

Strategic Partnership with SMT

Highlights

- ✓ **Queensland Pacific Metals Ltd (“QPM”) and Société des Mines de la Tontouta (“SMT”) (together, the “Partners”) have entered into a non-binding Memorandum of Understanding (“MOU”) to form a Strategic Partnership.**
- ✓ **The Partners recognise the importance of long term, secure ore supply for Phase 1 and Phase 2 of the TECH Project for QPM.**
- ✓ **The partners will also consider and collaborate on investment opportunities in QPM to allow SMT to participate in the long term value created in the entire battery material supply chain from mined ore to end product.**
- ✓ **The Partners also recognise the importance of ESG in the Electric Vehicle (“EV”) sector and the combination of SMT’s world class mining practices and the merits of the TECH Project will be invaluable.**

Queensland Pacific Metals Limited (**ASX:QPM**) is delighted to announce that it has formed a Strategic Partnership with New Caledonian ore supplier SMT.

Strategic Partnership

QPM and SMT have previously entered into an ore supply agreement for the supply of up to 600,000 wmt laterite ore per annum (see ASX announcement 2 June 2022). The Partners have now entered into a non-binding MOU regarding the formation of a Strategic Partnership to expand both Parties respective business interests. SMT is a subsidiary of the Ballande Group, a globally diversified conglomerate based in New Caledonia.

The Parties recognise the importance of:

- QPM obtaining long term, secure ore supply for Phase 1 and Phase 2 of the TECH Project;
- SMT participating in the long term value of the entire battery materials supply chain created from being an ore supplier leading to increased short and long term employment opportunities in New Caledonia; and
- ESG credentials for mining and processing activities when supplying into the western EV market, particularly for nickel, where there is growing concern of the dominance of Indonesian supply.

Under the Strategic Partnership, the Partners will collaborate on:

- Investment opportunities in QPM for SMT that would allow it to participate in the value created from processing its ore into battery chemicals;

- Additional ore supply beyond the term of the existing ore supply agreement for Phase 1 of the TECH Project;
- Additional ore supply for Phase 2 of the TECH Project;
- Future mine development required by SMT to support additional ore supply; and
- Improving and maintaining world class ESG standards and how these are reported.

Comments

QPM Managing Director and CEO, Dr Stephen Grocott commented,

"I am delighted to extend our current supply relationship SMT into a broader strategic partnership which encompasses the framework for cooperation to deliver even greater value to both companies. SMT has been a strong supporter of the TECH Project for a long time and this MOU is a natural extension of our current collaboration. It is intended to assist QPME in underpinning the ore supply for not only Stage 1 but also Stage 2 and provide a pathway for SMT to participate in the value created through development of the TECH Project".

SMT General Manager, Arnaud Bondoux commented

"Signing a nickel ore supply contract with QPM means renewing relations with Australia, which has always been a historical partner of SMT and New Caledonia. Indeed, exports between SMT and Australia have taken place over a period of more than 25 years, from 1989 until recently in 2015. SMT was involved in QPM's innovative project from the outset by actively participating in the pilot tests. In fact, QPM and SMT have been in contact for four years now and have formed a partnership that led to the signing of a first MOU in 2017. SMT intends to make a long-term commitment to QPM, beyond its role as a supplier, in order to propose a new model for the valorization of New Caledonian ore."

This announcement has been authorised for release by the Board.



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