

Export Finance Australia issues letter of support for the TECH Project for A\$250m

Highlights

- ✓ **Conditional finance support received from Export Finance Australia to secure up to A\$250 million of debt funding for the TECH Project**
- ✓ **This represents the second Australian Government Agency to support the project following notification from the Northern Australia Infrastructure Facility that QPM has completed the Strategic Assessment phase of the application process and has proceeded into the Due Diligence stage**
- ✓ **Debt funding for QPM's TECH Project is progressing well. In addition to EFA and NAIF, QPM has recently received Eligibility Letters or Expressions of Interest from nine Australian and International banks and three offshore Export Credit Agencies/Development Finance institutions.**

Queensland Pacific Metals Ltd (**ASX:QPM**) ("**QPM**" or "the **Company**") is pleased to announce conditional finance support from Export Finance Australia (EFA) to secure up to A\$ 250 million of debt funding for the TECH Project planned to be developed in Townsville, Northern Queensland.

EFA has advised that it will commence detailed due diligence of the TECH Project, in line with the agency's mandate to provide financial expertise and solutions to support Australian businesses across a variety of industries, including critical minerals. EFA also administers the Australian Government's A\$2 billion Critical Minerals Facility, which helps critical minerals projects to get them off the ground..

This letter of support highlights that the TECH Project is broadly aligned with the objectives of the Australian Government's Critical Minerals Strategy - to diversify global critical mineral supply and capture more value from the critical minerals value chain. When combined with the recently received advice from the Northern Australia Infrastructure Facility ("**NAIF**") that the Project has progressed through their Strategic Assessment Phase, this further reinforces our confidence in securing the required funding package.

QPM has now reached the first milestone in its engagement with EFA. The next step in obtaining finance involves further due diligence by EFA. EFA's non-binding Letter of Support does not constitute a commitment to provide finance and there is no certainty that an agreement will be reached between the parties.

As outlined in EFA's letter of support, there are a number of conditions required to achieve a successful outcome from the EFA assessment and due diligence process is contingent. These include making satisfactory progress towards:

- completion of the TECH Project's feasibility study;
- an acceptable engineering contracting strategy for the engineering, construction and commissioning of the Project;
- the Project's funding plan including the raising of equity and securing funding from other lenders;

- meeting eligibility criteria, credit and risk requirements, including, but not limited to, EFA's "know your customer" and anti-bribery requirements and checks; and
- the Project complying with EFA's environmental and social risk policies, including receiving the required regulatory and environmental approvals.

EFA is Australia's export credit agency and is wholly owned by the Australian Government. EFA provides financial solutions to support Australian exporters through loans, guarantees, bonds and insurance.

QPM's debt financing strategy continues to be focussed on securing a Project Finance Syndicate consisting of leading Australian and Global financiers, global Export Credit Agencies ("ECA") as well as Development Finance Institutions ("DFI").

Conditional financing support has now been received from EFA, NAIF, global ECAs and DFIs and from 9 Australian and International Commercial Banks. A key benefit of having this diversification strategy is to provide greater flexibility in loan structuring, greater access to low-cost lending (both direct and indirect) and to ensure the financing is aligned with QPM's key development and offtake partners.

The TECH Project is a sustainable green nickel and cobalt producer with the recently updated Life Cycle Assessment from Minviro highlighting that the TECH Project will be net Carbon Emissions Negative (refer to ASX announcement 5 November 2021). QPM believes our ESG credentials will be the strongest in the world compared with other nickel projects. Furthermore, not only will the Project have net-negative carbon nickel production, there will be minimal environmental footprint, no tailings dam or zero process liquids discharge and compared with other projects, complies with Western world labour standards and mining laws for sustainable mining practice across its full supply and production chain (refer to ASX announcement 5 November 2021).

QPM Managing Director Dr Stephen Grocott commented,

"I am delighted by the support for the TECH Project being shown by the Australian Government, both through the EFA and through NAIF. When combined with the strong interest shown from Commercial financiers, we have an increasing level of confidence in securing the appropriate debt funding package for the Project. In particular, the conditional support offered by EFA shows how the TECH Project broadly aligns with the objectives of the Australian Government's Critical Minerals Strategy and the Critical Minerals Facility. We continue to create the path to a commercially attractive battery materials production facility – one that has elite sustainability credentials. Demand for critical battery materials which will be produced from the TECH Project are anticipated to show significant growth over the next two decades as the world's car fleet transitions to electric vehicles.

This announcement has been authorised for release by the Board.



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