



KBR MOU De-risks Technical Scale-Up & Feasibility Study Update

Highlights

- ✓ KBR, Inc. (“KBR”) positioned to be a major supplier of technology and equipment relating to iron hydrolysis and acid recycling sections of the TECH Project.
- ✓ KBR, through its Plinke and Weatherly brands, is a global leader in nitric acid processing and recycling technologies and equipment.
- ✓ QPM has entered into a Memorandum of Understanding (“MOU”) with KBR regarding the supply of technology and critical equipment for the TECH Project.
- ✓ Achieving nameplate levels of nitric acid recycling in the TECH Project has been identified by financiers as significant advantage of the TECH project. Under the MOU, QPM and KBR have agreed to negotiate commercial terms that involve granting of a Performance Guarantee for KBR technology and equipment which will assist in demonstrating the commercial benefits of the DNi Process™.
- ✓ Ongoing testwork is being undertaken to facilitate KBR’s offer of a Performance Guarantee – this has resulted in a modest delay to the Feasibility Study which QPM now aims to finalise late Q3 / early Q4 CY2022.
- ✓ KBR acknowledges that being a major supplier to QPM and the TECH Project is of strategic benefit, given the anticipated demand growth for nickel and the successful commercialisation of the DNi Process™ being a game changer for successful and sustainable nickel laterite processing.

Queensland Pacific Metals Ltd (ASX:QPM) (“QPM” or “the Company”) is pleased to announce that it has entered into a non-binding MOU with global leading technology, science and engineering firm KBR.

QPM’s strategy has been to deliver a Feasibility Study that is bankable and de-risks the TECH Project in the eyes of financiers. Working with globally recognised vendors for key equipment is a key component of this strategy.

Successful nitric acid recycling at nameplate rates (>98%), is part of the strong project economics for the TECH Project. KBR is the global leader in supplying this technology and equipment through its Plinke and Weatherly brands.

The key terms of the MOU are as follows:

- KBR and QPM (the “Parties”) agree to form a project team that will ensure that technology and equipment is designed and constructed to meet the requirements of the TECH Project;
- The Parties agree to work together to identify the shortest pathway to commercial operation;
- Subject to successful testwork, engineering and negotiation, the Parties will enter into a commercial agreement where QPM will purchase equipment from KBR and KBR will provide Performance Guarantees over its technology and equipment;

- QPM will sole-source this technology and equipment from KBR and will not undertake competitive tender;
- KBR acknowledges that being a major supplier to QPM and the TECH Project is of strategic benefit, given the anticipated demand growth for nickel and the successful commercialisation of the DNI Process™ being a game changer for successful and sustainable nickel laterite processing; and

As part of its ongoing discussions with financiers, QPM understands that obtaining Performance Guarantees on major equipment will assist obtaining credit approval. A testwork program is being undertaken in conjunction with KBR which further enables the optimization of the flow sheet of the TECH project.

Allowing time for this testwork to be undertaken has unfortunately resulted in a delay to the expected completion of the Feasibility Study. Whilst QPM was originally targeting mid 2022 calendar year, it is now anticipating completion by late Q3 / early Q4 2022 calendar year. However, the benefits of this partnership with KBR outweigh the impacts of the delay.

Managing Director and CEO Stephen Grocott commented,

“To attract this level of engagement from globally recognised vendors such as KBR demonstrates QPM is on the right track with the TECH Project. Whilst we want to advance to a Final Investment Decision as quickly as possible, exchanging a modest delay for a partnership which delivers such a high level of derisking is a win. It enhances our ability to deliver a Feasibility Study and commercial arrangements that can attract funding. QPM has been working closely with KBR for some time now and we welcome the partnership approach to delivering this critical nitric acid recycling equipment for the TECH Project.”

This announcement has been authorised for release by the Board.



QUEENSLAND
PACIFIC METALS

ASX: QPM | ACN:125 368 658

For Further Info: P: +61 7 3517 5900 | E: info@qpmetals.com.au | W: www.qpmetals.com.au

Contact: Dr Stephen Grocott, MD & CEO | Address: Level 17, 307 Queens St, Brisbane Q 4000

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