

German Supplier Collaboration Agreement and German Funding Support

Highlights

- ✓ **Collaboration Agreement executed with German companies Plinke GmbH, Andritz Separation GmbH and Siemens Ltd (together the “German Suppliers”) regarding supply of capital equipment for the TECH Project.**
- ✓ **The German Suppliers will supply a significant proportion of equipment required for the TECH Project.**
- ✓ **Receipt of financing support has been received from two German financial institutions:**
 - ✓ **Germany’s Export Credit Agency (“ECA”) Euler Hermes has provided a Letter of Interest to provide a tied loan guarantee that would be for an amount of approximately A\$500m, linked to the value of equipment to be provided by the German Suppliers.**
 - ✓ **KfW IPEX-Bank confirmed its in principle interest to provide up to US\$250m (A\$357m) in debt financing split between the Euler Hermes guaranteed debt and non ECA guaranteed debt.**
- ✓ **Total indicative and conditional debt funding expressed by interested financiers as part of QPM’s debt process exceeds A\$1.4 Billion.**

German Supplier Collaboration

As part of a German trade delegation trip to Australia, QPM has entered into a Collaboration Agreement with the German Suppliers. As part of its past feasibility and current engineering work for the TECH Project, QPM has worked closely with each of the German Suppliers to ensure their equipment will meet the requirements of the TECH Project.

As part of the Collaboration Agreement, QPM and the German Suppliers will:

- collaborate to advance the TECH Project for the mutual benefit of all parties;
- collaborate to ensure that proposed equipment to be supplied will be designed and constructed to meet the requirements of the TECH Project;
- work towards providing performance guarantees for their equipment; and
- identify the quickest pathway through to construction and commercial production.

Furthermore, subject to completion of current optimisation testwork, engineering and commercial negotiation:

- the German Suppliers will provide construction and commissioning assistance;
- the German Suppliers will organise visits to plants in which their equipment is in operation; and

- QPM will not undertake a competitive tender on this equipment.

QPM and the German Suppliers are in the process of completing design work and negotiating commercial terms, an important milestone which will be required as part of RPM Global's due diligence as Independent Technical Expert for potential financiers.

Indicative Funding Support from German Financial Institutions

As part of the debt financing process, QPM and its debt advisor (KPMG Corporate Finance) have been in ongoing discussions with key German Financial Institutions regarding debt financing for the TECH Project.

Euler Hermes, the Federal Republic of Germany's ("FRG") ECA.

- QPM, through its German Suppliers, has previously received Letters of Interest from Euler Hermes given the TECH Project would, in principle, qualify under the export credit guarantee scheme of the FRG. As discussions and workstreams have advanced with the German Suppliers, the value of equipment supply from Germany is now better understood. Based on the indicative value of this equipment, Euler Hermes has provided QPM with an updated Letter of Interest expressing conditional tied loan guarantee to finance up to A\$500m of these contracts. QPM expects the final commitment from Euler Hermes could therefore be approximately \$500m.
- The provision of the guarantee by Euler Hermes' is non binding and subject to conditions standard for a debt facility of this nature including security, debt serviceability and equity financing, successful completion of the due diligence process and will be structured in accordance with the conditions of the OECD Arrangement on Officially Supported Export Credits.

KfW IPEX-Bank GmbH the German government owned specialist project and export finance bank

- KfW IPEX has issued a refreshed letter of support given the German exporter involvement. KfW IPEX confirmed its in principle interest to provide up to US\$ 250M in debt financing
- Financing commitment would be split between the Euler Hermes guaranteed debt and non ECA guaranteed debt (in a typical sweet/sour ratio).

The table below summarises QPM's debt financing progress, which now exceeds **A\$1.4 Billion of conditional funding support**.

Financier	Potential Debt Commitment (A\$)	Comments
Export Finance Australia	\$250m	<ul style="list-style-type: none"> • MOU in place with K-SURE regarding joint financing of Australian projects.
Northern Australia Infrastructure Facility	Up to \$250m	<ul style="list-style-type: none"> • NAIF continues to progress Due Diligence matters
Export Development Canada	\$400m	<ul style="list-style-type: none"> • Refreshed Letter of Interest on the basis of expected Canadian Contracts
Euler Hermes	\$500m	<ul style="list-style-type: none"> • Refreshed Letter of interest received
KfW IPEX	\$357m	<ul style="list-style-type: none"> • US\$250m @ A\$/US\$0.70 = A\$357m • On a typical "sweet/sour" ratio of 80/20% non covered ECA financing would be A\$70m

Financier	Potential Debt Commitment (A\$)	Comments
Korea Trade Insurance Corporation (“K-SURE”)	To be confirmed	<ul style="list-style-type: none"> Letter of interest received (see ASX announcement 5 April 2022) MOU in place with EFA
Other Commercial Banks	To be confirmed	<ul style="list-style-type: none"> Letters of interest received from other 10 commercial banks from Australia and international

Comments

QPM’s Managing Director and Chief Executive Officer, Dr Stephen Grocott, commented,

“We have long identified that our German partners would be well positioned to supply commercially proven equipment required for the TECH Project. We have been actively engaged with Plinke, Andritz and Siemens throughout our feasibility work. Formalisation of these relationships through the Collaboration Agreement is a clear demonstration of each companies’ intentions and support for the TECH Project. This validates QPM’s strategy of sole-source partnering with leading equipment and technology suppliers. Furthermore, the conditional support received from Euler Hermes and KfW IPEX represents another milestone to our debt financing process. We are delighted they have the potential to provide loans and loan guarantees to support the financing of the German supply contracts.”

KBR’s Vice President, Gary Godwin, commented,

“We are honored to be supporting QPM in the development of their TECH project. Our technology specialists in Bad Homburg, along with KBR’s global delivery teams are utilising our laboratories, pilot plants, process design expertise and equipment knowledge to innovate and contribute to the overall success of this project.”



Figure: (Left) Senator the Hon Tim Ayres Assistant Minister for Trade and Assistant Minister for Manufacturing; (Right) Dr. Franziska Brantner MP Parliamentary State Secretary at the Federal Ministry for Economic Affairs and Climate Protection; (centre) German Suppliers and QPM



Figure: Representatives from Plinke, Andritz, Siemens and QPM

About the German Suppliers

Plinke GmbH, a wholly owned subsidiary of KBR, Inc.

Since 1947, KBR's PLINKESM technologies have been supplied to more than 500 technology references all around the world for inorganic acid treatment, purification, and concentration. PLINKESM technologies support many different industry segments meeting the special requirements of customers in connection with reliable technology and proven materials.

KBR delivers science, technology and engineering solutions to governments and companies around the world. KBR employs approximately 30,000 people performing diverse, complex and mission-critical roles in 34 countries.

Andritz Separation GmbH

ANDRITZ Separation GmbH is an affiliate of ANDRITZ. The international technology group ANDRITZ offers a broad portfolio of innovative plants, equipment, systems, services and digital solutions for a wide range of industries and end markets. Sustainability is an integral part of the company's business strategy and corporate culture. With its extensive portfolio of sustainable products and solutions, ANDRITZ aims to make the greatest possible contribution to a sustainable future and help its customers achieve their sustainability goals. ANDRITZ is a global market leader in all four of its business areas – Pulp & Paper, Metals, Hydro and Separation. Technological leadership and global presence are cornerstones of the group's strategy, which is focused on long-term profitable growth. The publicly listed group has around 29,100 employees and over 280 locations in more than 40 countries.

Siemens Ltd

Siemens Ltd (Siemens Australia) began in Australia in 1872 and their technology has been an important part of much of the nations infrastructure and industry. The ultimate parent company of Siemens Ltd is Siemens AG (Berlin and Munich) which is a technology company focused on industry, infrastructure, transport, and healthcare. From more resource-efficient factories, resilient supply chains, and smarter buildings and grids, to cleaner and more comfortable transportation as well as advanced healthcare, the company creates technology with purpose adding real value for customers. By combining the real and the digital worlds, Siemens empowers its customers to transform their industries and markets, helping them to transform the everyday for billions of people. Siemens also owns a majority stake in the publicly listed company Siemens Healthineers, a globally leading medical technology provider shaping the future of healthcare. In addition, Siemens holds a minority stake in Siemens Energy, a global leader in the transmission and generation of electrical power.

In fiscal 2022, which ended on September 30, 2022, the Siemens Group generated revenue of €72.0 billion and net income of €4.4 billion. As of September 30, 2022, the company had around 311,000 employees worldwide. Further information is available on the Internet at www.siemens.com.

This announcement has been authorised for release by the Board.



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