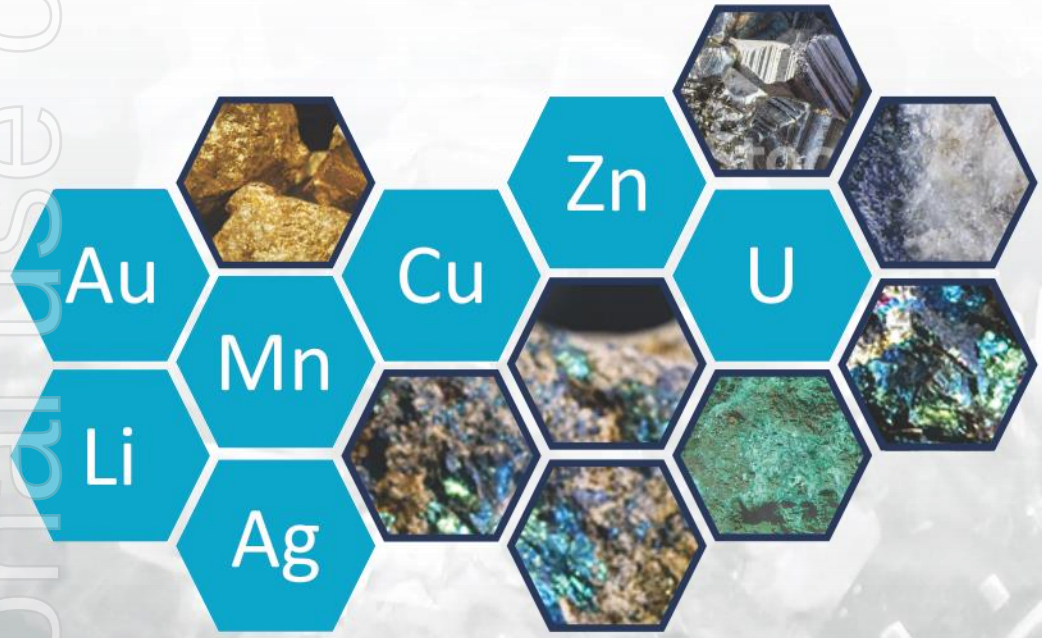
Acquisition of Queensland Pacific Metals

October 2018



Pure Minerals Limited

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THE TRANSACTION

Binding option agreement to acquire 100% of the issued capital in Queensland Pacific Metals Pty Ltd ("QPM"). The material terms of the option agreement are:

Option Fee:

- PM1 has paid a $75,000 non-refundable deposit to secure exclusivity and a 45 day due diligence period

Board Changes:

- Mr John Downie, current director of QPM, will be appointed to the Board of PM1 (at settlement of the Acquisition)

Consideration to be issued to QPM shareholders:

- $0.87m in share consideration via the issue of 66,680,000 fully paid ordinary PM1 shares which are subject to a voluntary escrow of 12 months
- $0.5m in cash; and
- 333,320,000 deferred consideration, shares subject to the satisfaction of certain performance milestones within specified time periods, which will be subject to a voluntary escrow period of 12 months

Acquisition complements PM1's existing manganese sulphate assets and strategy of producing emerging metals

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THE TRANSACTION

Deferred consideration

Performance Milestone for issue of Deferred Consideration Shares	Milestone Expiry Date	No. of Shares
Achievement of at least 5Mt JORC inferred resource at 1% Ni equivalent defined at the Eden Garry Project; OR Completion of positive pre-feasibility study that demonstrates an IRR >20% and EBITDA of no less than A$50M per annum which is verified in writing by PM1's independently engaged expert	9 months from date of Settlement	83,330,000
Achievement of at least 10Mt JORC inferred resource at 1% Ni equivalent defined at the Eden Garry Project ; OR Completion of positive definitive bankable feasibility study which demonstrates an IRR >20% and EBITDA of no less than A$50M per annum	24 months from date of Settlement	83,330,000
First commercial mining of ore obtained at the Eden Garry Project; OR PM1 obtaining all regulatory approvals required to construct a nickel-cobalt processing plant	36 months from date of Settlement	83,330,000
Final investment decision by the PM1 Board to construct a nickel-cobalt processing plant	42 months from date of Settlement	83,330,000

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CAPITAL STRUCTURE

Post transaction enterprise value of $2.7m allowing investors for significant leverage

PRO FORMA CAPITAL STRUCTURE	
Shares on issue (Note 1)	314,379,059
Initial Consideration Shares	66,680,000
Shares on issue on settlement of Acquisition	381,059,059
Price (10 Oct 2018)	$ 0.013
Cash (30 June 2018, after option fees)	$ 2,247,000
Implied Market capitalisation	$ 4,953,768
Enterprise value	$ 2,706,768

OPTIONS & DEFERRED CONSIDERATION SHARES	
Deferred Consideration Shares (Note 2)	333,320,000
Quoted Options (3c, exp 21 Dec 2019)	111,250,000
Unquoted directors' options (3c, exp 21 Dec 2022)	30,000,000

Note 1: includes 12,500,000 shares subject to a restriction until 4 August 2019
Note 2: fully paid ordinary shares to be issued to the QPM Vendors subject to specific performance milestones (in respect of the QPM assets) being satisfied.

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STRATEGIC OBJECTIVES

To become a producer of battery metals nickel sulphate and cobalt sulphate

✓ **Feed Source**

✓High grade Ni-Co (~1.6% Ni / ~0.17% Co) lateritic ore feed secured under Memorandum of Understanding ("**MOU**") and ore supply agreement ("**Ore Supply Agreement**") with two well established private mining companies in New Caledonia

✓Intention to expand exploration activities on prospective Australian tenements to prove up local feed sources

✓Assessment of other opportunities

✓ **Planned Plant Location – Townsville**

✓Long term history (1989 to 2016) of importing Ni-Co ore from New Caledonia

✓Existing infrastructure (port, rail, road) and proximity to acid supply

✓Skilled workforce, supportive community and engineering support

✓Only approximately 2,100km from New Caledonia

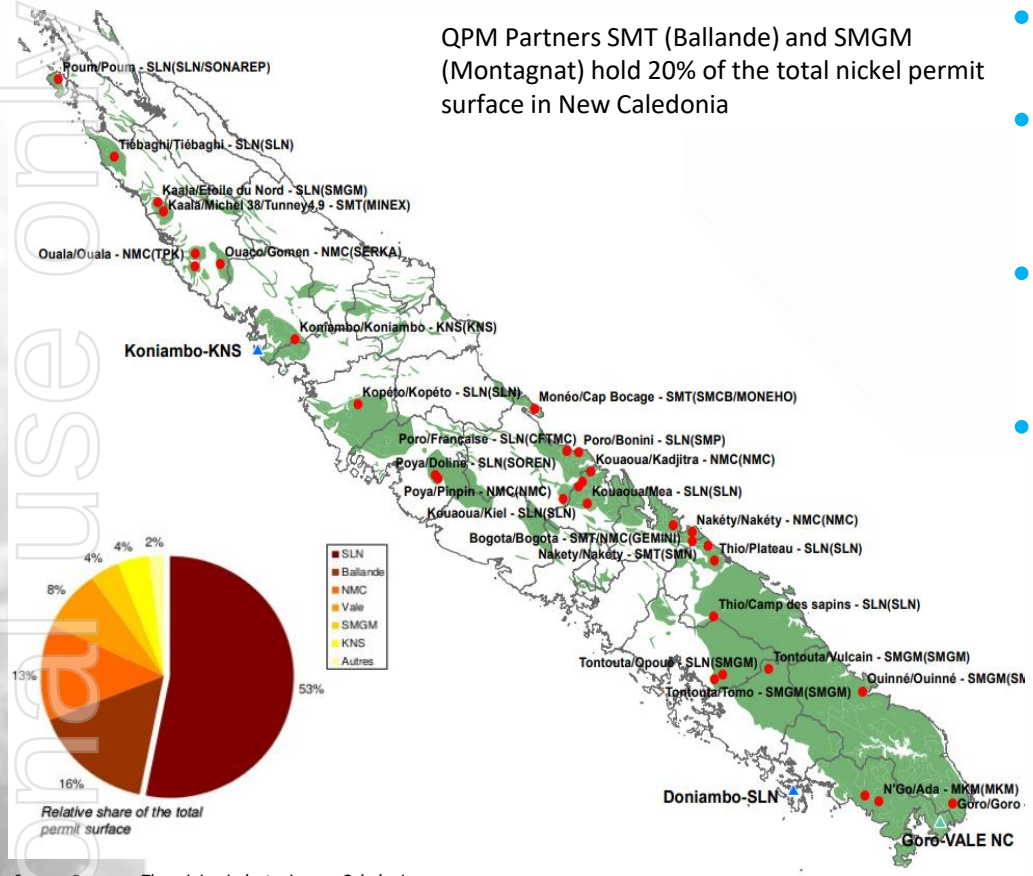
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INVESTMENT HIGHLIGHTS

High Grade Ore Supply	✓ Secured high grade Ni-Co ore supply agreement with two New Caledonia mining companies ✓ Expected grades 1.6% Ni / 0.17% Co (Contract minimum 1.4% Ni, 0.15% Co) ✓ Reliable source which was previously imported by Queensland Nickel Refinery since 1989
Near Term Production	✓ Ore supply secured – feasibility and approvals work to commence in respect to construction of the processing plant ✓ Construction of the processing plant can potentially be commenced within 2-3 years
Battery Market Fundamentals	✓ Strong fundamentals still for battery minerals (nickel sulphate / cobalt sulphate) ✓ Majority of world's cobalt comes from DRC – QPM will offer supply in a more stable political jurisdiction
Townsville Location	✓ Extensive infrastructure network including Port, Rail and Road ✓ Long term history of handling and processing ore from New Caledonia/Philippines/Indonesia ✓ Skilled labour and engineering support
Experienced Management Team	✓ QPM's team was involved in the original ore supply agreements from New Caledonia for Queensland Nickel ✓ Extensive nickel laterite experience and experience in New Caledonia ✓ Extensive experience with dealing with offtakers for nickel and cobalt ✓ Extensive project development experience
Domestic Opportunities	✓ 100% interest in Eden Garry Serpentinite Ridge tenement (EPM(A) 27035) (in application) in the Ni-Co prospective Marlborough region

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NEW CALEDONIA – WORLD CLASS NICKEL PROVINCE



QPM Partners SMT (Ballande) and SMGM (Montagnat) hold 20% of the total nickel permit surface in New Caledonia

Source: Paper on The mining industry in new Caledonia
Published on Jul 24, 2013 by Aurélien Louis, Director, Department of Mining and Energy, DIMENC

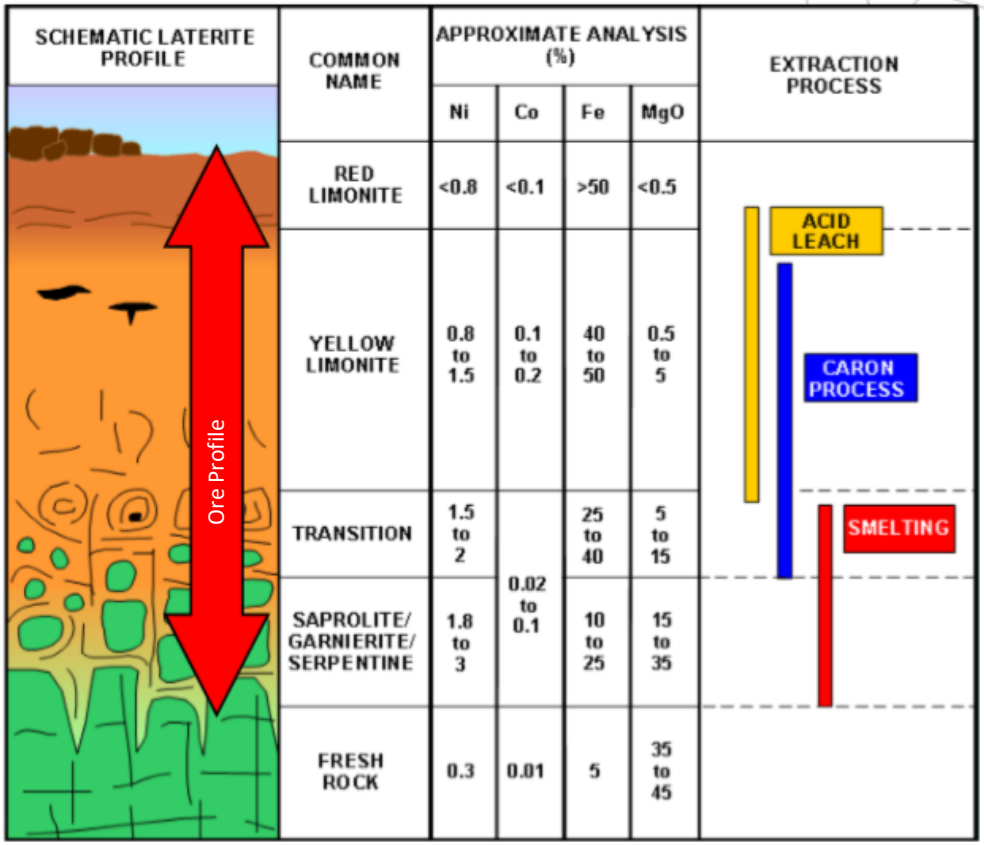
- New Caledonia hosts the best quality limonite from within the Asia Pacific region
- Townsville lies ~2,100km from New Caledonia and is well positioned to process ore
- Australia is a long term approved trading partner to New Caledonia. Ore supplied to Queensland Nickel since 1989
- New Caledonia hosts the world's largest laterite Ore Reserves, estimated to contain 700kt of Cobalt, 7Mt of Nickel, 140 Mt of Iron and 15Mt of Magnesia (Source: https://minerals.usgs.gov)



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NEW CALEDONIA – WORLD CLASS NICKEL PROVINCE

- The schematic on the right shows the typical geological profile of New Caledonia nickel mines and deposits
- The large nickel Ferro Nickel operations in New Caledonia process ore from the saprolite zone (high nickel, negligible cobalt)
- In order to mine the saprolite zone, the (red-yellow) limonite and transition zones must be mined – unless this material is sold. The ability for New Caledonia mining operations to reliably sell this material to approved trading partners greatly adds to their project economics
- The ability for New Caledonia mining operations to sell this material greatly adds to their project economics
- QPM's Ore Supply Agreement is of strategic benefit to not only itself but it's New Caledonian counterparts



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NEW CALEDONIA – LONG TERM SUPPLIER TO TOWNSVILLE

New Caledonia's mining industry is established and long standing – the ore grade of its historical exports into Australia is on average superior to typical Ni-Co laterite deposits in Australia

- ✓ The Queensland Nickel Refinery (QNI) has been importing and processing ore from New Caledonia since 1989

New Caledonia Exports to Townsville	2008	2009	2010	2011	2012	2013	2014	2015	2016
Ore Tonnes Imported (wmt)	1,555,050	1,533,045	2,299,359	2,199,043	1,786,082	1,583,080	2,015,711	996,038	78,975
Contained Ni (t)	16,409	16,1680	23,202	22,338	18,290	16,144	20,190	9,962	865
Contained Co (t)	1,746	1,679	2,651	2,518	1,946	1,764	2,441	1,119	86
Ni Grade %	1.62%	1.62%	1.55%	1.56%	1.58%	1.57%	1.54%	1.54%	1.68%
Co Grade %	0.17%	0.17%	0.18%	0.18%	0.17%	0.17%	0.19%	0.17%	0.17%

Source: DIMENC Direction de l'Industrie, des Mines et de l'Energie August 2018

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NEW CALEDONIA – LONG TERM GLOBAL EXPORTER

New Caledonia has been a long-term reliable source of Ni-Co ore for major mining companies in the Asia Pacific Region with over 6Mt of ore exported in 2017

- ✓ New Caledonia also exports ore to Korea (POSCO), Japan (Nippon Yakin, Pamco) and China
- ✓ QPM has a significant ocean freight advantage against these companies due to the proximity of Townsville to New Caledonia

New Caledonia Global Exports (M wmt)	Ore Type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	Limonite	1.56	1.53	2.30	2.20	1.79	1.58	2.01	1.00	0.08	-
China	Limonite	0.29	-	-	0.15	0.69	-	-	-	0.79	1.37
Korea	Saprolite	0.42	1.40	1.47	1.08	1.55	1.84	1.66	2.74	3.30	3.55
Japan	Saprolite	0.78	0.61	0.81	1.00	1.19	1.04	1.77	1.73	1.71	1.57
Total (M wmt)		3.05	3.54	4.57	4.43	4.60	4.46	5.44	5.46	5.88	6.48

Source: DIMENC Direction de l'Industrie, des Mines et de l'Energie August 2018

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NICKEL-COBALT ORE SUPPLY AGREEMENT

Background

- In September 2017, QPM entered into a binding MOU which incorporated an Ore Supply Agreement with two private New Caledonian companies Societe des Mines de la Tontouta ("SMT") and Societe Miniere Georges Montagnat S.A.R.L ("SMGM")
- SMT and SMGM are established mining export companies who have operated for over 50 years
- QPM management has a long term relationship with SMT and SMGM through past association with Queensland Nickel Refinery, Gladstone Pacific Nickel and Vale's Goro operation

Key Commercial Terms of the Ore Supply Term Sheet

- 5 year term, renewable by agreement, commencing not earlier than June 2020
- SMT and SMGM to supply of 600,000 wmt (min) Ni-Co feed per annum supplied from their mine sites
- **Expected Ni grade of ~1.6%, minimum 1.4%**
- **Expected Co grade of ~0.17%, ,minimum 0.15%**
- Price is indexed to the Nickel and Cobalt LME price
- Conditional on:
  - Finalisation of a formal Ore Supply Contract based on the terms in the MOU and the Ore Supply Agreement
  - New Caledonia regulatory bodies providing export approval (Australia is on the approved list of countries for trading)
  - Completion of feasibility study to QPM satisfaction in respect of the construction of the processing plant

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NICKEL-COBALT ORE SUPPLY AGREEMENT

Benefits of the Ore Supply Agreement

- QPM will be processing high grade Ni-Co feed of approximately 1.60% Nickel and 0.17 Cobalt. Higher grade feed means:
  - ✓ Lower capex – smaller plant required compared with other nickel-cobalt developers
  - ✓ Lower opex – less acid, power and consumables required due to lower throughput
- There is no direct mining risk for QPM – it will purchase feed from established mining operations with a long term track record of exporting Ni-Co feed to Australia and other counties such as Japan and Korea

Company	Project	Type	Ni %	Co %
Cleanteq	Sunrise	JORC Reserves (Proven+Probable)	0.56%	0.09%
Australian Mines	Sconi	PFS Feed Grade	0.81%	0.11%
Ardea Resources	Goongarrie	JORC Resource (Measured+Indicated+Inferred)	0.71%	0.06%
Jervois Mining	Nico Young	JORC Resource (Inferred)	0.59%	0.06%
GME Resources	NiWest	JORC Resource (Measured+Indicated+Inferred)	1.03%	0.06%
Barra Barra	Mt Thirsty (50%)	JORC Resource (Indicated+inferred)	0.55%	0.13%
Platina Resources	Owendale	JORC Resource (Measured+Indicated+Inferred)	0.22%	0.12%
Conico	Mt Thirsty (50%)	JORC Resource (Indicated+inferred)	0.55%	0.13%

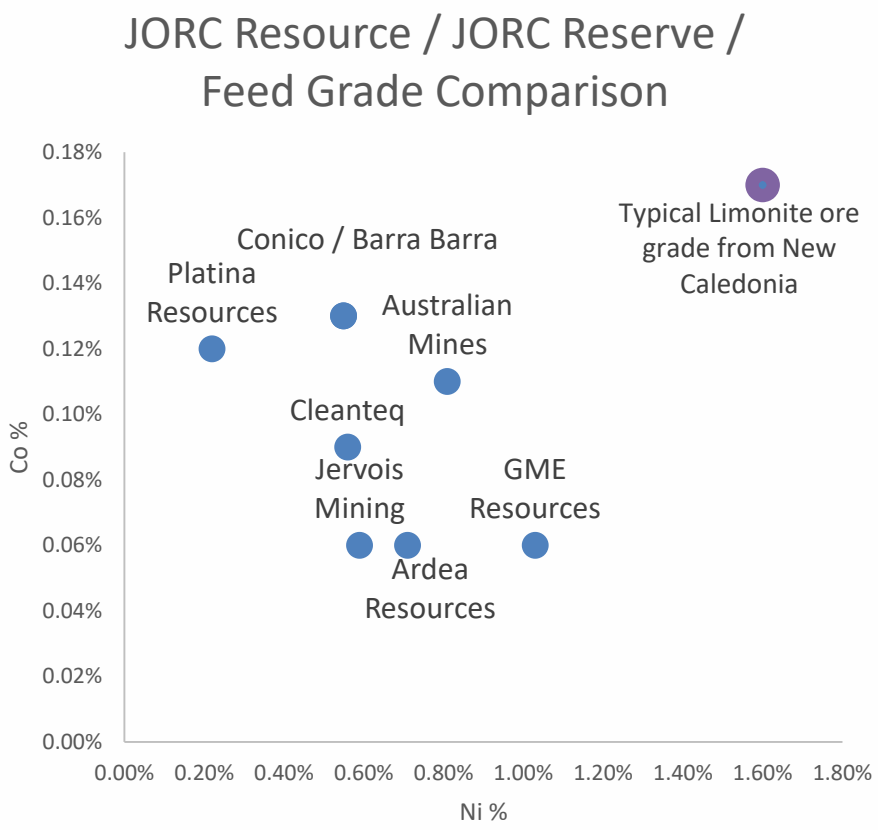
Source: QPM Research of ASX Announcements, September 2018

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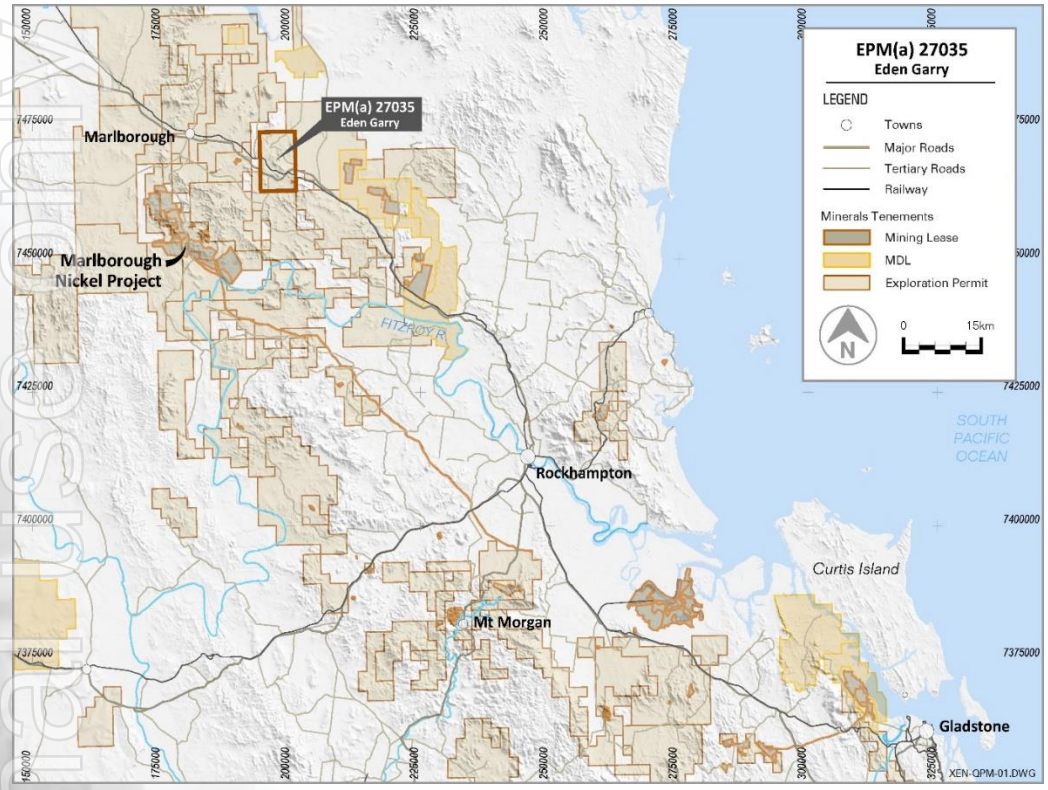
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MARKET EXAMPLES

The expected Ni % and Co % of QPM's ore supply from New Caledonia is one of its key strengths



AUSTRALIAN EXPLORATION OPPORTUNITIES



Marlborough Region, Queensland Australia

- To complement the Ore Supply Agreement, QPM is also assessing project and ore supply opportunities in Australia
- QPM holds the Eden Garry Serpentinite Ridge project (EPM(A) 27035 -7,800 Ha under application) in the highly prospective Marlborough region of Queensland
- Eden Garry is located 20 km from the Marlborough "MNPL" nickel deposit and the high grade Brolga nickel laterite mine (adjoins major road and rail infrastructure)
- Eden Garry hosts serpentinite outcrops, a common weathering constituent typical of nickel laterites
- QPM plans to undertake a work program at Eden Garry initially consisting of desktop evaluation, site inspection and field mapping. An exploration programme will be planned the basis of this work

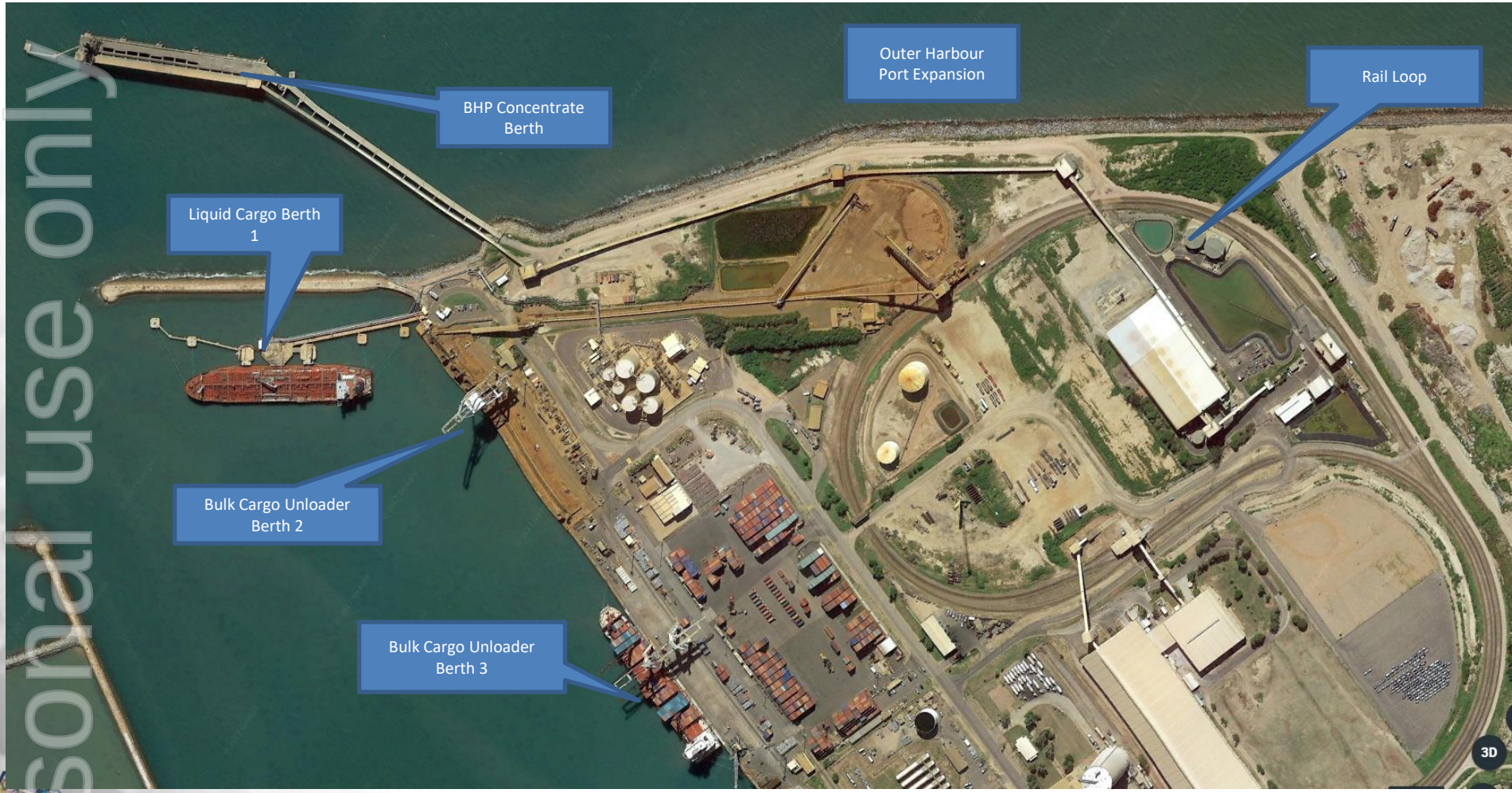
PLANT LOCATION

QPM has assessed a number of regions as a location for the potential construction of a processing plant and has determined that Townsville is the ideal location for a number of reasons:

- ✓ **Long Term History** – through Queensland Nickel Refinery, over 50 million wet tonnes in New Caledonia Ni-Co feed has been imported and processed in Townsville over 30 years
- ✓ **Port Infrastructure** – existing berths and loading facilities at the port with capacity to handle QPM's planned 600,000wmt per annum of imported feed and significantly more
- ✓ **Road and Rail infrastructure** – road and rail that can be accessed to transport Ni-Co from port to processing plant
- ✓ **Skilled Labour** – Skilled labour workforce available regionally
- ✓ **Established Industrial Region** – Strong engineering support and long term history of industrial activity
- ✓ **Future Battery Hub** – Imperium3 is planning to construct a battery factory in Townsville
- ✓ **Logistics** – close proximity to New Caledonia minimising ocean freight costs
- ✓ **Acid Supply** – Sulphuric acid produced in Townsville (Sun Metals refinery) and Nitric acid produced in Gladstone

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PORT OF TOWNSVILLE



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QPM MANAGEMENT TEAM

QPM's management team are highly respected mining veterans with extensive experience managing nickel operations, including Queensland Nickel, in which they were essential in setting up the original ore supply agreements sourced from New Caledonia

Robert Pearce, Chairman

Mr Pearce has extensive international, corporate and finance experience with a career spanning 40 years. He has held positions of CEO and Chairman of a number of private and publicly listed companies including Queensland Nickel and Gladstone Pacific Nickel (GPNL). He was a founder of GPNL and Chairman until 2008. Mr Pearce brings a wealth of finance and corporate experience in lateritic nickel projects.

John Downie, Executive Director:

Mr Downie has extensive international, corporate and project experience with a career spanning over 30 years. He has held roles of Director of Mines, General Manager, Operations Manager, Chairman, President and CEO for various resource companies including Barrack Mines NL, Alcoa of Australia Ltd, Boral Resources Ltd, Goldminex and Austpac Resources. As Director of Mines at Vale's New Caledonian Goro operations, he was responsible for all mining related activities, start up approvals and operations, including ore preparation, residue disposal and community relations. During his time as CEO of Gladstone Pacific Nickel, CEO of ASX listed exploration company AusNiCo and Director of Projects at Queensland Nickel, he has gained significant experience in lateritic nickel development, financing and operations.

Andrew Matheson, Executive Director:

Mr Matheson has 30 years experience within the mining and engineering sectors. He has a track record in exploration, project evaluation and strategy, development, construction, infrastructure management, underground and open cut mining operations and corporate management. He has held roles including Managing Director, CEO and General Manager with various private and publicly listed companies including BHP, Aquila and Talbot Group and has experience with lateritic nickel projects in New Caledonia, Indonesia and at Queensland Nickel.

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FORWARD WORK PROGRAM

New Caledonia Ore Supply Agreement presents unique opportunity to allow accelerated timetable without the need for exploration



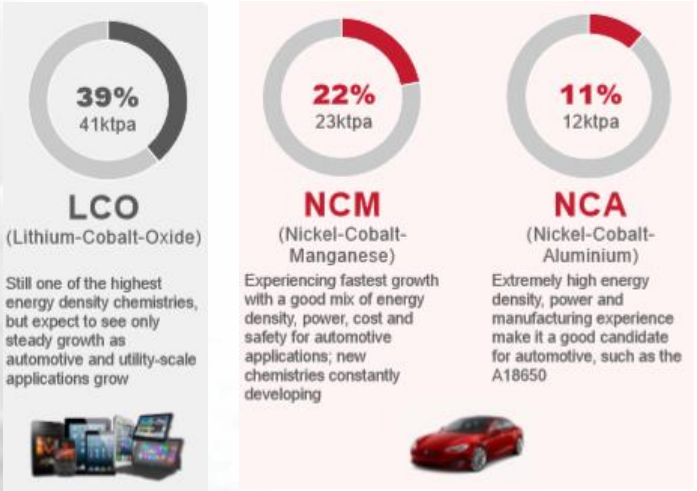
Pathway to Production	2018	2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Ore Supply Logistics									
Concept/Scoping Study									
Pre-Feasibility Study									
Metallurgical Test work									
Environmental and Permitting									
Definitive Feasibility Study									
Offtake Partnering									
Funding									
Project Construction									

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EV IMPLICATIONS FOR CATHODE RAW MATERIAL DEMAND

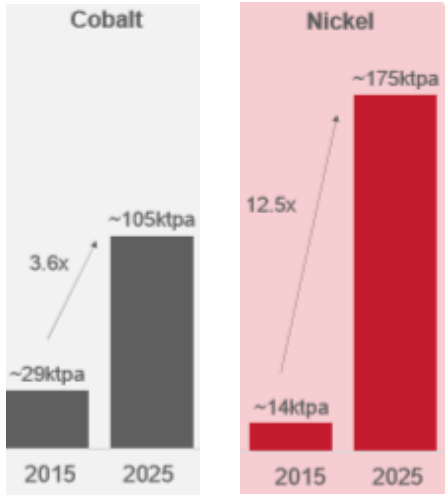
- Use of nickel and cobalt dominant chemistries is accelerating in China (Source: Deutsche Bank, 2 Dec 2016)
- Customers are very aware of impending raw material supply shortage and seeking certainty of supply

DOMINANT CHEMISTRIES FOR EV REQUIRE NICKEL AND COBALT



Source: Avicenne Energy Analysis 2014

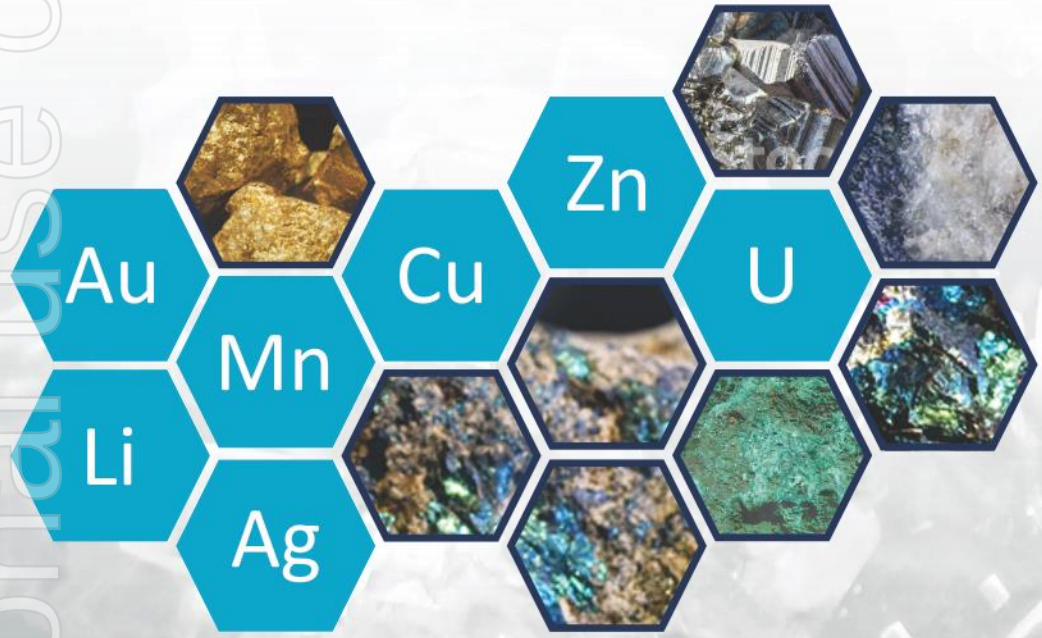
IMPLIED NICKEL AND COBALT METAL DEMAND



Source: 2015 data based on Avicenne Energy Analysis. 2025 case based on internal company estimates, utilising an EV adoption rate based on the average from five banks and industry consultant forecasts.

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