

TECH Project Debt Financing Update

Highlights

- ✓ **Advancing on debt strategy to secure project finance from government backed lenders supported by leading commercial banks.**
- ✓ **Short form indicative term sheets (non-binding) have been received from 7 International and Domestic Commercial banks.**
- ✓ **Indicative commitments received are well in excess of target commercial bank funding requirement.**
- ✓ **Discussions with government backed lenders (\$1.4+ billion indicative commitments) regarding loan tenor, interest margin and coverage ratios are in line with debt funding plans.**
- ✓ **Due diligence (including finalisation of key reports from Lenders' Independent Consultants) required for final credit approval is advancing well in accordance with announced targeted timeline of 1H 2024.**

Queensland Pacific Metals Limited (ASX: QPM) ("**QPM**" or the "**Company**") is pleased to present an update on its debt financing for the TECH Project.

Debt Financing Update

QPM's debt financing strategy has been to target a debt syndicate largely consisting of Australian and International government backed lenders supported by leading project finance commercial banks. To date, QPM has received indicative commitments from government backed lending agencies exceeding A\$1.4 billion of conditional funding support. To complement this support and refine the target financing structure, QPM and its debt advisor KPMG Corporate Finance have now also progressed its engagement with international and domestic commercial banks.

This engagement has resulted in the receipt of non-binding, Short Form Term Sheets ("**SFTS**") from 7 International and Domestic Commercial Banks on terms aligned with current debt funding plan. The SFTS includes key commercial terms and also outlines the proportion of credit exposure split between debt guaranteed by the Government backed Export Credit Agencies ("**ECAs**") and non ECA guaranteed debt (i.e. sweet/sour ratio).

Receipt of these SFTS not only provides comfort in commercial bank indicative funding appetite for the TECH Project, but the extent of engagement reflects the strong alignment the TECH Project has with bank commitments to finance projects that support decarbonisation initiatives.

Whilst detailed terms contained in the SFTS are Commercial-in-Confidence, summary highlights include:

- Debt tenor for ECA Covered loan components of up to 15 years;

- Debt tenor for uncovered loan of up to 8 years;
- Interest margins in line with QPM's expectations; and
- Favourable sweet/sour ratio of generally 80/20 (ECA Covered /non-ECA Covered).

QPM notes that the SFTS are non-binding and any commitments are still subject to successful completion of detailed due diligence, agreement on structure of debt facility and receipt of final credit and other necessary approvals.

Due Diligence

Lender Due Diligence requirements which emerge as part of the funding process are being addressed in conjunction with the various experts now engaged.

The Independent Technical Expert's (RPM Global) review is well underway and is in its second (and final pre FID) phase of technical review. This includes reviewing engineering and design outcomes, visiting testwork sites and reviewing results and engineering work as it is completed. A site visit of QPM's New Caledonian ore suppliers is also planned. As part of this work, QPM's project team, in collaboration with Hatch (TECH Project lead engineer) and key technology vendors, continues with the detailed assessment underway of several key technical aspects of the TECH Project required to complete RPM's report.

Other experts also engaged for Lender due diligence include:

- CRU – nickel and cobalt market report (report delivered);
- CRU and CM Group – high purity alumina market report (in progress);
- AEC – public benefits assessment (report delivered);
- Ramboll – environmental and social impact assessment (report delivered); and
- EMM – human rights and climate change risk assessment (in progress).

QPM Managing Director and CEO, Dr Stephen Grocott commented,

"We are delighted at the response received to date from commercial financiers and their willingness to consider debt funding for the TECH Project. This confirms recognition of the attractiveness of the TECH Project to the global battery market and to financiers. Our strategy has been to initially target government backed lending agencies and then to refine the funding structure through support from the commercial banks. This approach is has borne fruit and we greatly appreciate the indicative support received to date. We look forward to advancing through the due diligence phase and to credit approvals."

This announcement has been authorised for release by the Board



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