

Re-Energising Australia with Critical Battery Metals Production

Investor Presentation
Dr Stephen Grocott | MD & CEO



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Capital Raising – Use of Funds

QPM is undertaking a \$30m capital raising via a placement to institutional and sophisticated investors

Sources of funds	Amount
Existing cash (as at 31 Oct)	\$25.8m
Cash raised (gross)	\$30.0m
Total	\$55.8m
Use of Funds	Amount
Completion of DFS	\$15.1m
Testwork – largely relating to capex/opex saving initiatives	\$7.5m
Detailed engineering / advanced vendor engagement / facilitation of long lead items	\$12.0m
ESG initiatives:	
<ul style="list-style-type: none"> ▪ De-risking waste gas supply chain ▪ Residue testwork ▪ Renewables / hydrogen supplement assessment 	\$2.1m
Advancing HPA: Testwork / piloting + Feasibility / engineering	\$3.0m
Sewa Bay exploration program - maiden JORC compliant resource	\$1.0m
Approvals / community / site works	\$1.7m
Owner's team, working capital, admin, fees, contingency	\$13.4m
Total	\$55.8m

DFS – Key Findings to Date

DFS aimed at delivering a project demonstrating strong financial returns and addressing key technical risks

Positive Outcomes to Date	Benefits
Early engagement with key vendors	<ul style="list-style-type: none"> ▪ Design conforms with existing equipment size already in commercial use ▪ Detailed engineering aligns with such equipment
Vendors identified for key areas of the flowsheet	<ul style="list-style-type: none"> ▪ Any issues identified early in relation to technical/scale up risk ▪ Equipment similar to current manufacturing designs and in commercial use
DFS incorporates ongoing independent review by renowned industry experts	<ul style="list-style-type: none"> ▪ Peer review allows DFS to incorporate opportunities identified ▪ Assist work required by Independent Technical Expert selected by financiers ▪ Mitigates perceived technical risk
Capital and operating cost savings identified	<ul style="list-style-type: none"> ▪ Opportunity to enhance project economics
Enhanced understanding of Hematite co-product process stream	<ul style="list-style-type: none"> ▪ De-risking a significant co-product revenue stream ▪ Provides baseline for marketing/offtake discussions
Nitric acid recovery likely higher than expected	<ul style="list-style-type: none"> ▪ Potential to deliver operating cost savings
Pilot plant residue characterization confirms it is within statutory guidelines	<ul style="list-style-type: none"> ▪ Confirmation of strong ESG credentials – no tailings dam required!

DFS – Key Findings to Date

Work to date has identified challenges which are being addressed

Challenges	How QPM is addressing these
Industry wide capex pressure due to high levels of global construction activity	<ul style="list-style-type: none">▪ Value engineering activities evaluating capital cost savings▪ Opportunities to simplify flowsheet
Industry wide manufacturing queues due to high levels of global construction activity	<ul style="list-style-type: none">▪ Early vendor engagement▪ Owner's team embedded in suppliers' engineering teams▪ Negotiate with key vendors to pre-order long lead materials
Shortage of skilled engineering resources due to COVID disruptions and buoyant industry activity.	<ul style="list-style-type: none">▪ Increased size of Owners' team required▪ Australia wide recruitment despite COVID inefficiencies
Supply chain optimisation	<ul style="list-style-type: none">▪ Better understanding of lead times for critical items▪ Shortening those supply times by pre-order placement or early detailed design.
Logistics disruptions due to COVID	<ul style="list-style-type: none">▪ Completing logistics and transport study to identify strategies to manage equipment ordering and transportation.

DFS – Timeline

Measures to ensure delivery of a financially robust and high quality DFS

DFS target completion mid 2022:

- Further test work and value engineering to be completed, delivering material economic benefits for the following areas:
 - Increased acid recovery
 - Simpler and lower cost nickel/cobalt precipitation
 - Sulfate refining
 - Increase nickel/cobalt leach extraction
- Additional test work on key elements of the flow sheet to mitigate scale up risks
- Provision for inefficiencies due to COVID disruptions in supply chains and personnel

Plant commissioning / First production target date mid 2024:

- Additional time required to complete DFS
- Longer lead times for equipment suppliers

ESG Initiatives

Feedback from customers and financiers highlight the importance of strong ESG credentials

Waste gas source from the Bowen Basin is important

- Use of waste gas delivers QPM negative carbon credentials
- Additional funding will assist to de-risk gas supply chain, ensuring delivery time frames meet project timeline

Other planned ESG initiatives

- Research and testwork relating to use of residue in commercial applications
- Use of renewable energy for electricity generation
- Use of hydrogen fueled trucks for ore/product haulage
- Community engagement/sponsorship
- Bindal Group (Traditional Owners) training initiatives

Advancing HPA

QPM is nearing completion of a commercial transaction with a provider of HPA technology

Commercial arrangement

- Licensing arrangement with a specialised HPA technology company to finalise a robust HPA flowsheet. Company has:
 - incurred significant expenditure over several years of specialist research and development.
 - successfully produced 99.99% (4N) HPA from multiple feed stocks.
 - Confirmed QPM's aluminium hydroxide as a suitable feedstock
- Technology based on traditional Hydrochloric acid leach flowsheet.
- A demonstration plant is currently being constructed in conjunction with Queensland University of Technology

Benefits to QPM

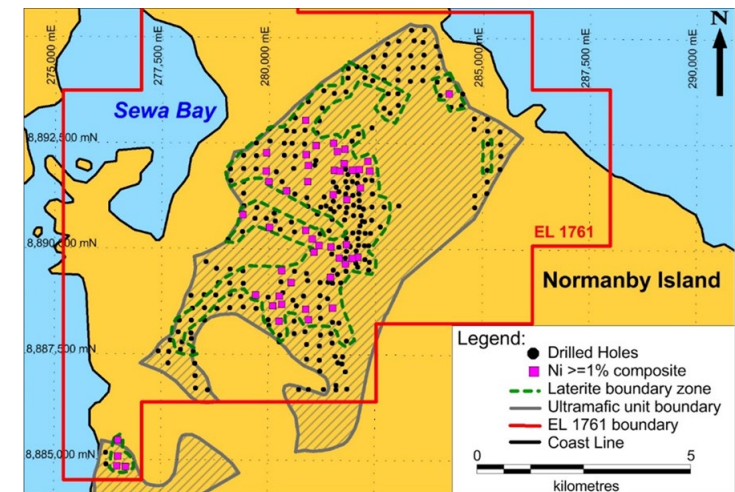
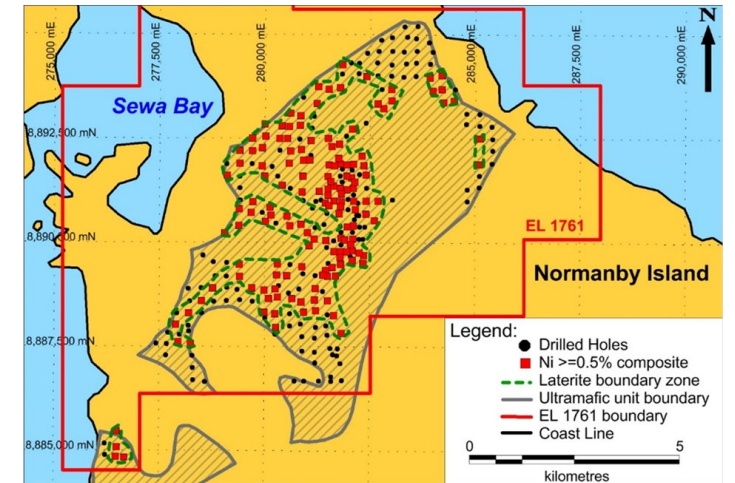
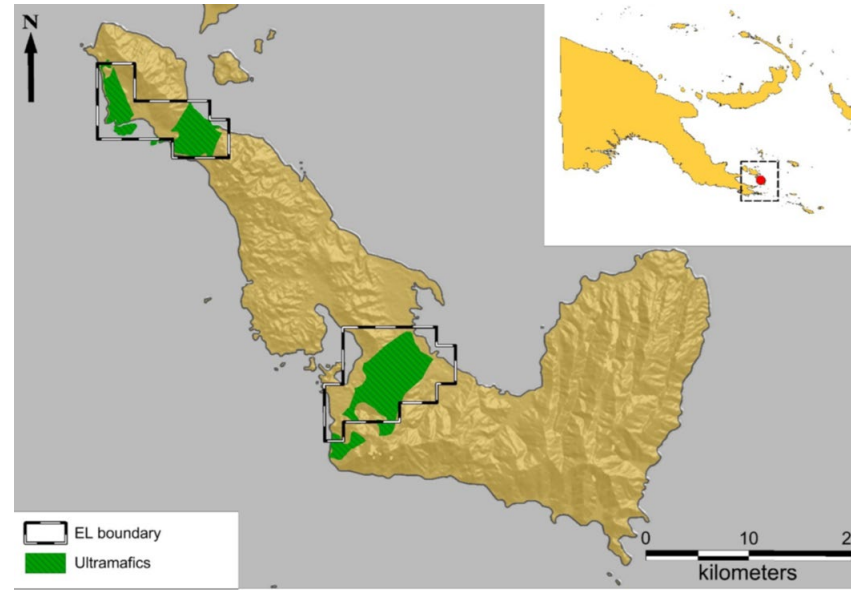
- QPM management can focus on nickel/cobalt
- Leveraging the work of an experienced company to advance HPA
- Reduces HPA DFS costs
- Ensure DFS for HPA is in line with Project timelines
- Produce market ready offtake samples
- Improves QPM's opportunity to commercialise HPA at the TECH Project

Sewa Bay Exploration Program

Whilst New Caledonian ore supply can provide all Project requirements, Sewa Bay remains an exciting exploration opportunity to diversify long term ore supply sources

Exploration program aimed at delineating maiden JORC resource

- Historical exploration program undertaken in 2015 between Highlands Pacific and Sojitz with US\$460k spent
- Drilling program identified extensive nickel mineralization from surface
- A budgeted drilling program has been finalized aimed at delivering a JORC compliant resource
- With COVID restrictions easing, opportunity to undertake exploration program during 2022.



TECH Project

Value Add Business

Ore Supply – High Grade Nickel-cobalt Laterite Source From New Caledonia (1.5m Wet Tpa)



Laterite ore (1.6% nickel, 0.18% cobalt)



Shipping from New Caledonia to Townsville



High grade ore supply from established mines

Safe jurisdiction

Clean technology

Recycled leach agent

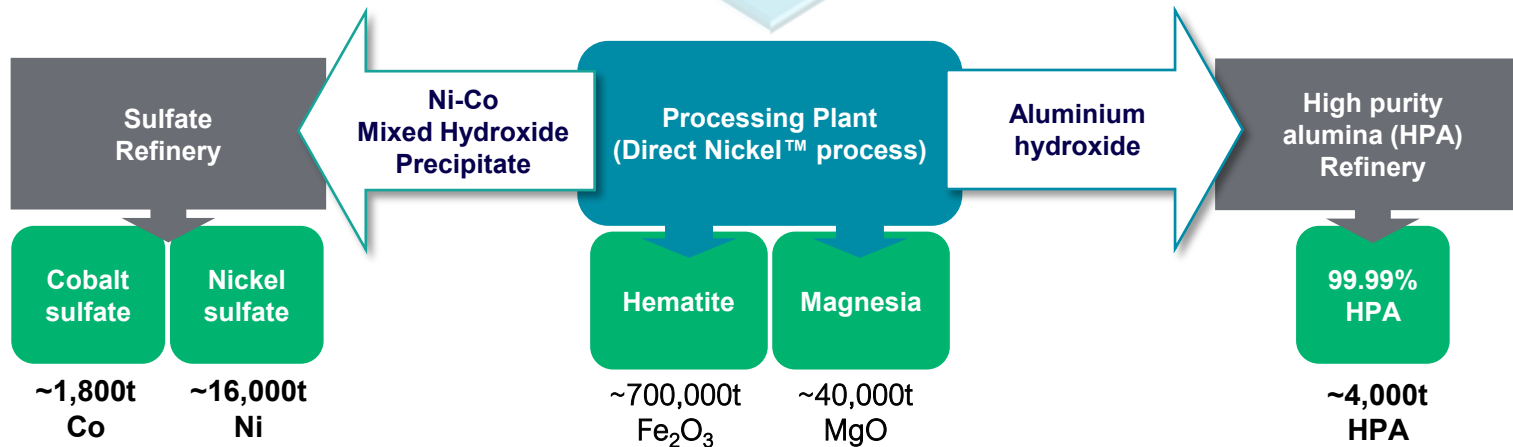
Off the shelf equipment

Fast to production (no mine)

High purity - Value add

Commercial refining processes

Products for high growth EV sector



World Class Partners

Combined US\$15m equity investment

- \$0.1364 per share (16.8% premium to 1-month VWAP)
- LGES 7.5% shareholder
- POSCO 3.2% shareholder

Binding offtake agreement signed

- 7 year term + 3 year first right of refusal after term expires
- 7,000tpa nickel / 700tpa cobalt LGES
- 3,000tpa nickel / 300tpa cobalt POSCO
- Pricing linked to commodity prices at time of sale

Extensive due diligence undertaken

- Technical due diligence undertaken by RPM Global focusing on process, scalability, New Caledonia ore supply and approvals pathway

Refer to ASX Announcement 8 June 2021



“This is the most meaningful investment in our supply chain for LG Energy Solution since the company spun out from LG Chem. We believe the TECH Project will deliver sustainable nickel and cobalt production that is in line with LGES’ operating philosophy. And our proactive investments in the supply chain such as this will ultimately play a role in further satisfying our customers.”



“We are delighted to co-invest with LG Energy Solution in Queensland Pacific Metals. We look forward to building our relationship with QPM and assess other business opportunities that may arise between QPM and POSCO.”

Global Leader in Sustainability

QPM believes that the TECH Project boasts unrivalled ESG credentials amongst developing nickel projects



Negative CO₂ emissions

- Use of waste gas results in TECH Project reducing Australia's GHG emissions by 238,000 t CO₂-eq per annum
- Equivalent of ~52,000 typical passenger vehicles
- ISO-compliant calculation – independent verification



Minimal Waste

- No tailings dam
- No process liquids discharge
- All valuable metals extracted from ore
- Exploring commercial applications for residue to make TECH Project “zero waste”



Positive working environment

- Developed nation labour laws from ore supply through to final product
- Building and fostering a high-performance culture with motivated employees working to a common goal
- Inclusive workforce
- Building diversity



Embracing Townsville & regional communities

- Acknowledgement of Traditional Owners Bindal People – CHMA executed to deliver training opportunities and jobs
- Local community sponsorship
- Establishing a presence in the community – QPM office opened

Project Location



TOWNSVILLE PORT



Ideal site (290 Ha) allocated to QPM in the Lansdown Eco-Industrial Precinct

- Water pipeline 12 km away
- Gas pipeline (35 PJ/y capacity – we need 10 - 12 PJ/y)
- Electric transmission lines (275kV, 66kV and 11kV)
- Fibre optic communications
- Existing Ross River (140 MW) and future Edify (400MW) solar arrays
- Road train access to Townsville Port (Flinders Highway)
- Rail line
- Environment - gently undulating grazing land, sparsely wooded
- Zoned heavy industrial
- Cultural Heritage Management Agreement signed
- Skilled workforce and attractive lifestyle location

Project of State Significance

[139]



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State Development and Public Works Organisation Act 1971

DECLARATION OF A PRESCRIBED PROJECT

I, Steven Miles, appointed as the Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning, do hereby declare the Townsville Energy Chemicals Hub Project to be a prescribed project pursuant to section 76E of the *State Development and Public Works Organisation Act 1971*.

This declaration takes effect from the date of its publication in the gazette, pursuant to section 76E(3) of the *State Development and Public Works Organisation Act 1971*.

- ✓ TECH Project awarded Prescribed Project status by Queensland Government
- ✓ A Prescribed Project is one which is of significance, particularly economically or socially, to Queensland or a region
- ✓ Prescribed Project status enlivens the Coordinator-General's powers under the State Development and Public Works Act to ensure timely decision making with respect to approvals for the Project
- ✓ Project approvals continue to advance

Corporate Milestones

Offtake

- Binding agreements signed with LG and POSCO
- Baseload customers for 65% of production
- Underpins development
- World class, bankable customers
- Ongoing discussions with other potential customers

Funding

- A\$20m equity raising
- US\$15m investment from LG and POSCO
- Institutional investors joining the share register
- Progressing on NAIF loan – SAP completed
- KPMG appointed
- Debt process commenced – strong interest to date

Value Delivered

- Market capitalisation of ~A\$291m
- ~14x increase in share price since 1 July 2020
- One of the top performing nickel stocks on the ASX

Board & Mgt

- Key management appointments
- Strong owner's team assembled
- Right mix of skills and experience to deliver TECH Project
- Key Board appointments
- Calibre of appointments reflects the progress and potential of QPM

Note: At time of AGM

Project Milestones

DFS

- Successful pilot plant operation
- Engagement of Tier 1 Lead Engineer – Hatch
- Good progress made on DFS
- Confirmed no fatal flaws in flowsheet
- Key equipment and vendors identified
- Relationships being built with key vendors

Approvals

- 'Prescribed Project' status awarded in Queensland
- State approvals advancing well
- Strong relationship being built with TCC
- Federal approvals progressing well
- Strong political support from key ministers

Ore Supply

- Ore supply identified to underpin ~1.5M tpa operation
- Finalising ore supply contracts with key suppliers
- New Caledonia is awash with limonite resources that have no real home
- QPM offers a solution that is a “win-win”

Gas Supply

- Tripartite MOU executed with TEC and NQGP
- Utilisation of waste gas – reinforces ESG credentials
- Extensive known gas resources that underpin life of TECH Project
- Potential for monetisation of carbon credits
- Reducing methane emissions

Nickel Outlook

Key themes make the outlook for nickel very positive...

Supply concerns

- Significant new supply is largely Chinese-backed and located in Indonesia – political risk and ESG negative
- Displacement of nickel matte from NPI will only reduce nickel available for stainless steel – “Robbing Peter to pay Paul”
- Limited sulfide discoveries – long time from exploration to production
- High capex for laterite projects – barrier to entry
- 2.2X forecast for nickel demand and 10X forecast for 2030 battery nickel demand (40 - 50 kg/EV)
- Where will the clean and green nickel come from???

Following lithium's footsteps

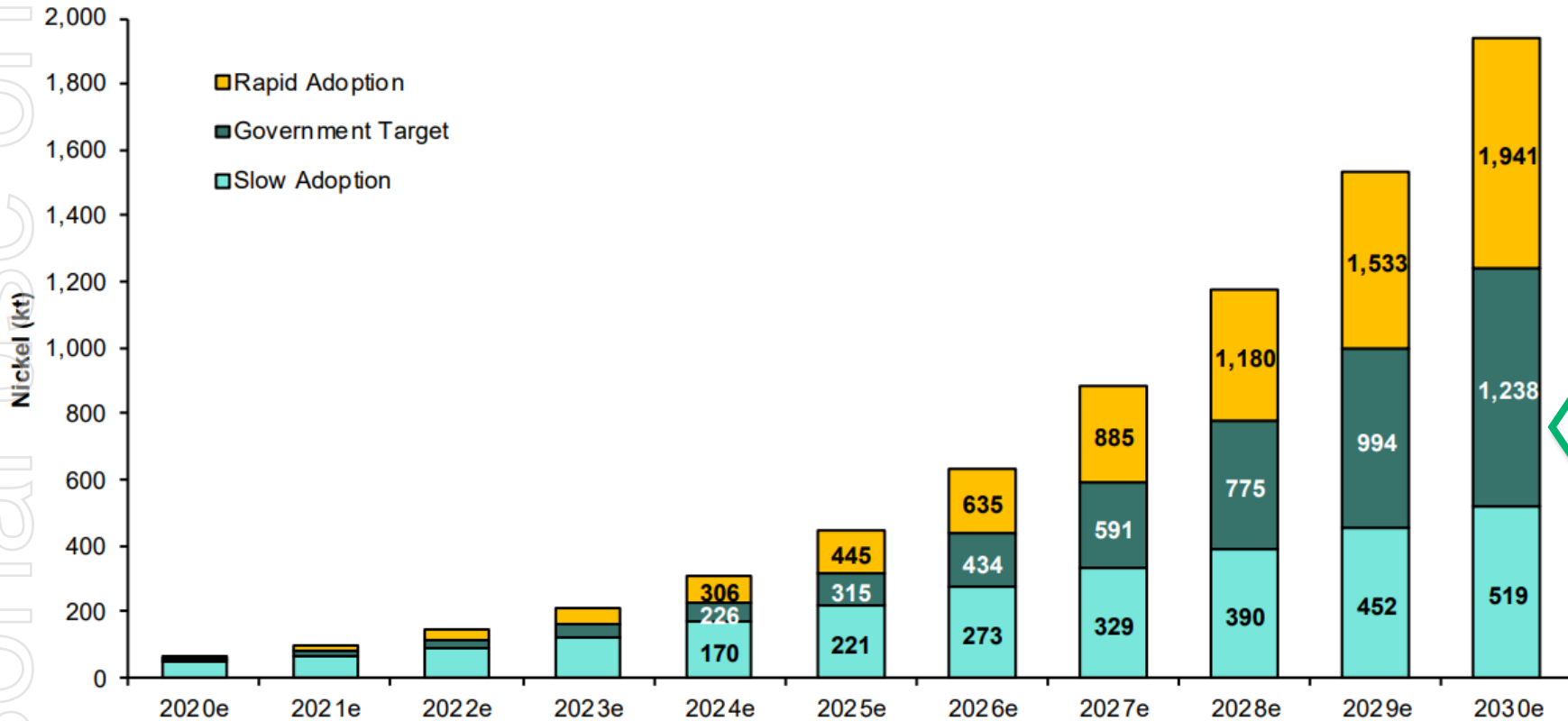
- Lithium sector performance has been remarkable and the profile of lithium in the investor community is more significant than nickel – more lithium companies, “lithium”-ion battery name
- Raw material supply concerns for nickel is arguably greater than lithium amongst battery manufacturers and OEMs
- QPM believes the equity market is yet to fully understand and value the “supply chain train smash” that could eventuate in nickel - **Nickel's time is coming...**

Battery chemistry

- Nickel is what delivers energy density in LIBs
- Typical passenger EV will require 40-50 kg of nickel per vehicle
- New battery technologies are a long way from commercialisation – OEMs have committed to nickel chemistry and forward orders have been placed

Forecast Nickel Demand

... in addition to current 2.5 Mtpa Ni for stainless steel, alloys, etc!



Source: Bernstein estimates and analysis

...but where will this extra 0.5 – 2M tpa nickel come from?

Tesla's estimate (although ambitious) for their own nickel demand alone was 1.15Mt!

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History repeating itself

5th Ave New York City, April 15, 1900

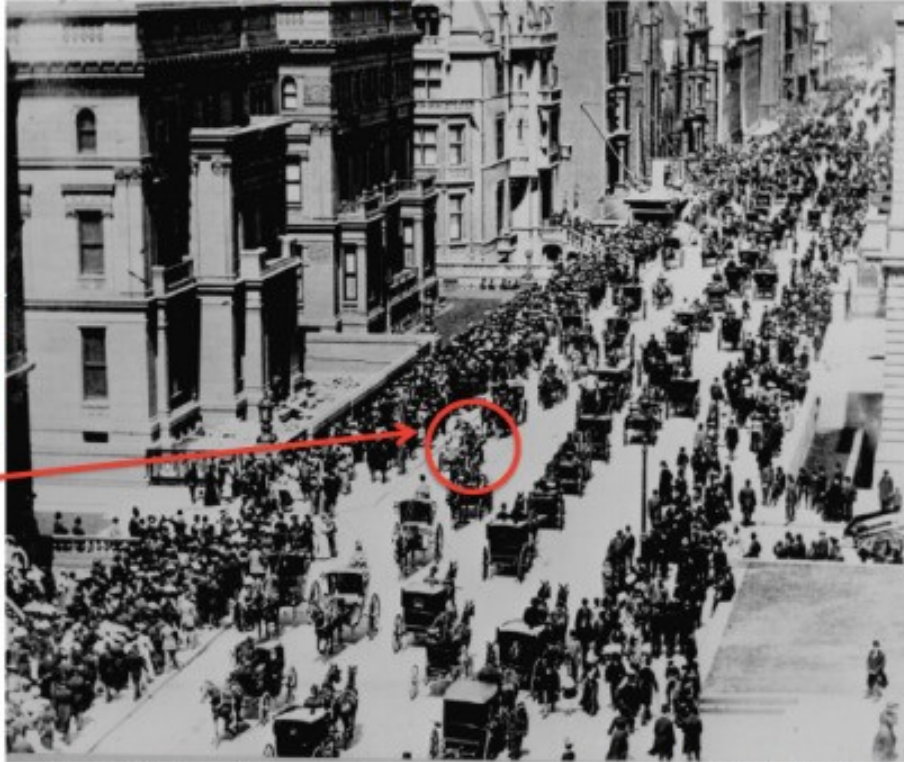


Photo: Fifth Ave NYC on Easter Morning 1900

Source: US National Archives from (Wikipedia)

1900:
Where
is THE
CAR?

5th Ave New York City, March 23, 1913



Photo: Easter 1913, New York. Fifth Avenue looking north. George Grantham Bain Collection

1913:
Where is
THE
HORSE?

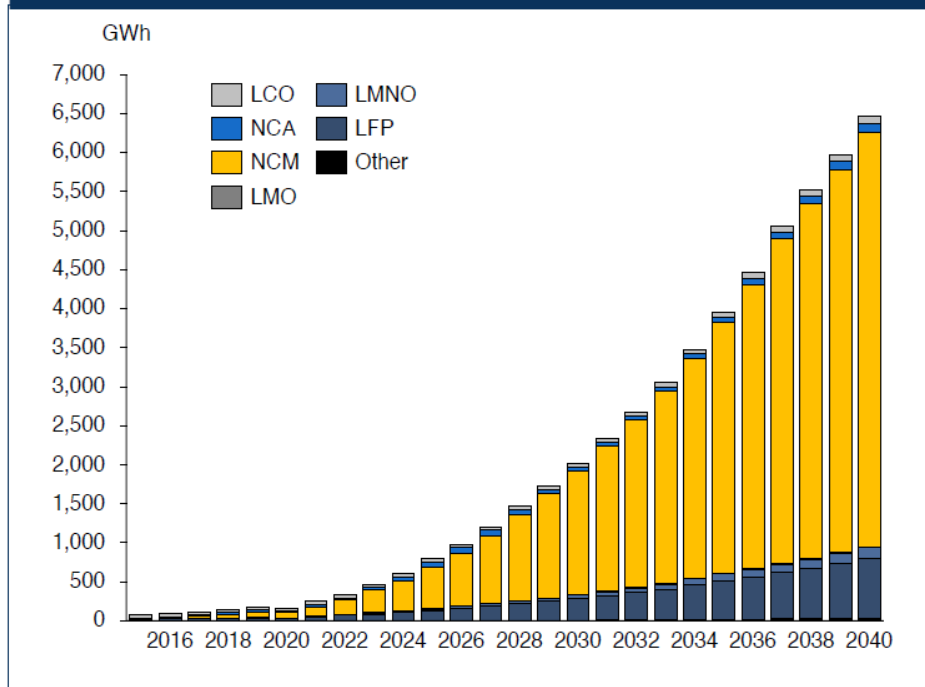
Leading Market Disruption- Copyright © 2001-2014 by Tony Seba

Source: shorpy.com

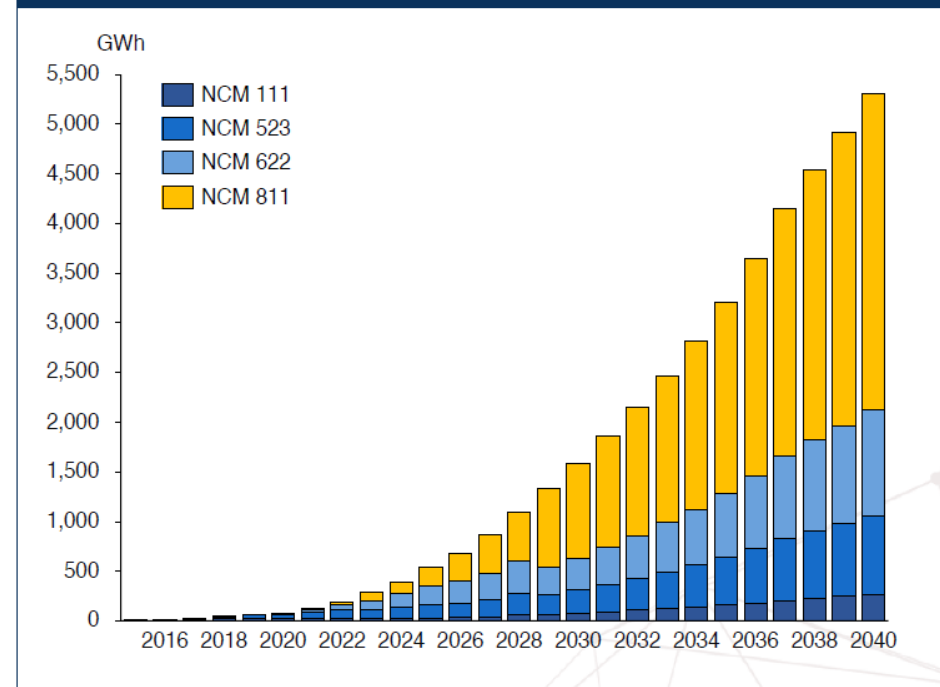
Nickel-rich batteries dominate the future

Scale of LiB production increase is forecast to be huge—and nickel-intensive cells will be at the centre of that transition

Li-ion cathode demand forecast, GWh , 2015 – 2040

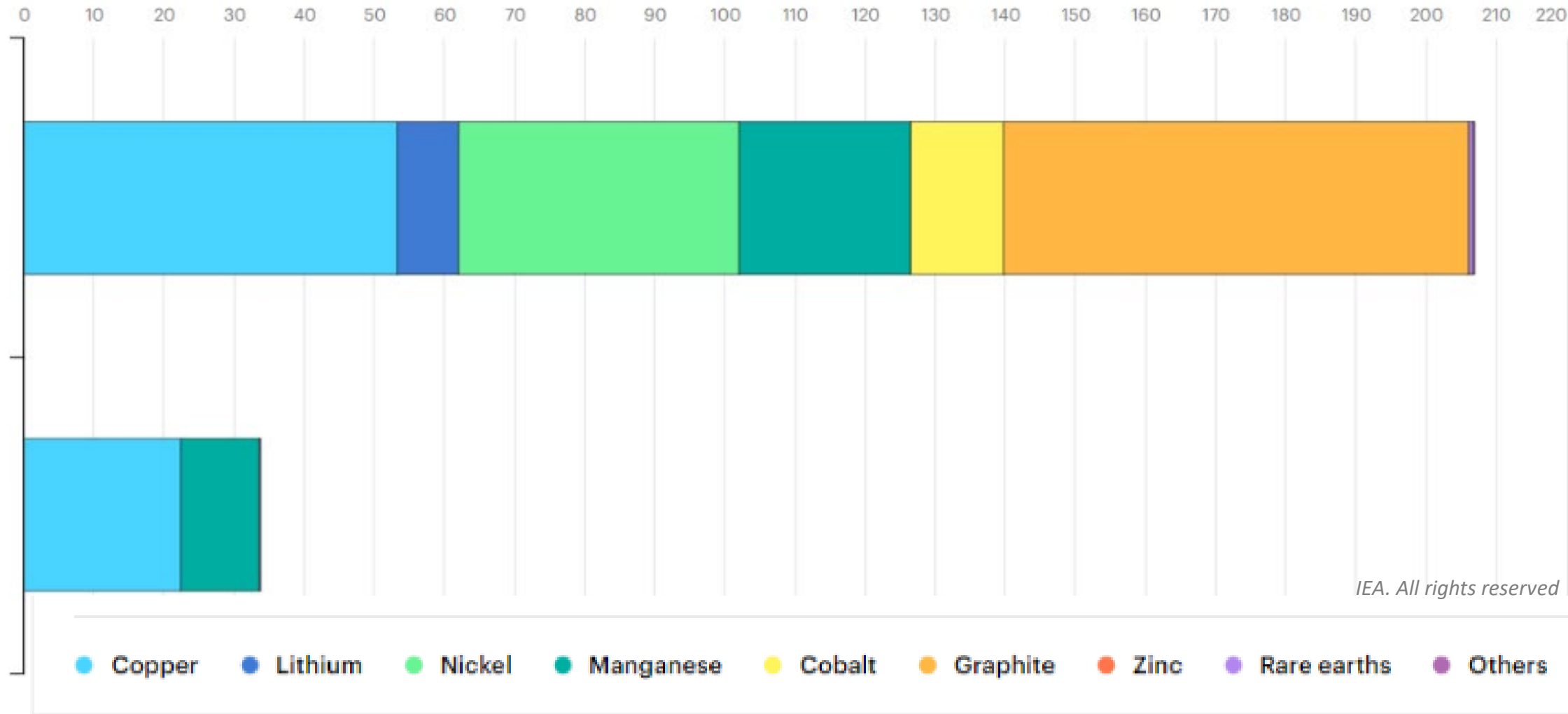


NCM cathode demand forecast, GWh , 2015 – 2040



Who makes the money in the EV future?

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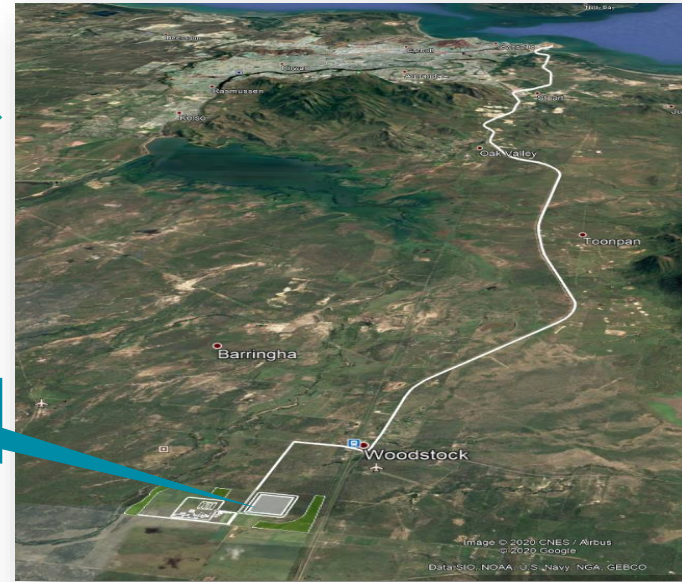
Looking forward...

Key goals for the next 6-12 months – success will deliver value for shareholders

- Delivery of a high quality DFS which will provide technical confidence to financiers
- Advancing technical work and commercial opportunities on HPA
- Finalising project approvals
- Finalising key commercial arrangements to support TECH Project
- Delivery of a funding plan to allow construction of the TECH Project - Financing support through the receipt of Eligibility Letters or Letters of Interest for the TECH Project has now been received from both Australian (ie: NAIF) and global ECAs and DFIs and from 9 Australian and International Commercial Banks. Discussions are at an advanced stage with other similar institutions.
- Securing long-lead time equipment by early detailed engineering

QPM TECH Project

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PATHWAY FOR NICKEL & COBALT PRODUCTION

QPM - TECH PROJECT

Appendix – Risks

Industry Specific Risks

Commodity Price Risks

Provided the TECH Project reaches commercial production, QPM is anticipated to generate substantially all of its revenue from the extraction and sale of Nickel, Cobalt, High Purity Alumina, Haematite and Magnesia, with such sales made at prevailing market prices. The price of these commodities may fluctuate widely and is affected by numerous factors beyond QPM's control, including international, economic and political trends, government policies, regulatory developments to promote electric vehicles, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities, increased production due to new extraction developments and improved extraction and production methods and technological changes in the markets for the end products. Any material decrease in the price of, or general demand for these commodities may have an adverse effect on QPM's future earnings, competitive position, financial viability and results of operations.

The TECH Project will produce Nickel Sulfate and Cobalt Sulfate. These (sulfate) commodity markets are relatively immature and there is only limited pricing data available for these products relative to benchmark nickel and cobalt prices. The level of future premium or discounts which these products will attract, as well as the ultimate sales price, are uncertain and will impact QPM's future earnings, competitive position, financial viability and results of operations.

Competition Risk

In recent years, many analysts have forecast a strong increase in demand for battery metals, in particular nickel in the form of nickel sulfate. As such, many proponents around the world have started to assess and develop new nickel projects and also seek to divert existing nickel production into nickel sulfate production. Any increased production related to these developments could negatively affect prices. QPM cannot make accurate projections regarding the capacity of new entrants into the market and the dates they could commence operations. If any projects are completed in the short term, the increased supply of products could adversely affect prices and result in a material adverse effect on the economic feasibility of the TECH Project.

Business Risks

DNi Technology

The TECH Project proposes to use a patented technology involving the leaching of metals from laterite ore using nitric acid, combined with the recycling and re-use of that nitric acid. This process is commercially unique and therefore carries a high degree of risk and may not technically or commercially succeed. QPM has only so far carried out a pre-feasibility study and undertaken pilot scale testwork and therefore at this stage may not have sufficient data to address and properly assess the risks frequently encountered by companies building hydrometallurgical plants including but not limited to: (a) establishing and developing the TECH Project; (b) being able to leach metals from the ore and recover them into saleable specification; and (c) conducting profitable ore processing and refining operations.

The prospects of QPM must be considered in light of these risks and difficulties which are frequently encountered by companies in this stage of feasibility where there is a high level of inherent uncertainty. No assurance can be given that the TECH Project will achieve commercial viability.

Appendix – Risks

Definitive Feasibility Study

QPM is currently completing the Definitive Feasibility Study (DFS) for the TECH Project. There is no guarantee that the DFS will be completed on time or that the results of the DFS will support project development. In particular, should the DFS support project development, QPM's timeline for development of the TECH Project assumes that all technical, development and scale up activities will proceed without any delays to permitting or construction, which may be an unrealistic assumption. There is also a risk that the processing steps used in the pilot plant activities cannot be successfully scaled up (at all or without additional work, the cost and delay of which may be materially adverse to QPM). As part of the DFS, additional test work will be required for segments of the planned flow sheet, and there is no guarantee that this testwork will provide successful results.

If the DFS does not conclude a construction plan that will generate a satisfactory return then it is likely that the price at which QPM's share trade will be materially adversely affected.

QPM's Funding Requirements

QPM's activities will require substantial future expenditure in order to progress the DFS and, on the assumption that the DFS demonstrates a satisfactory return for investors, develop the TECH Project. Give the DFS has not been finalised, the quantum of funding required is not known and will likely not be known mid 2022. Relevantly, the equity required for the development of the TECH Project (including to support future debt funding) will not be satisfied by the Placement. There can be no guarantee that QPM will be able to source funding on commercially acceptable terms and any additional equity funding will dilute the interests of QPM's shareholders. Any additional equity financing that may be required may be undertaken at lower prices than the current offer (or market) price and may not be sufficient to continue QPM's current business and development strategy. Although the company believes additional funding can be obtained, no assurance can be made that appropriate funding will be available on terms favourable to the company or at all.

Development of the TECH Project

QPM's ability to successfully develop and commercialise the TECH Project may be affected by numerous factors including but not limited to macro-economic conditions, obtaining all required approvals, ability to obtain sufficient funding and costs overruns. If QPM is unable to mitigate these factors and others not listed here, this could result in QPM not realising its development plans for the TECH Project or result in such plans costing more than expected or taking longer to realise than expected. Ultimately this would have an adverse impact on the QPM share price.

Offtake Risk

QPM has entered into binding seven year offtake agreements (with first right of refusal for a further 3 years after this term) with LG Energy Solution and POSCO GEM 1st Fund for 10,000 tpa of contained nickel and 1,000 tpa of contained cobalt which is anticipated to be a significant (ie: 65%) proportion of production once steady state production is achieved. There is no guarantee that the TECH Project can meet these production levels nor whether the required specifications under the agreement can be met. Failure to meet these requirements, or any other conditions under the offtake agreement could require re-negotiation of the agreements or even result in their termination. There is no guarantee that QPM would be able to enter into new offtake agreements at similar or more favourable terms with other counter-parties.

Appendix – Risks

Gas Supply Chain

The TECH Project will require a large quantity of gas for its processing requirements. This gas is anticipated to be sourced from the draining of gas from operating underground and open cut metallurgical coal mines in the Northern Bowen Basin in Queensland and transported to the TECH Project via an existing gas pipeline.

QPM is working with its upstream gas supply partners to secure this required gas. However, this will be a greenfield gas development that requires various regulatory and commercial approvals, including (but not limited to) the approval of the existing coal mine operators, completion of a satisfactory definitive feasibility study, various Government and landowner approvals and entry into an appropriate Gas Supply Agreement. There is no guarantee that this will be achieved and QPM will secure the required gas supplies and if this does not occur the development of the TECH Project will not proceed.

QPM also requires commercial agreement to be concluded with the operator of the gas pipeline to Townsville which would include transport and storage costs (Gas Transport Agreement) and the use of associated and required gas processing facilities at the TECH Project. There is no guarantee that these agreements will be concluded to enable the gas to be transported to the TECH Project and if this does not occur the development of the TECH Project will not proceed.

Ore Supply

The TECH Project may source its nickel laterite ore requirements from locations around the world, although initially, QPM anticipates that high grade ore will be imported from New Caledonia from existing producers. QPM has signed a binding Memorandum of Understanding (“MoU”) with two producers; Societe des Mines de la Tontouta (“SMT”) and Societe Miniere Georges Montagnat S.A.R.L (“SMGM”), the terms of which were disclosed to the market on 15 October 2018.

QPM has also signed a MOU with Societe Le Nickel – SLN

These three producers are expected to cover QPM’s ore requirements for the TECH project. QPM is now negotiating with these producers to convert the MOU’s into binding ore supply agreements.

However, there is no guarantee that agreements can be finalised to ensure the delivery of the required quantity of nickel laterite ore on satisfactory commercial terms. Failure to finalise these agreements will, absent any alternative supply, mean that development of the TECH Project will not proceed.

Permitting

QPM requires various licences and permits to build and operate the TECH Project related to the proposed land allocation from the Townsville City Council and associated infrastructure in the region including (but not limited to) port access, water, road and power. There is no guarantee that these will be granted (at all or in a timely fashion) or if they are granted and then maintained that QPM will be in a position to comply with all conditions imposed as a result of the granting of the licences and permits. If that occurs this will adversely affect QPM’s ability to build and profitably operate the TECH Project and negatively impact the financial viability of QPM.

Appendix – Risks

TECH Project Carbon Emissions

QPM is undertaking an ISO-compliant Life Cycle Assessment for the TECH Project. The interim results conclude that the TECH Project will be carbon negative, with the direct CO₂ emissions and embodied CO₂ impacts from the Project, being more than offset by the mitigated environmental impact from its gas sourcing strategy. The report is based on a number of assumptions, including that 20% of gas to be used will be captured from operating open cut metallurgical coal mines where this gas would otherwise be vented as a methane emission. There is no guarantee that the assumptions will be able to met (in particular the gas sourced from open cut mines), which might mean that net CO₂ emissions will be greater than expected. This may have an adverse effect on the perceptions regarding the future costs of the project, which may in turn limit QPM's access to future debt and equity funding.

Dependence on Key Personnel

QPM has a core team of executives and senior personnel, whose loss (and QPM's failure to secure and retain additional key personnel) could influence QPM's progress in pursuing its development plans for the TECH Project within the timeframes envisaged. The impact of such loss would be dependent upon the replacement employee's quality and time of appointment, as well as the terms of their remuneration, relative to the employee they are replacing. There is no guarantee that the key personnel of QPM will be successful in their objectives despite their considerable experience and previous success.

Contractual

The development and operation of the TECH Project will rely on a number of material contractual arrangements, which may be complex arrangements with foreign counterparties. In particular, in addition to the contractual arrangements described above, relating to ore and gas supply, offtake and intellectual property (licensing), the development of the TECH Project will require detailed and complex construction arrangements with one or more counterparties. There is the potential for disputes in relation to those arrangements, with the associated delays and costs, even in circumstances where QPM has complied with its obligations. While QPM will have contractual rights in the event of the contracting party's non-compliance, there is no guarantee that QPM will be successful in securing compliance or full performance. Legal action in response to non-performance by a counterparty can be uncertain and costly, and there is a risk that QPM may not be able to seek appropriate legal redress against a defaulting counterparty, or that a legal remedy will not be granted on terms satisfactory to QPM. Failure by any other party to comply with an obligation under a contract with QPM may therefore have a material adverse effect on QPM.

General Risks

Market

The price at which QPM's shares trade on ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlook and changes in the supply of, and demand for, exploration and mining industry securities. The market for QPM's shares may also be affected by a wide variety of events and factors, including variations in QPM's operating results, recommendations by securities analysts, and the operating and trading price performance of other comparable listed entities. Some of these factors could affect QPM's share price regardless of QPM's underlying prospects.

Appendix – Risks

Foreign Exchange

Revenue, profit, expenses, debt servicing requirements, assets and liabilities of QPM may be adversely exposed to fluctuations in exchange rates.

General Economic Conditions

Adverse changes in general economic conditions such as interest rates, exchange rates, inflation, government policy, international economic conditions and employment rates (amongst others) are outside QPM's control and have the potential to have an adverse impact on QPM and its operations.

Force Majeure

QPM's projects now or in the future may be adversely affected by risks outside its control, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Litigation and Dispute Resolution

The nature of QPM's business means that it may, from time to time, be involved in litigation, regulatory actions, or similar disputes arising from a range of different matters. QPM may also be involved in investigations, inquiries, audits, disputes or claims, any of which could result in delays, increased costs, or otherwise adversely impact upon QPM's operations and/or financial performance.

Insurance

QPM ensures that insurance is maintained to address insurable risks within ranges of coverage that QPM believes to be consistent with industry practice, having regard to the nature of QPM's activities. However, no assurance can be given that QPM will be able to obtain insurance cover for all risks faced by QPM at reasonable rates or that the insurance cover it arranges will be adequate and available to cover all possible claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of QPM.

Taxation Risks

Changes to the rate of taxes imposed on QPM or tax legislation generally may affect QPM and its shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to QPM's interpretation may lead to an increase in QPM's tax liabilities and a reduction in shareholder returns. Personal tax liabilities are the responsibility of each individual investor. QPM is not responsible for tax or tax penalties incurred by investors.

Accounting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside QPM's control. Changes to accounting standards issued by AASB could materially adversely affect QPM's financial performance and the position reported in QPM's financial statements.

Appendix – Foreign Selling Restrictions

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United Kingdom

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Appendix – Foreign Selling Restrictions

Hong Kong

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- an 'accredited investor' (as defined in the SFA).

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