positioning QEM as a long-term supplier of vanadium electrolyte for vanadium flow batteries, to support the energy transition for many decades to come."



Julia Creek Vanadium and Energy Project (JCVEP)

QEM's flagship Julia Creek Vanadium and Energy Project (JCVEP) is one of the world's single largest vanadium and oil shale deposits.

This globally significant **JORC (2012) Mineral Resource of 2,870Mt @ 0.31% V2O5** represents a significant opportunity for development. The resource is comprised of **461Mt @ 0.28% V2O5** in the **Indicated** category and **2,406Mt @ 0.31% V2O5** in the **Inferred** category, with the added benefit of a contingent (SPE-PRMS 2018) in-situ oil resource of **6.3 million barrels (MMbbl's)** of Oil equivalent in the **1C category**, **94 MMbbl's** in the **2C category**, and **654 MMbbl's** in the **3C category**, contained within the same ore body.

Fig 1: Julia Creek Vanadium and Energy Project Location



The Julia Creek Vanadium & Energy Project (JCVEP) is located approximately 16 km south-east of Julia Creek township in north-west Queensland, within the Tier 1 mining jurisdiction of the North West Minerals Province, regarded as one of the world's richest mining regions.

Julia Creek is a regional town situated 655 km by road to the west of Townsville and 255 km east of the mining town of Mt Isa and lies close to main infrastructure facilities, including the \$5 billion-dollar Copperstring 2032 powerline project currently being developed by Powerlink, which lies immediately adjacent to the JCVEP.

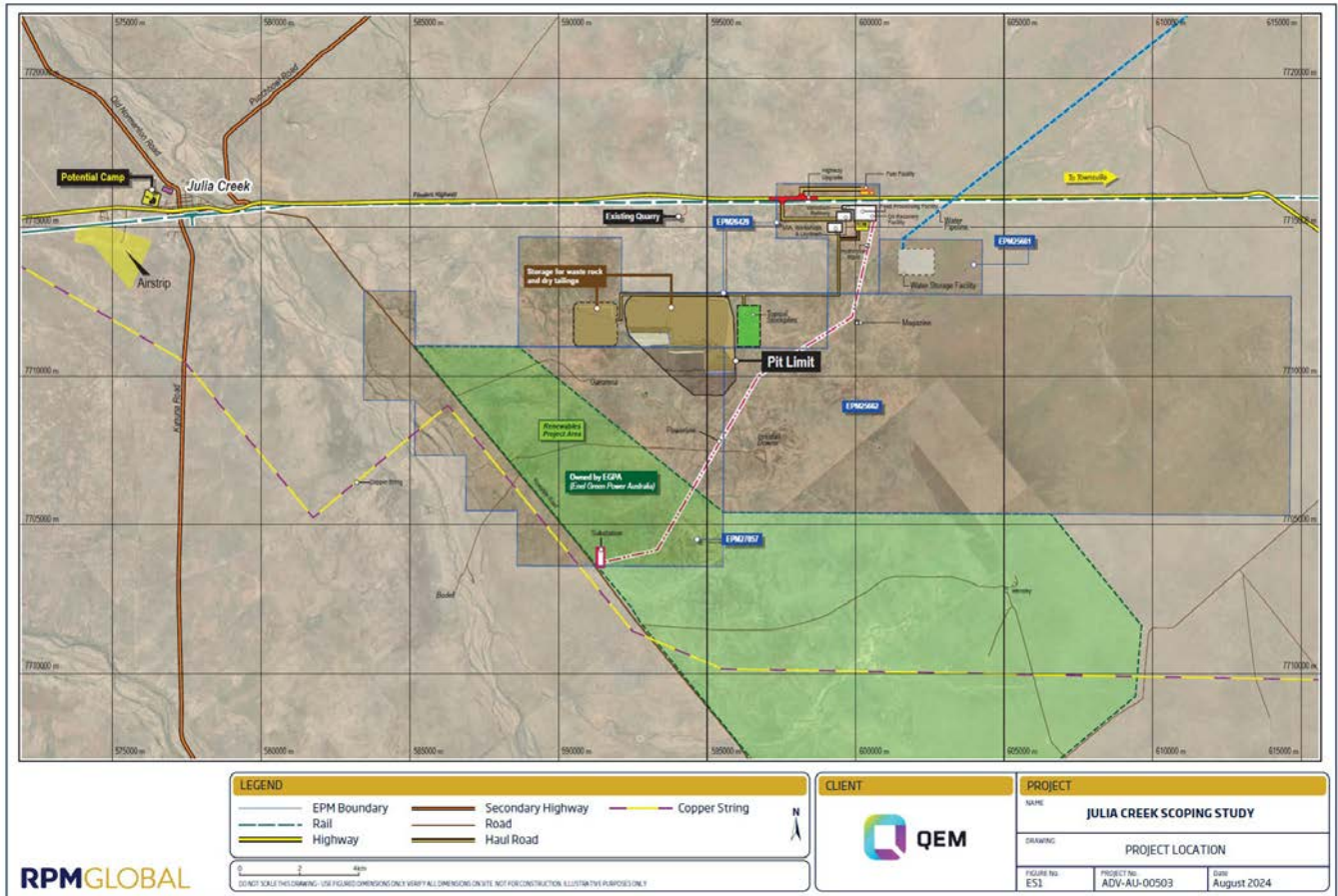
The project is intersected by the main infrastructure corridor of the Flinders Highway and the Great Northern Railway line in the northern section of the tenement, which connects Mt Isa to the international Port of Townsville.



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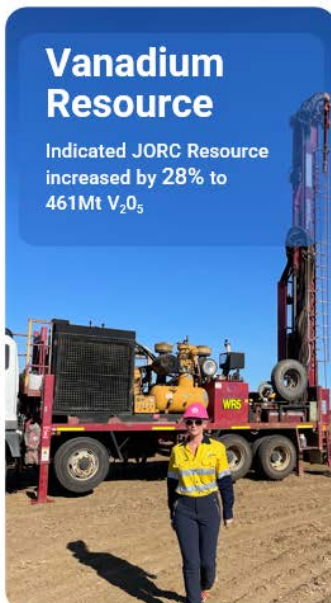
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Ref: QEM Scoping Study 2024 – General Arrangement

Resource



Vanadium Resource

Indicated JORC Resource increased by 28% to 461Mt V₂O₅



2,870 Mt

Inferred @ Ave V₂O₅ ore content of 0.31%



461 Mt

Indicated @ Ave V₂O₅ ore content of 0.28%



Oil Resource

Maiden 1C resource of 6.3 MMBBL's

32% increase in 2C category to 94 MMBbl's



654 MMBbl's

3C 626 MMBbl's (SPE-PRMS) (recoverable @ 90%)



94 MMBbl's

2C 71MMbbl's (SPE-PRMS) (recoverable @ 90%)

Ref: ASX Announcement 5 March 2024.



Mine Development

Mineral Characterisation and Beneficiation work – University of Queensland

During the reporting period, The University of Queensland's (UQ) Sustainable Minerals Institute started beneficiation work 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.

This work program is expected to conclude in Q1 2025.

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 upper coquina (CQLA and CQLB) ore material.

This work package will be a key input into the Pre-Feasibility Study and is estimated to take 2-3 months. The report is expected in Q1 2025.

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) will now be prepared 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.



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Baseline Water Monitoring

During the reporting quarter, QEM conducted one round 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. The next round of surveys is planned for February 2025.



November 2024 Water Monitoring Survey

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

Corporate

Successful Completion of Entitlement Offer - \$2.76M

During the reporting period, QEM raised \$2.76m via a placement to new and existing sophisticated and professional investors. The placement will allow QEM to accelerate the development of the Julia Creek Vanadium and Energy Project. Together with existing cash reserves, the proceeds of the raise will be utilised to fund the Company's oil and vanadium pilot testing program and operations, as well as the next round of project studies. This will further define the Company's development strategy and provide further detail on the associated hydrogen and power requirements.

Annual General Meeting

QEM held its Annual General Meeting on 20 November 2024. All active resolutions were passed by way of a poll. A summary of the votes cast for each resolution were released to the market the same day.

Ref: ASX announcement 20 November 2024. *AGM Results and Director Resignation*

Collaborative Exploration Initiative

During the reporting period, 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 proceeds 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.

ESG and Community Relations

This quarter marks the twelfth consecutive quarter 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. ESG highlights for this quarter, including the graphic summary below of the Company's ESG current focus, which reflects the feedback from the Company's Materiality Assessment conducted in early 2024. These core areas will be continually updated with the input of stakeholder feedback.

QEM utilises the WEF Stakeholder Capitalism Metrics ESG Framework (below).





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Economic Contribution and Community Investment & Relations

Investment in our community will always be a high priority for QEM. Recent sponsored events during the quarter in Julia Creek were:

- 'The Big Weekend' in Julia Creek October 4–6
- Beach Races November 16

QEM maintains a regular presence in Julia Creek with a team member spending approximately one week per month for environmental monitoring programs and various operational matters. A weekly email is also distributed to landholders and community to update them on company progress.



Image: Town v Country football at The Big Weekend, Julia Creek



Images: The last horse racing meet of the 2024 season, known as the 'Beach Races', was a huge success with over 400 attendees dressed in QEM branded Hawaiian shirts.

Other ASX requirements

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$570k.

Full details of activities during the Quarter are set out above.

ASX Listing Rule 5.3.2, there were no mining production and development activities during the Quarter.

Tenement Schedule

Project	Country	Tenement	Status	% Held	Change During Quarter
Julia Creek	Australia	EPM25662	Granted	100%	-
Julia Creek	Australia	EPM25681	Granted	100%	-
Julia Creek	Australia	EPM26429	Granted	100%	-
Julia Creek	Australia	EPM27057	Granted	100%	-

All tenements remain in good standing.

ENDS

This announcement was authorised for release on the ASX by the Board of QEM Limited.

For further information, please contact:

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Managing Director
 P: +61 7 5646 9553
 E: gavin@qldem.com.au

ABOUT QEM

QEM Limited (ASX: QEM) is a publicly listed company which is focused on the exploration and development of its flagship Julia Creek Vanadium and Energy Project, covering 250km² in the Julia Creek area of North Western Queensland.

The Julia Creek Vanadium and Energy Project is a unique world class resource with the potential to deliver innovative and sustainable energy solutions, through the production of energy fuels and vanadium pentoxide. QEM strives to become a leading producer of liquid fuels and in response to a global vanadium deficit, also aims to become a global supplier of high-quality vanadium pentoxide, to both the nascent energy storage sector and the Australian steel industry.

This globally significant JORC (2012) Mineral Resource of 2,870 Mt @ 0.31% V₂O₅ is one of the single largest ASX listed vanadium resources and represents a significant opportunity for development. The resource is comprised of 461Mt @ 0.28% V₂O₅ in the Indicated category and 2,406Mt @ 0.31% V₂O₅ in the Inferred category, with the added benefit of a contingent (SPE-PRMS 2018) in-situ oil resource of 6.3 MMbbls of Oil equivalent in the 1C category, 94MMbbls in the 2C category, and 654MMbbls in the 3C category, contained within the same ore body.



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The tenements form part of the vast Toolebuc Formation, which is recognised as one of the largest deposits of vanadium and oil shale in the world and located less than 6km east of the township of Julia Creek. In close proximity to all major infrastructure and services, the project is intersected by the main infrastructure corridor of the Flinders Highway and Great Northern Railway, connecting Mt Isa to Townsville.

**The information in this announcement that relates to the mineral resource and contingent resource estimates for the Company's Julia Creek Vanadium and Energy Project was first reported by the Company in its IPO prospectus dated 20 August 2018 and supplementary prospectus dated 12 September 2018 (together, the "Prospectus") and the subsequent resource upgrade announcements ("Resource Upgrade") dated 14 October 2019, 7 April 2022 and 5 March 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and Resource Upgrade, and in the case of estimates of Mineral Resources and Contingent Resources, that all material assumptions and technical parameters underpinning the estimates in the Prospectus and Resource Upgrade continue to apply and have not materially changed.*

Appendix 5B

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

Name of entity

QEM Limited

ABN

13 167 966 770

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(570)	(1,113)
(b) development	-	-
(c) production	-	-
(d) staff costs	(79)	(188)
(e) administration and corporate costs	(345)	(653)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(988)	(1,944)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(12)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	<i>Proceeds from the disposal of:</i>		
	(a) <i>entities</i>	-	-
	(b) <i>tenements</i>	-	-
	(c) <i>property, plant and equipment</i>	-	-
	(d) <i>investments</i>	-	-
	(e) <i>other non-current assets</i>	-	-
2.3	<i>Cash flows from loans to other entities</i>	-	-
2.4	<i>Dividends received (see note 3)</i>	-	-
2.5	<i>Other (provide details if material)</i>	-	-
2.6	Net cash from / (used in) investing activities	(2)	(12)

3.	Cash flows from financing activities		
3.1	<i>Proceeds from issues of equity securities (excluding convertible debt securities)</i>	2,761	2,761
3.2	<i>Proceeds from issue of convertible debt securities</i>	-	-
3.3	<i>Proceeds from exercise of options</i>	-	-
3.4	<i>Transaction costs related to issues of equity securities or convertible debt securities</i>	(246)	(246)
3.5	<i>Proceeds from borrowings</i>	-	-
3.6	<i>Repayment of borrowings</i>	-	-
3.7	<i>Transaction costs related to loans and borrowings</i>	-	-
3.8	<i>Dividends paid</i>	-	-
3.9	<i>Other (provide details if material)</i>	-	-
3.10	Net cash from / (used in) financing activities	2,515	2,515

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	<i>Cash and cash equivalents at beginning of period</i>	679	1,645
4.2	<i>Net cash from / (used in) operating activities (item 1.9 above)</i>	(988)	(1,944)
4.3	<i>Net cash from / (used in) investing activities (item 2.6 above)</i>	(2)	(12)
4.4	<i>Net cash from / (used in) financing activities (item 3.10 above)</i>	2,515	2,515

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 (6 months) \$A'000
4.5	<i>Effect of movement in exchange rates on cash held</i>	-	-
4.6	Cash and cash equivalents at end of period	2,204	2,204

5.	Reconciliation of cash and cash equivalents 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	2,204	679
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,204	679

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	125
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	n/a	
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(988)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(988)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,204
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	2,204
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.2
<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: 31 January 2025

Authorised by: By the Board
(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.