ASX: QEM

ASX ANNOUNCEMENT

21 June 2023

$2.72m Placement to progress Julia Creek development

Highlights

- **Successful completion of oversubscribed $2.72m placement to professional and sophisticated investors at $0.17 per share.**
- **Funds raised will be applied to QEM's world class Julia Creek Vanadium and Oil Shale Project, including further resource drilling and additional on-going processing optimisation work.**
- **Continued support from existing shareholders including non-executive director and major shareholder David Fitch who will subscribe for ~$765k to maintain his ~28% shareholding.**

QEM Limited (ASX:QEM) is pleased to announce the Company has received firm commitments to raise $2.72m via an oversubscribed placement to new and existing sophisticated and professional investors. The placement will support ongoing development of QEM's 100% owned Julia Creek Project.

Complementing existing cash reserves, proceeds from the placement will fully fund QEM's pilot plant program, including additional petrology and vanadium pentoxide processing flow sheet optimisation. These works follow the successful second round of bench-scale pilot plant testing which delivered a significant improvement in vanadium extraction rates and oil yields. Complementing these activities, QEM will undertake beneficiation and mineral characterisation work with the University of Queensland to further optimise the processing plan. In addition, funds have also been allocated to further in-fill drilling and an update to the JORC report. These essential activities will underpin both the mining and processing strategies and further positions QEM as a leading vanadium developer in Australia.

QEM Managing Director Gavin Loyden commented:

"The QEM team is incredibly pleased by the level of support shown in this capital raise, with significant interest shown by high net worth, sophisticated and institutional investors. In strong validation of our vision, QEM received demand in excess of the intended raise amount despite the slim discount to the closing share price.

The ability for us to price this raise without the typical size of discounts seen elsewhere truly validates QEM's valuation upside and although market volatility has increased in recent months, it is clear that investors will continue to be attracted to high quality critical mineral developments in tier-1 jurisdictions.

DIRECTORS

Chair
Tim Wall

Managing Director
Gavin Loyden

Non-Executive Director
Daniel Harris

Non-Executive Director
David Fitch

JULIA CREEK PROJECT

Vanadium
Oil Shale

QEM Limited

Registered Office
Level 8
216 St Georges Tce
Perth WA 6000
Australia
+61(0) 8 9481 0389

Head Office
Level 6
50 Appel St
Surfers Paradise Q 4217
Australia
+61(0) 7 5646 9553

www.qldem.com.au
info@qldem.com.au

We also thank major shareholder and non-executive director David Fitch for his continued support contributing $765k in this capital raising to maintain his ~28% shareholding.

Following the recent success in pilot plant operations, we look forward to delivering further progress at QEM."

About the placement

QEM will raise $2.72m before costs via a placement of 16,000,000 new fully paid ordinary shares at $0.17 per share ("New Shares"). This includes a contribution by major shareholder and non-executive director David Fitch for ~$765,000 to maintain his ~28% shareholding in QEM, subject to shareholder approval.

Allotment of the New Shares to unrelated parties is anticipated to occur on or about 28 June 2023 under the Company's existing Listing Rule 7.1 capacity (11,499,478 Shares) whilst the New Shares to non-executive director David Fitch (4,500,522 Shares) will be subject to shareholder approval at a Company's general meeting to be held on or around 4 August 2023.

Viriathus Capital Pty Ltd acted as Lead Manager.

ENDS

This announcement was authorised for release on the ASX by the Board of QEM Limited.

For further information, please contact:

Gavin Loyden
Managing Director
P: +61 7 5646 9553
E: gavin@qldem.com.au

Joanne Bergamin
Communications Director
P: +61 7 5646 9553
E: jbergamin@qldem.com.au

ABOUT QEM

QEM Limited (ASX: QEM) is a publicly listed company which is focussed on the exploration and development of its flagship Julia Creek Project, covering 250km² in the Julia Creek area of North Western Queensland.

The Julia Creek vanadium / oil shale project is a unique world class resource with the potential to utilise and deliver innovative and sustainable energy solutions, through the production of energy fuels and vanadium pentoxide. QEM strives to become a leading producer of liquid fuels and in response to a global vanadium deficit, also aims to become a leading supplier of high-quality vanadium pentoxide, to both the nascent energy storage sector and the Australian steel industry.

This globally significant JORC (2012) Mineral Resource of 2,850 Mt @ 0.31% V2O5 is one of the single largest ASX listed vanadium resources and represents a significant opportunity for development. The resource is comprised of 360Mt @ 0.29% V2O5 in the Indicated category and 2,490Mt @ 0.31% V2O5 in the Inferred category, with the added benefit of a contingent (SPE-PRMS 2018) in-situ oil resource of 79MMBBls of Oil equivalent in the 2C category, and 696MMBBLs in the 3C category, contained within the same ore body.

The tenements form part of the vast Toolebuc Formation, which is recognised as one of the largest deposits of vanadium and oil shale in the world and located less than 6km east of the township of Julia Creek. In close proximity to all major infrastructure and services, the project is intersected by the main infrastructure corridor of the Flinders Highway and Great Northern Railway which connects Mount Isa to Townsville.

*The information in this announcement that relates to the mineral resource and contingent resource estimates for the Company's Julia Creek Project was first reported by the Company in its IPO prospectus dated 20 August 2018 and supplementary prospectus dated 12 September 2018 (together, the "Prospectus") and the subsequent resource upgrade announcements ("Resource Upgrade") dated 14 October 2019 and 7 April 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and Resource Upgrade, and in the case of estimates of Mineral Resources and Contingent Resources, that all material assumptions and technical parameters underpinning the estimates in the Prospectus and Resource Upgrade continue to apply and have not materially changed.