

Queensland Pacific Metals Limited  
(ACN 125 368 658)

## **SHARE PURCHASE PLAN**

TO RAISE UP TO \$3,000,000

**CLOSING DATE : 5.00pm WST on Friday, 16 April 2021**

This document is important and requires your immediate attention. Carefully read this document in full and consult your stockbroker, accountant, licensed financial advisor or other professional adviser if you are in any doubt as to what to do.

This document is not a Prospectus. It does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed decision regarding, or about the rights attaching to, the Shares offered in this document.

This document does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder.

This document provides details of the Queensland Pacific Metals Limited Share Purchase Plan and explains how Eligible Shareholders can participate.

Each Eligible Shareholder has the opportunity to participate in the Queensland Pacific Metals Limited Share Purchase Plan by applying for up to \$30,000 worth of new ordinary shares in Queensland Pacific Metals Limited without incurring brokerage or other transaction costs.

**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

31 March 2021

Dear Shareholder,

### **Invitation to Participate in Queensland Pacific Metal's Limited Share Purchase Plan**

On 22 March 2021, Queensland Pacific Metals Limited (ASX: QPM) (**Company**) announced that it received firm commitments to raise \$15,000,000 through the issue of 187,500,000 fully paid ordinary shares in the Company (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.08 per Placement Share. The Placement Shares were issued on 26 March 2021.

On 22 March 2021, the Company also announced its intention to offer eligible shareholders the chance to participate in a share purchase plan (**Plan**) to subscribe for fully paid ordinary shares in the capital of the Company (**Shares**).

The Company's Board of Directors is now pleased to make that offer to eligible shareholders on the Terms and Conditions enclosed with this letter.

### **Shareholders eligible to participate in the Plan**

The right to participate in the Plan is optional and is only available to shareholders who are registered as holders of Shares at 5.00pm (WST) on the Record Date of 19 March 2021 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

### **Share Purchase Plan**

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$30,000 worth of Shares at \$0.08 per Share (**Issue Price**) (being the same issue price as the Placement Shares), free of brokerage and commission (**Offer**).

The Offer is not underwritten.

The Issue Price is less than the average market price of the Company's Shares on the ASX during the 5 trading days immediately prior to the announcement date of the Offer - which was \$0.094.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions. An application form for the Offer (**Application Form**) is included in this package.

## Indicative Timetable

| EVENT                                                   | DATE*                         |
|---------------------------------------------------------|-------------------------------|
| Record Date                                             | 5.00pm (WST)<br>19 March 2021 |
| Announcement of Plan and Placement                      | 22 March 2021                 |
| Issue of Placement Shares                               | 26 March 2021                 |
| Opening Date of Plan and Dispatch of Plan Documentation | 31 March 2021                 |
| Closing Date                                            | 5.00pm (WST)<br>16 April 2021 |
| Announcement of results of Plan                         | 20 April 2021                 |
| Issue and Quotation of Shares under the Plan            | 23 April 2021                 |

*\*The above dates are indicative only and are subject to change at the Company's discretion without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.*

## Purpose of the Plan

It is intended that the funds raised under the Plan and the Placement will be directed towards a definitive feasibility study and project related expenditure for the TECH Project, corporate and administration costs, general working capital and any costs of the Plan and the Placement.

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at <https://www.qpmetals.com.au/>.

## How much can you invest?

Under the Plan, Eligible Shareholders may purchase Shares in specific parcels up to a maximum of \$30,000 worth of Shares. Eligible Shareholders may participate by selecting one of the alternative offers set out in the table below.

The maximum investment any Eligible Shareholder may apply for must be \$30,000 even if they receive more than one offer (whether in respect of a joint holding or because they have more than one holding under a separate account). Please note, that as set out in section 5 of the Plan, the Company reserves the right to issue fewer Shares than an Eligible Shareholder applies for under the Offer, or none at all, and its right to scale back applications is as the Directors see fit (at their sole discretion).

Any determination by the Directors in respect of any scaling back or refusal of any application for Shares will be final. If a scale back occurs or the Company refuses an application for Shares, the Company will refund any excess application monies to the relevant Eligible Shareholders in full (without interest).

## Subscription and Application Procedure

If you are an Eligible Shareholder, you can apply for up to a maximum of \$30,000 worth of Shares. Eligible Shareholders can select one of the following alternatives:

| Offer   | Application Amount | Number of Shares |
|---------|--------------------|------------------|
| Offer A | \$30,000           | 375,000          |
| Offer B | \$15,000           | 187,500          |
| Offer C | \$10,000           | 125,000          |
| Offer D | \$5,000            | 62,500           |
| Offer E | \$2,000            | 25,000           |

No fractions of Shares will be issued. Fractional Shares will be rounded down to the nearest whole number.

All application monies must be paid in Australian dollars. Any application monies received for more than an Applicant's final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded.

No brokerage, stamp duty or other costs are payable by applicants in respect of an application for Shares under this Offer.

If you would like to participate in the Offer, you can do so online via the Offer website at <https://qpmssp.thereachagency.com> or by returning your completed Application Form (enclosed), with payment or make a BPAY® payment, in accordance with the instructions on the Application Form, so that it is received by the Company's share registry **no later than 5:00pm (WST) on the Closing Date.**

#### Payment by Cheque

All cheques must be drawn on an Australian bank in accordance with the instructions on the Application Form. Your cheque made payable to "**Queensland Pacific Metals Limited**)" and crossed "**Not Negotiable**" for the application amount for the Shares you wish to acquire. Your completed Application Form and cheque must reach the Company's share registry no later than 5:00pm WST on the Closing Date.

#### Payment by BPAY

For payment by BPAY®, please follow the instructions on the Application Form for the application amount for the Shares you wish to acquire. You can also apply online via the Offer website at <https://qpmssp.thereachagency.com>. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® you do not need to submit the Application Form but are taken to have made the declarations on that Application Form.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.**

Applications (together with payment) must be received on or before the **Closing Date of 5.00pm (WST) on 16 April 2021** (unless extended). Once an application has been made, it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date.

Please refer to the Plan Terms & Conditions for details of the certification you will be deemed to provide when you participate in the Offer by returning an Application Form or by paying by BPAY.

### **Purchase Price and acceptance of risk factors**

The purchase price of Shares under the Offer will be \$0.08 (**Offer Price**). On the trading day immediately prior to the announcement date of the Offer (**Announcement Date**), the closing price of the Company traded on the ASX was \$0.094. The Offer Price represents a 15% discount to the closing price of the Company Shares on the Announcement Date.

The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your acceptance of this Offer.

By applying for Shares under the Plan, each Eligible Shareholder acknowledges that, although the Issue Price is at a discount to the closing price on the Announcement Date, Shares are a speculative investment and the price of Shares on the ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer, and that the value of the Shares received under the Plan may rise or fall accordingly.

In accordance with ASX Listing Rule 7.2 Exception 5, the Issue Price is equal to or greater than 80% of the volume weighted average price for the 5 days in which trading in Shares occurred before the Announcement Date.

This document does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the Plan having regard to your investment objectives, financial situation or particular needs. The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

### **Shareholder Approval**

The Offer is limited to 30% of the Company's ordinary shares on issue as at the date of this document and the Company will issue the Shares pursuant to ASX Listing Rule 7.2 Exception 15. Accordingly, Shareholder approval is not required for the issue of the Shares under the Offer.

### **Shortfall Placement**

If less than the total amount of Shares under the Offer (being less than \$3 million worth of Shares) are applied for pursuant to the Offer, subject to obtaining any necessary shareholder or regulatory approvals (if any), any shortfall Shares will be placed by the Company at the Director's discretion.

### **Additional Information and Important Dates**

The Offer cannot be transferred (it is non-renounceable) and the Board reserves the right to reject any application. Shares allotted under the Plan will be issued as soon as practicable after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The Directors may, in their absolute discretion, scale-back all applications on any basis they deem fit. The Directors may also elect to accept less than the maximum number of Shares that may be issued under the Offer.

As set out in section 5 of the Plan, if the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

The offer of Shares under the Plan is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth).

### **New Zealand offer restrictions**

The Plan Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance with New Zealand law.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under New Zealand law. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Mauro Piccini', with a stylized, cursive script.

Mauro Piccini

**Company Secretary**  
**Queensland Pacific Metals Limited**

**Queensland Pacific Metals Limited**

**(ACN 125 368 658)**

**Share Purchase Plan – Terms and Conditions**

**1. Purpose**

The purpose of the Shareholder Share Purchase Plan (**Plan**) is to offer existing shareholders of Queensland Pacific Metals Limited (ACN 125 368 658) (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$30,000 (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at an issue price of \$0.08 per Share (without the need to pay brokerage costs and without the need for the Company to issue a prospectus).

The Plan Terms and Conditions have been determined by the Board of Directors of the Company.

**2. Shareholders eligible to participate**

The right to participate in the Plan is optional and is only available to shareholders who are registered as holders of fully paid ordinary shares in the capital of the Company at 5.00pm (WST) on the Record Date of 19 March 2021 with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (that is, Eligible Shareholders may not transfer their rights to any Shares offered under the Plan).

The maximum amount, which any Eligible Shareholder may subscribe for in any consecutive 12 month period under the Plan, is \$30,000. The Board may also determine in its discretion, the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the Offer is available to Eligible Shareholders.

Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that making an application under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

**3. Custodians, trustees and nominees**

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum number of new Shares for each beneficiary for whom you act as custodian, provided you annexe to your Application Form a certificate to the Company (**Custodian Certificate**) confirming the following:

- (i) that you held Shares on behalf of:
  - (i) one or more other persons that are not custodians; and/or

- (ii) Another custodian (**Downstream Custodian**) that holds beneficial interests in Shares on behalf of one or more other persons to which those beneficial interests relate,

(each a **Participating Beneficiary**) at 5.00pm (WST) on the Record Date of 19 March 2021 who have subsequently instructed you, and/or the Downstream Custodian, to apply for Shares under the Plan on their behalf;

- (ii) the number of Participating Beneficiaries and their names and addresses;
- (iii) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (iv) the number or dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;
- (v) that the application price for Shares applied for under the Plan for each Participating Beneficiary for whom you act in addition to the application price for any other Shares issued to you as custodian (as a result of instruction given to you as a Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$30,000;
- (vi) that a copy of the written offer document was given to each Participating Beneficiary; and
- (vii) where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

For the purposes of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, you are a 'custodian' if you are a registered holder that provides custodial or depository services in relation to shares of a body or interests in a registered scheme and who:

- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation an IDPS or is a responsible entity of an IDPS-like scheme, (as defined in ASIC Class Order [CO 13/763] and [CO 13/762] respectively);
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate from the Company's share registry when making an application on behalf of Participating Beneficiaries.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

#### **4. Price of Shares**

The price of Shares to be issued under the Plan is \$0.08 per Share. This price represents a



discount of 16.9% of the volume weighted average market price for the Shares over the last 5 trading days on which sales in the Shares were recorded prior to announcement of the Plan (on 22 March 2021).

In accordance with ASX Listing Rule 7.2 Exception 5, the Issue Price is equal to or greater than 80% of the volume weighted average price for the 5 days in which trading in Shares occurred before the Announcement Date.

## **5. Applications, notices and certification**

The Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by the Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the Closing Date of the Offer. Oversubscriptions to the Offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

As an Eligible Shareholder, you may participate by accepting one of the seven designated parcels of Shares as follows:

| <b>Offer</b> | <b>Application Amount</b> | <b>Number of Shares</b> |
|--------------|---------------------------|-------------------------|
| Offer A      | \$30,000                  | 375,000                 |
| Offer B      | \$15,000                  | 187,500                 |
| Offer C      | \$10,000                  | 125,000                 |
| Offer D      | \$5,000                   | 62,500                  |
| Offer E      | \$2,000                   | 25,000                  |

By returning an Application Form or by paying by BPAY, an applicant:

- (a) acknowledges that the application is irrevocable;
- (b) irrevocably and unconditionally agree to these terms and conditions and the terms of the Application Form;
- (c) acknowledges and warrants they are an Eligible Shareholder; and
- (d) certifies that the aggregate of the application price for the following does not exceed \$30,000:
  - (iii) the Shares that are the subject of the application; and
  - (iv) any other Shares applied for by the applicant under the Plan (or any similar arrangement in the 12 months prior to the application), whether:
    - (A) in the applicant's own right; or
    - (B) jointly with one or more persons; or
    - (C) in the applicant's capacity as a beneficiary (as defined below),

but not including in the applicant's capacity as a trustee or nominee where it is expressly noted on the Company's register of members that the shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the Shares to which an applicant's application relates, they are taken to be a single registered holder and these statements are taken to be given by all of them.

If a trustee or nominee is expressly noted on the Company's register of members as holding the shares to which an application relates on account of another person (the "**beneficiary**"),

these statements and confirmations are taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

The Company is targeting to raise \$3,000,000 under the Plan. The Company reserves its right, in its absolute discretion, to issue fewer Shares than an Eligible Shareholder applies for under the Offer, or none at all, and its right to scale back applications in such manner is as the Directors see fit (at their sole discretion). Any determination by the Directors in respect of any scaling back or refusal of any application for Shares will be final subject to regulatory restrictions. If a scale back occurs or the Company refuses an application for Shares, the Company will refund any excess Application Monies to the relevant Eligible Shareholders in full (without interest).

## **6. Issue of Shares**

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the Closing Date.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Holding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the Official List of ASX.

## **7. Modification and termination of the Plan**

The Company may modify or terminate the Plan at any time. The Company will notify the ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any Eligible Shareholder fewer Shares than the Eligible Shareholder applied for under the Plan if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of the ASX.

## **8. Dispute resolution**

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The Company's decision in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The Company's powers under these Terms and Conditions may be exercised by the Directors of the Company or any delegate of the directors of the Company.

## **9. Queries**

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser in the first instance, or the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).