



QPM Energy Limited
ABN 61 125 368 658
(formerly Queensland Pacific Metals Limited)

Annual Report for the Year
Ended 30 June 2025

Annual Report

For the year ended 30 June 2025

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Corporate Directory

Board of Directors

Eddie King	Non-Executive Chairman
John Downie	Non-Executive Director
Jim Simpson	Non-Executive Director
John Abbott	Non-Executive Director
Sharna Glover	Non-Executive Director
Stephen Grocott	Non-Executive Director (resigned 6 November 2024)

Company Secretary

Mauro Piccini

Registered Office

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Brisbane QLD 4000

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Stock Exchange Listing

Australian Securities Exchange
ASX Code: QPM

Auditors

Ernst & Young
111 Eagle Street
Brisbane QLD 4000
Australia

Solicitors

Baker & McKenzie
Level 32
71 Eagle Street
Brisbane QLD 4000
Australia

Share Registry

Computershare
Level 17
221 St Georges Terrace
Perth WA 6000

The Directors of QPM Energy Limited ("QPM Energy" or "the Company") present their report, together with the financial statements of the consolidated entity consisting of QPM Energy Limited and its controlled entities (the "Group") for the financial year ended 30 June 2025.

During the year, a resolution was passed to change the name of the Company from Queensland Pacific Metals Limited to QPM Energy Limited to more accurately reflect the Company's portfolio, whilst maintaining the QPM branding which is well recognised by government, investors and other key stakeholders.

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire year unless otherwise stated.

Eddie King | Non-Executive Chairman

(Appointed 26 March 2018, Non-Executive Chairman until 24 September 2021; Non-Executive Director from 25 September 2021 to 21 April 2024; Non-Executive Chairman from 22 April 2024)

Mr. King is a qualified Mining Engineer. Mr. King holds a Bachelor of Commerce and Bachelor of Engineering from the University of Western Australia. Mr. King is an experienced director of publicly listed companies where he specialises in the technical and financial analysis of resource projects for investment and acquisition. Mr. King is also a director of CPS Capital Group, one of Australia's most active stockbroking and corporate advisory firms specialising in small to medium high growth companies.

During the past three years, Mr. King held the following directorships in other ASX listed companies:

- QPM Energy Limited – appointed 26 March 2018
- Noble Helium Limited (ASX: NHE) – appointed 15 December 2021, resigned 17 February 2025
- Bindi Metals Limited (ASX: BIM) – appointed 27 May 2021
- M3 Mining Limited (ASX: M3M) – appointed 16 November 2020
- Ragnar Metals Limited (ASX: RAG) – appointed 10 February 2017
- Eastern Resources Limited (ASX: EFE) – appointed 10 July 2017
- Rubix Resources Limited (ASX: RB6) – appointed 30 June 2021
- Great Northern Minerals Limited (ASX: GNM) – appointed 1 March 2023
- Westar Resources Limited (ASX: WSR) – appointed 27 March 2025.

John Downie | Non-Executive Director

(Appointed 17 May 2019 – 31 March 2021, Managing Director; Executive Director from 1 April 2021 to 21 April 2024; Non-Executive Director from 22 April 2024)

Mr. Downie is a mechanical engineer and has over 30 years of experience in the mining industry. Mr. Downie holds a Bachelor of Engineering (Mechanical) and MBA from the Royal Melbourne Institute of Technology. He has extensive experience in lateritic nickel mining and processing, having previously been Director of Mines for Vale's Goro operations, CEO of Gladstone Pacific Nickel and Director of Projects at Queensland Nickel. He has also been employed in senior roles at Barrack Mines NL, Alcoa of Australia Ltd and Boral Resources Ltd.

During the past three years, Mr. Downie did not hold any directorships in any other ASX listed companies.

DIRECTORS (CONT.)

Jim Simpson | Non-Executive Director
(Appointed 1 May 2021)

Mr. Simpson is a highly respected and experienced Mining Engineer with significant public company board and management experience. He is currently the CEO and Managing Director at Peel Mining Limited (ASX: PEX) and was previously Managing Director and CEO at Aurelia Metals Limited. Mr. Simpson has more than 30 years of mining industry experience and holds a Bachelor of Engineering Mining (Hons) from the University of NSW and a Diploma of Business (Frontline Management) and is a member of the Australasian Institute of Mining and Metallurgy.

During the past three years, Mr. Simpson has been an executive director of Peel Mining Limited since September 2019 and was appointed as its Managing Director in February 2022.

Sharna Glover | Non-Executive Director
(Appointed 24 September 2021)

Ms. Glover has over 25 years of experience in the Resources sector with her career focusing on Engineering, Technology and People. Her career has spanned over 20 years and ranged from working in the largest global mining and processing house (BHP) to being the co-founder of Imvelo.ai which provides capability in planning and leading innovation and business transformations through best technology partnerships and supporting commercial models. Sharna holds a first-class double degree in Chemical Engineering and Science, as well as a doctorate in Chemical Engineering.

During the past three years, Ms. Glover did not hold any directorships in any other ASX listed companies.

John Abbott AM | Non-Executive Director
(Appointed 24 September 2021, Chairman until 21 April 2024; Non-Executive Director from 22 April 2024)

John combines extensive experience as a Company Director of both Australian and Asian companies with an executive background in operations, engineering, design, and project management of large complex projects. Mr. Abbott holds both a Bachelor of Engineering and Bachelor of Law. He is a Chartered professional engineer and fellow of the Institute of Engineers Australia. He is also the Executive Chairman pro Temp of Queensland Wool Processors Pty Ltd and was a director of the Central Queensland Hospital and Health Services until 30 April 2024 - both of which highlight his enthusiasm for regional development in Queensland. John was appointed as a Member of the Order of Australia in the 2020.

During the past three years, Mr. Abbott did not hold any directorships in any other ASX listed companies.

Stephen Grocott | Non-Executive Director - resigned 6 November 2024
(Appointed 21 July 2020 – 31 March 2021, CEO; Managing Director from 1 April 2021 to 21 April 2024; Non-Executive Director from 22 April 2024 until his resignation on 6 November 2024)

Dr. Grocott is an accomplished executive in the mining and mineral processing sector with over 40 years of international experience. Dr. Grocott holds a Bachelor of Science (Hons) (Chemistry) and PhD in Chemistry from the University of Western Australia. He was the Chief Technical Development Officer at Clean TeQ Holdings Limited where he was accountable for technical and process development, and supported technical marketing, due diligence, and project funding for the A\$2.6B Sunrise Ni-Co-Sc project in New South Wales. Dr. Grocott's exposure to EV and battery producers and world-class expertise in process and development for minerals processing and battery chemicals will underpin the progress of the company.

During the past three years, Mr. Grocott did not hold any directorships in any other ASX listed companies.

COMPANY SECRETARY

Mauro Piccini

Mr. Piccini is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA). He specialises in corporate advisory, company secretarial and financial management services. Mauro spent seven years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares, options and performance rights of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Options	Performance Rights
Eddie King	15,249,558	-	-
John Downie	35,738,283	-	521,739
Jim Simpson	-	-	-
Sharna Glover	-	107,142	-
John Abbott	200,000	-	-
Stephen Grocott	1,893,599	214,285	12,347,826
	53,081,440	321,427	12,869,565

PRINCIPAL ACTIVITIES

QPM Energy Ltd (ASX: QPM) is an Australian Company based in Brisbane, Queensland, that owns and operates an integrated energy business including gas production and electricity generation. QPM earns revenue from the supply of gas to customers and the generation and dispatch of electricity into the National Electricity Market.

QPM owns 100% of the Moranbah Gas Project ("MGP") and manages a portfolio of gas supply sourced from the MGP and mine waste gas produced by co-located coal mining operations. The Company also manages the dispatch of the gas fired Townsville and Moranbah Power Stations.

The Company also owns the Townsville Energy Chemicals Hub (TECH) Project which aims to develop a modern and sustainable refinery to produce nickel, cobalt and High Purity Alumina (HPA).

REVIEW AND RESULTS OF OPERATIONS

The financial year ended 30 June 2025 represents the first complete financial year of ownership of the Moranbah Gas Project ("MGP"). It was also the first complete financial year where QPM's primary business focus was the MGP and associated electricity generation assets. QPM is pleased that this has coincided with a maiden financial year profit after income tax of \$8.2 million.

Total revenue was \$120.0 million, which includes \$87.9 million for the Energy segment from electricity and gas sales. This compares with the previous financial year of \$75.9 million in electricity and gas sales. Gas field supply costs were \$4.86/GJ, a reduction from the previous financial year of \$5.16/GJ.

GAS SUPPLY AND FIELD OPERATIONS

During the financial year, total gas supply was 9.4PJ (8.5PJ FY 30 June 2024), representing an average of 25.8TJ per day. Gas production for the year was impacted by the three-month period during which field production was limited due to the shutdown of Townsville Power Station ("TPS") for maintenance overhaul.

Operating highlights for the period include:

- zero loss time injuries
- zero reportable environmental incidents

GAS SUPPLY AND FIELD OPERATIONS (CONT.)

- completion of maiden drilling program for seven new production wells, with de-watering of these wells in progress
- increase in independently certified 2P reserves from 331PJ to 435PJ, and
- executed capital program to optimise the performance of the field's gathering system by de-bottlenecking flow constraints and reducing overall system pressure.

A pilot project was also undertaken targeting gas production from the Fairhill Seam. The pilot was to test a hypothesis that longwall mining-induced subsidence can enhance coal seam permeability enough to make low-permeability gas resources economically viable. The pilot involved drilling two vertical wells in mined and undisturbed zones and a horizontal Surface to In-Seam well in the Fairhill Seam. Early results are promising, but the pilot remains in progress. This pilot is being funded under the Queensland Government Frontier Gas Exploration Grants Program.

Gas Transportation via North Queensland Gas Pipeline ("NQGP")

At the end of March 2025, the historical gas transportation agreement that was in place when QPM acquired the MGP expired. During the financial year, a new gas transportation agreement was entered into with NQGP, commencing July 2025. This agreement will deliver significant fixed cost savings for QPM.

Gas Sales

Total gas sales for the financial year was 6.2PJ to existing customers Dyno Nobel and Copper Refineries. This is in line with existing offtake agreements with both customers.

Electricity Generation

Total gas supplied for electricity generation was 2.7PJ, with a total of 219,974MWh power generated and dispatched into the National Electricity Market ("NEM") across the TPS and Moranbah Power Station ("MPS"). This represents an increase of 17% from the previous financial year, a pleasing result given TPS was offline for maintenance overhaul.

During the year, the TPS has to undertake a major overhaul which typically occurs every 1,250 starts. This commenced late March 2025 and was completed subsequent to financial year end. The TPS was re-commissioned in late July 2025 and will not require another major overhaul for three to four years.

In late March 2025, the historical power purchase agreement with Ratch Australia Corporation ("RAC") that was in place when QPM acquired the MGP expired. During the financial year, a new dispatch agreement was entered into with RAC and commenced at the completion of the recent overhaul. This agreement will deliver significant fixed cost savings for QPM.

In December 2024, QPM entered into an operating agreement with Carbon Logica Pty Ltd that gave QPM full operating and electricity dispatch rights of the 12.8MW MPS and an option to acquire the MPS at the conclusion of the agreement. When operating, the MPS can power QPM's upstream gas field operations (~3MW) and dispatch excess electricity into the grid. It also provides QPM with the ability to purchase electricity directly from the grid, allowing it to take advantage of low and negative electricity prices that typically occur during the day time.

The benefits that have been realised by QPM under this arrangement are:

- reduction in field electricity costs
- increase electricity and revenue generating capacity, and
- growing QPM's electricity generation footprint in Moranbah.

ISAAC ENERGY HUB ("IEH") AND STAGE 1 112MW ISAAC POWER STATION ("IPS")

QPM's strategy to monetise its uncontracted gas reserves is to increase its electricity generation capacity, particularly within Moranbah. During the financial year, QPM completed a feasibility study for the 112MW IPS, which highlighted its potential to deliver significant earnings growth.

QPM also executed a binding contract with GE Vernova to acquire 2 x 55.6MW aeroderivative gas turbines. This significantly de-risks the IPS, given the current lead time for gas turbines has pushed out as far as five to seven years.

In addition to completing the feasibility study, QPM undertook the following activities in relation to the development of the IPS:

ISAAC ENERGY HUB ("IEH") AND STAGE 1 112MW ISAAC POWER STATION ("IPS") (CONT.)

- advanced grid connection activities with Powerlink Queensland
- advanced regulatory approval activities for the IPS, and
- appointed financial advisor RBC Capital Markets to assist with financing the development of the IPS.

QPM is targeting a final investment decision on the IPS before the end of calendar year 2025, with first commissioning and operation commencing mid-2027.

TECH PROJECT

QPM has executed agreements with both the Australian Federal Government and the Queensland State Government for grant funding totalling \$16 million. These funds are being used to advance the TECH Project. During the financial year, QPM continued to advance feasibility activities, largely centred around optimising the TECH Project to reduce capital and operating costs. These activities will remain ongoing in the next financial year.

CORPORATE

\$10 million placement

On 30 June 2025, the Company received binding commitments from institutional, sophisticated and professional investors to raise \$10 million (before costs) under a placement of fully paid ordinary shares at an issue price of \$0.031 per New Share ("Placement"). The Placement was strongly supported by both existing shareholders and new high-quality investors. The funds raised under the Placement (after costs) will be issued to procure long lead items and the ongoing development of the 112MW Isaac Power Station.

GOVERNMENT AND SUSTAINABILITY INITIATIVES

Sustainability and Environmental Responsibility

The TECH Project and the Isaac Power Station (IPS) are estimated to have a negative carbon footprint. The TECH Project is calculated to save 989,213 tonnes of CO₂-equivalent emissions per year, which is approximately equivalent to the emissions generated by 215,000 typical passenger vehicles annually. QPM's gas production strategy directly reduces emissions by capturing gas that would otherwise be vented or flared during coal mining operations. QPM's managed production wells are concentrated within future longwall mining envelopes, and within QPM's Petroleum Leases which collectively span key assets including PL 191, PL 224, and PL 196. All QPM PLs overlap with third-party MLs.

All QPM's current and future managed production comes from areas that directly coincide with mining leases or are otherwise subject to coal mining. This includes both active and planned longwall operations.

In these areas, coal mine operators are required to drain gas in advance of mining to maintain underground safety standards. This gas is usually flared. QPM is capturing this gas and converting it to electricity or selling it under existing gas sales agreements, thus avoiding substantial emissions.

Community and Sponsorships

QPM continues its dedication to ensuring that the community and interested stakeholders remain well-informed about the ongoing development of our projects. QPM maintains a strong local presence in Townsville and Moranbah through the local offices, where community members can interact with QPM representatives and obtain detailed information about our projects and operations. QPM regularly organises Community Information Sessions, and these sessions are open to everyone interested. QPM has initiated a sponsorship program with the aim of promoting children's participation in sports, particularly in regional and remote areas of Queensland. As part of this initiative, QPM has again extended sponsorships to several organisations, including the Woodstock Horse Sports Club, The Challenge Games, and Townsville Table Tennis. These organisations were chosen by QPM for their inclusive approach, low barriers to entry, and their commitment to encouraging children of all ability levels to engage in sports and enjoy themselves.

GOVERNMENT AND SUSTAINABILITY INITIATIVES (CONT.)

Traditional Landowners

QPM places a high value on the unique and significant connection that Traditional Landowners and local Indigenous communities have with their 'Country', encompassing the land, environment, culture, and traditional way of life. The company has established a strong and cooperative relationship with the Bindal People, Traditional Owners of the Lansdown site where the TECH Project will be developed, together with the Barada Barna, Widi, Wiri and Jangga People in the Bowen Basin where QPM's Moranbah Gas Project is based. These partnerships aim to foster and maintain cooperative relations. QPM remains a party to several Cultural Heritage Management Agreements which ensure that any items with Aboriginal cultural heritage significance are identified, safeguarded from harm, and managed in accordance with relevant laws. They also outlines mechanisms for ongoing productive engagement between QPM and Traditional Landowners.

Financial Performance

The financial results of the Company for the year ended 30 June 2025 are:

	30 June 2025	30 June 2024
	\$	\$
Cash and cash equivalents	9,997,416	25,007,326
Net assets	41,175,782	31,476,584
Sales revenue	120,108,731	106,711,284
Other income ⁽ⁱ⁾	4,891,724	1,272,357
Net profit (loss) after tax ⁽ⁱⁱ⁾	8,194,662	(24,329,368)

(i) Other income includes the recognition of the grant income for the TECH Project and the Frontier Gas Exploration Grant.

(ii) The largest component of the net profit after tax for QPM is the MGP operating results.

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Board Appointments and Resignations

On 6 November 2024, the following changes to the Board were made:

- Former Managing Director and CEO, Dr. Stephen Grocott, resigned from his Non-Executive Director role.

Capital Raisings

Capital raising was completed during the year ended 30 June 2025 with majority of funds received subsequent to year-end.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 3 July 2025, QPM Energy Limited received the funds from a share capital raise of \$10 million (before fees and costs) at \$0.031 per share to institutional and sophisticated investors, issuing a total of 322,580,647 shares.

On 23 July 2025, the Company completed its Share Purchase Plan ("SPP") at the same price as the share capital raise which was strongly supported and raised a total of \$7 million.

During the year, QPM had applied for debt financing from the Australian Government's Northern Australia Infrastructure Facility ("NAIF") for the 112 MW Isaac Power Station ("IPS"). Subsequent to year end, QPM received written confirmation from NAIF that, following review of the Strategic Assessment Phase by the NAIF Board, the IPS has now been approved to proceed to NAIF's Due Diligence phase for the IPS debt financing.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company will accelerate its development of the Isaac Power Station ("IPS") which will deliver revenue growth through increasing its portfolio of electricity generation capacity.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Director	Regular Board Meetings - Number Eligible to Attend	Regular Board Meetings - Number Attended	Remuneration Committee Meetings - Number Eligible to Attend	Remuneration Committee Meetings - Number Attended
John Downie	11	11	4	4
Eddie King	11	11	4	3
Stephen Grocott ⁽¹⁾	4	3	4	4
Jim Simpson	11	11	4	4
Sharna Glover	11	10	4	4
John Abbott	11	10	4	4

⁽¹⁾ Stephen Grocott resigned as Non-Executive Director on 6 November 2024.

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Company, there is no Audit Committee at present. Matters typically dealt with by the Audit Committee is currently being managed by the Board. For details of the function of the Board, please refer to the Corporate Governance Statement located on page 79.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2025 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key Management Personnel Disclosed in this Report

Non-Executive Directors and Key Management Personnel of the Company during or since the end of the financial year were:

Name	Position	Term as KMP
Non-executive directors		
Eddie King	Non-Executive Chair	Full financial year
Jim Simpson	Non-Executive Director	Full financial year
Sharna Glover	Non-Executive Director	Full financial year
John Abbott	Non-Executive Director	Full financial year
John Downie	Non-Executive Director	Full financial year
Stephen Grocott	Non-Executive Director	Resigned 6 November 2024
Executive KMP*		
David Wrench	Chief Executive Officer (CEO)	Full financial year
Duane Woodbury	Chief Financial Officer (CFO)	Full financial year
John Khoo	General Manager – Corporate Development (GM)	Full financial year
Ben Visser	General Manager—Operations & Development (GM)	Full financial year

*Barry Sanders ceased being an executive KMP on 1 July 2024

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Service Agreements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Loans with KMP
- I Other Transactions with KMP

REMUNERATION REPORT (AUDITED, CONT.)

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing, and controlling the activities of the Company. KMP of the Company comprise of the Board of Directors and senior executive employees.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining, and motivating people of the highest quality.

The Board engaged independent consultants, Alto Partners, to review and benchmark non-executive director fees. The consultants reported directly to the Remuneration Committee and received no instructions from management. Fees paid for this service were \$3,000; no other services were provided. No remuneration recommendations were made.

Voting and comments made at the Company's Annual General Meeting.

At the 2024 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2024 was passed without amendment by a poll.

The Company did not receive any formal questions at the Annual General Meeting regarding its remuneration practices.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors through a remuneration committee comprising all Non-Executive Directors.

The Committee is primarily responsible for:

- the over-arching executive remuneration framework
- operation of the incentive plans which apply to non-executive directors and senior executives, including key performance indicators and performance hurdles
- remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

❖ Non-Executive Remuneration Structure

The remuneration of non-executive directors consists of directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to non-executive directors in accordance with the Company's Constitution shall initially be no more than A\$500,000 and may be varied by ordinary resolution of the Shareholders in a general meeting.

Remuneration of non-executive directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company, and which is designed to provide superannuation benefits for both present and future non-executive directors, and they may from time to time vary this scheme or plan.

The remuneration of non-executive directors is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Service Agreements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

REMUNERATION REPORT (AUDITED, CONT.)

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executive KMPs are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high-performance directors and senior executive employees.

The main objectives sought when reviewing executive remuneration is that the Company has:

- coherent remuneration policies and practices to attract and retain executives
- executives who will create value for shareholders
- competitive remuneration offered benchmarked against the external market, and
- fair and responsible rewards to executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Service Agreements".

❖ Executive Remuneration Approvals

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. The Remuneration Committee is tasked with ensuring that Executive remuneration and incentive policies are aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies must be designed to motivate management to pursue the Company's long-term growth and success plans and demonstrate a clear relationship between the Company's overall performance and performance of the executives.

Executive remuneration will be reviewed on an ongoing basis, as required by the Remuneration Committee. This process will consider the review of the Company, business unit and individual performance, relevant comparative remuneration internally and externally, market conditions and where appropriate, external independent advice. The Remuneration Committee will make recommendations to the Board regarding Executive remuneration.

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Company for the past five years:

	30-June-25	30-June-24	30-June-23	30-June-22	30-June-21
Sales Revenue (\$)	120,108,731	106,711,284	-	-	-
Other income (\$)	4,891,724	4,493,531	25,782,715	2,612,780	2,716,002
Net Profit/(loss) after tax (\$)	8,194,662	(24,329,368)	(39,052,195)	(38,054,319)	(11,499,536)
Basic EPS (cents)	0.32	(1.19)	(2.31)	(3.28)	(1.25)
Share price (\$)	0.032	0.033	0.100	0.115	0.140
Dividends	-	-	-	-	-

Relationship Between Remuneration and Company Performance

Given the current phase of the Company's development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP, rather the progress and development of the Group's major projects, and capital management is used.

The pay and reward framework for key management personnel may consist of the following areas:

- Fixed Remuneration – base salary, superannuation, and non-monetary benefits
- Variable Short-Term Incentives
- Variable Long-Term Incentives.

REMUNERATION REPORT (AUDITED, CONT.)

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel are also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short Term Incentives (STI)

Discretionary cash bonuses and performance rights may be paid to senior executives annually, subject to the requisite Board and shareholder approvals where applicable. Performance rights and cash bonuses were made to directors and senior executives during the financial year. Refer to section D for details of these payments. Benefits that are expected to be realised within 12 months are considered short-term.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options and performance rights are issued at the Board's discretion. See section F Share-based Compensation, Performance Rights. Benefits that are not expected to be realised within 12 months are considered long-term.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Company during the financial year are:

REMUNERATION REPORT (AUDITED, CONT.)

Table 1 – Remuneration of KMP of the Company for the year ended 30 June 2025 is set out below:

	Short-term Employee Benefits			Post-Employment	Long-term benefits	Share-based payments	Total
	Salary & fees	Non-Monetary benefits ⁽ⁱ⁾	Employee Entitlements ⁽ⁱⁱ⁾	Superannuation	Employee Entitlements ⁽ⁱⁱ⁾	Performance Rights ⁽ⁱⁱⁱ⁾	Total
	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors							
Eddie King – Chairman	100,000	-	-	11,500	-	-	111,500
Jim Simpson	70,000	-	-	8,050	-	-	78,050
Sharna Glover	70,000	-	-	8,050	-	-	78,050
John Abbott	64,627	-	-	7,412	-	-	72,039
John Downie	91,948	-	-	8,099	-	(3,344)	96,703
Stephen Grocott ^(iv)	183,638	90,419	3,327	7,740	-	(6,122)	279,002
Executive KMP							
David Wrench – Chief Executive Officer	590,000	151,825	40,000	29,932	4,209	657,065	1,473,031
Duane Woodbury – Chief Financial Officer	520,960	69,693	36,154	29,932	5,375	337,546	999,660
John Khoo – General Manager Corporate Development	520,960	-	36,154	29,928	5,375	337,546	929,963
Ben Visser – General Manager Operations & Development ^(v)	440,860	-	28,054	29,928	1,068	105,157	605,067
Total	2,652,993	311,937	143,689	170,571	16,027	1,427,848	4,723,065

(i) Non-monetary benefits relate specifically to travel costs (flights and accommodation) from the KMP's primary place of residence to the QPM office in Brisbane. This travel is considered regular and meets the criteria of reportable fringe benefits and includes tax payable amounts. These amounts included above include both the cost of travel, and the fringe benefit tax obligations payable by QPM.

(ii) The amount shown above is the total annual leave and long service leave earned during the year.

(iii) Includes the component of STI/LTI which is deferred in shares. The fair value of the deferred share component is amortised over the performance rights vesting period.

(iv) Stephen Grocott ceased being a non-executive KMP on 6 November 2024. An amount of \$116,251 included in the table above relates to service provided by a company related to Stephen Grocott. See Note 24-Related Party Transactions.

(v) Ben Visser commenced being an executive KMP on 1 July 2024.

REMUNERATION REPORT (AUDITED, CONT.)

Table 2 – Remuneration of KMP of the Company for the year ended 30 June 2024 is set out below:

	Short-term Employee Benefits			Post-Employment	Long-term benefits	Share-based payments	Total
	Salary & fees	Non-monetary benefits ⁽ⁱ⁾	Employee Entitlements ⁽ⁱⁱ⁾	Superannuation	Employee Entitlements ⁽ⁱⁱⁱ⁾	Performance Rights	Total
	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors							
Eddie King – Interim Chair ^(iv)	75,795	-	-	8,338	-	-	84,133
Jim Simpson	70,000	-	-	7,700	-	-	77,700
Sharna Glover	70,000	-	-	7,700	-	-	77,700
John Abbott ^(v)	94,205	-	-	9,891	-	-	104,096
John Downie ^(v)	120,000	-	(17,112)	13,200	-	24,607	140,695
Stephen Grocott ^(vii)	520,960	156,480	53,805	27,398	-	40,673	799,316
Executive KMP							
David Wrench – Chief Executive Officer ^(viii)	503,864	132,850	24,467	27,399	-	28,898	717,478
Duane Woodbury – Chief Financial Officer	470,960	75,287	30,801	27,399	-	119,364	723,811
John Khoo – General Manager Corporate Development	470,960	-	24,533	27,396	-	119,364	642,253
Barry Sanders – Project Director	395,523	-	(434)	27,399	-	17,618	440,106
Total	2,792,267	364,617	116,060	183,820	-	350,524	3,807,288

- (i) Non-monetary benefits relate specifically to travel costs (flights and accommodation) from the KMP's primary place of residence to the QPM office in Brisbane. This travel is considered regular and meets the criteria of reportable fringe benefits and includes tax payable amounts. These amounts included above include both the cost of travel, and the fringe benefit tax obligations payable by QPM.
- (ii) The amount shown above is the movement in annual leave and long service leave provision during the year.
- (iii) Includes the component of STI/LTI which is deferred in shares. The fair value of the deferred share component is amortised over the performance rights vesting period.
- (iv) Eddie King was appointed Interim Chairman on 22 April 2024.
- (v) John Abbott ceased being Executive Chairman on 21 April 2024.
- (vi) John Downie ceased being an executive KMP on 21 April 2024 and was appointed as a non-executive director.
- (vii) Stephen Grocott ceased being an executive KMP on 21 April 2024 and was appointed as a non-executive director.
- (viii) On 22 April 2024, David Wrench was appointed Chief Executive Officer of QPM. Prior to this date, David Wrench was the Chief Executive Officer of QPM Energy.

REMUNERATION REPORT (AUDITED, CONT.)

Table 3 – Relative proportion of fixed vs. variable remuneration expense:

Name	Fixed Remuneration		Variable Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2025	2024	2025	2024	2025	2024	2025	2024
Non-Executive Directors								
Eddie King	100%	100%	-	-	-	-	-	-
Jim Simpson	100%	100%	-	-	-	-	-	-
Sharna Glover	100%	100%	-	-	-	-	-	-
John Abbott	100%	100%	-	-	-	-	-	-
John Downie	100%	100%	-	-	-	-	-	-
Stephen Grocott	100%	95%	-	5%	-	5%	-	-
Executive KMP								
David Wrench	53%	96%	47%	4%	17%	10%	30%	-6%
Duane Woodbury	65%	84%	35%	16%	17%	9%	18%	7%
John Khoo	64%	81%	36%	19%	17%	11%	19%	8%
Barry Sanders	N/A	96%	N/A	4%	N/A	4%	N/A	-
Ben Visser	83%	-	17%	-	9%	-	8%	-

Table 4 – Shareholdings of KMP* (direct and indirect holdings):

30 June 2025	Balance at 01/07/2024	Granted as Remuneration	Exercise of Options	Net Change Other #	Balance at 30/06/2025
Non-Executive Directors					
Eddie King	15,249,558	-	-	-	15,249,558
Jim Simpson	-	-	-	-	-
Sharna Glover	289,285	-	-	(289,285)	-
John Abbott	200,000	-	-	-	200,000
John Downie	35,738,283	-	-	-	35,738,283
Stephen Grocott	1,893,599	-	-	(1,893,599) ¹	-
Executive KMP					
David Wrench	-	-	-	-	-
Duane Woodbury	12,161,828	-	1,175,000	-	13,336,828
John Khoo	17,430,168	-	1,175,000	(10,062,475) ²	8,542,693
Ben Visser	-	-	1,200,000	-	1,200,000
Total	82,962,721	-	3,550,000	(12,245,359)	74,267,362

* Includes shares held directly, indirectly and beneficially by KMP.

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

¹ Stephen Grocott ceased to be a non-executive KMP of the Company on 6 November 2024. As at the date of cessation, Stephen Grocott held 1,893,599 shares.

² Disposal/transfer of shares relates to financial agreement settlement with ex-spouse.

REMUNERATION REPORT (AUDITED, CONT.)

Table 5 – Option holdings of KMP* (direct and indirect holdings):

30 June 2025	Balance at 01/07/2024	Issued as Remuneration	Options Exercised	Net Change Other #	Balance at 30/06/2025	Vested & Exercisable
Non-Executive Directors						
Eddie King	-	-	-	-	-	-
Jim Simpson	1,000,000	-	-	(1,000,000)	-	-
Sharna Glover	1,107,142	-	-	(1,000,000)	107,142	107,142
John Abbott	1,000,000	-	-	(1,000,000)	-	-
John Downie	-	-	-	-	-	-
Stephen Grocott	214,285	-	-	(214,285) ¹	-	-
Executive KMP						
David Wrench	-	-	-	-	-	-
Duane Woodbury	214,285	-	-	-	214,285	214,285
John Khoo	-	-	-	-	-	-
Ben Visser	-	-	-	-	-	-
Total	3,535,712	-	-	(3, 214,285)	321,427	321,427

* Includes options held directly, indirectly and beneficially by KMP.

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

¹ Stephen Grocott ceased to be a non-executive KMP of the Company on 6 November 2024. As at the date of cessation, Stephen Grocott held 214,285 options.

Table 6 – Performance Rights holdings of KMP (direct and indirect holdings):

30 June 2025	Balance at 01/07/2024	Issued as Remuneration	Exercised	Other	Lapsed	Balance at 30/06/2025	Vested & Exercisable
Non-Executive Directors							
Eddie King	-	-	-	-	-	-	-
Jim Simpson	-	-	-	-	-	-	-
Sharna Glover	-	-	-	-	-	-	-
John Abbott	-	-	-	-	-	-	-
John Downie	521,739	-	-	-	-	521,739	521,739
Stephen Grocott ⁽ⁱ⁾	16,721,740	-	-	(12,347,826)	(4,373,914)	-	-
Executive KMP							
David Wrench ^(iv)	46,062,499	-	-	-	(1,906,250)	44,156,249	15,031,250
Duane Woodbury ⁽ⁱⁱ⁾	15,915,218	20,000,000	(1,175,000)	-	(13,957,609)	20,782,609	6,000,000
John Khoo ⁽ⁱⁱⁱ⁾	7,915,218	20,000,000	(1,175,000)	(3,000,000)	(2,957,609)	20,782,609	6,000,000
Ben Visser ^(v)	-	8,000,000	(1,200,000)	-	-	6,800,000	1,200,000
Total	87,136,414	48,000,000	(3,550,000)	(15,347,826)	(23,195,382)	93,043,206	28,752,989

- (i) 1,186,957 performance rights for LT11, 1,186,957 performance rights for LT12 lapsed due to Stephen Grocott's cessation as an employee during the year. 2,000,000 rights for M4 were cancelled by the Board during the year. Stephen Grocott ceased to be a non-executive KMP of the Company on 6 November 2024. As at the date of cessation, Stephen Grocott held 12,347,826 performance rights.
- (ii) During the year Milestone ST12B was not met resulting in the expiry of 1,175,000 performance rights. Additionally, 20,000,000 rights with various attaching milestones were issued to Duane Woodbury on 4 October 2024. Upon ceasing employment any unvested performance rights will lapse. Performance right, ST11A, vested during the year and were also converted to 1,175,000 shares during the year. Milestones MSFID1, MSFID2, MSFID3, LT12 (totalling 12,782,609 rights) were cancelled by the Board during the year.
- (iii) During the year Milestone ST12B was not met resulting in the expiry of 1,175,000 performance rights. Additionally, 20,000,000 rights with various attaching milestones were issued to John Khoo on 4 October 2024. Upon ceasing employment any unvested performance rights will lapse. Performance right, ST11A, vested during the year and were also converted to 1,175,000 shares during the year. Milestones M4 and LT12 (totalling 1,782,609 rights) were cancelled by the Board during the year. 3,000,000 rights were transferred to a third party as part of a financial settlement.

REMUNERATION REPORT (AUDITED, CONT.)

- (iv) 1,125,000 performance rights for LT12A were cancelled by the board during the year. 781,250 rights for ST12B lapsed during the year due to its milestone not being met.
- (v) 8,000,000 rights with various attaching milestones were issued to Ben Visser on 4 October 2024. Upon ceasing employment, any unvested performance rights will lapse. Performance right, Class D, vested during the year and were also converted to 1,200,000 shares during the year.

E Service Agreements

Executive KMP	Term	Notice period by Group	Notice period by Executive
David Wrench (Chief Executive Officer)	Ongoing executive contract	6 months	6 months
Duane Woodbury (Chief Financial Officer)	Ongoing executive contract	6 months	6 months
John Khoo (General Manager – Corporate Development)	Ongoing executive contract	3 months	3 months
Barry Sanders (Project Director)	Ongoing executive contract	3 months	6 months
Ben Visser (General Manager – Operations & Development)	Ongoing executive contract	3 months	3 months
Eddie King (Chairman)	No fixed term	No notice	No notice
John Abbott (Non-Executive Director)	No fixed term	No notice	No notice
Sharna Glover (Non-Executive Director)	No fixed term	No notice	No notice
Jim Simpson (Non-Executive Director)	No fixed term	No notice	No notice
John Downie (Non-Executive Director)	No fixed term	No notice	No notice
Stephen Grocott (Non-Executive Director)	No fixed term	No notice	No notice

F Share-based Compensation

The Company rewards Directors and executive KMPs for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and/or performance rights. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Share Options

The following table sets terms and conditions of options affecting the remuneration of each director and other members of KMP in the future financial years:

30 June 2025	Number of share options	Grant date	Grant date Fair value	Exercise Price	Expiry Date	Vesting date
Non-Executive Directors						
Sharna Glover	107,142	12/10/2023	0.03	0.10	18/10/2026	Vested
Executive KMP						
Duane Woodbury	214,285	12/10/2023	0.03	0.10	18/10/2026	Vested
Total	535,712					

REMUNERATION REPORT (AUDITED, CONT.)

Performance Rights

The following table sets terms and conditions of grants affecting the remuneration of each Director and other members of KMP in the future financial years:

30 June 2025	Number of performance rights held	Grant date	Percent vested %	Fair value \$	Value of rights granted \$	Performance conditions
<u>Key Management Personnel</u>						
Duane Woodbury	666,667	4/10/2024	0	0.037	24,667	Class A
	666,667	4/10/2024	0	0.037	24,667	Class B
	666,666	4/10/2024	0	0.037	24,667	Class C
	3,000,000	4/10/2024	0	0.030	88,500	Class D
	3,000,000	4/10/2024	0	0.023	67,500	Class E
	3,000,000	4/10/2024	0	0.018	54,000	Class F
	3,000,000	4/10/2024	0	0.037	111,000	Class H
	3,000,000	4/10/2024	0	0.037	111,000	Class I
	3,000,000	4/10/2024	0	0.037	111,000	Class J
	782,609	23/09/2022	0	0.145	113,478	LT11
John Khoo	666,667	4/10/2024	0	0.037	24,667	Class A
	666,667	4/10/2024	0	0.037	24,667	Class B
	666,666	4/10/2024	0	0.037	24,667	Class C
	3,000,000	4/10/2024	0	0.030	88,500	Class D
	3,000,000	4/10/2024	0	0.023	67,500	Class E
	3,000,000	4/10/2024	0	0.018	54,000	Class F
	3,000,000	4/10/2024	0	0.037	111,000	Class H
	3,000,000	4/10/2024	0	0.037	111,000	Class I
	3,000,000	4/10/2024	0	0.037	111,000	Class J
	782,609	23/09/2022	0	0.145	113,478	LT1
Ben Visser	266,667	4/10/2024	0	0.037	9,867	Class A
	266,667	4/10/2024	0	0.037	9,867	Class B
	266,666	4/10/2024	0	0.037	9,867	Class C
	1,200,000	4/10/2024	0	0.023	27,000	Class E
	1,200,000	4/10/2024	0	0.018	21,600	Class F
	1,200,000	4/10/2024	0	0.037	44,400	Class H
	1,200,000	4/10/2024	0	0.037	44,400	Class I
	1,200,000	4/10/2024	0	0.037	44,400	Class J

REMUNERATION REPORT (AUDITED, CONT.)

30 June 2025	Number of performance rights held	Grant date	Percent vested %	Fair value \$	Value of rights granted \$	Performance conditions
David Wrench	1,333,333	20/05/2024	0	0.037	49,333	Class A
	1,333,333	20/05/2024	0	0.037	49,333	Class B
	1,333,333	20/05/2024	0	0.037	49,333	Class C
	6,000,000	20/05/2024	0	0.0295	177,000	Class D
	6,000,000	20/05/2024	0	0.0225	135,000	Class E
	6,000,000	20/05/2024	0	0.018	108,000	Class F
	6,000,000	20/05/2024	0	0.037	222,000	Class H
	6,000,000	20/05/2024	0	0.037	222,000	Class I
	6,000,000	20/05/2024	0	0.037	222,000	Class J
	1,125,000	23/09/2022	0	0.145	163,125	LT11
	1,125,000	23/09/2022	0	0.145	163,125	ST11
	781,250	5/12/2023	0	0.052	40,625	ST11A
	1,125,000	23/09/2022	0	0.145	163,125	ST12A
John Downie	521,739	25/11/2022	0	0.175	91,304	ST11

Performance rights with milestones– Stephen Grocott

On 24 November 2020, performance rights were granted to Stephen Grocott following shareholder approval. The milestone conditions of the performance rights affecting his remuneration in this financial year or future reporting years are as follows:

Milestone	Grant Date	Fair Value	Number of Performance Rights
M1 The Company enters into a Memorandum of Understanding (whether legally binding or not) with a potential customer regarding nickel sulphate offtake for the TECH Project which is required to be announced by the Company on the ASX	27/11/2020	\$0.042	2,500,000
M2 The Company enters into a legally binding offtake agreements for at least 35% of the forecast nickel sulphate production for the first ≥ 5 years of TECH Project	27/11/2020	\$0.042	5,000,000
M3 The Company enters into a legally binding offtake agreements for at least 35% of the forecast cobalt sulphate production for the first ≥ 5 years of TECH Project	27/11/2020	\$0.042	1,500,000
M6.3 Obtain all regulatory approvals required to build the TECH Project	1 September 2022 to 30 Nov 2022	\$0.016	2,500,000

Performance rights – ST11

On 23 September 2022, 3,538,043 performance rights were issued to KMP as part of a company-wide initiative to recognise and appreciate everyone's collective efforts throughout the year. The performance rights issued to all employees, excluding directors, were granted on 23 September whilst the rights issued to directors were subject to shareholder approval. As such, the latter were granted on 25 November 2022 following shareholder approval at the AGM. The rights immediately vest upon the recipient being employed for at least 12 months from the grant date.

On 23 September 2023, this milestone was met and the remaining the share-based payment was expensed during the period ended 30 June 2024. As such, no expense has been recognised as a share-based payment expense in the statement of profit or loss.

The following inputs were used to estimate the fair value per right.

REMUNERATION REPORT (AUDITED, CONT.)

STI1 – issued to employees, excluding directors

Letter of Offer	28/11/2022
Grant Date	23/09/2022
Value per right	\$0.145
Conversion price	\$0.000

STI1 – issued to directors

Letter of Offer	20/12/2022
Grant Date	25/11/2022
Value per right	\$0.175
Conversion price	\$0.000

Performance rights – LTI1

On 23 September 2022, 2,690,218 LTI performance rights were issued to KMP whilst 1,969,566 rights were issued to directors as part of the company's employee incentive plan. The performance rights issued to executives, excluding directors, were granted on 23 September whilst the rights issued to directors were subject to shareholder approval. As such, the latter was granted on 25 November 2022 following shareholder approval at the AGM. The rights immediately vest upon the recipient being employed for at least three years expiring 23/09/2025. Given there is uncertainty that all employees will meet this milestone, a share-based payment has been expensed for the pro-rata service period satisfied.

As at 30 June 2025 a share-based payment of \$156,587 has been expensed to the statement of profit or loss. The following inputs were used to estimate the fair value per right.

LTI1 – issued to KMP

Letter of Offer	28/11/2022
Grant Date	23/09/2022
Value per right	\$0.145
Conversion price	\$0.000

LTI1 – issued to directors

Letter of Offer	20/12/2022
Grant Date	25/11/2022
Value per right	\$0.175
Conversion price	\$0.000

Performance rights – STI1A

On 5 December 2023, under the new performance rights plan approved via the AGM, KMP were granted 3,131,250 short-term incentive rights for "Milestone 1" with a nil exercise price. The rights vest immediately upon completing a 12-month tenure as of 29 November 2024. Management assessed it was highly likely that this milestone would be met. On 29 November 2024, this milestone was met and the remaining the share-based payment was expensed during the period ended 30 June 2025. The total expense for the year was \$118,468 and has been recognised as a share-based payment expense in the statement of profit or loss.

STI1A - issued to executives and employees excluding directors

Letter of Offer	5/12/2023
Grant Date	5/12/2023
Value per right	\$0.052
Conversion price	\$0.000

REMUNERATION REPORT (AUDITED, CONT.)

Performance rights – STI2B

As part of the new performance rights plan granted on 5 December 2023, KMP were issued 3,131,250 short-term incentive rights for "Milestone 2" at a nil exercise price. The rights vest if on 29 November 2024, the 15-day VWAP average price of the shares meets or exceeds \$0.081 and is contingent upon continued employment with the Company. As at 29 November 2024, this milestone was not met and the rights lapsed. As such, a reversal of prior year's share-based payment expense of \$8,934 was recognised in this year's share-based payment reserve and statement of profit or loss.

STI2B - issued to executives and employees excluding directors

Letter of Offer	5/12/2023
Grant Date	5/12/2023
Value per right	\$0.023
Conversion price	\$0.000

Performance Rights - Class A to Class J

Following a review of QPM's assets and strategic direction, the Board decided to focus on expanding the company's gas and energy sectors. To lead this transition, David Wrench was appointed Chief Executive Officer on 22 April 2024. Concurrently, he was granted several new performance rights, detailed below:

- Letter of Offer: 20/05/2024
- Grant Date: 20/05/2024
- Total Performance Rights: 39,999,999.

Additional performance rights were granted to John Khoo, Duane Woodbury and Ben Visser as below:

- Letter of Offer: 04/10/2024
- Grant Date: 04/10/2024
- Total Performance Rights: 48,000,000.

Performance Rights with Safe Operations Milestones

Class A Performance Rights (STI) – 2,933,334

- Vesting Conditions:
 - 50% vest if the Company has zero Recordable Injuries for the financial year ending 30 June 2025
 - 50% vest if the Company has zero Environmental Incidents classified above Level 1 for the same period.
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. 1,333,333 rights were issued to David Wrench on 20 May 2024 whilst the remainder were issued to Duane Woodbury, Ben Visser and John Khoo in the current year. On 30 June 2025, this milestone was met and the remaining the share-based payment was expensed. \$112,533 has been recognised for the period up to 30 June 2025.
- Valuation model: Black Scholes
- Value per Right on 20/05/2024: \$0.040
- Value per Right on 04/10/2024: \$0.037
- Conversion Price: \$0.000.

Class B Performance Rights (LTI) – 2,933,334

- Vesting Conditions:
 - 50% vest if the Company has zero Recordable Injuries for the financial year ending 30 June 2026.
 - 50% vest if the Company has zero Environmental Incidents classified above Level 1 for the same period.
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. An expense of \$5,088 has been recognised for the pro-rata service period up to 30 June 2025.
- Valuation model: Black Scholes
- Value per Right on 20/05/2024: \$0.040
- Value per Right on 04/10/2024: \$0.037
- Conversion Price: \$0.000.

REMUNERATION REPORT (AUDITED, CONT.)

Class C Performance Rights (LTI) – 2,933,331

- Vesting Conditions:
 - 50% vest if the Company has zero Recordable Injuries for the financial year ending 30 June 2027.
 - 50% vest if the Company has zero Environmental Incidents classified above Level 1 for the same period.
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. An expense of \$3,398 has been recognised for the pro-rata service period up to 30 June 2025.
- Valuation model: Black Scholes
- Value per Right on 20/05/2024: \$0.040
- Value per Right on 04/10/2024: \$0.037
- Conversion Price: \$0.000.

Performance Rights with Share Price Milestones

Class D Performance Rights (LTI) – 13,200,000

- Vesting Condition: Vest upon the Company's share price reaching a VWAP of \$0.05 per share for at least 15 consecutive ASX trading days.
- Vesting Period: three years from issue date
- Expense Recognition: On 23 December 2024, this milestone was met and the remaining share-based payment was expensed. \$453,742 has been recognised for the period up to 30 June 2025.
- Valuation model: Monte Carlo
- Value per Right on 20/05/2024: \$0.033
- Value per Right on 04/10/2024: \$0.029
- Conversion Price: \$0.000.

Class E Performance Rights (LTI) – 13,200,000

- Vesting Condition: Vest upon the Company's share price reaching a VWAP of \$0.10 per share for at least 15 consecutive ASX trading days.
- Vesting Period: three years from issue date
- Expense Recognition: \$95,254 recognised based on the fair value of the market condition and the probability of the service condition being met as at 30 June 2025.
- Valuation model: Monte Carlo
- Value per Right on 20/05/2024: \$0.028
- Value per Right on 04/10/2024: \$0.022
- Conversion Price: \$0.000.

Class F Performance Rights (LTI) – 13,200,000

- Vesting Condition: Vest upon the Company's share price reaching a VWAP of \$0.15 per share for at least 15 consecutive ASX trading days.
- Vesting Period: three years from issue date
- Expense Recognition: \$78,224 recognised based on the fair value of the market condition and the probability of the service condition being met as at 30 June 2025.
- Valuation model: Monte Carlo
- Value per Right on 20/05/2024: \$0.023
- Value per Right on 04/10/2024: \$0.018
- Conversion Price: \$0.000.

Performance Rights with Gas Supply Milestones

Class H Performance Rights (STI) – 13,200,000

- Vesting Condition: Vest upon achieving an average daily gas supply of 30TJ/day over any rolling seven-day period.
- Vesting Period: one year from issue date

REMUNERATION REPORT (AUDITED, CONT.)

- Expense Recognition: In April 2025, this milestone was ratified as met by the board and the remaining share-based payment was expensed. An expense of \$484,833 has been recognised for the period up to 30 June 2025.
- Valuation model: Black Scholes
- Value per Right on 20/05/2024: \$0.040
- Value per Right on 04/10/2024: \$0.037
- Conversion Price: \$0.000.

Class I Performance Rights (LTI) – 13,200,000

- Vesting Condition: Vest upon achieving an average daily gas supply of 35TJ/day over any rolling seven-day period.
- Vesting Period: three years from issue date
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. An expense of \$14,551 recognised for the pro-rata service period satisfied as of 30 June 2025.
- Valuation model: Black Scholes
- Value per Right on 20/05/2024: \$0.040
- Value per Right on 04/10/2024: \$0.037
- Conversion Price: \$0.000.

Class J Performance Rights (LTI) – 13,200,000

- Vesting Condition: Vest upon achieving an average daily gas supply of 40TJ/day over any rolling seven-day period.
- Vesting Period: three years from issue date
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. An expense of \$4,595 recognised for the pro-rata service period completed as of 30 June 2025.
- Valuation model: Black Scholes
- Value per Right on 20/05/2024: \$0.040
- Value per Right on 04/10/2024: \$0.037
- Conversion Price: \$0.000.

G Equity Instruments Issued on Exercise of Remuneration Options

There were no options exercised by KMP during the year ended 30 June 2025 (2024: nil).

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2025 (2024: nil).

I Other Transactions with KMP

During the financial year, the Company engaged in a commercial arrangement with Stephen Grocott, a non-executive director of the Company, to provide specialised engineering consulting services unrelated to his duties as a director. These services were approved by the Board (excluding the interested director).

The services were provided in Stephen Grocott's personal capacity through a related entity, QPM Tech Project Pty Ltd, and were invoiced separately from his director fees. The total amount paid for these services during the financial year was \$116,251, excluding GST (2024: nil), and the invoices were processed through the Company's standard accounts payable system.

These services were outside the scope of Stephen Grocott's responsibilities as a director, and no additional employee benefits other than superannuation were provided in connection with this arrangement.

The Board is satisfied that the terms of the engagement were reasonable and that the consulting arrangement did not compromise Stephen Grocott's independence.

End of Audited Remuneration Report.

Corporate Governance - Diversity measurable

The Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives. As the Company develops, the Board will seek to develop a reporting framework in the future to report the Company's progress against the objectives and strategies for achieving a diverse workplace which can be used as a guide to be used by the Company to identify new Directors, senior executives and employees.

Full details of the Company's Diversity Policy can be found on the Corporate Governance page of the Company's website.

SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

46,833,661 unlisted options expiring 21 November 2025, exercisable at 20 cents.

128,077,348 unlisted options expiring 18 October 2026, exercisable at 10 cents.

PERFORMANCE RIGHTS

At the date of this report there were the following performance rights outstanding:

11,250,000 Milestones 1 to 4 Performance rights.

3,250,000 Milestone 6 Performance rights.

170,000 Performance rights 2022.

5,133,488 STI Performance rights.

2,690,218 LTI Performance rights.

2,737,499 STI1A Performance rights.

1,125,00 STI2A Performance rights.

2,933,334 Class A Performance rights.

2,933,334 Class B Performance rights.

2,933,331 Class C Performance rights.

13,324,191 Class D Performance rights.

13,200,000 Class E Performance rights.

13,200,000 Class F Performance rights.

13,200,000 Class H Performance rights.

14,900,178 Class I Performance rights.

13,200,000 Class J Performance rights.

SHARES ISSUED ON EXERCISE OF OPTIONS

Nil during the year ended 30 June 2025.

ENVIRONMENTAL REGULATIONS

The Company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year.

Subsequent to the acquisition of the Moranbah Gas Project, the Group is now subject to various environmental regulations.

There have been no significant known breaches of the consolidated entity's licence conditions or any environmental regulations to which it is subject.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS (CONT.)

During the financial year, the Company paid a premium in respect of a contract to ensure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

AUDITOR

In June 2023, the Company appointed Ernst & Young in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF ERNST & YOUNG

There are no officers of the Company who are former partners Ernst & Young.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and included within these financial statements.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their audit services where the auditor's expertise and experience with the Company and/or the group are important.

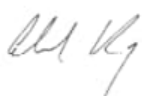
Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor amounted to \$111,100 (2024: \$147,700).

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is signed in accordance with a resolution of Board of Directors.



Eddie King
Non-Executive Chairman
22 September 2025

Auditor's independence declaration to the directors of QPM Energy Limited

In relation to our audit of the financial report of QPM Energy Limited for the financial year ended 30 June 2025, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- b. No contraventions of any applicable code of professional conduct in relation to the audit.
- c. No non-audit services provided that contravene any applicable code of professional conduct.

This declaration is in respect of QPM Energy Limited and the entities it controlled during the financial year.



Ernst & Young



Andrew Carrick
Partner
Brisbane
22 September 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2025

	Note	2025 \$	2024 \$
Continuing operations			
Revenue and other income			
Revenue from gas and electricity sales	4	120,108,731	106,711,284
Cost of sales	5	(89,905,897)	(81,714,793)
Gross profit		30,202,834	24,996,491
Other income	6	4,891,724	4,705,072
Tech project expenses		(3,884,845)	(21,431,985)
Other operating and administration expenses	7	(18,848,995)	(24,353,495)
Profit/(Loss) from operating activities		12,360,718	(16,083,917)
Finance income	8	1,063,312	1,416,907
Finance expense	8	(5,229,368)	(9,662,358)
Net finance expenses		(4,166,056)	(8,245,272)
Profit/(Loss) before income tax		8,194,662	(24,329,368)
Income tax expense	9	-	-
Profit/(Loss) from continuing operations after income tax		8,194,662	(24,329,368)
Total comprehensive income/(loss) for the year attributable to the owners of the parent		8,194,662	(24,329,368)
Profit/(Loss) per share from continuing operations			
Basic profit/(loss) per share (cents)	10	0.32	(1.19)
Diluted profit/(loss) per share (cents)	10	0.32	(1.19)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	11	9,997,416	25,007,326
Trade and other receivables	12	1,838,056	9,616,991
Other assets	13	1,254,916	8,820,334
Inventory		2,713,777	2,405,554
Total current assets		15,804,165	45,850,205
Non-current assets			
Long term deposits	13	2,733,214	1,933,192
Exploration and evaluation assets		-	334,435
Plant and equipment	14	105,631,851	95,897,327
Oil and gas properties	15	77,662,536	65,294,964
Right of use asset	16	9,521,263	21,466,459
Total non-current assets		195,548,864	184,926,377
Total assets		211,353,029	230,776,582
LIABILITIES			
Current liabilities			
Trade and other payables	17	12,674,652	28,887,304
Employee entitlements		1,067,345	1,439,035
Lease liabilities	16	1,802,514	39,430,431
Other liabilities	18	52,691,876	57,867,060
Total current liabilities		68,236,387	127,623,830
Non-current liabilities			
Lease liabilities	16	7,918,981	2,990,933
Other liabilities	18	17,456,124	32,185,371
Employee entitlements		98,818	126,562
Interest-bearing loans and borrowings	19	62,712,798	18,120,222
Provisions	20	13,754,139	18,253,080
Total non-current liabilities		101,940,860	71,676,168
Total liabilities		170,177,247	199,299,998
Net assets		41,175,782	31,476,584
EQUITY			
Contributed equity	21	145,514,484	145,300,305
Reserves	22	18,116,235	16,825,878
Accumulated losses		(122,454,937)	(130,649,599)
Total equity		41,175,782	31,476,584

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2025

	Note	Issued Capital	Share-based payment Reserve	Equity raise - Options Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
At 1 July 2024		145,300,305	8,559,916	8,265,962	(130,649,599)	31,476,584
Loss for the period		-	-	-	8,194,662	8,194,662
Total comprehensive profit for the period after tax		-	-	-	8,194,662	8,194,662
Transactions with owners in their capacity as owners		-	-	-	-	-
Share placement	21	-	-	-	-	-
Share issue costs	21	(13,804)	-	-	-	(13,804)
Share-based payments	23	-	1,518,340	-	-	1,518,340
Exercise of performance rights	21,22	227,983	(227,983)	-	-	-
Conversion of unlisted options	21	-	-	-	-	-
Balance at 30 June 2025		145,514,484	9,850,273	8,265,962	(122,454,937)	41,175,782
At 1 July 2023		113,574,307	8,223,733	4,535,844	(106,320,231)	20,013,653
Loss for the period		-	-	-	(24,329,368)	(24,329,368)
Total comprehensive loss for the period after tax		-	-	-	-	(24,329,368)
Transactions with owners in their capacity as owners		-	-	-	-	-
Share placement	21	37,049,980	-	-	-	37,049,980
Share issue costs	21	(5,807,101)	-	3,730,118	-	(2,076,983)
Share-based payments	23	-	519,302	-	-	519,302
Exercise of performance rights	21,22	183,119	(183,119)	-	-	-
Conversion of unlisted options	21	300,000	-	-	-	300,000
Balance at 30 June 2024		145,300,305	8,559,916	8,265,962	(130,649,599)	31,476,584

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		110,021,888	75,546,643
Payments to suppliers and employees		(90,781,761)	(99,476,639)
Interest and finance costs paid		(4,375,926)	(7,490,968)
Interest received		1,271,347	1,117,720
R&D tax offset received		-	15,839,463
GST recovered		5,271,845	2,529,468
Grant income received		7,569,259	2,926,000
Net cash used in operating activities	11(a)	28,976,652	(9,008,313)
Cash flows used in investing activities			
Payment for exploration and evaluation expenditure assets		-	(126,072)
Payments for property plant and equipment and gas properties	17	(43,616,526)	(10,215,774)
Payment of acquisition costs relating to the Moranbah Project		-	(3,144,029)
Receipts/(payments) of long-term deposits		5,307,853	(1,142,231)
Consideration for inheriting Moranbah contract liability		-	29,637,324
Payment for acquisition of the Moranbah Gas Project		-	(5,000,000)
Net cash used in investing activities		(38,308,673)	10,009,218
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		-	37,049,980
Payment of share issue costs		(13,805)	(2,076,984)
Proceeds from the exercise of options		-	300,000
Repayment of borrowings		-	-
Proceeds from borrowings		47,350,526	17,877,530
Payment of lease liability	16	(53,018,729)	(44,964,357)
Net cash from financing activities		(5,682,008)	8,186,169
Net increase/(decrease) in cash and cash equivalents		(15,014,029)	9,187,074
Cash and cash equivalents at the beginning of the year		25,007,326	15,755,410
Effect of movement in exchange rates on cash held		4,119	64,842
Cash and cash equivalents at the end of the year	11	9,997,416	25,007,326

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Reporting Entity

QPM Energy Limited (referred to as the "Company") is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

(b) Basis of Preparation

Going Concern

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business at amounts stated in the financial report.

As at 30 June 2025, the Group had cash on hand of \$10.0 million (30 June 2024: \$25.0 million), net current liabilities of \$52.4 million (30 June 2023: \$81.7 million), and a recorded net profit after tax of \$8.2 million (30 June 2024(Loss): \$24.3 million) for the financial year. The Group's net cash operating inflows for the year were \$29.0 million (30 June 2024(Outflow): \$9.0 million) but this does not contemplate cash outflows for principal payments of lease liabilities associated with the North Queensland Gas Pipeline ("NQGPP") and Townsville Power Station ("TPS"), being cash flows from financing activities.

During the next 12-18 months, the Group has operating cash commitments for gas production to meet its existing supply obligations (including make-up gas obligations under the original Dyno Nobel gas sale agreement, which involves gas which has previously been paid for but will be delivered during the period 1 April 2025 to 31 March 2026), expansionary capital expenditure to increase gas production and investment in the Isaac Power Station ("IPS"), specifically completion of detailed engineering, project execution planning and approvals in order to meet Final Investment Decision in the December 2025 quarter.

During the year ended 30 June 2025, new commercial terms to replace the existing TPS dispatch rights and NQGPP gas transport and storage contracts were agreed. The arrangements became operational subsequent to the year ended 30 June 2025. The new terms will result in a significant reduction in fixed operating charges which, coupled with increased gas production are forecast to improve QPM's operating cash flows in the 2026 Financial Year.

As at the date of signing this full-year financial report, the Directors have reasonable grounds to believe that the going concern basis of preparation remains appropriate for the financial statements.

A cash flow forecast has been prepared by the Group through to September 2026 which indicates the Group will have sufficient cash to continue as a going concern. This assessment contemplates the following:

- The Group completed a Share Placement and a Share Purchase Plan raising (gross) proceeds of \$17 million. Both issues settled subsequent to the end of the Financial Year. Proceeds will be applied towards:
 - procurement of critical long lead equipment to underpin the project schedule of the IPS
 - finalisation of detailed engineering of and project approvals for, the IPS
 - general working capital for the Group and costs of the raising.
- The Group has a committed Development Funding Facility with Dyno Nobel, with the first stage funding of up to \$80 million (and the ability to increase to \$120 million). This is to fund Moranbah Gas Project's capital field development activities. As at 30 June 2025, \$38 million had been drawn down from this facility.
- During the period, The Group agreed new Funding Agreements with Dyno Nobel which were used to fully repay QPM's Existing Working Capital Facility (with Dyno Nobel), and provide a stable, funded platform to underpin the growth of QPM's gas supply and energy portfolio.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

- Prepayment Facility (facility limit \$40 million) – repayable through the delivery of gas over 72 months commencing in April 2027 (refer to Note 19 for additional disclosure). \$17 million was drawn down on the facility as at 30 June 2025.
 - Additional Funding Facility (facility limit \$30 million) – 30% of the loan balance is required to be repaid on 1 April 2027 over 72 months with the remainder repaid at maturity. \$22 million was drawn down on the facility as at 30 June 2025.
- QPM has effectively executed a cost-efficient well work-over initiative aimed at revitalising non-producing wells and increasing production from existing wells. This program is planned to continue throughout the next financial year which is anticipated to result in additional field production.
- QPM was awarded an \$8 million grant in relation to the TECH Project from the Australian Federal Government under the International Partnerships in Critical Minerals program, of which \$3 million has been received as at the date of this report. Subsequent to the end of the period, the Queensland State Government executed an agreement relating to its \$8 million government grant for the TECH Project; matching the Federal Government funding.
- Prospectively, a significant proportion of the Group's TECH Project expenditure is discretionary, as most technical aspects of the TECH Project have achieved advanced stages of development and engineering design. As such, the timing of the on-going expenditure will be managed to align with the availability of funds. Presently, the core QPM technical team is dedicated to project optimisation, leveraging synergies with the QPM Energy business and mitigating risks to enhance the project's appeal to potential financiers and investors. The grant funding will be used to subsidise all future costs relating to producing a high-quality Definitive Feasibility Study (DFS).

While the above matters are expected to provide sufficient liquidity for the Group to continue as a going concern, the cash flow forecast assumes cash inflows from electricity generation, the amount, timing and price of which are subject to uncertainty. In addition, the Group continues to work to secure financing for its expansionary IPS project, to continue the funding of long lead time major equipment required to ensure delivery of the project development schedule. As such, the Directors continue to closely monitor available cash reserves and undertake initiatives to maintain liquidity, including considering additional debt financing and prepayment facilities and/or capital raising in the event they are required.

In the event the Group is unsuccessful achieving the above matter, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the ordinary course of business, at the amounts stated in the financial report. The annual financial report does not include any adjustment relating to the recoverability of classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

New Accounting Standards

The Group has adopted all new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the annual reporting period beginning on or after 1 July 2024. The adoption of these standards and amendments did not have a material impact on the Group's financial statements.

New and amended standards adopted during the year include:

- AASB 2023-1 Amendments to Australian Accounting Standards – Annual Improvements 2020–2022 and Other Amendments
- AASB 2022-6 Amendments to Australian Accounting Standards: Non-current Liabilities with Covenants.

These amendments primarily clarify existing guidance and had no significant impact on the Group's financial reporting. The Group has not early adopted any new accounting standards or interpretations that have been issued but are not yet effective, including AASB 18 Presentation and Disclosure in Financial Statements, which will replace AASB 101 Presentation of Financial Statements upon its application. The Group is currently assessing the potential impact of AASB 18 on its financial reporting and presentation.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). QPM Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

The annual report was authorised for issue by the Board of Directors on 22 September 2025.

Basis of measurement

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention and in Australian Dollars without rounding, unless otherwise stated.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 29.

(a) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of QPM Energy Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. QPM Energy Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has control.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(b) Revenue from contracts with customers

QPM's primary revenue streams relate to the sale of gas to business customers in Australia, and the sale of generated electricity to the National Electricity Market in Australia. Revenue from contracts with customers is recognised when control of the goods or services is transferred to a customer at an amount that reflects the consideration to which QPM expects to be entitled to receive in exchange for those goods or services.

QPM has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

QPM's primary performance obligations are the supply of energy (electricity or gas) over the contractual term. There are either individual contracts representing separate purchasing decisions of customers, or the units of supply of energy represent a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer and hence is considered one performance obligation satisfied over time. For the shorter-term contracts, the performance obligations are considered to be satisfied, and revenue is recognised, as and when the units of energy are delivered. Additionally, in relation to QPM's longer term contracts, QPM determines that the right-to invoice approach to measure the progress towards completion of the performance obligation is most appropriate as it depicts QPM's performance. QPM uses the units of energy delivered to the customer as estimated as part of the unbilled process (and later verified by meter readings) or as indicated by the customer's energy meter (where these are known more frequently).

Sales to the National Electricity Market relate to the sale of electricity. These sales are classified as individual, short-term, day-by-day contracts and are recognised as revenue on a day-by-day basis upon delivery of energy to customers. Significant financing component.

QPM applies the practical expedient in that it does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(c) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Property, plant and equipment transferred from acquirees are initially measured at fair value at the date on which control is obtained.

The Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks. Specifically, the Group determines whether climate-related legislation and regulations might impact either the useful life or residual values.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(e) Oil and gas assets

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Oil and gas properties are carried at cost less accumulated amortisation and impairment. It includes capitalised project expenditure, development expenditure and costs associated with lease and well equipment on properties that have moved to production. Costs are accumulated on a field-by-field basis and represent the cost of developing commercial reserves for production.

Accumulated well development costs are amortised on a unit-of-production basis over the Proved (1P) reserves as confirmed by the Group's annual reserves certification, with any change in reserves applied prospectively from the date of reserve change.

Following initial recognition, the assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Accumulated well development costs are amortised on a unit-of-production basis over the Proved (1P) reserves as confirmed by the Group's annual reserves certification, with any change in reserves applied prospectively from the date of reserve change.

(f) Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and evaluation assets comprise of acquisition of mineral rights and fair value (at acquisition date) of exploration and expenditure assets from other entities.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present and disclose any resulting impairment loss.

(g) Financial instruments

Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Financial assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient (that allows for the promised amount of consideration not to be adjusted for the effects of a significant financing component if, at contract inception, the entity expects that the period between the transfer of a promised good or service and customer payment will be one year or less), the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Group has applied the practical expedient noted above, are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 1B Accounting policy – revenue. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely the Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments)
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at fair value through profit or loss.

Other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

The Group's financial assets at amortised cost includes trade receivables.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

Typically, such financial assets will be either:

- (a) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative, or
- (b) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(a) Financial Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, using the effective interest rate method. Interest is accrued over the period it becomes due and unpaid interest is recorded as part of current trade and other payables. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another part and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Comprehensive Income as net finance costs. When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The Group considers a modification to be substantial based on: (1) qualitative factors which result in a significant change in the terms and conditions of the financial liability, and/or, (2) if the present value of the cash flows under the new terms, including any fees paid net of any fees received, discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cashflows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as a modification gain or loss within other gains and losses.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out or weighted average basis. Net realisable value represents the estimated selling price for inventories less the estimated costs necessary to sell the inventory. Gas inventory stored in the pipeline is negligible due to the timing of the sale and production of gas. As a result, the amount of inventories recognised as an expense for the use of spare parts was \$1,691,064.

(c) Provisions

General Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group records a provision for decommissioning costs to remediate the environmental damage of drilling wells and construction of infrastructure for the production and transportation of gas. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. The impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the decommissioning liability on the business. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

(d) Business Combinations

Business combinations are accounted for using the acquisition method.

The cost of acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any the consideration transferred and the acquiree's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained and the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

For each business combination, non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition cost expenses are incurred to profit or loss.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(e) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. Management has determined that based on the report reviewed by the Board and used to make strategic decisions, that the entity has three operating segments which are the same as the reporting segments.

In the year ended 30 June 2024, the group reported three operating segments (Corporate, TECH Project and QPM Energy). In the current year, the Group revised the presentation of its operating results in the monthly management reports to better align with the Group's business units and assist users of the financial reports with interpretation of the information. As a result, the Group reports two operating segments from 1 July 2024: Energy; and Corporate & TECH Project.

The Energy operating segment comprises business development costs; and commercial results relating to the operation of MGP, the Townsville Power Station and the Moranbah Power Station.

The Corporate & TECH Project segment comprises of feasibility costs in relation to the TECH Project, corporate costs, head office expenses and shared services employment costs.

(f) Interest Recognition

Interest Income

Interest Income is recognised as it accrues, using the effective interest method.

(g) Income Tax

The head entity, QPM Energy Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Research and Development (R&D) Incentive

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (namely the Research and Development Tax Incentive regime). In relation to non-refundable tax offsets, the Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

In respect of refundable tax offsets, where the related expenditure has been capitalised, the benefit has been offset against the carrying amount of that asset and is amortised through the income statement over the same period in which the asset is depreciated. Where the expenditure which gave rise to the benefit has been expensed, the benefits are recognised in profit or loss, other income.

(h) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

(i) Other Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(k) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Company. Trade payables are usually settled within 30 days of recognition.

(l) Share-based Payments

Equity-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and service providers in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(m) Grant Income

Government grants are recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received. When amounts are received before the conditions are attached to the grant have been complied with, the amounts are recorded as unearned income.

Where the related expenditure to the grant has been capitalised, the benefit has been offset against the carrying amount of that asset and is amortised through the income statement over the same period in which the asset is depreciated. Where the expenditure which gave rise to the benefit has been expensed, the benefits are recognised in profit or loss, other income within the same period as the expenditure is expensed.

(n) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(o) Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(p) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(q) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(r) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(s) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets and Lease liabilities

The Group recognises right-of-use assets and lease liabilities at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- plant and machinery three to 15 years
- motor vehicles and other equipment three to five years
- building and property over lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not, the Group uses its incremental borrowing rate, being the rate the Group would have to pay to borrow over a similar term, with similar security, the funds necessary to obtain an asset of similar value in a similar economic environment.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

In preparing the Consolidated Financial Statements, the Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, revenue and expenses.

Notes to the Consolidated Financial Statements

NOTE 3 SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports that are reviewed and used by the Chief Operating Decision Maker (CODM). The Board, identified as the CODM, assess the performance of the Group and determine the allocation of resources.

The Group's operating segments have been determined with reference to the monthly management accounts used by the CODM to make decisions regarding the Group's operations and allocation of working capital:

- The corporate and TECH segment which includes all corporate head office costs, shared services, capital raisings for the group, activities related to the TECH Project in Townsville and early works and feasibility costs incurred various projects such as the IPS.
- The QPM Energy segment covers the production and sale of gas, gas processing services and electricity.

This segment's customers are located in one geographic area, Queensland, with 100% of revenue from the sale of gas and electricity being derived from that area during the year.

Notes to the Consolidated Financial Statements

NOTE 3 SEGMENT INFORMATION (CONT.)

	Energy \$	Corporate & TECH Project \$	MGP Acquisition and lease accounting adjustments \$	Total \$
For the Year Ended 30 June 2025				
Revenue from gas and electricity sales	87,896,060	-	32,212,671 ¹	120,108,731
Grant income	3,000,000	1,867,033	-	4,867,033
Sundry income	24,529	162	-	24,691
Total revenue	90,920,589	1,867,195	32,212,671	125,000,455
Field costs	(40,075,163)	-	492,501	(39,582,662) ⁶
Gas processing/transport/storage costs	(24,920,281)	-	23,708,129 ²	(1,212,152) ⁶
Power stations OpEx	(37,007,027)	-	26,035,510 ³	(10,971,517) ⁶
Exploration & business development	(3,366,911)	-	-	(3,366,911)
Other costs	(7,819,976)	(7,167,545)	207,346	(14,780,175)
TECH Project costs	-	(3,884,845)	-	(3,884,845)
Total operating costs	(113,189,358)	(11,052,390)	50,443,486	(73,798,262)
Operating margin	(22,268,769)	(9,185,195)	82,656,157	51,202,193
Interest income	734,835	180,543	-	915,378
Foreign exchange gain/(loss)	(4,576)	152,510	-	147,934
Depreciation in operating and other expenses	(151,969)	(110,764)	(544,692)	(807,425)
Depreciation in cost of sales	(11,038,551)	-	(27,101,019) ⁴	(38,139,570) ⁶
Development Funding Facility (DFF) interest expense	(853,441)	-	-	(853,441)
Interest expense on rehabilitation provision	(756,418)	-	-	(756,418)
Interest paid/payable	(1,011,891)	(73)	(2,502,023) ⁴	(3,513,987)
Income tax	-	-	-	-
Net profit after tax	(35,350,780)	(8,962,981)	52,508,423	8,194,662
Segment assets	207,083,235	30,488,350	(26,218,556) ⁵	211,353,029
Segment liabilities	(186,406,585)	(9,989,368)	26,218,556 ⁵	(170,177,247)

Notes to the Consolidated Financial Statements

NOTE 3 SEGMENT INFORMATION (CONT.)

	Energy \$	Corporate & TECH Project \$	MGP Acquisition and lease accounting adjustments \$	Total \$
For the Year Ended 30 June 2024 ⁷				
Revenue from gas and electricity sales	75,943,640	-	30,767,644 ¹	106,711,284
Grant income	-	3,462,106	-	3,462,106
Sundry income	512,014	519,411	211,541	1,242,966
Total revenue	76,455,654	3,981,517	30,979,185	111,416,356
Field costs	(38,725,965)	-	122,621	(38,603,344) ⁶
Gas processing/transport/storage costs	(27,797,870)	-	26,327,914 ²	(1,469,956) ⁶
Power stations OpEx	(34,358,808)	-	29,216,092 ³	(5,142,716) ⁶
Business development	(170,905)	-	-	(170,905)
Other costs	(10,126,443)	(13,674,205)	-	(23,800,648)
TECH Project costs	-	(21,431,993)	-	(21,431,993)
Total operating costs	(111,179,991)	(35,106,198)	55,666,627	(90,619,562)
Operating margin	(34,724,337)	(31,124,681)	86,645,812	20,796,794
Interest income	742,780	674,125	-	1,416,905
Foreign exchange gain/loss	1,777	(103,329)	-	(101,552)
Depreciation in operating and other expenses	(1,51,533)	(114,909)	(547,636)	(814,078)
Depreciation in cost of sales	(11,764,078)	-	(24,734,700) ⁴	(36,498,778) ⁶
DFF interest expense	-	-	-	-
Interest expense on rehabilitation provision	(648,884)	-	-	(648,884)
Interest paid/payable	(199,936)	(1,554,074)	(6,725,765) ⁴	(8,479,775)
Income tax	-	-	-	-
Net profit after tax	(46,744,211)	(32,222,868)	54,637,711	(24,329,368)
Segment assets	217,784,048	34,671,337	(21,746,803) ⁵	230,776,582
Segment liabilities	(214,510,524)	(6,536,277)	21,746,803 ⁵	(199,299,998)

¹ Non-cash income recognised from unwinding the fair value of contract liabilities associated with the Moranbah Gas Project (MGP) acquisition in the prior year.

² The Groups transportation agreement for use of the North Queensland Gas Pipeline (GTA) contract is accounted for a lease under AASB 16 leases, whereas the CODM reviews these costs as on ongoing expense.

³ The Groups agreements with both the Moranbah Power Station (MPS) lease and Townsville Power Station (TPS) are both accounted for under AASB 16 leases whereas the CODM reviews these costs as ongoing expenses.

⁴ AASB 16 leases interest and lease depreciation expense related to the NQGP, GTA and MPS

⁵ Elimination of intercompany loan receivables and payables which are eliminated on consolidation as presented in the Statement of Financial Position.

⁶ These amounts reconcile to cost of sales presented in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

⁷ Prior year figures have been adjusted to be in line with the change in the presentation of the segment results and the reportable segments.

Notes to the Consolidated Financial Statements

NOTE 4 REVENUE

QPM's primary revenue streams relate to the sale of gas to business customers and the sale of generated electricity to the National Electricity Market in Australia. Revenue from contracts with customers is recognised when control of the goods or services is transferred to a customer at an amount that reflects the consideration to which QPM expects to be entitled to receive in exchange for those goods or services.

For gas and compression sales, the performance obligation is satisfied upon delivery of the gas to the nominated delivery point at a pressure which is within the delivery pressure range. The gas must also be in compliance with the contractually agreed gas specifications. The performance obligation for electricity sales is satisfied when the units of energy are delivered. Payment is generally due within 30 days from delivery.

	2025 \$	2024 \$
Revenue from contracts with customers	75,111,487	64,695,175
Other revenue ¹	44,997,244	42,016,109
	<u>120,108,731</u>	<u>106,711,284</u>

¹The Group acquired two customer contracts which were recorded at fair value as part of the business combination accounting for the Moranbah Gas Project (refer to Note 18 and Note 30). The fair value was calculated as the lower of cash flows received under the contracts with customers, and the amount that would have been received if the contracts were at market value on acquisition date. The liabilities are unwound over the volumes delivered against sundry income.

- (a) Disaggregation of revenue from contracts with customers
The Group recognises revenue from the transfer of goods over time for the following products.

Revenue from external customers

	2025 \$	2024 \$
Revenue from sale of gas	21,354,409	23,635,058
Revenue from the sale of electricity	52,899,307	40,345,451
Revenue from the provision of gas compression services	857,771	714,666
Total segment revenue	<u>75,111,487</u>	<u>64,695,175</u>

	2025	2024
Revenue by major customers		
Customer A	25%	34%
Customer B	70%	62%
Customer C	5%	4%

- (b) Recognition and measurement
Revenue is recognised when control of the goods is passed to the customer. The amount of revenue recognised is the consideration the Group is entitled to receive in exchange for transferred goods to the customer.

- i) Contracts with customers – gas sales
Revenue from sale of gas is recognised in the profit or loss when performance obligations have been met, which is deemed to be when control of the gas has been transferred from the Group to the customer. Typically, the transfer of control and the recognition of a sale occurs when the amount of gas nominated by the customer is delivered to the contractual delivery point.

As is customary with gas contracts, quality specifications and requirements are tested using independent experts and gas meters once the gas is delivered to the customer's delivery point. The total quantity of gas delivered is confirmed between the customer and buyer after verification is received from several parties involved with the gas metering process. Once confirmed, the measured parameters form the basis for calculation of final price on the commercial invoice. All customer contracts specify a known price and tolerance range for quality parameters prior to the Group committing to the supply of gas to the customer.

Notes to the Consolidated Financial Statements

NOTE 4 REVENUE (CONT.)

ii) Contracts with customers – gas compression services

Revenue from provision of gas compression services is recognised under the gas processing agreement (GPA). The GPA provides for (the Group as the Service Provider) processing gas received from the customer at the Moranbah Gas Processing Facility (MGPF) and its re-delivery as processed gas at the outlet flange at the interconnection between the MGPF and the North Queensland Gas Pipeline. The revenue each month is calculated by confirming the total high-pressure gas delivered to Dyno Nobel during the month.

Revenue from the provision of gas compression services is comprised of a fixed monthly service charge and variable compression charges which are based on the total gas delivered to the MGPF and undergoes a compression process.

iii) Electricity sales to the National Electricity Market

Sales to the National Electricity Market relate to the sale of electricity. These sales are classified as individual, short term, day-by-day contracts and are recognised as revenue on a day-by-day basis upon delivery of energy to customers. The daily units of electricity delivered are measured by two national metering identifiers on site that measure the power inflows into the national grid. Revenue is recognised based on the total units delivered per the National Metering Identifier reports at their respective electricity spot sale price.

NOTE 5 COST OF SALES

	2025 \$	2024 \$
Cost of Sales		
Gas production expenses		
Production expenses	33,375,166	34,053,871
Royalties	3,397,078	2,737,170
Landowner compensation	3,998,146	2,441,386
Gas processing and transportation	10,995,941	5,868,667
Depreciation of property, plant and equipment – producing assets	9,372,157	9,935,712
Depreciation of right of use assets	27,101,019	24,734,700
Amortisation and depletion of gas properties	1,666,390	1,943,287
Total Cost of Sales	89,905,897	81,714,793

NOTE 6 OTHER INCOME

	2025 \$	2024 \$
R&D tax offset ¹	-	516,492
Gain on termination lease	-	29,392
Sundry income	24,692	726,473
Grant income ²	4,867,032	3,432,715
	4,891,724	4,705,072

¹The prior period amount pertains to an adjustment on the 23FY R&D refund receivable as the return was finalised after prior year's financials were finalised. The refund was subsequently received in 24FY and used to repay the principal and associated interest on the advanced R&D short-term loan.

²\$3 million was received under the Frontier Gas Exploration Program through the Queensland State Government. The full amount was recognised as income during the period ended 30 June 2025 as all the eligible expenditure was incurred in the current year and all the associated milestones were met as at 30 June 2025. The balance relates to TECH related grants recognised for milestones which were met as at 30 June 2025.

Notes to the Consolidated Financial Statements

NOTE 7 OTHER OPERATING AND ADMINISTRATION EXPENSES

	2025	2024
	\$	\$
Operating and administration expenses		
Acquisition costs	-	2,268,064
Depreciation	262,735	151,533
Depreciation of right of use assets	544,692	547,636
Employee benefits expense	4,840,248	10,443,947
Share-based payments expense	1,518,340	519,303
Corporate expenses	1,927,088	2,121,425
Consulting and legal fees	1,937,471	2,481,433
Insurance	1,628,829	1,629,791
Office costs	193,832	324,768
Gain/loss on termination of lease	8,723	-
Asset write off ⁽ⁱ⁾	894,987	-
Exploration & business development	2,809,399	170,905
Other	2,282,651	3,694,690
Total Operating and administration expenses	18,848,995	24,353,495

⁽ⁱ⁾Asset write off expense in the current year pertains to writing off capitalised Sewa Bay exploration costs and capitalised well development costs funded by the Frontier Gas Grant.

NOTE 8 NET FINANCE EXPENSES

	2025	2024
	\$	\$
Interest income on cash and cash equivalents	915,378	1,416,907
Other finance income	147,934	-
Total finance income	1,063,312	1,416,907
Finance transaction costs and fees	105,522	533,697
Interest expense on financial liabilities	1,011,964	1,754,012
Interest expense on Development Funding Facility (DFF) loan (payable through gas deliveries)*	853,441	-
Interest expense on lease liability	2,502,023	6,725,765
Rehabilitation liability unwind	756,418	648,884
Total finance expenses	5,229,368	9,662,358

*See Note 25

NOTE 9 INCOME TAX

(a) The components of tax expense comprise:

	2025	2024
	\$	\$
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-

Notes to the Consolidated Financial Statements

NOTE 9 INCOME TAX (CONT.)

(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	2025 \$	2024 \$
Gain/(Loss) before income tax expense	8,194,662	(24,329,368)
Prima facie tax benefit on loss before income tax at 30% (2024: 30%)	2,458,399	(7,298,810)
Tax effect of:		
Non-deductible expenses	(14,685)	(96,913)
R&D refundable tax incentive income non-taxable	-	(154,948)
R&D refundable tax offset expenditure not deductible	-	319,480
R&D non-refundable tax offset	(260,575)	(1,972,262)
Tax losses and temporary differences not brought to account	(2,183,139)	9,203,453
Total	-	-
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	173,408,596	105,482,204
Potential tax benefit at 30%	52,022,579	31,644,661

QPM Energy Limited does not currently recognise any deferred tax assets other than to the extent they offset deferred tax liabilities. In addition, QPM Energy Limited has not recognised a deferred tax asset in respect of carry forward DTA tax offsets of \$10.9m(2024:\$10.9m). The estimated potential deferred tax asset at 30% (2024: 30%) not brought to account which is attributable to tax losses carried forward at 30 June 2025 is \$16,142,171 (2024: \$30,458,928).

(c) Deferred tax assets and liabilities

	2025 \$	2024 \$
Right of use assets	(2,856,379)	(6,439,938)
Plant and equipment	(25,623,445)	(25,463,049)
Oil and gas properties	(10,857,421)	(12,834,243)
Other deductible temporary differences	565,171	3,489,085
Other provisions	349,853	469,679
Accrued expenses	2,068,787	4,827,323
Other liabilities	6,569,665	16,663,408
Exploration and evaluation expenditure	-	(100,331)
Lease liabilities	2,916,449	12,726,409
Rehabilitation provision	4,126,242	5,475,924
Tax losses carried forward	38,883,249	31,644,661
Deferred tax assets not brought to account	(16,142,171)	(30,458,928)
Total	-	-

NOTE 10 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Notes to the Consolidated Financial Statements

NOTE 10 EARNINGS PER SHARE (CONT.)

	2025	2024
Net gain/(loss) for the year (\$)	8,194,662	(24,329,368)
Weighted average number of ordinary shares for basic gain/(loss) per share.	2,523,169,831	2,044,367,786
Weighted average number of ordinary shares for diluted gain/(loss) per share.	2,554,801,222	2,044,367,786
Continuing operations		
Basic earnings/(loss) per share (cents)	0.32	(1.19)
Diluted earnings/(loss) per share (cents)	0.32	(1.19)

NOTE 11 CASH AND CASH EQUIVALENTS

	2025 \$	2024 \$
Cash at bank and in hand	9,997,416	25,007,326
	9,997,416	25,007,326

Cash at bank earns interest at floating rates based on daily deposit rates.
The Company's exposure to interest rate and credit risks is disclosed in Note 25.

Gain/(Loss) for the financial year	8,194,662	(24,329,368)
<i>Adjustments for:</i>		
Other costs	1,103,023	1,321,605
Non-cash revenue	-	(496,630)
Interest expense	853,441	976,297
Gain on termination of lease	8,723	(29,392)
Gain on modification of loan	-	(211,541)
Share based payments	1,518,339	519,303
Unwinding of contract liabilities	(32,212,671)	(30,501,786)
Amortisation	1,666,390	1,943,287
Depreciation	37,280,603	35,369,581
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	8,303,874	6,422,316
(Increase)/decrease in other assets	697,640	(1,991,296)
(Increase)/decrease in inventories	(308,225)	(352,570)
Increase/(decrease) in trade and other payables	(4,790,264)	2,053,277
Increase/(decrease) in deferred revenue	6,308,240	(911,636)
Increase/(decrease) in provisions	356,996	1,145,398
Unrealised FX Gain/Loss	(4,119)	64,842
Net cash used in operating activities	28,976,652	(9,008,313)

Notes to the Consolidated Financial Statements

NOTE 11 CASH AND CASH EQUIVALENTS (CONT.)

Changes in liabilities arising from financing activities

Consolidated	Loans \$	Lease Liability \$	Total \$
Balance at 30 June 2023	-	571,610	571,610
Acquisition of leases	-	89,634,355	89,634,355
Lease modification	-	2,267,115	2,267,115
Lease termination	-	(461,775)	(461,775)
Other	(280,000)	(5,007,404)	(5,287,404)
Interest	522,692	6,725,765	7,248,457
Net cash flow (interest component)	-	(6,343,945)	(6,343,945)
Net cash flow (principal component)	17,877,530	(44,964,357)	(27,086,827)
Balance at 30 June 2024	18,120,222	42,421,364	60,541,586
Acquisition of leases	-	7,094,313	7,094,313
Lease modification	-	8,722,719	8,722,719
Lease termination	-	(123,943)	(123,943)
Other ⁽ⁱ⁾	(685,000)	-	(685,000)
Interest	3,717,050	2,502,174	6,219,224
Net cash flow (interest component)	-	(2,502,174)	-
Repayment of Corporate Guarantee Facility (CGF) via drawing down on prepayment and Additional Funding Facility (AFF) facility	(27,621,389)	-	(27,621,389)
Net cash flow (principal component)	47,350,526	(48,392,959)	(3,544,607)
Principal drawdown on AFF (refinanced CGF balance)	21,831,389	-	21,831,389
Balance at 30 June 2025	62,712,798	9,721,495	72,434,293

⁽ⁱ⁾ Other amount pertains to the CGF, AFF and prepayment facility establishment fees which were offset from the borrowings (in accordance with IFRS 9).

NOTE 12 TRADE AND OTHER RECEIVABLES

	2025 \$	2024 \$
Receivables from third-party customers	1,434,508	8,389,712
Allowance for expected credit losses	-	-
	1,434,508	8,389,712
GST receivable	184,384	908,950
Other deposits and receivables (includes R&D tax refund)	219,164	318,329
	403,548	1,227,279
	1,838,056	9,616,991

Recognition and measurement

Trade receivables are non-interest bearing and are generally on 30-day terms. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). None of these trade receivables are impaired or past due.

Notes to the Consolidated Financial Statements

NOTE 13 OTHER ASSETS

	2025 \$	2024 \$
<i>Current assets</i>		
Prepayments	945,749	2,423,700
Short-term deposits ⁽ⁱ⁾	105,305	210,000
Other deposits	183,453	186,634
Deferred equity raising costs	20,409	-
Deposits held in trust for the corporate guarantee facility ⁽ⁱⁱ⁾	-	6,000,000
	<u>1,254,916</u>	<u>8,820,334</u>
	2025 \$	2024 \$
<i>Non-current assets</i>		
Long-term deposits ⁽ⁱⁱⁱ⁾	2,733,214	1,933,192
	<u>2,733,214</u>	<u>1,933,192</u>

⁽ⁱ⁾ The above short-term deposits pertain to bank guarantees held for two credit card facilities.

⁽ⁱⁱ⁾ The prior year balance represents the total funds held in trust as required to cover the fixed charges payable under various lease agreements. These funds were released to QPM in full in 25FY as the lease agreements expired during the year.

⁽ⁱⁱⁱ⁾ Long-term deposits are term deposits held as security against the company's long-term head office lease, environmental authority ERC amounts and as required to facilitate the Moranbah Power Station AEMO registration and Ergon connection.

The Company's exposure to interest rate and credit risks is disclosed in Note 25.

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

	2025 \$	2024 \$
<i>Non-current assets</i>		
Land	1,950,000	1,950,000
	<u>1,950,000</u>	<u>1,950,000</u>
Plant and equipment	1,483,697	1,256,487
Less: Accumulated depreciation	(484,654)	(214,106)
	<u>999,042</u>	<u>1,042,381</u>
Motor vehicles	243,919	243,919
Less: Accumulated depreciation	(78,775)	(46,191)
	<u>165,144</u>	<u>197,728</u>
Leasehold improvements	42,228	42,228
Less: Accumulated depreciation	(24,825)	(18,334)
	<u>17,403</u>	<u>23,894</u>
Infrastructure	105,920,548	102,172,519
Less: Accumulated depreciation	(19,225,539)	(9,908,398)
	<u>89,695,009</u>	<u>92,264,121</u>
Capital work in progress	12,805,253	419,203
	<u>12,805,253</u>	<u>419,203</u>
	<u>105,631,851</u>	<u>95,897,327</u>

Notes to the Consolidated Financial Statements

NOTE 14 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Movements in carrying amounts

Consolidated	Land	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Infrastructure	Work In Progress	Total
	\$	\$	\$	\$	\$	\$	\$
At 30 June 2025							
Opening net book amount	1,950,000	1,042,381	197,728	23,894	92,264,121	419,203	95,897,327
Additions	-	-	-	-	-	19,371,257 ¹	19,371,257
Transfers from Work in Progress	-	237,179	-	-	6,748,028	(6,985,207)	-
Disposed/written off	-	(1,840)	-	-	-	-	(1,840)
Depreciation expense	-	(278,678)	(32,584)	(6,491)	(9,317,140)	-	(9,634,893)
Closing net book amount	1,950,000	999,042	165,144	17,403	89,695,009	12,805,253	105,631,851
At 30 June 2024							
Opening net book amount	-	152,318	16,960	23,700	-	580,157	773,135
Additions	-	108,863	-	-	-	1,591,586	1,700,449
Acquisition of business	1,950,000	-	730,000	-	101,350,990	-	104,030,990
Transfers from Work in Progress	-	924,325	-	6,686	821,529	(1,752,540)	-
Disposed/written off	-	-	(520,000)	-	-	-	(520,000)
Depreciation expense	-	(143,125)	(29,232)	(6,492)	(9,908,398)	-	(10,087,247)
Closing net book amount	1,950,000	1,042,381	197,728	23,894	92,264,121	419,203	95,897,327

¹ This balance contains the \$10 million part-prepayment made as at year-end to secure the long-lead aeroderivative gas turbines from GE Vernova for construction of the Isaac Power Station.

Notes to the Consolidated Financial Statements

NOTE 14 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Accounting policy for property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5 to 40 years
Infrastructure	5 to 27 years
Motor vehicles	5 years
Leasehold Improvements	20 years
Right-of-use asset – property lease	Shorter of lease term and useful life

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTE 15 OIL AND GAS PROPERTIES

	2025 \$	2024 \$
<i>Non-current assets</i>		
Assets under development	30,659,301	18,421,042
	<u>30,659,301</u>	<u>18,421,042</u>
Subsurface assets and field equipment at cost	38,264,058	31,213,000
Less: Accumulated amortisation	(2,356,777)	(1,222,650)
	<u>35,907,281</u>	<u>29,990,350</u>
Rehabilitation asset		
Acquisition of business	12,348,854	17,604,196
Less: Accumulated amortisation	(1,252,900)	(720,624)
	<u>11,095,954</u>	<u>16,883,572</u>
	<u>77,662,536</u>	<u>65,294,964</u>

Notes to the Consolidated Financial Statements

NOTE 15 OIL AND GAS PROPERTIES (CONT.)

Consolidated At 30 June 2025	Assets under development	Subsurface assets and field equipment at cost	Rehabilitation asset	Total
Opening net book amount	18,421,042	29,990,350	16,883,572	65,294,964
Transfers from work in progress	(7,051,058)	7,051,058	-	-
Additions ⁽ⁱ⁾	19,846,816	-	-	19,846,816
Change in estimate related to provision for environmental rehabilitation	-	-	(5,255,342)	(5,255,342)
Impairment expense	(557,512)	-	-	(557,512)
Amortisation expense	-	(1,134,127)	(532,263)	(1,666,390)
Closing net book amount	30,659,288 ⁽ⁱⁱ⁾	35,907,281	11,095,967	77,662,536
At 30 June 2024	\$	\$	\$	\$
Opening net book amount	-	-	-	-
Additions ⁽ⁱ⁾	18,421,042	-	-	18,421,042
Acquisition of business	-	31,213,000	17,994,702	49,207,702
Change in estimate related to provision for environmental rehabilitation	-	-	(390,506)	(390,506)
Disposed/written off	-	-	-	-
Amortisation expense	-	(1,222,650)	(720,624)	(1,943,274)
Closing net book amount	18,421,042	29,990,350	16,883,572	65,294,964

⁽ⁱ⁾The total oil & gas additions unpaid as at 30 June 2025 amounted to \$2,194,989 (2024: \$9,905,717).

⁽ⁱⁱ⁾ The majority of the closing capital work in progress balance pertains to 25FY well workover costs to improve the remaining underperforming wells acquired in the MGP acquisition in the prior year and the capitalised drilling costs under the Teviot Brook South program. These wells were in the final commissioning phase as at 30 June 2025.

NOTE 16 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Company has lease contracts for property, vehicles and other equipment used in its operations. The leases generally have lease terms between two and seven years.

Right of use assets	Property \$	Motor vehicles \$	Other equipment \$	Total \$
As at 1 July 2023				
Opening balance	432,384	109,276	-	541,660
Acquisition of business (refer to Note 32)	-	-	40,132,199	40,132,199
New leases entered	3,799,925	440,279	-	4,240,204
Lease modification	-	-	2,267,116	2,267,116
Depreciation	(597,994)	(63,247)	(24,621,095)	(25,282,336)
Lease de-recognised (terminated)	(432,384)	-	-	(432,384)
As at 30 June 2024	3,201,931	486,308	17,778,220	21,466,459
New leases entered	-	-	7,094,313	7,094,313
Lease modification	214,943	-	8,508,540	8,723,483
Depreciation	(848,080)	(156,345)	(26,641,286)	(27,645,711)
Lease de-recognised (terminated)	(40,596)	(76,685)	-	(117,281)
As at 30 June 2025	2,528,198	253,278	6,739,787	9,521,263

Notes to the Consolidated Financial Statements

NOTE 16 RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONT.)

Lease liability

Recognition and measurement

The lease liability recognised relates to office space, motor vehicle and equipment leases recognised under AASB 16 leases.

Reconciliation of movements

	2025	2024
	\$	\$
Opening balance	42,421,364	571,608
Acquisition of business (refer to Note 32)	-	85,394,135
New leases entered	7,094,313	4,240,220
Payments ⁽ⁱ⁾	(50,895,133)	(56,315,705)
Interest	2,502,023	6,725,766
Lease modification	8,722,719	2,267,115
Lease de-recognised (terminated)	(123,791)	(461,775)
	<u>9,721,495</u>	<u>42,421,364</u>

⁽ⁱ⁾ The total principal component of lease payments accrued as at 30 June 2025 amounted to \$Nil (2024:\$4,625,581).

Refer to Note 25 for lease maturity.

NOTE 17 TRADE AND OTHER PAYABLES

	2025	2024
	\$	\$
Trade payables ^{(i) (ii)}	5,778,695	12,796,226
Accrued expenses	6,637,690	15,744,265
Other payables	258,267	346,813
	<u>12,674,652</u>	<u>28,887,304</u>

⁽ⁱ⁾Trade payables are non-interest bearing and are normally settled on 30-day terms.

⁽ⁱⁱ⁾Refer to Note 25 for further information on financial instruments.

NOTE 18 OTHER LIABILITIES

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Deferred income ⁱ	30,792,993	25,654,388
Customer contract liabilities ⁱⁱ	21,898,883	32,212,672
	<u>52,691,876</u>	<u>57,867,060</u>
<i>Non-current liabilities</i>		
Interest payable	12,513	12,513
Customer contract liabilities ⁱⁱ	-	21,898,882
Prepaid income ⁱⁱⁱ	17,443,611	10,273,976
	<u>17,456,124</u>	<u>32,185,371</u>
	<u>70,148,000</u>	<u>90,052,431</u>

ⁱThe majority of the above reflects the total proceeds received from customers for future gas deliveries made under the Dyno Nobel Existing Gas Sales Agreement ("EGSA")

ⁱⁱThese relate to the customer contracts acquired as part of the Moranbah Gas Project acquisition (refer to Note 30. The revenue received under these agreements was assessed as being below market value. As a result, the present value of the difference between the contractual gas sale revenue and the market value was recorded as a liability at acquisition date which unwinds over the life of the contract with the customer.

Notes to the Consolidated Financial Statements

NOTE 18 OTHER LIABILITIES (CONT.)

ⁱⁱⁱ This balance pertains to the total funds drawn down under the prepayment facility and the capitalised interest accrued (BBSY + 2% margin) on this balance as at year-end. The interest-bearing deferred income balance will be repaid from 1 April 2026 via the delivery of gas under the Dyno Nobel New Gas Sales Agreement ("NGSA") until the expiry of the facility on 1 April 2033. A total of \$17.4 million was drawn down during the year, with an additional \$22.6 million remaining on the facility. Draw downs under this facility are presented in Receipts from Customers in the Cash Flow Statement.

NOTE 19 INTEREST BEARING LOANS AND BORROWINGS

	2025			2024		
	Current Liabilities	Non-current liabilities ²	Total	Current Liabilities	Non-current liabilities	Total
	\$	\$	\$	\$	\$	\$
Well development financing	-	41,393,498	41,393,498	-	18,120,222	18,120,222
Additional funding facility ("AFF") ¹	-	21,719,300	21,719,300	-	-	-
Prepayment facility - capitalised establishment fees	-	(400,000)	(400,000)	-	-	-
Total interest-bearing loans and borrowings	-	62,712,798	62,712,798	-	18,120,222	18,120,222

¹ The year-end carrying amount of the AFF loan differs from the 'facility reduction' amount disclosed in the below note due to the application of Effective Interest Method accounting adjustments.

² The underlying agreements to the borrowings balance do not have attaching covenants but have various information undertakings.

Financing arrangements

Interest bearing liabilities are initially recognised at fair value, net of any transaction costs incurred. They are subsequently measured at amortised cost using the effective interest method. For facilities with fixed interest rates, the fair value of these liabilities reasonably approximates their carrying amount.

The Group entered into the following financing facilities in order to fund the expanding operations of the Group. The facilities available to the Group during the period are detailed in the categories below.

Dyno Nobel well development funding facility

	2025	2024
	\$	\$
Total facility	80,000,000	80,000,000
Facility utilised	(38,228,056)	(17,877,530)
Available facility	41,771,944	62,122,470

The Dyno Nobel Development Funding Facility is available to fund Moranbah Gas Project field development activities and has a five-year term. Interest is accrued on the facility from the initial draw down of funds. Interest is accrued at BBSY + 6% margin, with an upfront 0.35% establishment fee. The facility is secured by QPM Energy Markets Pty Ltd, QPM Energy (MGP Upstream) Pty Ltd and QPM Energy (Holdings No 2) Pty Ltd's assets.

The drawn-down funds and accrued interest will be settled from the proceeds of future gas sales from 1 April 2026.

Additional Funding Facility ("AFF")

	2025	2024
	\$	\$
Additional funding facility - AUD		
Total facility (maximum limit per executed AFF agreement)	30,000,000	-
Facility reduction	(21,831,389)	-
Available facility	8,168,611	-

Notes to the Consolidated Financial Statements

NOTE 19 INTEREST BEARING LOANS AND BORROWINGS (CONT.)

The AFF is the Group's guarantee facility was established during the year to repay the total principal drawn down and interest accumulated under the Corporate Guarantee Facility. This facility had an initial loan establishment fee of \$210,000 which was capitalised and interest accrues on the facility at BBSY + 2% margin. 30% of the loan balance will be settled from the proceeds of future gas sales in equal monthly instalments over 72 months commencing from 1 April 2027, with the remaining loan balance paid at maturity.

NOTE 20 PROVISIONS

	2025 \$	2024 \$
<i>Non-current liabilities</i>		
Rehabilitation provision	13,754,139	18,253,080
	<u>13,754,139</u>	<u>18,253,080</u>

Rehabilitation provision

The Group assesses rehabilitation liabilities at each reporting date as there are numerous factors that may affect the ultimate liability payable.

This includes the extent and nature of rehabilitation activity to be undertaken, changes in technology and techniques, changes in discount rates and regulatory impacts. There may be differences between the future actual expenditure and the assessment made at the balance date. The provisions at balance date represent management's best estimate of the present value of rehabilitation cost to completely rehabilitate the site.

The rehabilitation provision was revised during the year to account for the upward revised ERC notice for one of the three environmental authorities held by the business and the re-estimated life of the Moranbah Gas Project due to the updated NSAI reserve findings.

Movements in provisions

	2025 \$	2024 \$
Carrying amount at start of year	18,253,080	-
Acquisition of business (refer to Note 32)	-	17,994,702
Depletions through settlement	-	-
Adjustment through re-measurement of liability	(5,255,341)	(390,506)
Unwinding of discount via profit and loss	756,400	648,884
Carrying amount at 30 June 2025	<u>13,754,139</u>	<u>18,253,080</u>

NOTE 21 CONTRIBUTED EQUITY

(a) Issued and fully paid

	2025 \$	No.	2024 \$	No.
Ordinary shares	<u>145,514,484</u>	<u>2,525,290,035</u>	<u>145,300,305</u>	<u>2,520,848,433</u>

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

Notes to the Consolidated Financial Statements

NOTE 21 CONTRIBUTED EQUITY (CONT.)

(b) Movement reconciliation

	Number	\$
1 July 2023	1,746,347,922	113,574,307
Placement of shares (net of costs) ⁽ⁱ⁾⁽ⁱⁱ⁾	759,289,973	31,246,036
Exercise of unlisted options (net of costs) ⁽ⁱⁱⁱ⁾	10,000,000	297,215
Exercise of unlisted options (net of costs) ^(iv)	5,210,538	182,747
At 30 June 2024	2,520,848,433	145,300,305
1 July 2024	2,520,848,433	145,300,305
Exercise of unlisted options (net of costs) ^(v)	4,441,602	214,179
At 30 June 2025	2,525,290,035	145,511,484

(i) 256,154,895 shares issued via Placement/SPP and share issue costs of \$1,078,872. Placement/SPP subscribers was also provided \$3,730,118 in options for nil consideration which as also been treated as share issued costs.

(ii) In May 2024, 503,135,078 shares were issued via placement and includes \$994,956 in share issue costs.

(iii) Exercise of 10,000,000 unlisted options by external advisors inclusive of \$2,785 share issue costs.

(iv) Exercise of 5,210,538 vested performance rights by employees inclusive of \$371 share issue costs.

(v) Exercise of 4,441,602 vested performance rights by employees inclusive of \$13,804 share issue costs.

NOTE 22 RESERVES

	2025 \$	2024 \$
Share-based payment reserve	18,116,235	16,825,878
	18,116,235	16,825,878
Share-based payment reserve		
Balance at the beginning of the year	16,825,878	12,759,577
Share-based payment expense	1,518,340	519,302
Performance rights exercised ⁽ⁱⁱ⁾	(227,983)	(183,119)
Equity raising investor options ⁽ⁱ⁾	-	3,730,118
Balance at the end of the year	18,116,235	16,825,878

(i) Refer to Note 23.

(ii) During the year, 4,441,602 vested performance rights were exercised and converted into ordinary shares for nil consideration resulting in a \$227,983 reduction in the performance rights reserve. Refer to Note 23 for the remaining performance right transactions.

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

Notes to the Consolidated Financial Statements

NOTE 23 SHARE-BASED PAYMENTS

(a) Recognised share-based payment transactions

	2025	2024
	\$	\$
Performance Rights - STI1	-	226,946
Performance Rights - STI2A	-	-
Performance rights - LTI1	156,587	185,250
Performance Rights - LTI2A	-	(163,125)
Performance Rights - M6-3	-	-
Write back non-market-based performance rights (EXP3) lapsed in FY2023	-	-
Performance rights - STI1A	118,468	154,174
Performance rights – STI2B	(8,934)	68,430
Performance rights – Class A	112,533	-
Performance rights – Class B	5,088	-
Performance rights – Class C	3,398	-
Performance rights – Class D	453,742	7,413
Performance rights – Class E	95,254	6,290
Performance rights – Class F	78,224	5,167
Performance rights – Class H	484,833	21,567
Performance rights – Class I	14,551	3,595
Performance rights – Class J	4,596	3,595
	1,518,340	519,302

(b) Summary of performance rights granted during the period

Milestone	Grant Date	Rights granted during the year	Share Price on Grant Date	Share Price Volatility	Risk Free Rate	Time to maturity	Model Used
Class A	04/10/2024	1,600,001	0.037	72.39%	3.66%	0.09 years	Black Scholes
Class B	04/10/2024	1,600,001	0.037	72.39%	3.66%	1.09 years	Black Scholes
Class C	04/10/2024	1,599,998	0.037	72.39%	3.61%	2.09 years	Black Scholes
Class D	04/10/2024	8,900,178	0.030	89.65	4.06%	1.89 years	Monte Carlo
Class E	04/10/2024	7,200,000	0.023	89.65	4.06%	1.89 years	Monte Carlo
Class F	04/10/2024	7,200,000	0.018	89.65	4.06%	1.89 years	Monte Carlo
Class H	04/10/2024	7,200,000	0.037	72.39%	3.66%	0.89 years	Black Scholes
Class I	04/10/2024	8,900,178	0.037	72.39%	3.66%	1.89 years	Black Scholes
Class J	04/10/2024	7,200,000	0.037	72.39%	3.66%	1.89 years	Black Scholes

Notes to the Consolidated Financial Statements

NOTE 23 SHARE-BASED PAYMENTS (CONT.)

(c) Summary of Options

Options	Grant Date	Vesting Date	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Director	1/5/2021	Immediately	2/08/2024	0.15	1,000,000	-	-	(1,000,000)	-
Director	23/11/2021	Immediately	24/11/2024	0.28	2,000,000	-	-	(2,000,000)	-
External investors	21/11/2022	Immediately	21/11/2025	0.20	46,833,661	-	-	-	46,833,661
Placement & SPP	12/10/2023	Immediately	18/10/2026	0.10	128,077,348	-	-	-	128,077,348
Total					177,911,009	-	-	(3,000,000)	174,911,009
Vested and exercisable					177,911,009				174,911,009

Notes to the Consolidated Financial Statements

NOTE 24 RELATED PARTY DISCLOSURES

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Key management personnel of the Group:	Financial year	Sales to related parties	Purchases from related parties	Amounts owed by related parties *	Amount owed to related parties*
ITB Process Development Pty Ltd ⁽ⁱ⁾	2025	-	231,147	-	-
	2024	-	-	-	-
CPS Capital Group Pty Ltd ⁽ⁱⁱ⁾	2025	-	116,375	-	-
	2024	-	91,712	-	13,708
Keronga Development Pty Ltd ⁽ⁱⁱⁱ⁾	2025	-	100,673	-	8,718
	2024	-	95,237	-	8,651

* The amounts are classified as trade receivables and trade payables, respectively (see Note 12 and 17).

- (i) Consulting invoices were paid to non-executive director, Stephen Grocott, for the provision of technical advice on the TECH Project 231,147. An amount of \$116,251 included in the table above relates to service provided by a company related to Stephen Grocott
- (ii) Non-executive chairman and non-executive director fees were paid to Eddie King's company CPS Capital Group Pty Ltd.
- (iii) Non-executive director fees were paid to Keronga Development Pty Ltd; a Company of which Jim Simpson is a Director.

Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2025 \$	2024 \$
Short-term benefits	2,796,680	2,792,267
Superannuation	170,571	183,823
Long-term benefits	159,716	116,060
Share-based payments (Remuneration Report - Table 1)	1,427,848	350,524
Other	165,326	364,617
	<u>4,576,455</u>	<u>3,807,291</u>

Information regarding individual Directors' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

NOTE 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Notes to the Consolidated Financial Statements

NOTE 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Company are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Company's financial instruments are as follows:

	2025 \$	2024 \$
Financial Assets		
Cash and cash equivalents	9,997,416	25,007,326
Short-term deposits	105,305	210,000
Deposits held in trust	-	6,000,000
Long-term deposits	2,733,214	1,933,192
Trade and other receivables	1,434,508	8,688,898
	<u>14,270,443</u>	<u>41,839,416</u>
Financial Liabilities		
Trade and other payables	6,036,961	28,887,304
Lease liabilities	9,721,495	42,421,364
Interest bearing loans and borrowings	62,712,798	18,120,221
	<u>78,471,254</u>	<u>89,428,889</u>

(a) Market risk

Interest rate risk

The Company is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Company's exposure to this risk relates primarily to the Company's long-term borrowings and cash and cash equivalents. The Company does not use derivatives to mitigate these exposures. The Company manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments were:

	2025 Weighted average interest rate	Balance \$	2024 Weighted average interest rate	Balance \$
Cash and cash equivalents	3.52% ⁱ	9,997,416	3.27%	25,007,326
Long-term borrowings	10.12%; 5.81% ⁱⁱ	62,712,798	10.35%	18,120,221

(i) This interest rate represents the average interest rate for the year.

(ii) The interest rate on the long-term borrowing is calculated based on BBSY + 6% margin for the well development financing facility and BBSY + 2% margin for the AFF. The rates reflect the closing 30 June 2025 rate.

Notes to the Consolidated Financial Statements

NOTE 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

Sensitivity

Profit or loss is sensitive to higher/lower interest income from borrowings and cash and cash equivalents due to changes in interest rates.

Cash and cash equivalents

Judgements of reasonably possible movements:

+ 1.0% (100 basis points)

- 1.0% (100 basis points)

Long-term borrowings

Judgements of reasonably possible movements:

+ 1.0% (100 basis points)

- 1.0% (100 basis points)

	Profit/(loss)	\$
	2025	2024
	99,974	250,073
	(99,974)	(250,073)
	Profit/(loss)	\$
	2025	2024
	(627,128)	(181,202)
	627,128	181,202

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise of cash and cash equivalents and other receivables. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- based on Standard and Poor's rating agency.

Trade and other receivables consist of receivables owing from wholesale electricity sales to AEMO, and gas sales to two large commercial customers. QPM manages its exposure to credit risk using credit risk management policies which provide credit exposure limits and contract maturity limits based on the credit worthiness of counterparties. QPM's exposure and the credit ratings of its counterparties are continuously monitored. Although QPM does have significant credit risk exposure to a small group of customers, this risk is mitigated due to the largest customer being a government operated and owned body. As a result, management did not make an allowance for expected credit losses as the risk is immaterial. The credit risk on liquid funds is limited because the counter part is a bank with high credit rating. There are no receivable balances which are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The following are the contractual maturities of financial liabilities, which represent the contractual undiscounted cash flows of the Company.

Notes to the Consolidated Financial Statements

NOTE 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

2025	Carrying amount	6 months	6-12 months	1-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	6,036,962	6,036,962	-	-	-	6,036,962
Borrowings	63,322,798	-	2,798,373	65,625,138	19,992,046	88,415,557
Lease liabilities ¹	9,721,495	1,608,690	1,565,124	10,007,591	162,188	13,343,593
Total Financial Liabilities	79,081,255	7,645,652	4,363,497	75,632,729	20,154,234	107,796,112
2024						
Trade and other payables	28,887,304	28,887,304	-	-	-	28,887,304
Borrowings	18,120,221	-	-	23,080,334	5,891,610	28,971,944
Lease liabilities ¹	42,421,364	33,754,820	7,368,042	2,942,671	694,207	44,759,740
Total Financial Liabilities	89,428,889	62,642,124	7,368,042	26,023,005	6,585,817	102,618,988

¹Two material leases were novated across to QPM as part of the MGP acquisition. The leases provide QPM with complete access to the Townsville power station and the Northern Queensland pipeline.

(d) Capital risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. New capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

NOTE 26 COMMITMENTS

Exploration commitments	2025	2024
	\$	\$
Within one year	-	52,963
Later than one year but not later than five years	-	79,445
Later than five years	-	-
Total	-	132,408
Other expenditure commitments		
Within one year	-	102,061
Later than one year but not later than five years	22,833,556	-
Later than five years	-	-
Total	22,833,556	102,061
Total exploration and other expenditure commitments	22,833,556	234,469

Notes to the Consolidated Financial Statements

NOTE 27 AUDITOR'S REMUNERATION

Amounts received or due and receivable by Ernst & Young for:

	2025 \$	2024 \$
Audit of the annual financial report and statutory audits	270,852	246,030
Other services – Ernst & Young ¹	111,100	147,700
	<u>381,952</u>	<u>393,730</u>

¹Other services pertain to preparation of the fringe benefits tax, advisory on royalties, providing assistance with R&D schedules and reviewing the income tax return.

NOTE 28 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2025 %	2024 %
Pure Manganese Pty Ltd	Exploration	Australia	100	100
QPM Tech Project Pty Ltd (formerly Queensland Pacific Metals Pty Ltd)	Exploration & TECH Project	Australia	100	100
Anroca Pty Ltd	Exploration	Australia	100	100
Mineral Developments Pty Ltd	Exploration	Australia	80	80
Ozark Mineral Resources INC	Exploration	USA	100	100
QPME Pty Ltd	Exploration	Australia	100	100
QPM Energy Holdings No.1 Pty Ltd	Holding Company	Australia	100	100
QPM Energy Holdings No.2 Pty Ltd	Holding Company	Australia	100	100
QPM Energy (MGP Upstream) Pty Ltd	Gas	Australia	100	100
QPM Energy (Midstream) Pty Ltd	Gas	Australia	100	100
QPM Energy Markets Pty Ltd	Electricity	Australia	100	100
QPM Energy (Merchant Services) Pty Ltd	Electricity	Australia	100	100
MPS Holdings No1 Pty Ltd ¹	Holding Company	Australia	100	-
Moranbah Power Station No1 Pty Ltd ¹	Electricity	Australia	100	-

¹These entities were newly incorporated in the year ended 30 June 2025.

Notes to the Consolidated Financial Statements

NOTE 29 PARENT ENTITY

	2025	2024
	\$	\$
Assets		
Current assets	3,856,652	10,341,480
Non-current assets	25,970,261	25,525,789
Total assets	29,826,913	35,867,269
Liabilities		
Current liabilities	1,407,945	1,720,662
Non-current liabilities	2,325,374	2,670,023
Total liabilities	3,733,319	4,390,685
Equity		
Contributed equity	145,514,483	145,300,306
Reserves	18,105,680	16,815,335
Accumulated losses	(137,526,569)	(130,639,057)
Total equity	26,093,594	31,476,584
Loss for the year	(6,887,512)	(24,329,381)
Total comprehensive loss	(6,887,512)	(24,329,381)

NOTE 30 BUSINESS COMBINATIONS

On 25 August 2023, the Group acquired 100% interest of the Moranbah Gas Project (MGP) and North Queensland Energy joint venture assets from CH4, Arrow Energy and AGL (collectively known as the MGP JV). The Moranbah Gas Project collects, processes and transports waste mine gas (currently flared or vented) for industry use.

The acquisition was part of QPM's strategic rationale to meet the imminent gas supply shortfalls in Eastern Australia and the need for new gas fired generation capacity to support the grid's transition to renewables, in addition to securing long term gas supply for the TECH Project and generating independent cashflows.

In accordance with AASB 3 Business Combinations, all identifiable assets and liabilities were measured at fair value. The fair value of the petroleum leases was calculated as the present value of the after-tax cash flows attributable only to the gas reserves. The fair value of the acquired plant and equipment was measured at its depreciated replacement cost, with adjustments being made for under-utilisation of capacity. Lease liabilities equate to the minimum lease payments over their non-cancellable period whilst the related right-of-use-assets were measured at an amount equal to the recognised lease liability, adjusted to reflect favourable or unfavourable terms of the lease, relative to market terms and considering the forecast usage capacity. The fair value of the rehabilitation provision is the present value of expected costs to settle the obligation. It was determined that there was no goodwill or gain on bargain purchase as the \$5 million consideration paid for the acquisition was reflective of the fair value of the net assets acquired as the purchase went through a prolonged, at arms length tender against several competing buyers.

Notes to the Consolidated Financial Statements

NOTE 30 BUSINESS COMBINATIONS (CONT.)

Details of the acquisition are as follows:

	Fair value ²
Assets	\$
Cash ¹	35,000,000
Other debtors	323,356
Inventory	2,052,983
Property, plant and equipment	104,030,990
Oil and gas properties	49,207,702
Right-of-use assets	40,132,199
	<u>230,747,230</u>
Liabilities	
Employee benefit provisions	(382,900)
Customer contract liabilities	(84,613,341)
Assumed lease payout liability	(816,394)
Lease liabilities	(85,394,135)
Other liability	(1,008,127)
Deferred income	(35,000,000)
Retention bonus payable	(537,631)
Rehabilitation provision	(17,994,702)
	<u>(225,747,230)</u>
Total identifiable net assets	5,000,000
Non-controlling interest	-
Purchase consideration transferred	<u>(5,000,000)</u>

¹A total of \$5,362,676 was offset against the \$35 million received for the assumption of certain gas supply obligations. This amount was comprised of cash collateral deposits; cash backed bank guarantee deposits; establishment fees for the Development Funding Facility and Corporate Guarantee Facility; and other fees.

²The accounting for the MGP business combination was finalised in the year ended 30 June 2024.

The deferred tax asset on the above acquisition was assessed as \$1,702,000. However, the deferred tax asset was not recognised other than to the extent that it offsets the deferred tax liability, as it was assessed as not probable of recovery as at 30 June 2024.

It is impracticable to determine the total revenues and net profit the Group would have generated had the business combination occurred at the beginning of the financial reporting period. This is due to the appropriate data not being available to QPM and the business operations under QPM's ownership being significantly different to that of the vendors of MGP.

NOTE 31 EVENTS AFTER THE REPORTING DATE

On 3 July 2025, QPM Energy Ltd received the funds from a share capital raise of \$10 million (before setting off of fees) at \$0.031 per share to institutional and sophisticated investors, issuing a total of 322,580,647 shares.

On 23 July 2025, the Company completed its Share Purchase Plan ("SPP") which was very strongly supported and raised a total of \$7 million.

Funds raised under both programs will be used to accelerate the development of the 112MW Isaac Power Station.

Subsequent to year end, QPM received written confirmation from the Northern Australia Infrastructure Facility ("NAIF") that, following review of the Strategic Assessment Phase by the NAIF Board, the IPS has now been approved to proceed to NAIF's Due Diligence phase for the IPS debt financing.

Consolidated entity disclosure statement

As at 30 June 2025

	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
QPM Energy Ltd	Body corporate	Australia	100	Australia
Pure Manganese Pty Ltd	Body corporate	Australia	100	Australia
QPM Tech Project Pty Ltd (formerly Queensland Pacific Metals Pty Ltd)	Body corporate	Australia	100	Australia
Anroca Pty Ltd	Body corporate	Australia	100	Australia
Mineral Developments Pty Ltd	Body corporate	Australia	80	Australia
Ozark Mineral Resources INC	Body corporate	USA	100	Australia
QPME Pty Ltd	Body corporate	Australia	100	Australia
QPM Energy Holdings No.1 Pty Ltd	Body corporate	Australia	100	Australia
QPM Energy Holdings No.2 Pty Ltd	Body corporate	Australia	100	Australia
QPM Energy (MGP Upstream) Pty Ltd	Body corporate	Australia	100	Australia
QPM Energy (Midstream) Pty Ltd	Body corporate	Australia	100	Australia
QPM Energy Markets Pty Ltd	Body corporate	Australia	100	Australia
QPM Energy (Merchant Services) Pty Ltd	Body corporate	Australia	100	Australia
MPS Holdings No1 Pty Ltd	Body corporate	Australia	100	Australia
Moranbah Power Station No1 Pty Ltd	Body corporate	Australia	100	Australia


Directors' Declaration

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- d) The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Eddie King
Non-Executive Chairman

22 September 2025

Independent auditor's report to the members of QPM Energy Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of QPM Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.



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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Revenue from contracts with customers and other revenue

Why significant	How our audit addressed the key audit matter
<p>Revenue from contracts with customers recorded by the Group for the year ended 30 June 2025 was \$75.1 million as disclosed in note 4. Revenue is recognised by the Group when the gas, electricity, or gas processing services are delivered.</p> <p>The Group also recorded <i>Other Revenue</i> of \$45.0 million for the year ended 30 June 2025 in relation to the unwind of customer contract liabilities recognised as part of the acquisition of the Moranbah Gas Plant in August 2023.</p> <p>Further, notes 18 and 19 to the financial statements disclose various financing and other arrangements with the Group's key gas customer. These arrangements include a prepayment facility, deferred revenue and other financing arrangements, certain of which affect the Group's revenue recognition.</p> <p>The Group's revenue is a key performance measure for executives, and it is also a key parameter by which the financial performance of the Group is measured. Accordingly, we consider revenue to be a key audit matter.</p>	<p>Our audit procedures evaluated revenue recognised in accordance with the requirements of Australian Accounting Standards, these included:</p> <ul style="list-style-type: none">▶ Assessed the Group's identification of the performance obligations and timing of revenue recognition based on satisfying those performance obligations.▶ Obtained an understanding of the Group's revenue recognition process and the design effectiveness of related controls.▶ Tested a sample of revenue recorded, including obtaining third party evidence of the delivery of the gas, electricity, or service.▶ Obtained a third-party confirmation from the Group's key customer of gas sales volumes and amounts for the financial year and the associated trade debtor receivable and other facility amounts (drawn and undrawn) at year end.▶ Evaluated the unwind of contract liabilities recorded as <i>Other Revenue</i> during the financial year.▶ Read the financing and other arrangements with the Group's key gas customer and evaluated the Group's accounting, including whether cash inflows represent operating cash inflows or financing inflows.▶ Evaluated the cut-off of revenue, to assess that revenue was recognised in the appropriate financial year, by obtaining third party evidence of gas and electricity delivered up until balance date.▶ Assessed the adequacy of the Group's disclosures included in the notes to the financial statements.



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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



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- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of QPM Energy Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in grey ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in grey ink, appearing to read 'Andrew Carrick'.

Andrew Carrick
Partner
Brisbane
22 September 2025

Corporate Governance Statement

The Board of Directors of QPM Energy Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

Further information on the Company's corporate governance policies and practices can be found on the Company's website www.qpmenergy.com.au

ASX Additional information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 22 September 2025.

TWENTY LARGEST SHAREHOLDERS

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	301,619,922	9.76
2	GENERAL MOTORS HOLDINGS LLC	196,063,363	6.35
3	PALM BEACH NOMINEES PTY LIMITED	192,865,187	6.24
4	CITICORP NOMINEES PTY LIMITED	175,573,509	5.68
5	BNP PARIBAS NOMS PTY LTD	119,077,257	3.85
6	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	59,597,699	1.93
7	MR KENNETH JOSEPH HALL <HALL PARK A/C>	56,000,000	1.81
8	MR KENNETH JOSEPH HALL <HALL PARK A/C>	48,170,291	1.56
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	39,081,407	1.27
10	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	38,012,576	1.23
11	MS XIAODAN WU	35,382,004	1.15
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	34,921,883	1.13
13	PONDEROSA INVESTMENTS (WA) PTY LTD <THE PONDEROSA INVESTMENT A/C>	31,064,399	1.01
14	MR ANDREW MARTIN MATHESON	30,000,000	0.97
15	HADDAD GROUP PTY LTD <THE HADDAD FAMILY A/C>	29,666,486	0.96
16	MR JOHN CHARLES DOWNIE	29,588,283	0.96
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	27,440,751	0.89
18	CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	27,265,875	0.88
19	MR WILHELM SCHROEDER	23,061,250	0.75
20	FOSTER STOCKBROKING PTY LTD <NO 1 ACCOUNT>	19,060,140	0.62
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		1,513,512,282	48.99

ASX Additional information**DISTRIBUTION OF EQUITY SECURITIES****(i) Ordinary share capital**

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% Units
1 - 1,000	178	26,287	0.00
1,001 - 5,000	1,630	5,663,302	0.22
5,001 - 10,000	1,588	12,449,128	0.49
10,001 - 50,000	3,580	92,811,793	3.68
50,001 - 150,000	1,640	147,944,293	5.87
150,001 Over	1,405	2,262,284,055	89.73
Rounding			0.01
Total	10,021	2,521,178,858	100.00

(ii) Unlisted Options

46,833,661 unlisted options expiring 21 November 2025, exercisable at 20 cents.

128,077,348 unlisted options expiring 18 October 2026, exercisable at 10 cents.

(iii) Performance Rights

At the date of this report there were the following performance rights outstanding:

11,250,000 Milestones 1 to 4 Performance rights.

3,250,000 Milestone 6 Performance rights.

170,000 Performance rights 2022

5,133,488 STI Performance rights

1,125,000 STI12A Performance rights

2,690,218 LTI Performance rights

2,737,499 STI1A Performance rights

2,933,334 Class A Performance rights

2,933,334 Class B Performance rights

2,933,331 Class C Performance rights

13,324,191 Class D Performance rights

13,200,000 Class E Performance rights

13,200,000 Class F Performance rights

13,200,000 Class H Performance rights

14,900,178 Class I Performance rights

13,200,000 Class J Performance rights

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	301,619,922	9.76
2	GENERAL MOTORS HOLDINGS LLC	196,063,363	6.35

RESTRICTED SECURITIES

There were no restricted securities.

ASX Additional information

UNMARKETABLE PARCELS

There were 4,458 holders of less than a marketable parcel of ordinary shares, which as at 22 September 2025 was 17,242.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

TAX STATUS

The Company is treated as a public company for taxation purposes.

FRANKING CREDITS

The Company has no franking credits.

STATEMENT IN ACCORDANCE WITH ASX LISTING RULE 4.10.19

The Company confirms in the period from admission to the official list of the ASX to 22 September 2025, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.