

Capital Raising Brings in Strategic Investor SMT

Highlights

- ✓ **Successful \$16 million placement at \$0.07 per share which includes:**
 - **\$5 million strategic investment by ore supplier Société des Mines de la Tontouta (“SMT”); and**
 - **\$1.5 million investment by General Motors Holdings, LLC (“GM”) as part of existing investment agreement.**
- ✓ **Launch of \$8 million share purchase plan on the same terms so QPM shareholders can participate.**
- ✓ **Demand received in excess of amount sought and strongly supported by shareholders and institutional investors.**
- ✓ **Funds raised will enable gas production growth at the Moranbah Project and ongoing technical workstreams required to secure debt financing at the TECH Project.**

Queensland Pacific Metals Limited (ASX: QPM) (“**QPM**” or the “**Company**”) has received binding commitments to raise \$16 million (before costs) via a share placement to sophisticated or professional investors at a share price of \$0.07 per share (“**Placement**”). New investors will also receive one unquoted option for every two shares subscribed for under the Placement, each with an exercise price of \$0.10 and a 3 year term (“**Placement Options**”). A share purchase plan to raise up to \$8 million (“**SPP**”) is also being launched on the same terms, which will allow QPM shareholders to participate. The SPP and the grant of the Placement Options are subject to shareholder approval at an upcoming extraordinary general meeting of the Company to be held on or about 5 October 2023 (“**EGM**”). A number of QPM’s directors will be participating in the SPP.

Petra Capital Pty Ltd and Foster Stockbroking Pty Limited acted as Joint Lead Managers and Joint Bookrunners to the Placement.

The Company has today released an investor presentation to ASX and the Company’s website.

Strategic Investment by SMT and Participation by GM

In July 2023, QPM announced that it had entered a strategic partnership with New Caledonian ore supplier, SMT. As part of that partnership, QPM and SMT agreed to collaborate on investment opportunities that would allow SMT to participate in the value created from processing its ore into battery chemicals.¹

As part of that strategic partnership, SMT is investing \$5 million into QPM as part of the Placement. QPM and SMT will also continue to explore further opportunities for additional investment. The investment by

¹ See QPM’s ASX announcement dated 17 July 2023.

SMT is highly strategic for QPM and the TECH Project and the Company welcomes SMT as another strategic shareholder to join offtakers GM, LG Energy Solution and POSCO.

GM is also participating in the Placement in line with its existing investment agreement.² GM's investment of \$1.5 million is in line with its existing shareholding of just under 10%.

Moranbah Project

QPM published indicative guidance for the Moranbah Project which is forecasting an increase in production to facilitate significant growth in EBITDA over the next 12 months. In order to achieve increased production, QPM will initiate the following plan which requires modest capital to implement:

- Existing well work over program to increase gas production – Initial 9 well campaign planned, due to start around October 2023;
- Installation of tie in points on adjacent Anglo mine site to capture gas currently being drained and flared – 3 anticipated to be completed by September 2023 and 3 more completed by December 2023;
- New well drilling program funded under the \$80 million Dyno Nobel Development Funding Facility – Commencement of drilling targeted for early 2024 with first gas anticipated mid 2024; and
- Other infrastructure optimisation activities.

TECH Project and Debt Financing

Government backed credit agencies and commercial banks are continuing to undertake their due diligence. Given the nature of the TECH Project and size and tenor of the potential debt facility, much of this work involves close interaction with the Independent Technical Consultant (RPM Global) to meet its requirements.

In addition to the technical and engineering workstreams, the ability to supply long-term, competitively priced gas is also a key component of this due diligence work. Given the delay in finalising the Moranbah Project acquisition and therefore completing the long-term field development plans required for the banking syndicate, the timeline required to provide the necessary information has become misaligned with the timeline for the TECH Project. QPM will therefore align both the TECH Project and Moranbah Project timelines so they are both delivered in a similar time frame.

Whilst the aim has been to achieve credit approved terms sheets from the banks around year end, this is now anticipated to occur during 1H 2024. That additional time will also be used to shore-up commercial and supply agreements with equipment and materials providers and constructors.

² See QPM's ASX announcement dated 12 October 2022.

Sources and Uses of Funds

Sources	\$m
Cash as at 30 June 2023	16.4
Acquisition of Moranbah Project	30.0
Forecast R&D Tax Return for FY ended 30 June 2023 (approximate)	15.0
Capital Raising	16.0 – 24.0
Total	77.4 – 85.4
Uses	\$m
TECH Project – ongoing testwork + engineering / feasibility to facilitate debt financing	25.0
Moranbah Project	
Existing well workovers to increase production (initial 9 well program)	5.0
Infrastructure upgrades and new third-party gas delivery points (Anglo tie-in points)	5.0
New gas well development (non-Dyno Nobel funded)	10.0
Working capital, restricted cash and bonding	25.0
QPM corporate, admin and working capital	7.4 – 15.4
Total	77.4 – 85.4

Comments

Managing Director and CEO Dr Stephen Grocott, commented:

“We are delighted to welcome SMT as a shareholder of QPM and look forward to working together to maximise the value added to our respective companies from mutually beneficial commercial opportunities. We also thank GM and existing and new shareholders for their support and look forward to strong support from the rest of our shareholder base in the SPP.”

SMT General Manager, Arnaud Bondoux, commented:

“Société des Mines de la Tontouta is delighted to confirm its partnership by acquiring a stake in the Australian company QPM who owns the TECH Project.

In a fast-changing nickel market, it's important not only to secure our medium-term business vision, but also to support nickel transformation projects which contribute positively to the energy transition and battery market.

Today's investment is the first step in SMT's determination to move down in the nickel value chain, beyond its role as an ore supplier, in order to propose a new model for the valuation of New Caledonian ore”.

This announcement has been authorised for release by the Board



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Appendix – Placement and SPP Details

Placement

QPM will issue 228,571,429 shares at \$0.07 per share to raise gross proceeds of \$16 million. The shares issued under the Placement will be placed in accordance with the Company's available capacity pursuant to Listing Rule 7.1 and will rank equally with existing shares. Those participating in the Placement will also receive one unquoted Placement Option for every two shares subscribed for under the Placement, each with an exercise price of \$0.10 and a 3 year term. The grant of the Placement Options is subject to shareholder approval at the upcoming EGM. The offer of the Placement Options will be set out in a prospectus to be prepared and released to ASX by the Company ("**Prospectus**").

SPP

QPM will offer existing shareholders on the QPM share register at 5:00pm (WST) on Monday, 21 August 2023 with registered addresses in Australia and New Zealand ("**Eligible Shareholders**") the opportunity to apply for up to a maximum of \$30,000 worth of new shares in the Company. The shares issued under the SPP will be on the same terms as those issued under the Placement, having an issue price of \$0.07 per share and also providing one unquoted option for every two shares subscribed for under the SPP, each with an exercise price of \$0.10 and a 3 year term ("**SPP Options**"). The shares issued under the SPP will rank equally with existing shares, including those issued under the Placement.

The SPP will be capped at \$8 million, and QPM retains the right to scale back applications (in whole or part) in its absolute discretion. The SPP will be undertaken on a first-come basis and QPM reserves the right to close the SPP early once subscriptions of \$8 million have been received.

Further information, including terms and conditions, will be provided to Eligible Shareholders in the SPP booklet which is expected to be released to ASX on or about 11 September 2023.

Participation in the SPP by Eligible Shareholders is optional. There will be no brokerage or commission associated with the offer of shares or SPP Options under the SPP.

The issue of the shares and the grant of the SPP Options under the SPP are subject to shareholder approval at the upcoming EGM. The offer of the SPP Options will be set out in the Prospectus.

Indicative Timetable

The indicative timetable for the Placement and the SPP, which remains subject to change at the Company's discretion (to the extent permitted by the Listing Rules and applicable laws) is detailed below.

Event	Date
Placement	
Settlement of Placement shares	28 August 2023
Allotment of Placement shares	29 August 2023
Release to ASX and dispatch of Prospectus	11 September 2023
EGM	5 October 2023
Grant of Placement Options	11 October 2023 (post-EGM)

Event	Date
SPP	
Record date to be eligible to participate in the SPP	5:00pm (WST) 21 August 2023
Release to ASX and dispatch of SPP booklet and Prospectus, and SPP opening date	11 September 2023
SPP closing date	4 October 2023
EGM	5 October 2023
Announcement of SPP results	9 October 2023
Allotment of SPP shares and grant of SPP Options	11 October 2023 (post-EGM)