

Long Term Strategic Collaboration Established between Queensland Pacific Metals and General Motors

Highlights

- ✓ **General Motors Holdings LLC and Queensland Pacific Metals Ltd are pleased to announce the formation of a strategic collaboration, via a material investment and long term offtake agreement.**
- ✓ **Conditional commitment of up to US\$69m (A\$108m) by way of equity subscription in QPM, including initial binding commitment of US\$20.1m at A\$0.18 per share.**
- ✓ **Through this strategic collaboration, GM is granted the right to purchase all uncommitted nickel and cobalt sulfate produced in the first 15 years of Phase 1 of the TECH Project.**
- ✓ **Furthermore, by undertaking an additional investment when QPM reaches a Final Investment Decision:**
 - **GM's offtake rights for Phase 1 are extended to life of project; and**
 - **GM is granted the right to purchase 100% of nickel and cobalt sulfate under a Phase 2 expansion of the TECH Project.**
- ✓ **The TECH Project's outstanding ESG credentials align with the values and vision of GM and its transition towards electric vehicle production.**
- ✓ **The funding provided by GM will be used for ongoing development and construction of the TECH Project.**

Queensland Pacific Metals Ltd (ASX:QPM) ("QPM" or "the Company") is delighted to announce that it has entered into a binding equity subscription agreement ("**Investment Agreement**") and offtake agreement ("**Offtake Agreement**") with General Motors Holdings LLC ("**GM**").

The execution of these agreements represents the beginning of a long term strategic collaboration between QPM and GM. GM's equity investment and calibre as an offtake counterparty advances QPM closer towards making a Final Investment Decision ("**FID**") to construct the TECH Project.

Investment Agreement

Under the Investment Agreement, GM has agreed to invest up to US\$69m in equity in QPM, comprised of the Initial Investment of up to US\$25m and FID Investment of up to US\$44m. At each opportunity, GM will invest the maximum amount possible under its commitment, subject to GM's total shareholding in QPM being less than 10.0%.

Initial Investment

As part of the Initial Investment, GM has committed to subscribe for 174,634,791 shares in QPM at a subscription price of \$0.18 per share for a total of US\$20.1m (A\$31.4m). The subscription price represents a premium of 20% to the last closing price of QPM and 22.8% to the 3-month volume weighted average price of QPM.

QPM will also issue 46,833,661 unquoted options to GM with an exercise price of A\$0.20 and a term of 3 years (from the date of issue) as part of the initial binding commitment.

QPM will issue 138,421,313 shares under its existing LR7.1A placement capacity and 20,131,969 shares under its existing LR7.1 placement capacity to GM upon receipt of funds. The remaining shares and options will be subject to shareholder approval at an Extraordinary General Meeting (“EGM”). A notice of meeting will be sent out to QPM shareholders in the near future.

The balance of the Initial Investment can be called by QPM prior to FID to support other agreed funding initiatives in relation to the Tech Project.

FID Investment

Subject to its satisfaction with the Definitive Feasibility Study and other customary conditions, GM will also participate in any equity raising undertaken by QPM as part of a Final Investment Decision to construct the TECH Project. The investment price will be on the same basis as offered to other investors participating in the equity raising. GM’s commitment of up to US\$44m (plus the balance of the Initial Investment, if not called earlier) provides a material cornerstone position to support any fund raising.

Offtake Agreement

The key terms of the Offtake Agreement, which is conditional on QPM making a Final Investment Decision to construct the TECH Project, are detailed in the table below:

Item	Terms
Term	<p>Upon Initial Investment – 15 years for Phase 1 of the TECH Project</p> <p>Upon FID Investment – Life of project for Phase 1 of the TECH Project and Phase 2 expansion of the TECH Project</p>
Quantity	<p>GM has an option to purchase all quantities detailed below:</p> <p>Upon Initial Investment – all uncommitted tonnes outside the existing LG and POSCO offtake agreements, representing:</p> <ul style="list-style-type: none"> • ~6,000tpa Ni metal in the form of nickel sulfate, ramping up to ~16,000tpa when commitments under LG/POSCO agreements are met (at full production); and • ~800tpa Co metal in the form of cobalt sulfate, ramping up to ~1,800tpa when commitments under LG/POSCO agreements are met (at full production). <p>Upon FID Investment – an additional ~16,000tpa Ni metal in the form of nickel sulfate and ~1,800tpa Co metal in the form of cobalt sulfate, assuming Phase 2</p>

Item	Terms
	expansion is built at the same capacity.
Nickel Sulfate Pricing	Commercial in confidence, linked to underlying price of Ni (LME exchange) with adjustment for nickel sulfate premium.
Cobalt Sulfate Pricing	Commercial in confidence, linked to underlying price of Co (LME exchange).
Termination Provisions	Customary termination provisions including Force Majeure, material breach and insolvency.

Advisers

QPM was advised by Credit Suisse (Australia) Limited and Baker McKenzie and GM was advised by RBC Capital Markets and Kirkland & Ellis LLP.

Closing Remarks

QPM Managing Director Dr Stephen Grocott commented:

"We are absolutely delighted to form this partnership collaboration with General Motors. GM's strategic direction, company values and focus on sustainability in its pursuit of making electric vehicles for all is a perfect fit for Queensland Pacific Metals and our TECH Project. GM's investment in our company and the associated offtake brings us one step closer towards construction of the TECH Project where we will one day aim to deliver the world's cleanest produced nickel and cobalt. We thank GM for their support of our TECH Project and look forward to becoming part of the GM sustainably sourced raw material supply chain."

Jeff Morrison, GM vice president, Global Purchasing and Supply Chain said:

"The collaboration with Queensland Pacific Metals will provide GM with a secure, cost-competitive and long-term supply of nickel and cobalt from a free-trade agreement partner to help support our fast-growing EV production needs."

"Importantly, the agreement demonstrates our commitment to building strong supplier relationships and is aligned with our approach to responsible sourcing and supply chain management."

About General Motors

General Motors (NYSE:GM) is a global company focused on advancing an all-electric future that is inclusive and accessible to all. At the heart of this strategy is the Ultium battery platform, which powers everything from mass-market to high-performance vehicles. General Motors, its subsidiaries and its joint venture entities sell vehicles under the Chevrolet, Buick, GMC, Cadillac, Baojun and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety and security services, can be found at <https://www.gm.com>.

This announcement has been authorised for release by the Board.



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