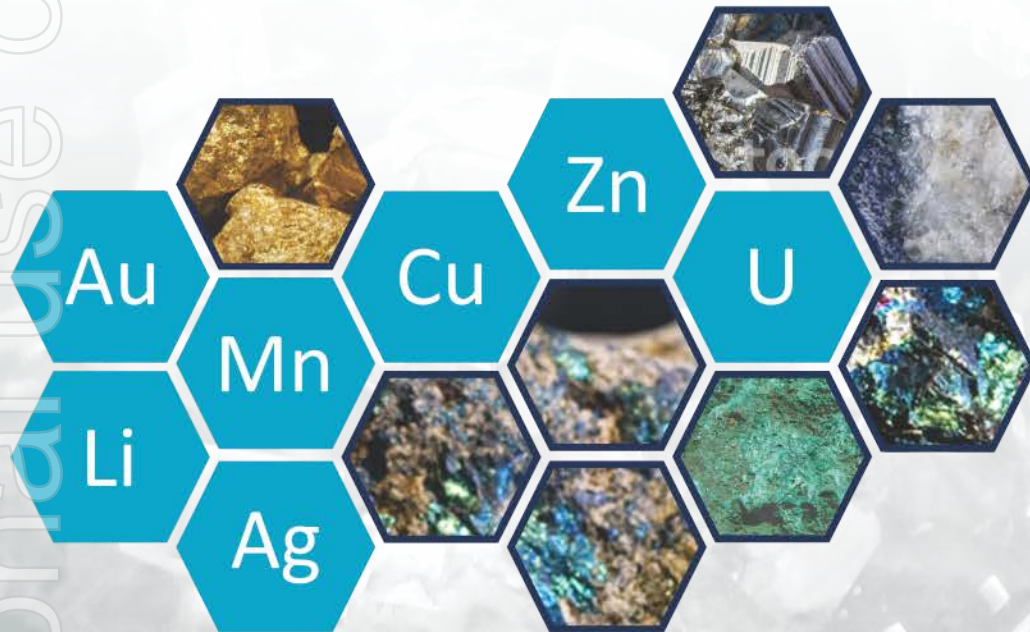


MINERALS AND INVESTMENT WEEK – LITHIUM & BATTERY METALS

MARCH 2019

ACQUISITION OF QUEENSLAND PACIFIC METALS



Pure Minerals Limited

DISCLAIMER



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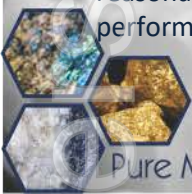
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QUEENSLAND PACIFIC METALS (“QPM”)



New Caledonia:
Importation of 600ktpa
high grade Ni-Co ore

Townsville:
New modern refinery
supported by infrastructure
and rich history of nickel
production

EV Market:
25,000tpa Ni sulphate
+ 3,000tpa Co sulphate
+ Valuable co-products



INVESTMENT HIGHLIGHTS



Positive Scoping Study

- ✓ 600ktpa processing plant
- ✓ 25,000tpa Ni Sulphate + 3,000tpa Co Sulphate + valuable co-products
- ✓ DNi™ process – lower capex and opex compared to HPAL

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
- ✓ Low mining/exploration risk

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 (Ni Sulphate / Co Sulphate)
- ✓ Nickel resurgence
- ✓ Majority of world's cobalt comes from DRC – QPM offers supply from a stable 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

- ✓ Combined 75+ years nickel laterite experience and experience in New Caledonia
- ✓ Extensive experience with dealing with offtakers for nickel and cobalt
- ✓ Strong project development experience



ACQUISITION OF QPM



Pure Minerals Limited (ASX:PM1) has agreed to acquire 100% of QPM

- As a private company, QPM has made substantial achievements including:
 - Securing ore supply agreement with two New Caledonian mining companies
 - Completion of positive Scoping Study
 - Developed strong Qld Government relationships
 - Identified Townsville as the ideal location for a new modern Ni refinery

Transaction with PM1 accelerates QPM's growth towards production

- Greater profile in the investment community
- Access to equity markets via ASX listing
- Stronger profile with potential offtake partners
- Opens up the opportunity to invest in QPM



CAPITAL STRUCTURE



Post transaction enterprise value of \$3.8m allowing investors for significant leverage

PRO FORMA CAPITAL STRUCTURE

Current Shares on issue (Note 1)	314.4M
Initial Consideration Shares for acquisition of QPM	66.7M
Shares on issue on settlement of acquisition	381.1M
Share Price	\$0.014
Cash (31 Dec 2018)	\$1.5M
Implied Market capitalisation	\$5.3M
Enterprise value	\$3.8M

OPTIONS & DEFERRED CONSIDERATION SHARES

Deferred Consideration Shares (Note 2)	333.3M
Quoted Options (3c, exp 21 Dec 2019)	111.2M
Unquoted directors' options (3c, exp 21 Dec 2022)	30.0M

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.



STRATEGIC OBJECTIVE



To become a producer of quality 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

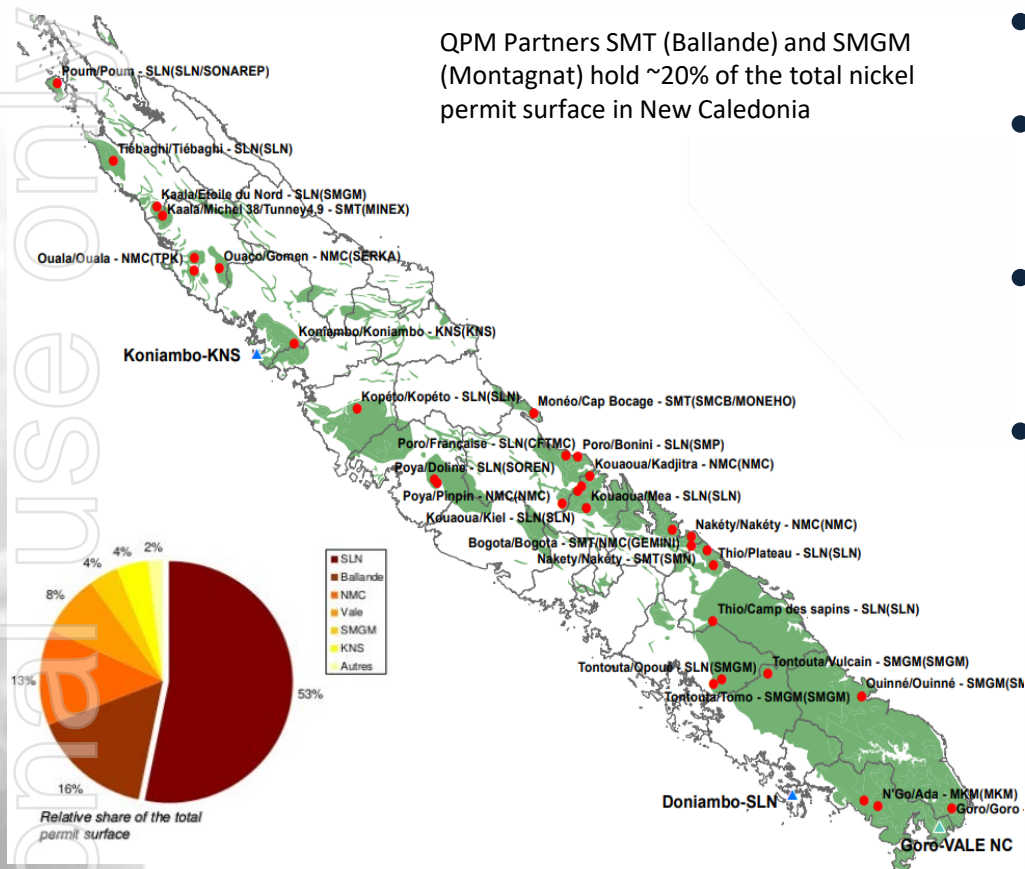
- Long term history (1989 to 2016) of importing Ni-Co ore from New Caledonia
- Existing infrastructure (port, rail, road) and proximity to acid supply
- Skilled workforce, supportive community and engineering support
- Only approximately 2,100km from New Caledonia



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

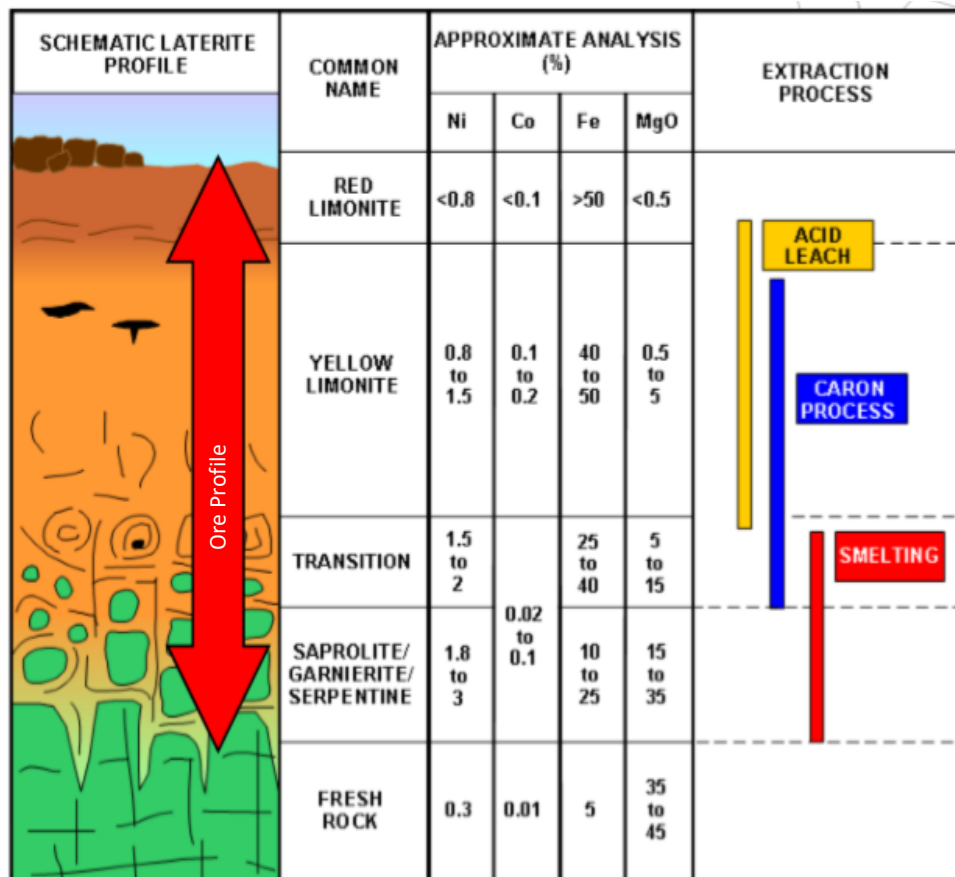
- New Caledonia hosts the best quality limonite from within the Asia Pacific region
- Townsville lies ~2,100km from New Caledonia and is well positioned to process ore
- Australia is a long term, approved trading partner to New Caledonia. Ore supplied to Queensland Nickel since 1989
- New Caledonia hosts 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>)



NEW CALEDONIA – WORLD CLASS NICKEL PROVINCE



- The large 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



Typical Lateritic Profile: New Caledonia



NEW CALEDONIA – A LONG TERM ORE SUPPLIER



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) imported and processed ore from New Caledonia from 1989 until 2016

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

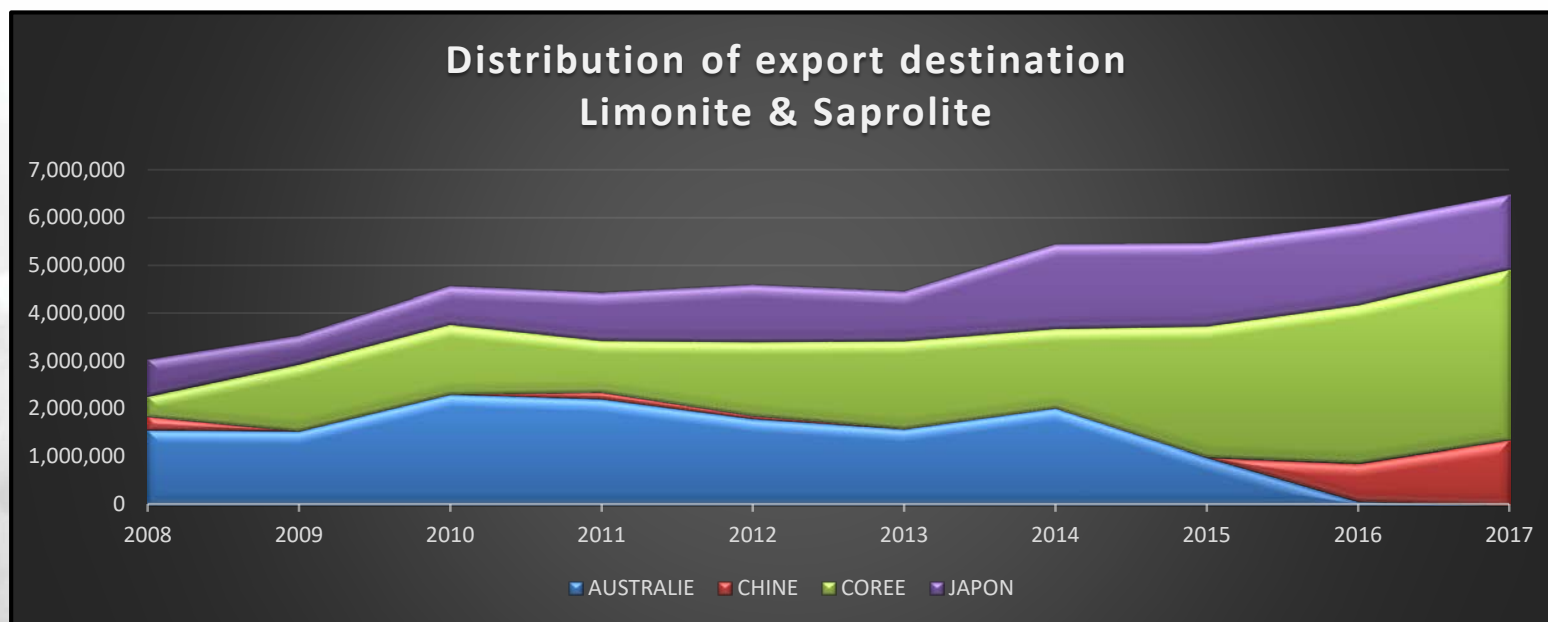


NEW CALEDONIA – LONG TERM GLOBAL EXPORTER



New Caledonia has been a long-term reliable source of Ni-Co ore for major industrial 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 destinations due to the proximity of Townsville to New Caledonia



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



NICKEL-COBALT 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 countries such as Japan and Korea

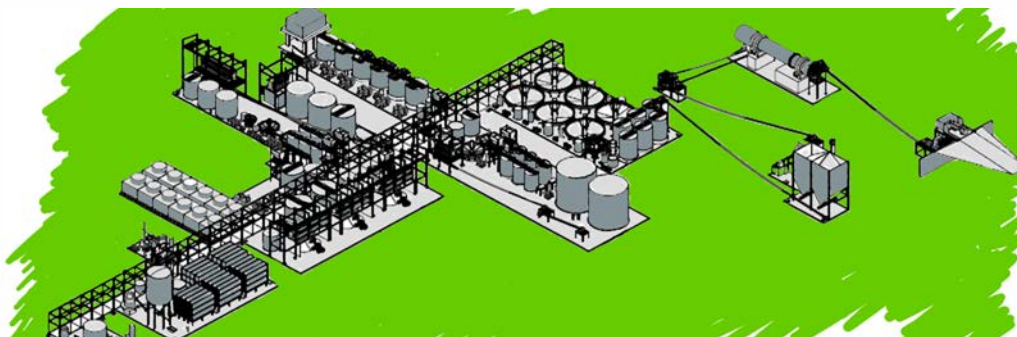


Source: QPM Research of ASX Announcements, September 2018

POSITIVE SCOPING STUDY OUTCOMES



- 25,000 tpa nickel sulphate & 3,000 tpa cobalt sulphate (5,670t contained Ni / 630t contained Co)
- Co-products;
 - 221,000 tpa hematite,
 - 8,700 tpa alumina and
 - 4,600 tpa magnesium oxide
- Annual opex of A\$108M
- Capex of US\$297M (A\$419M) which includes a contingency of US\$65M
- Confirmed Townsville as ideal plant location
- Identified DNi™ process as preferred processing flowsheet



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.



PORT OF TOWNSVILLE



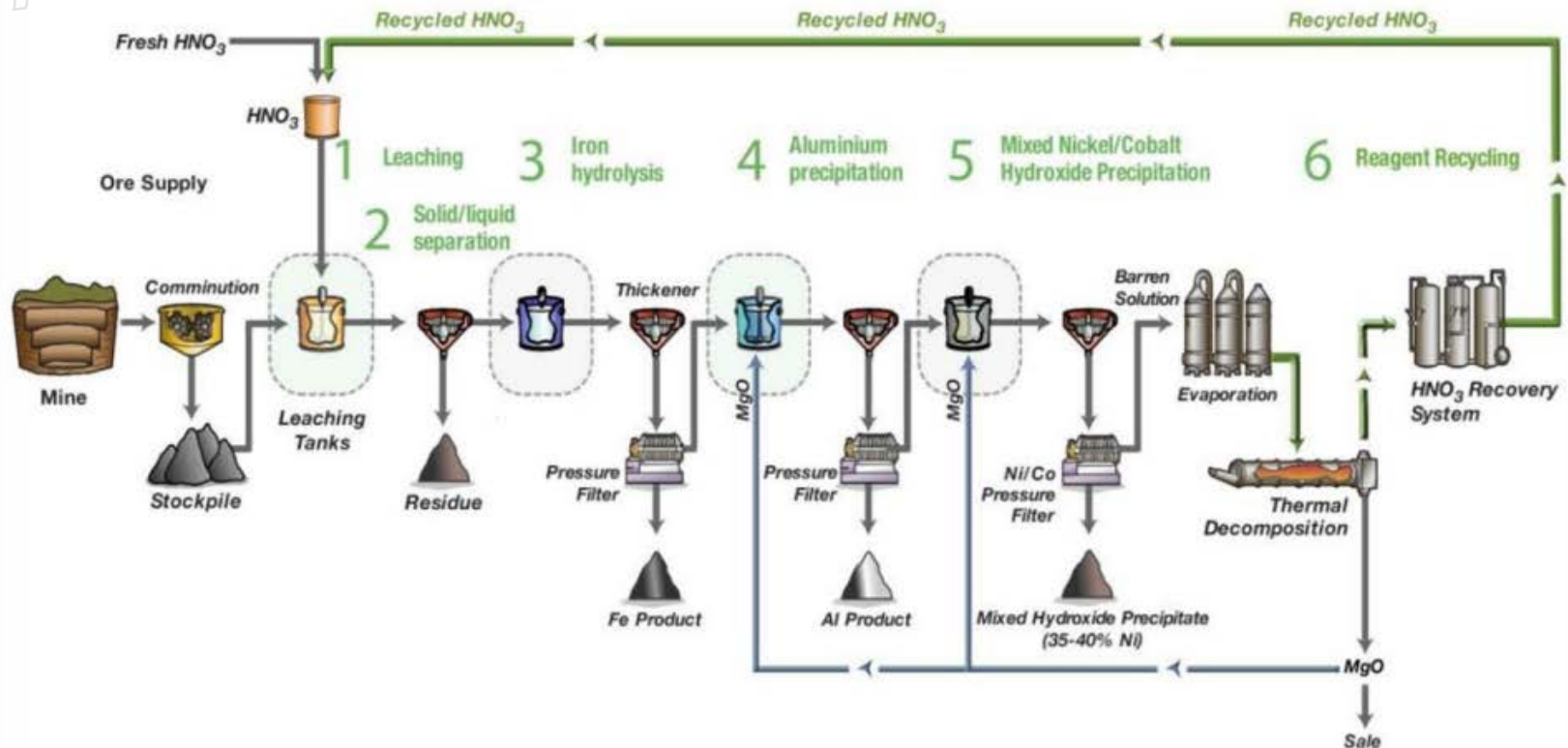
AGREEMENT WITH DIRECT NICKEL FOR USE OF PROCESSING TECHNOLOGY



- QPM has entered into a framework agreement with **Direct Nickel Projects Pty Limited** (“DNP”), who owns intellectual property related to the DNi Process™ (see ASX announcement 22 October 2018)
- DNi Process™ uses nitric acid to digest, at atmospheric pressure, a range of minerals found in lateritic ores
- QPM plans to utilize the DNi Process™ to extract nickel and cobalt from its imported high-grade New Caledonian ore to produce nickel sulphate and cobalt sulphate for the emerging EV battery market
- Other possible valuable co-products including, iron oxide for the steel/pigment industry, magnesium oxide, scandium oxide and alumina, may be discovered during the DNi Process™



SIMPLIFIED SCHEMATIC OF THE DNI PROCESS™



CSIRO PILOT PLANT- PERTH



Personal use only



DIRECT NICKEL ADVANTAGES



Compared with traditional High-Pressure Acid Leach (“HPAL”) processing plants, the DNi Process™ offers benefits including:

- **Potential for lower capital and operating costs**

- ✓ The leaching reagent (nitric acid) used to extract payable metals from laterite ores is recycled – this reduces operating costs as acid consumption is minimal

- **Reduced residue footprint**

- ✓ DNi Process™ residue footprint is approximately one-third that of a HPAL plant of the same capacity (principally due to the recycling of nitric acid and the addition of fewer neutralizing agents)

- **Nitric acid does not attack stainless steel**

- ✓ The materials used to construct a DNi Process™ plant are lower cost, and easier to fabricate and source compared with HPAL (using high-grade titanium)

- **Produces valuable co-products**

- ✓ Ability to extract a range of other valuable co-products from nickel laterite ores including hematite, magnesia and alumina, which would improve project economics
- ✓ DNi Process™ can be used to extract remaining nickel and cobalt, as well as other co-products.



LEACH TESTS CONFIRM DNI PROCESS SUITABILITY



- Leach tests confirm DNi Process™ to extract nickel and cobalt from imported, high grade New Caledonian Ni-Co ore to produce nickel sulphate and cobalt sulphate for the emerging EV battery market (see ASX announcement 23 October 2018)
- Core Metallurgy Pty Ltd has completed an initial lab test program on representative ore samples from New Caledonia
- Extraction and leach time for nickel and cobalt exceeded target with over 95% extraction and better than four hours leach time
- Test program confirmed that the DNi Process™ is ideally suited to treating the New Caledonian ore types

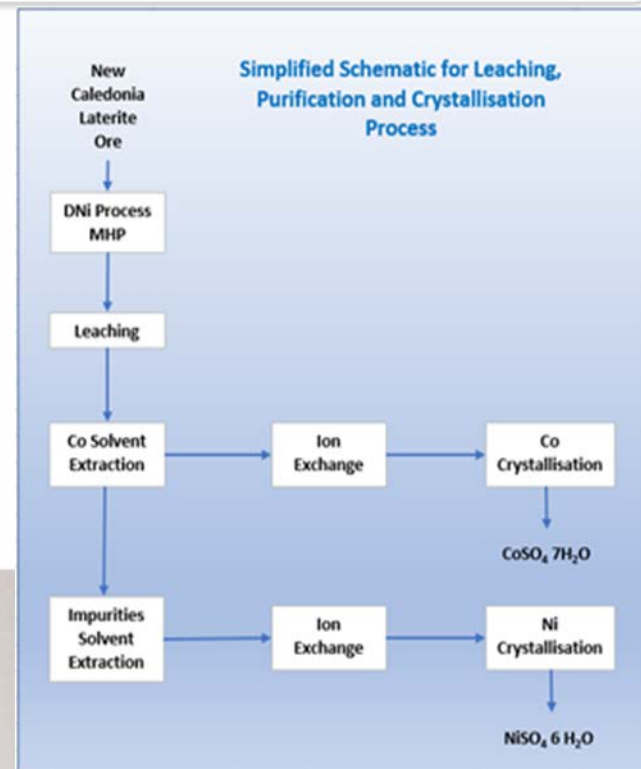
Element	Sample Head Grade %	Extraction %
Primary products		
Nickel	1.70%	98.00%
Cobalt	0.15%	98.10%
Co-Products		
Aluminum	1.37%	95.40%
Iron	35.55%	96.10%
Magnesium	6.14%	95.30%
Scandium	40 ppm	97.30%



SULPHATE REFINING PROCESS FLOWSHEET



- QPM has successfully produced samples of nickel and cobalt sulphate;
- Samples produced from nickel and cobalt mixed hydroxide precipitate “MHP” generated by the Direct Nickel Process;
- The combination of the DNi Process™ and the CSIRO refining process flowsheet will allow QPM to process New Caledonian ore and deliver a final class 1 sulphate metal product for the growing lithium ion battery industry.



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.



PROJECT MILESTONES



Scoping Study 17 Jan 2019	Positive Scoping Study Results Demonstrate Potential of Modern Battery Materials Refinery in Townsville.
Progressing Offtake 8 Jan 2019	QPM has entered into a Memorandum of Understanding (“MoU”) with Top Resources Group Limited (“Top Resources”)
Ore Suppliers 11 Dec 2018	Due diligence report carried out at Scoping level, identified no fatal flaws
Class 1 Battery Materials 29 Nov 2018	Ni and Co Sulphate produced. The CSIRO refining flowsheet is compatible with the DNi Process™
CSIRO Refining Process 8 Nov 2018	The processes and chemistry for producing battery grade metal chemicals have been applied at laboratory and pilot plant scale at the CSIRO Minerals Research facility in Perth.
Processing Ore 23 Oct 2018	Extraction and leach time for nickel and cobalt exceeded target with over 95% extraction and better than four hours leach time.
Technology Agreement 22 Oct 2018	QPM enters into agreement with Direct Nickel Projects Pty Ltd to utilize the DNi Process™



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				2021	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Ore Supply Logistics											
Concept/Scoping Study											
Pre-Feasibility Study											
Metallurgical Test work											
Environmental and Permitting											
Definitive Feasibility Study											
Offtake Partnering											
Funding											
Project Construction											



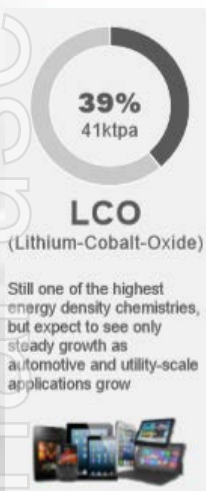
EV IMPLICATIONS ON CATHODE RAW MATERIAL DEMAND



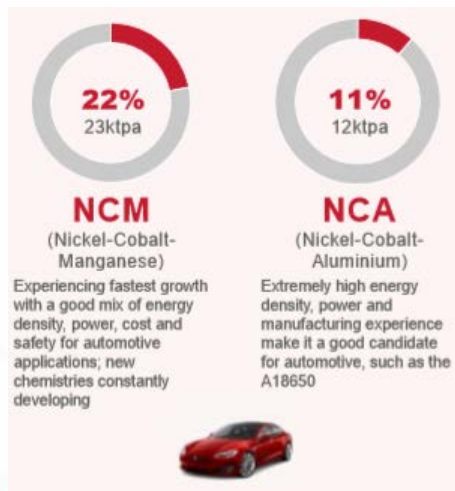
Use of nickel and cobalt dominant chemistries is accelerating in China (Deutsche Bank, 2 Dec 2016)

Customers are very aware of impending raw material supply shortage and seeking certainty of supply

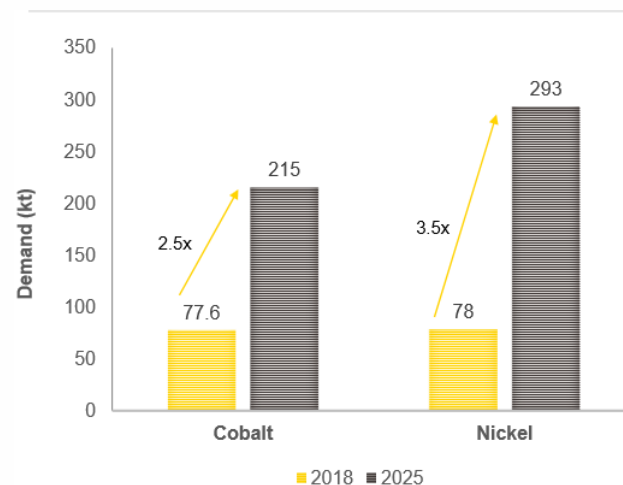
DOMINANT CHEMISTRIES FOR EV REQUIRE NICKEL AND COBALT



Source: Avicenne Energy Analysis 2014



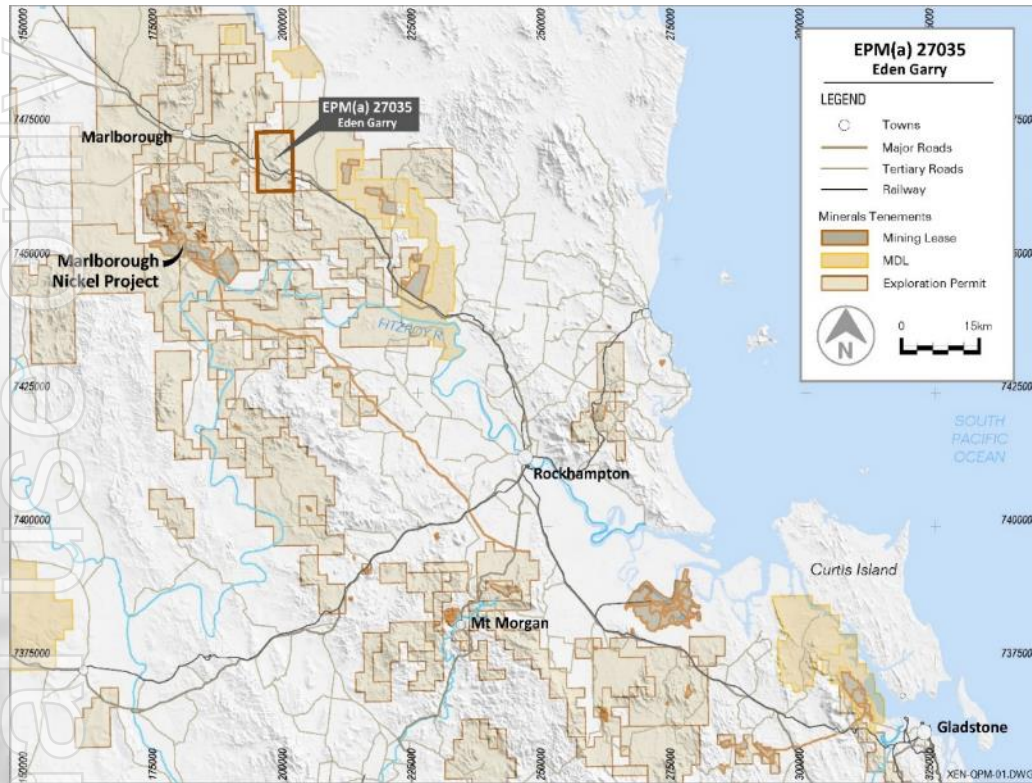
IMPLIED NICKEL AND COBALT METAL DEMAND



Source: Wood Mackenzie 2017



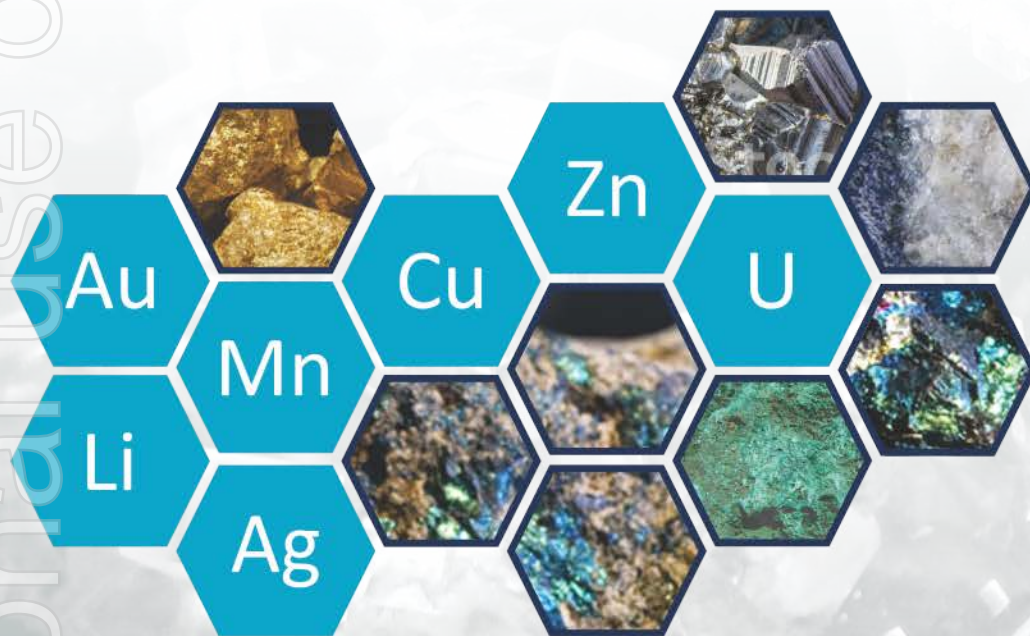
AUSTRALIAN EXPLORATION OPPORTUNITIES



Marlborough Region, Queensland Australia

- QPM holds the Eden Garry Serpentine Ridge project (EPM27035), covering 7,800 Ha within 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.





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COMPETENT PERSON'S STATEMENT



Information in this announcement relating to the processing and metallurgy is based on technical data compiled by Mr Boyd Willis, an Independent Consultant trading as Boyd Willis Hydromet Consulting. Mr Willis is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Willis has sufficient experience which is relevant to metal recovery from the style of mineralisation and type of deposits in New Caledonia where the ore will be sourced (from third parties pursuant to an ore supply agreement) and to the activity which they are undertaking to qualify as a Competent Person under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. This includes over 21 years of experience in metal recovery from Laterite ores. Mr Willis consents to the inclusion of the technical data in the form and context in which it appears.

