

QPM to create Carbon Abatement Hub in the Northern Bowen Basin

Highlights

- ✓ **Formal launch of QPM Energy and the Carbon Abatement Hub Project (CAH Project) in the Northern Bowen Basin.**
- ✓ **Vertical integration of gas supply chain ensures QPM can secure gas required for the TECH Project and will open up opportunities for gas sales to third parties.**
- ✓ **The CAH Project is a greenfield gas processing and collection facility that will collect waste metallurgical coal mine gas with a direct connection to the existing North Queensland Gas Pipeline for transport to the TECH Project and other customers.**
- ✓ **In doing so, the CAH Project will facilitate a major reduction in regional carbon emissions caused by gas that would have otherwise been flared or vented into the atmosphere.**
- ✓ **Required license applications have been lodged and are currently being assessed.**
- ✓ **Updated Minviro Life Cycle Assessment report has recalculated the TECH Project's carbon footprint at NEGATIVE 989,213 tonnes per annum.**
- ✓ **Wholly owned subsidiary, QPM Energy Pty Ltd, has been formed to own and manage QPM's Gas Supply Chain.**

Queensland Pacific Metals Ltd (**ASX:QPM**) ("**QPM**" or "**the Company**") is delighted to announce the launch of QPM Energy Pty Ltd ("**QPM Energy**") and the Carbon Abatement Hub Project ("**CAH Project**") as part of a vertical integration strategy to secure a gas supply chain for the TECH Project.

Carbon Abatement Hub Project

The CAH Project will be Australia's first multi-user, waste gas collection and processing facility. It will be located approximately 40km north of Moranbah.

Northern Bowen Basin ("**NBB**") coals typically contain very high volumes of gas which is emitted during the coal extraction process through:

- Direct methane release into the atmosphere from open pit coal mines; and
- Flaring and venting of gas pre-drained from underground coal mines ahead of coal extraction.

Once operational, the CAH Project will create a hub that will allow the capture and beneficial use of this large gas resource, abating significant quantities of carbon emissions and simultaneously facilitating industrial growth in North Queensland by establishing a new gas supply chain.

The CAH Project will establish the critical infrastructure needed to process waste coal mine gas. It will also connect into the existing 35PJ per annum capacity North Queensland Gas Pipeline for transport to the TECH Project and other customers in the Townsville region.

Strategic Rationale

QPM and the TECH Project is critical to the establishment of a commercial waste coal mine gas business in the NBB. At full production, the TECH Project requires approximately 13PJ gas per annum, effectively providing baseload demand for QPM Energy and the CAH Project.

QPM has incorporated QPM Energy, a wholly own subsidiary, but independently managed Group Company, that is tasked with developing and securing the gas supply chain for the TECH Project and other customers.

QPM Energy has been actively working with regional mine operators to understand gas reserves and resources and to establish waste gas collection projects including:

- Short term opportunities relating to the collection of gas already being produced and flared; and
- Medium to longer term opportunities relating to pre-drainage programs in line with future mine development.

This is a “win-win” situation where the greenhouse gas emissions associated with metallurgical coal mining are significantly reduced and QPM Energy secures gas supply.

Based on work undertaken, QPM Energy is confident that there are sufficient gas resources available to meet the needs of the TECH Project with capacity to supply other gas users. In particular, there is significant concerns regarding power generation in the North Queensland region. New gas supply would provide an opportunity to provide peaking power services and firming renewable energy supply.

Establishment of the CAH Project will secure QPM’s gas supply chain and allow it to meet its objective of producing negative carbon nickel and cobalt. Furthermore it will facilitate a significant reduction in carbon emissions, assisting the Queensland Government’s emissions reduction targets as outlined in its Energy and Jobs Policy.

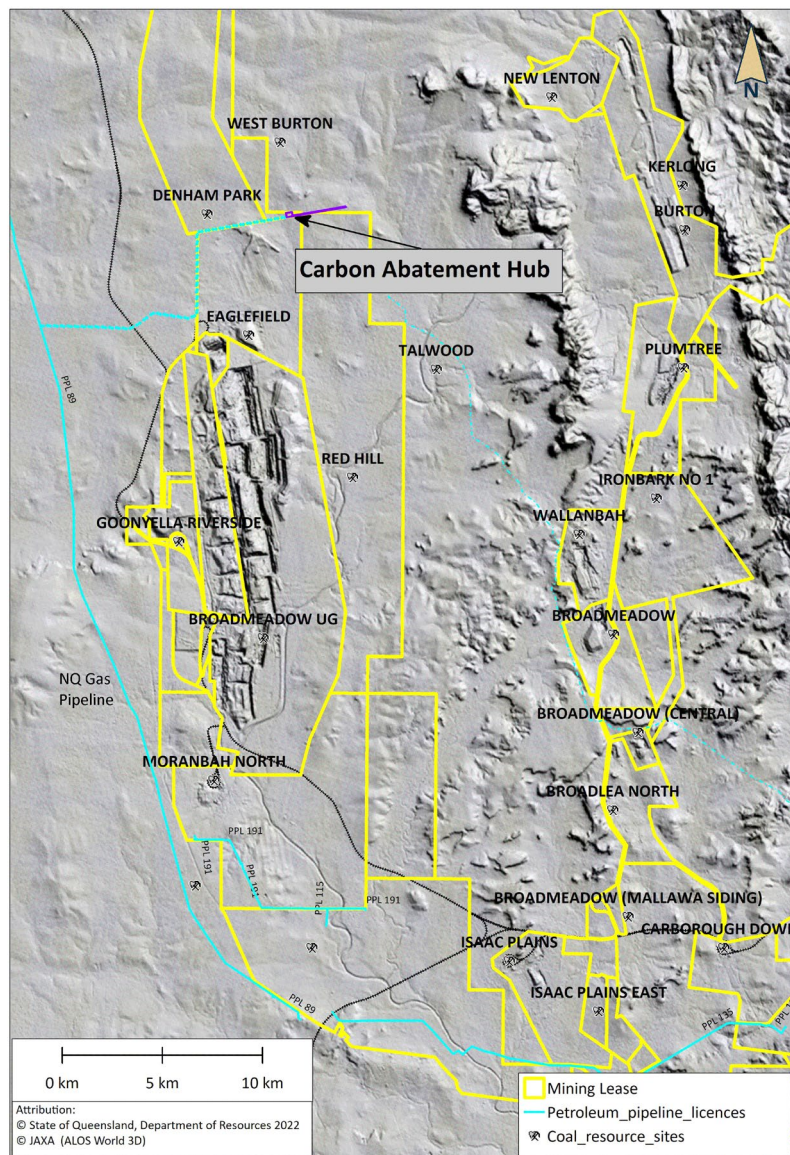
Updated Minviro Life Cycle Assessment

With more gas supply and TECH project data available, QPM commissioned Minviro to update its Life Cycle Assessment (“LCA”) undertaken in 2021 (see ASX release 5 November 2021). Minviro’s updated LCA, that passed third party critical review, calculates the TECH Project to be negative 989,213 tonnes CO₂-e per annum, equivalent to approximately 215,000 typical passenger vehicles.

The updated Minviro LCA reinforces the sustainability credentials of the TECH Project.

Location

The CAH Project will be located in the Denham Park area of the NBB adjacent to existing and approved underground and open-cut mines. The region is characterised by high quality metallurgical coking coal essential to steel-making in the Asian region.



Geological formation of these deposits results in high methane gas content. Pre-mine drainage, capture and beneficial use by industry and to generate energy reduces fugitive emissions of methane, significantly lowering the greenhouse gas intensity of coal mining in the region.

Regulatory Approvals

QPM Energy has submitted applications for regulatory approvals to Federal and State Government agencies. The approvals include a petroleum facility license (PFL 33) for the gas compression facility and a 17 kilometre petroleum pipeline license (PPL 2073) for the underground pipeline connecting the gas facility to the North Queensland Gas Pipeline.

An application for an Environmental Authority from the Queensland Government and a referral to the Federal Government under the Environmental Protection and Biodiversity Conservation Act ("EPBC") has been submitted. The public review process for the EPBC application has been completed.

Next Steps

The key workstreams for QPM Energy include:

- Finalising feasibility work around the waste gas compression facility and North Queensland Gas Pipeline connection;
- Securing requisite regulatory approvals; and
- Securing commercial arrangements with various coal mines and other third parties.

QPM is confident that these workstreams can be completed in line with the TECH Project's requirements.

QPM Managing Director Dr Stephen Grocott commented:

"I am delighted and indeed excited that QPM Energy is now in a position to formally launch its first Carbon Abatement Hub in the Northern Bowen Basin. By making the Carbon Abatement Hub available to all suppliers and users of gas, it will have an immediate impact of reducing Queensland's carbon emissions and to help secure the energy required to produce carbon negative nickel and cobalt. There are several gas sourcing opportunities currently being investigated and I look forward to announcing those in the coming months".

This announcement has been authorised for release by the Board.



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