

Strong Expressions of Interest Received from Debt Financiers for the TECH Project

Highlights

- ✓ Debt funding for QPM's TECH Project is advancing well with the intention to secure a syndicated project finance facility including global Export Credit Agencies and Development Finance Institutions.
- ✓ Eligibility Letters or Letters of Interest have been received from 4 Export Credit Agencies/Development Finance Institutions closely aligned with anticipated equipment sourcing or mineral offtake agreements.
- ✓ Written expressions of interest have been received from 9 Australian and International Commercial Banks.
- ✓ This follows the support of the Northern Australia Infrastructure Facility where the TECH Project has completed the Strategic Assessment phase of the application process and has proceeded into the Due Diligence stage.
- ✓ The strong interest reflects not only the underlying project economics but also QPM being a sustainable green nickel producer with the recently updated Life Cycle Assessment from Minviro highlighting that the TECH Project will be net Carbon Emissions Negative.
- ✓ QPM's debt advisor KPMG Corporate Finance is co-ordinating the Export Credit Agencies/Development Finance Institutions and Commercial Banks to progress the debt syndicate structure in parallel with completion of the DFS.

Queensland Pacific Metals Ltd (**ASX:QPM**) ("**QPM**" or "the **Company**") is pleased to announce receipt of strong interest from a range of Australian and International debt providers (Commercial Banks, Export Credit Agencies and Development Finance Institutions) to participate in a planned debt syndication for the development of the TECH Project ("Project"). KPMG was recently appointed as QPM's debt advisor for the Project and has been interacting with selected banks and agencies to short-list financiers which can participate in the debt syndicate. When combined with the recently received advice from the Northern Australia Infrastructure Facility ("**NAIF**") that the Project has progressed through their Strategic Assessment Phase this enhances the confidence of securing the required funding package to develop the Project.

The interest received also highlights the Project's ESG credentials which QPM believes are the strongest in the world for all nickel projects. Not only will be the Project have net-negative carbon nickel production, it will actually reduce Australia's total CO₂ emissions. There will be minimal environmental footprint with no tailings dam and zero process liquids discharge and the Project will comply with Western world labour standards and mining laws for sustainable mining practice right across its supply chain (refer to ASX announcement 5 November 2021).

QPM's debt financing strategy is to secure a Project Finance Syndicate consisting of leading Australian and Global financiers, global Export Credit Agencies ("**ECA**") as well as Development Finance Institutions ("**DFI**"). One key benefit of having this diversification strategy is to provide greater flexibility in loan structuring, greater access to low-cost lending (both direct and indirect) and to ensure the financing is aligned with QPM's key development and offtake partners.

Financing support has been received from a range of global ECAs and DFIs which seek to support equipment suppliers and assist manufacturers in gaining security over their procurement and supply chain requirements. Eligibility Letters (“EL”) or Letters of Interest (“LOI”) have been received from parties in Korea, Canada and Europe. Discussions are at an intermediate stage with several other similar institutions.

It is expected that this ECA support will be incorporated into the syndicate structure. To date, QPM has received written expressions of interest from some of the most experienced resource project finance banks operating in the Australasian market.

The LOIs and ELs received are not binding commitments and are subject to a series of standard project finance terms and due diligence including (but not limited to) completion of the Definitive Feasibility Study which would support the proposed financing and completion of an appropriate Environmental and Social Impact Assessment of the project.

QPM Managing Director Dr Stephen Grocott commented,

“I am encouraged to see the interest and support being shown by these large commercial and Government financiers. They are attracted to the TECH Project not only by the potential financial returns but also because the Project will be a leader in sustainability with carbon net-negative nickel production, minimal environmental footprint and waste and developed world risk profile. There is significant work ahead of us to secure the debt funding package. However, I am confident that, with large, like-minded financiers working along-side the QPM team, it is the right strategy to ensure the Project will reach Final Investment Decision.”

This announcement has been authorised for release by the Board.



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