QEM

2024 Annual Report

FOR THE YEAR ENDED 30 JUNE 2024

QEM LIMITED
ACN 167 966 770

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Corporate Directory

DIRECTORS

Timothy Wall
Gavin Loyden
Daniel Harris
Tony Pearson

SECRETARY

Duncan Cornish

REGISTERED OFFICE

Level 6
10 Market Street
Brisbane QLD 4000

Ph: +61 7 3212 6299

HEAD OFFICE

Level 6
50 Appel St
Surfers Paradise Q 4217
Australia
Ph: +61 7 5646 9553

Email: info@qldem.com.au
Website: www.qldem.com.au

AUDITORS

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
SUBIACO WA 6008

SHARE REGISTRY

Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000
Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 2 9698 5414

Chairman's Letter

Dear Fellow Shareholders,

It is with great pleasure that I present QEM Limited's 2024 Annual Report.

The 2024 financial year saw the Company continue to deliver significant key milestones for the Julia Creek Vanadium and Oil Shale Project in North-West Queensland. The primary focus for the team was delivery of the Project scoping study, which was released shortly post-FY24, demonstrating a distinctive and commercially attractive project for onsite critical minerals refining in Qld. The multi-commodity nature of QEM's Julia Creek Project has strong revenue potential and the technical solutions presented enable capital efficient mining, on-site processing and refining to produce high purity Vanadium with a compelling investment proposition.

The scoping study work delivered during the year builds on vanadium recovery optimisation work by GSA Environmental, previous QEM pilot plant work and completion of mineral characterisation and fine particle beneficiation work, focused on optimising vanadium pentoxide grade, by The University of Queensland's Sustainable Minerals Institute.

A significant achievement in 2024 was completing the sale of the Julia Creek Renewables Project assets, proposed to be adjacent to the Julia Creek Vanadium and Oil Shale Project, to Enel Green Power Australia Pty Ltd. The completion payment received, and future contingent milestone and royalty payments strengthen QEM's balance sheet. The Renewables Project also has the potential to provide cheaper power for the JCP and to contribute to decarbonisation and the Queensland and Australian Government renewable energy and emission reduction targets. Execution of the Renewables Project Sale Agreement reinforces QEM's continued focus on its core vanadium and oil shale project.

Importantly, the company also completed it's 2024 drilling program, resulting in an increase in the size and grade of the Julia Creek vanadium deposit, which was already one of the largest single vanadium deposits in the world, as well as a significant upgrade in the confidence of the oil Resource at the Company's flagship Julia Creek Project.

The Board's composition has been enhanced to support the next phase of project development with the addition of Tony Pearson, whose experience spans natural resource, infrastructure and government.

Long duration energy storage is increasingly seen as imperative in the energy transition towards sustainable technologies like wind and solar. Demand for Vanadium Flow Batteries (VFBs) is rapidly accelerating with market penetration set to quadruple globally by 2030. With the reusable potential of vanadium in VFBs, this means that they are 100% recyclable and sustainable.

The Vanadium sector continues to be strongly supported by the Australian Government and the Queensland State Government through their respective Critical Minerals Strategies. The Australian Government's focus areas for 2024-2030 include, developing strategically important projects, growing a skilled workforce, and unlocking investment in enabling infrastructure and services. QEM is proud to be part of the pipeline of critical minerals projects in this Tier 1 mining jurisdiction.

The Queensland State Government is progressing the $75M Queensland Resources Common User Facility to demonstrate vanadium extraction at scale. Further, in June 2024, the Premier announced the Queensland Critical Minerals Strategy and a $245 million investment into the sector. Importantly for QEM, Queensland's first Critical Minerals Zone has been established around Julia Creek and Richmond to support the region's vanadium projects.

QEM continues its commitment to the principles of ESG as the most effective means of creating long-term enterprise value by integrating ESG metrics into our governance, business strategy and performance management processes. We continue to look for opportunities to bolster our ESG credentials.

I am honoured to serve as QEM's Chair and I would like to thank my fellow Directors, our hard-working team and our collaboration partners for their efforts and achievements this year for your Company. The next 12 months will see QEM continue developing our flagship Julia Creek Vanadium Project at pace, with priority on preparing for and commencing work on the Project pre-feasibility study.

In closing, I thank QEM's loyal shareholders for your continued support of our Company as we look forward to another exciting year ahead.

Tim Wall
Non-executive Chair

Directors' Report

Your Directors present their report on QEM Limited (referred hereafter as "the Company") for the financial year ended 30 June 2024.

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are:

- Timothy Wall (Non-Executive Chairman)
- Gavin Loyden (Managing Director)
- Daniel Harris (Non-Executive Director)
- Tony Pearson (Non-Executive Director, appointed 24 August 2023)
- David Fitch (Non-Executive Director, resigned 27 August 2024)

Unless noted above, all directors have been in office since the start of the financial year to the date of this report.

COMPANY SECRETARY

Duncan Cornish (appointed 1 May 2024)
David Palumbo (resigned 1 May 2024)

Details of the company secretary's experience are set out below under 'Information on Directors'.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was exploration at the Julia Creek vanadium and oil shale project.

OPERATING RESULTS

Loss after income tax for the financial year was $2,044,866 (2023: $4,561,319).

FINANCIAL POSITION

The net assets of the Company at 30 June 2024 are $1,564,460 (2023: net assets of $2,749,200). The Company's working capital, being current assets less current liabilities is $1,013,829 at 30 June 2024 (2023: working capital of $1,672,976).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than those disclosed in this annual report, there were no significant changes in the state of affairs of the Company that occurred during the financial year.

RISK MANAGEMENT

The Board of Directors review the key risks associated with conducting exploration and evaluation activities in Australia and steps to manage those risks. The key material risks faced by the Company include:

EXPLORATION AND DEVELOPMENT

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Company is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Company, its business, prospects, results of operations and financial condition.

ECONOMIC CONDITIONS

Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Company's projects, the profit margins from any potential development and the Company's share price.

RELIANCE ON KEY PERSONNEL

The Company's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Company's. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available.

FUTURE FUNDING RISK

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

UNFORESEEN EXPENDITURE RISK

Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

ENVIRONMENTAL, WEATHER & CLIMATE CHANGE

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. Mining and exploration activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources.

CYBER SECURITY AND IT

The Company relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error.

FULL YEAR FY2024 REVIEW OF OPERATIONS:

THE JULIA CREEK PROJECT

The Julia Creek Project comprises four granted Exploration Permits for Minerals (EPMs) covering a total area of approximately 250km^2. The tenements form part of the vast Toolebuc Formation, which is recognised as one of the largest deposits of vanadium and oil shale in the world.

The Julia Creek project is a unique world class resource with the potential to produce vanadium pentoxide and transport fuel. QEM strives to become a global supplier of high-purity vanadium pentoxide for the emerging energy storage sector.

This globally significant **JORC (2012) Mineral Resource of 2,870 Mt @ 0.31% V2O5** is one of the single largest ASX listed vanadium resources and represents a significant opportunity for development. The resource is comprised of **461Mt @ 0.28% V2O5 in the Indicated category and 2,406Mt @ 0.31% V2O5 in the Inferred category**, with the added benefit of a contingent **(SPE-PRMS 2018) in-situ oil resource of 6.3 MMBBls of Oil equivalent in the 1C category, 94MMBBls in the 2C category, and 654MMBBLs in the 3C** category, contained within the same ore body.

The Project is significant at regional, national and international scales, as supported by the Critical Minerals Strategies published by both Queensland and Federal Governments. These strategies target the accelerated development of critical minerals projects to produce minerals such as vanadium that are required for sustainable supply chains and in addressing the energy transition.

The Julia Creek Project is located approximately 16 km southeast of the Julia Creek township. Julia Creek is approximately 650 km west of Townsville and 250 km east of Mount Isa. Julia Creek falls within the McKinlay Shire Council local government area. The town of Julia Creek serves as a hub for the surrounding agricultural and mining activities and also provides essential amenities and services for residents and workers in the area.

With its strategic location near Julia Creek and convenient access via the Flinders Highway and Julia Creek Airport, QEM's Julia Creek project enjoys a favourable position within the region's mining and resource industry.

Tenure

The 100% fully owned project consists of 4 tenements covering 249.6 km^2.

Table 1: Julia Creek Project Tenure

Tenement	Concession Type	Area (km2)	Status	Granted	Expiry
EPM 25662	Exploration Permit Minerals other than Coal	134.54	Granted	22/01/2015	23/01/2025
EPM 25681	Exploration Permit Minerals other than Coal	6.41	Granted	06/03/2015	5/03/2025
EPM 26429	Exploration Permit Minerals other than Coal	35.24	Granted	16/03/2017	15/03/2027
EPM 27057	Exploration Permit Minerals other than Coal	73.63	Granted	02/05/2019	1/05/2029

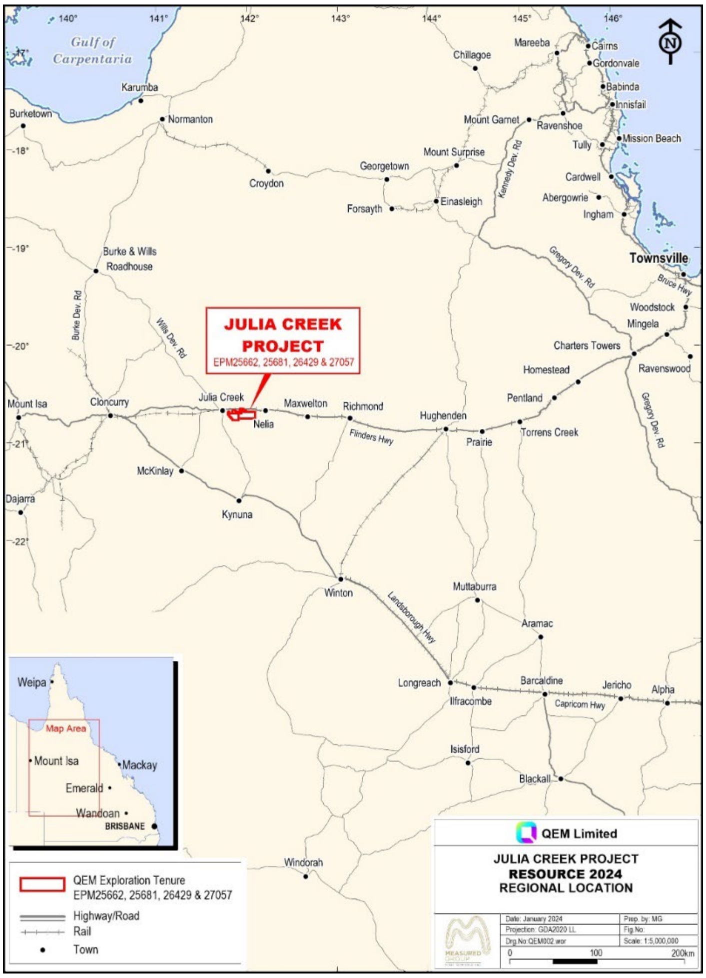


Figure 1: Julia Creek Project Location

Scoping Study

Throughout the reporting period (FY2024), QEM continued to progress the development of the Julia Creek Project's Scoping Study. The Scoping Study commenced pre-reporting period on 31 March 2023. This study was led by RPM Global.

During the development of the Scoping Study, value engineering opportunities were identified that pre-treating the feed ore to remove calcite substantially reduced the tonnage directed to the vanadium refining and oil recovery facilities, which resulted in significant economic improvements for the Project. QEM subsequently undertook additional metallurgical investigations in late 2023 and early 2024. The outcome of these additional metallurgical investigations is an updated metallurgical flowsheet where a Feed Preparation Facility (FPF) removes significant quantities of calcite and a series of float cells that direct feed to either the Oil Recovery Facility (ORF) or Vanadium Refining Facility (VRF).

The Scoping Study was completed post-reporting period on 27 August 2024.

EXPLORATION CAMPAIGN

In July 2023, QEM engaged Measured Group as the lead geologist/ program exploration managers for the 2023 drilling campaign. All State Drilling as the drilling contractors, Cartledge Mining and Geotechnics (Cartledge) to supervise geotechnical investigations and ATC Williams as the hydrogeologists to supervise groundwater bore installations.

Conduct and Compensation Agreements (CCAs) were issued and executed by the landholders in May and the drilling program began on 10 July 2023, with successful completion on 3 August 2023. (ASX announcement 9 August 2023)

The program was conducted for the purpose of resource exploration and definition, geotechnical studies and water boreholes. Material from the overburden levels was also collected for waste characterization.

The campaign targeted 12 exploration locations in the north of the QEM tenement with a target depth of up to 80 metres, with 620 total metres of 4C drilled (620m).

Two of the drilling campaign's 12 exploration holes have now been converted to groundwater monitoring bores, and a further four were used for geotechnical analysis. Overburden and core samples from a range of holes have been collected, allowing for waste characterisation analysis to commence. Fresh core samples were also collected for further pilot plant testing and metallurgical test work at QEM's pilot plant at HRL Labs in Victoria.

Figure 2: 2023 Drilling Campaign (QEM, Measured Group, All State Drilling & Cartledge).

Seismic Survey

In October 2023, QEM conducted a 2D non-disturbing seismic survey across the tenement. The survey was made up of two 4.5km lines running East-West. The program took approximately ten days to complete and was led by Velseis Integrated Seismic Technologies and Measured Group. The purpose of the program was to determine the geological structure(s) and the continuity of the resource across the project area.

The seismic report was completed and handed over to QEM in December 2023.

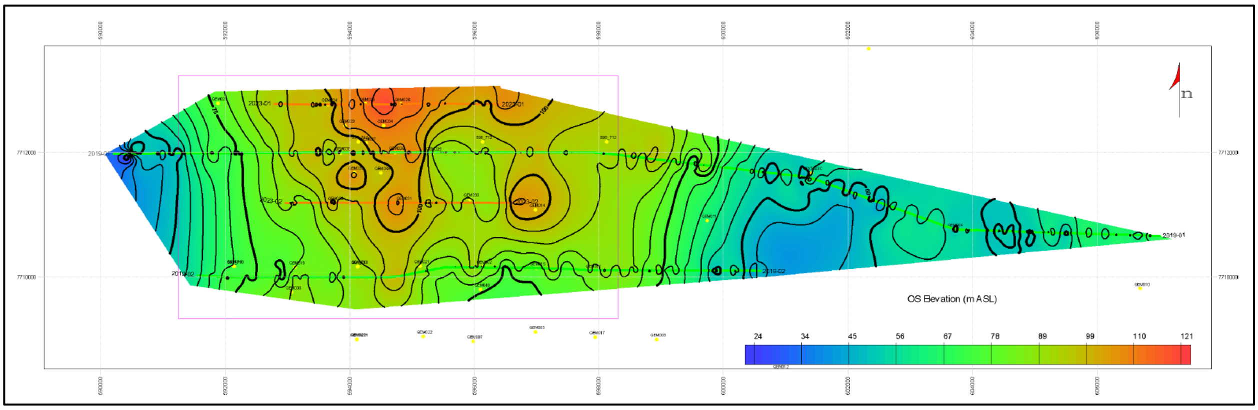


Figure 3: OS Horizon Elevation ASL Map (5m contours)

Mineral Resource Estimate 2024

In March 2024, the Company announced an upgrade in the Project's Mineral Resource Estimate. The updated 2024 JORC Mineral Resource Estimate encompasses a 28% increase in Indicated vanadium Resource of 461Mt and 2,406Mt in the Inferred category. (Ref: ASX Announcement 5 March 2024- updated)

Additionally, the updated PRMS (2018) resulted in a Maiden 1C resource of 6.3 million barrels in-situ (MMbbl's), oil equivalent along with a 32% increase of the 2C oil shale estimate to 94 MMbbl's, and a 3C oil shale Resource estimate of 654 million barrels (MMbbl's) was reached, (utilising a 90% recovery factor).

The previous resource estimate was declared as of March 30th, 2022 and consisted of 359Mt @ 0.29% V2O5 in the Indicated category and 2,490Mt @ 0.31% V2O5 in the Inferred category. Since that time, an extra sixteen (16) core holes have been drilled, and two extra 2D seismic lines have been acquired on the project, primarily in the shallower parts of the western blocks.

Furthermore, it is possible that additional by-products such as base metals (Copper (Cu), Molybdenum (Mo), Nickel (Ni), Zinc (Zn), Aluminium (Al) which may be produced as High Purity Alumina (HPA) or as cement product inputs, could be produced as by-products from the waste stream of vanadium processing, which may have a further positive impact on revenue.

Table 2: Julia Creek Resource Estimate as of 9th February 2024

Total					
Resource Class	**Strat.Unit**	**Mass (Mt)**	**Average Thickness (m)**	**Insitu Density (gm/cc)**	**V2O5 (wt%)**
Indicated	CQLA	167	3.17	2.40	0.24
	CQLB	128	2.58	2.28	0.30
	OSU	81	1.92	1.95	0.31
	OSL	84	2.02	1.93	0.32
		461		**2.20**	**0.28**
Inferred	CQLA	697	2.46	2.42	0.23
	CQLB	826	3.13	2.23	0.39
	OSU	432	1.84	1.97	0.31
	OSL	451	1.95	1.95	0.29
		2,406		**2.18**	**0.31**
Total		**2,870**		**2.19**	**0.31**

Note:

(1) *The estimate uses a minimum cut-off of 0.2% V_2O_5 for the oil shale units and a minimum cut-off of 0.15% V_2O_5 for the Coquina units.*

(2) *The total resource tonnage reported is rounded to reflect the relative uncertainty in the estimate categories and component horizons may not sum correctly.*

(3) *Copper (Cu), Molybdenum (Mo), Nickel (Ni), Zinc (Zn), and Aluminium (Al) are not listed due to categorisation as secondary potential by-products.*

Table 3: Summary of Oil Shale Resources as at 9 February 2024

Total								
Resource Class	**Strat Unit**	**Mass (Mt)**	**Average Thickness (m)**	**Total Moisture wt%**	**Oil Yield (L/tonne)**	**Oil Yield LTOM**	**MMBbls (in-situ PIIP)**	**MMBbls Recover able**
3C Contingent	CQLB	903	2.5	6.8	53.1	55.0	254	228
	OSU	621	1.8	6.8	75.9	79.0	248	223
	OSL	609	1.9	6.8	70.7	76.7	224	202
Total / Ave		**2134**		6.8	66.6	70.2	**726**	**654**
2C Contingent	CQLB	107	2.1	2.8	50.9	52.3	33	29
	OSU	76	1.9	13.3	78.7	81.4	36	32
	OSL	81	2.0	11.8	74.8	76.7	36	33
Total / Ave		**264**		9.3	68.1	70.1	**105**	**94**
1C Contingent	CQLB	7	1.9	2.8	49.0	49.6	1.9	1.8
	OSU	5	1.9	13.3	77.2	78.7	2.5	2.2
	OSL	6	2.1	11.8	74.6	76.2	2.6	2.3
Total / Ave		**18**		9.3	66.9	68.1	**7.0**	**6.3**

Note:

(1) *The total resource tonnage reported is rounded to reflect the relative uncertainty in the estimate and component horizons may not sum correctly.*

(2) *The 3C petroleum resource reported includes the 1C and 2C volumes, i.e., They are cumulative not incremental as per the PRMS 2018 guidelines.*

(3) *An economic cut-off of 40 L/tonne was applied prior to the calculation; it must be noted that the CQU and the CQLA did not meet the criteria of >40 L/tonne for inclusion in the volumetric calculation.*

(4) *The 1C, 2C and 3C volumes reported here are unrisked.*

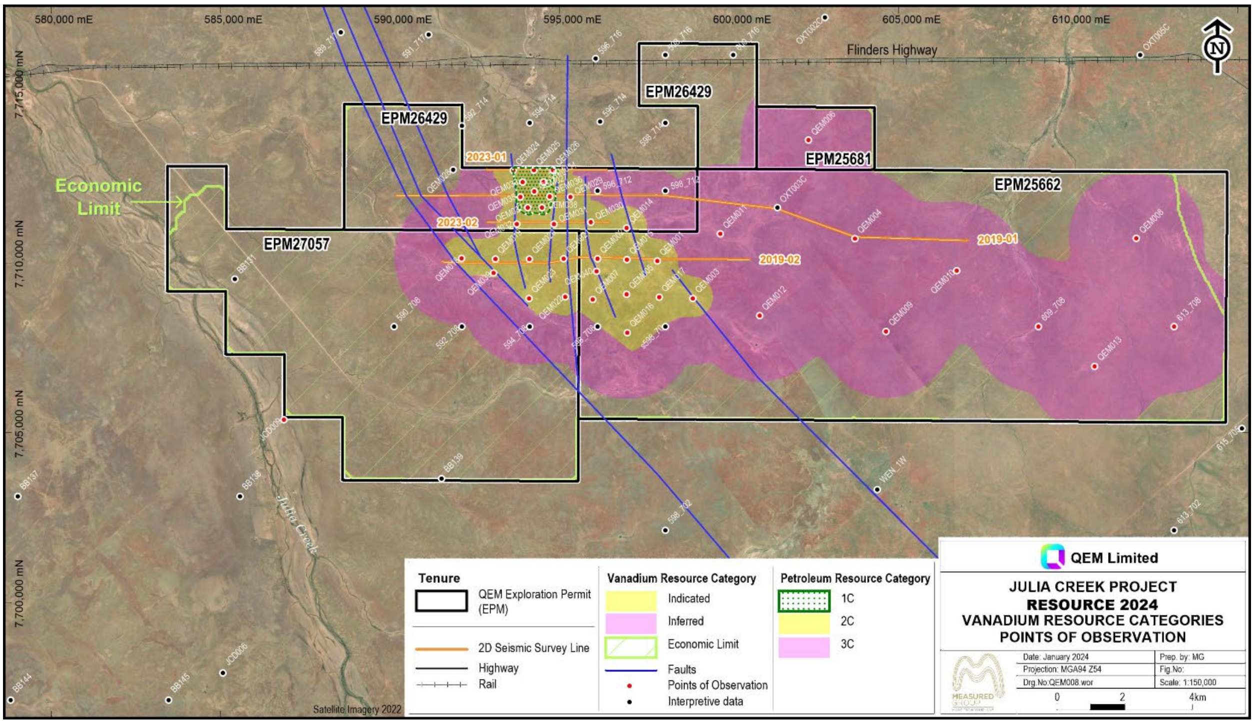


Figure 4: Resource Categories, points of observation and interpretive data for the Julia Creek Project

JULIA CREEK RENEWABLES PROJECT SALE

In January 2024, the Company announced the sale of the Julia Creek Renewables Project (**JCRP**) assets to Enel Green Power Australia (**EGPA**).(Ref: ASX Announcement 15 January 2024)

Under the Project Sale Agreement (**PSA**) QEM sold to EGPA, among others, wind and solar monitoring equipment and more than 18 months of data, and intellectual property regarding engineering, environmental, geotechnical, flood plain and other project studies (the **Sale Interests**).

An initial upfront payment of $3,000,000 was made to QEM for the Sale Interests, which included among others, the Met Mast, Sodar equipment and corresponding data collected.

In addition to the initial upfront payment received, the consideration for the sale of Sale Interest is as follows:

(a) two contingent milestone payments totalling $4,000,000 in aggregate, payable in separate tranches upon achievement of key Project development milestones; and

(b) a contingent milestone payment upon EGPA reaching Final Investment Decision (**FID**) (the **FID Payment**).

(c) a revenue-based royalty of between 1% - 2% generated by the JCRP operations.

(d) Additionally, through Project operations, QEM will be offered a 10-year off-take agreement (**PPA**), on an arm's length basis, for up to 25MW firm capacity to supply its mine operations.

Upon the completion and satisfaction of the Condition Precedent, being that the relevant equipment was fully functional and able to be operated in accordance with good operating practice. On March 26, 2024, the Company announced that the transaction had been completed. (Ref: ASX Announcement 26 March 2024.)

MATERIAL CHARACTERISATION STUDIES

Mineral Beneficiation Studies

During the reporting period, The University of Queensland Sustainable Minerals Institute (**SMI**) completed a review of applicable froth flotation techniques for the separation of particles for beneficiation of the Julia Creek Project's feed material.

The review presented a comprehensive and critical assessment on the use of froth flotation for the separation and recovery of hydrocarbon in the form of kerogen and the vanadium-bearing clay host, as well as the rejection of calcite gangue. Based on the review, the recommended flow sheet involves two stages: a kerogen separation circuit and a calcite rejection circuit. This flowsheet underwent further assessment by RPM Global during the Scoping Study update.

In June 2024, QEM entered into an agreement with The University of Queensland (UQ) to characterise the mineralogical and chemical composition of vanadium host phases in the oil shale.

This work program will utilise a range of advanced mineralogical and chemical analytical techniques to constrain the mineralogical characteristics and vanadium host phases in feed materials for QEM's vanadium extraction processes. The aim is to quantify through mass-balance approaches, the deportment of vanadium between hydrocarbon phases and residual mineralogical phases. Understanding the mineralogical host of vanadium in the feed material (e.g., clay-hosted) along with material characteristics of the associated gangue phases (e.g., calcite/limestone) will contribute to improved knowledge of the feed characteristics and process response during further test work.

Previous characterisation work was undertaken on a post hydrogenation material which identified opportunities in terms of particle size and primary texture preservation. This current work program will utilise as-received drill core samples for detailed material characterisation. Techniques used in this new scope of works include Multiple Gas Chromatograph (GC) systems with Electron Capture Detector (ECD) for assessing volatile-hosted vanadium content in hydrocarbon phases, automated microscopy (MLA) and high-resolution energy dispersive spectroscopy (EDS) and x-ray fluorescence mapping (XFM) to determine the relative intensity of vanadium across mineral phases mapped by MLA.

Fully quantitative analysis of the vanadium content of target minerals identified from EDS mineral mapping will be conducted using EMPA and LA-ICPMS analysis where required. NaOH leaching and ICP-AES analysis of residual material and leachate will also be undertaken to determine the final vanadium content of residual materials

This work program is expected to take 4 months, completion is expected in Q1 2025.

Pilot Plant Test Work

During the reporting period, QEM's technical partner HRL conducted two pilot plant tests with the following objectives:

Test T6 involved a trial with hydrogen donor solvent only (no shale) as the feedstock. The intent was to gain further understanding of solvent behaviour as a result of heating to a target temperature of 450°C;

Test T7 involved a trial with hydrogen donor solvent and the shale residue from a previous trial (Test T4). The intent was to establish whether the presence of shale solids has an influence on the behaviour of the solvent. An additional outcome was the production of a new quantity of fully processed shale residue for additional vanadium beneficiation and extraction work.

In addition to Tests T6 and T7, HRL conducted a small-scale trial in QEM's 100ml autoclave using direct injection of hydrogen gas. The aim of the trial was to test alternatives to the hydrogen donor solvent previously used.

Based on the results of a single small-scale test with hydrogen and naphthalene as solvent, equivalent carbon conversions can potentially be achieved using either the solvent previously used or hydrogen gas.

Preliminary Geotechnical Investigation

During the reporting period, Cartledge Mining and Geotechnics completed the Julia Creek Project – Preliminary Geotechnical Study. This study aimed at gaining a preliminary understanding of the geotechnical conditions onsite to inform mine pit geometries and risks.

Cartledge identified four locations that were drilled during the 2023 exploration campaign for geotechnical purposes. Samples from these four holes were sent to Cartledge for geotechnical analysis. The final report was made available to QEM in May 2024.

Cartledge concluded that "Overall, the geotechnical conditions at Julia Creek appear favourable, and standard operational controls, in conjunction with appropriate slope design, should be adequate to manage any latent geotechnical risk."

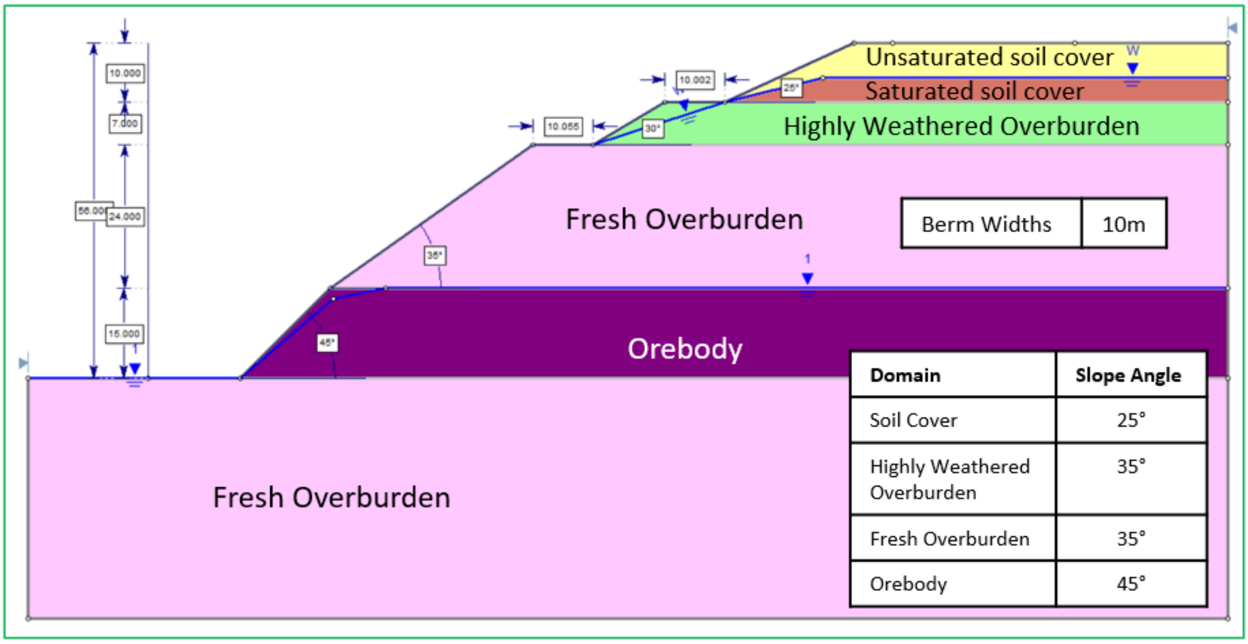


Figure 5: Recommended pit geometries for the Julia Creek Project (not for construction)

RGS Waste Characterisation

RGS Consultants Pty Ltd (**RGS**) was commissioned by QEM in 2023 to complete a soil quality, geochemical, and physical characterisation assessment of mine waste materials for the Julia Creek Project.

During the reporting period, RGS received the final batch of core samples from the 2023 drilling campaign. A total of 119 core samples have been collected and will be used for the geochemical and physical testing program.

In October, RGS supplied QEM with the geochemical and physical sampling and analysis plan (**GAPSAP**) which outlines the static and kinetic geochemical and physical testing that will be performed on the Batch 1 soil and overburden and Batch 2 oil shale samples. The purpose of the GAPSAP is to guide the selection, collection, and analysis of samples of soil, overburden, and oil shale materials collected from the QEM (2023) drilling program. The information derived from the sampling and analysis program will be used to determine the geochemical and physical properties of the mine materials and report these in a format that that is suitable for inclusion in relevant approvals documentation.

Throughout the reporting period, RGS continued the 12-month Geochemical and Physical Sampling and Analysis Plan (**GAPSAP**). Interim reports have been provided throughout the reporting period on a quarterly basis.

Test pit sampling for further soil characterisation (on large bulk samples) and process waste characterisation are likely to be required for the Progressive Rehabilitation and Closure Plan (**PRCP**) to meet Queensland regulatory requirements for the Julia Creek Project.

GROUND AND SURFACE WATER MONITORING

In November 2022, QEM engaged ATC Williams to conduct a 12-month baseline assessment of the ground water and surface water conditions around the tenement. During the reporting period, ATC Williams completed the 12-month baseline water monitoring campaign and associated reports.
ATC Williams and QEM conducted routine monthly monitoring of the Julia Creek monitoring network for the period between November 2022 and November 2023. The purpose of this work is to provide an assessment of baseline groundwater conditions to support preparation of an Environmental Impact Statement (EIS). In accordance with the Environmental Protection Act 1994, this EIS is required by QEM to obtain environmental authority to proceed with the Julia Creek Project.

The water monitoring baseline report was delivered in January 2024 and provided an assessment of baseline annual trends in water levels and water quality identified through the monitoring program. ATC Williams also included recommendations for improvements to QEM's water monitoring network.

After the completion of the 12-month baseline campaign, QEM is continuing the water monitoring campaign with ATC Williams on a quarterly basis. The first quarterly event of 2024 was conducted in the reporting period in March 2024.

Figure 6: Water monitoring campaign (FY2024)

Vanadium Extraction from Spent Catalyst

QEM achieved the successful extraction of high purity vanadium pentoxide, covered from industrial waste. QEM partnered with The University of Queensland (UQ) to produce the first high purity vanadium pentoxide (V2O5) with the source material, being spent catalyst used in the production of sulphuric acid at Incitec Pivot Limited's ("**IPL**") Mount Isa plant.

This work package received partial funding through the Australian Government Department of Education's Trailblazer Universities Program. QEM is the industry leader partnering with The University of Queensland School of Chemical Engineering in the Resources Technology and Critical Minerals program accelerating innovation, commercialisation and research in the resources technology and critical minerals sector.

This project represents a Circular Economy opportunity where industrial waste can be repurposed to a higher use by extracting the critical mineral vanadium as V2O5. V2O5 is the essential component of the electrolyte used in vanadium flow batteries (**VFB**). VFB's are known as Long Duration Energy Storage (**LDES**) systems that are seen a key to Australia reaching its carbon reduction targets.

The first stage of the collaboration between QEM and UQ involved a small-scale laboratory demonstration of all the processing steps in recycling the spent catalyst into a high purity vanadium oxide product, resulting in the first V2O5 produced in Queensland from industrial waste.

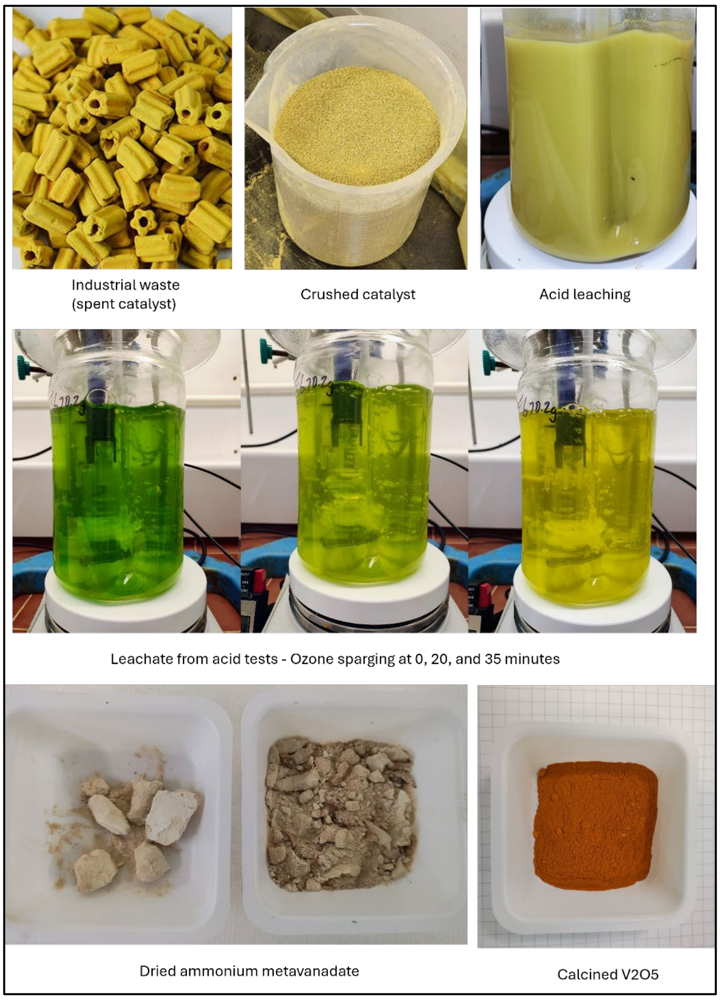


Figure 7: Process flow from industrial waste to High Purity V2O5

UQ completed the process flowsheet after conducting several tests in a small-scale laboratory setting, confirming a technically viable method of recycling spent catalyst to produce high-purity V2O5.

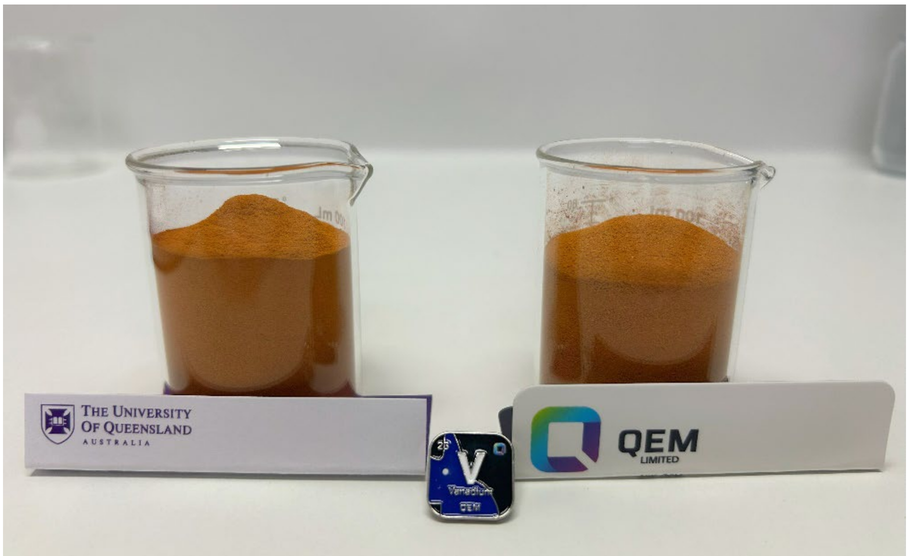


Figure 8: High purity (99.93%) vanadium pentoxide (V2O5) extracted from Queensland industrial waste at The University of Queensland. *(Ref: ASX announcement 4 April 2024)*

GRANTS

The Collaborative Development Program

During the reporting period, QEM applied for $1.4 million in grant funding through the Queensland Government's Collaborative Development Program (**CDP**). The CDP was announced as part of the Queensland Government's Critical Minerals Strategy and builds on the Queensland Resources Industry Development Plan. The CDP is administered by the Geological Survey of Queensland (**GSQ**) within the Department of Resources and offers a total of $5 million in funding for the recovery or reprocessing of mine waste for the extraction of critical minerals in Queensland.

QEM's grant application aims to partially fund the next stage of test work on the company's Vanadium Recovery Project (Spent Catalyst). This package of work will be conducted in conjunction with the University of Queensland (**UQ**) School of Chemical Engineering and will focus on flowsheet optimisation and the development of a small-scale pilot testing program.

CAPITAL RAISINGS

On 21 June 2023, QEM announced the completion of a $2.72 million placement of 16,000,000 new fully paid ordinary shares at $0.17 per share. This included an issue of 4,500,523 shares, totalling of $765,089, to (then) non-executive director David Fitch, which were allotted on 25 August 2023 after receiving shareholder approval at an EGM.

GOVERNMENT RELATIONS

Throughout FY2024, QEM has continued its engagement with the relevant all Queensland State Government Departments who are key stakeholders in the progress and development of the Julia Creek Project, whilst also providing strong support for the development of vanadium industry.

R&D TAX INCENTIVE REFUND

On 11 June 2024, QEM received the R&D tax incentive rebate for a total of $240,708 for financial year 2023. These funds will be reinvested into the on-going project development.

BOARD APPOINTMENTS

TONY PEARSON

On 24 August 2023 QEM appointed former HSBC Managing Director Mr Tony Pearson to the Company's Board of Directors as a Non-executive Director.

Mr Pearson is a highly experienced company director with 10 years' experience on Australian, Toronto and Hong Kong Stock Exchange-listed companies, government, and not-for profit boards.

Mr Pearson's experience spans natural resources, infrastructure, and State and Federal Government. He is currently Chair of Possability Group Limited ("Possability") and ASX-listed company, Cellnet Group Limited. He also serves as a Non-Executive Director of ASX listed Xanadu Mines and not-for-profit Communicare.

His experience includes a variety of senior positions as a finance and investment professional, most recently as Managing Director at HSBC (Hong Kong Shanghai Banking Corporation) and prior to that as Group Executive at SouthGobi Resources and was previously Chair of ASX-listed Peak Rare Earths.

The QEM Board believes his knowledge and experience will be pivotal in bringing the project from the pre-feasibility to development stage.

ESG

On 30 June 2024, QEM released its Annual ESG Report and tenth consecutive Quarterly ESG Report using Socialsuite's ESG Go platform to monitor and disclose the Company's ESG progress and initiatives. The metrics QEM reports on form part of the World Economic Forum's (WEF) standardised and globally recognised Stakeholder Capitalism Metrics ESG framework, with the Company's current ESG focus highlighted below.

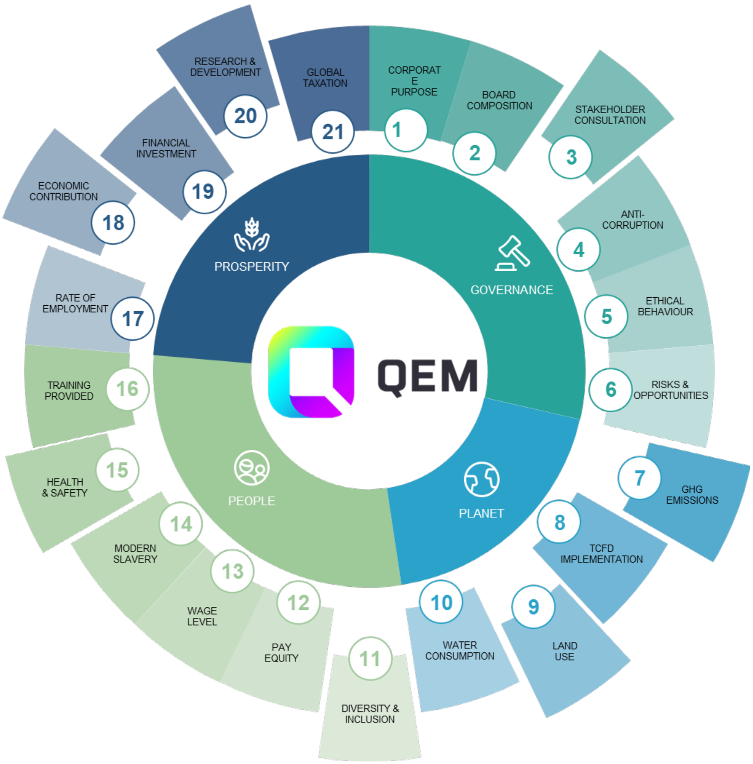


Figure 9: QEM has adopted the WEF Stakeholder Capitalism Metrics ESG Framework

ESG HIGHLIGHTS

PLANET - GHG EMISSIONS

In Q1 2023, QEM engaged Carbonhalo to conduct our inaugural third-party verified GHG emissions inventory assessment for FY 2022 (12 months ending 30 June 2022). This initial assessment recorded total GHG emissions of 146.80 tonnes of CO2 equivalent (tCO2e). A follow-up assessment for FY 2023 showed our business activity had returned a reduction in emissions to 116.15 tCO2e.

QEM uses these assessments as one of the tools to track progress towards a low-carbon footprint and achieving our sustainability objectives. To further our commitment, QEM has also offset its unavoidable emissions through verified carbon credits from projects focused on renewable energy, technology-based emissions reduction, habitat regeneration, and waste capture. These offsets are sourced from Australian ACCUs and International VERRA/UNFCC projects.

QEM is also dedicated to fostering sustainability awareness and engagement among our employees, clients, and stakeholders, encouraging collective participation in our carbon reduction initiatives by sharing with stakeholders our emissions reduction plans. We have also committed to reassess our emissions annually, with the next evaluation underway for the end of FY 2024 through Carbonhalo.

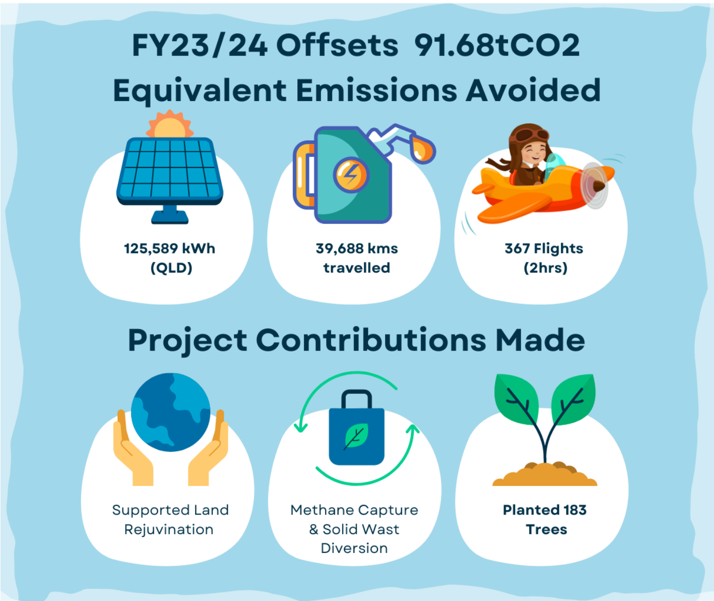


Figure 10: QEM's unavoidable emissions offsets sourced from Australian ACCUs and International VERRA/UNFCC projects

GOVERNANCE – MATERIALITY & STAKEHOLDER ENGAGEMENT

QEM is committed to openly consulting with - and communicating our progress to - internal and external stakeholders, including potential investors. We understand the importance of maintaining transparency in the way the Company operates so our stakeholders and investors understand our goals and the progress we are making throughout the Company and may be actively involved throughout the process.

QEM's ESG Materiality Assessment was distributed to nearly 100 stakeholders in Q3 FY23/24 and the Company received about a 25% rate of return, providing valuable feedback on QEM and the Julia Creek Project through a sustainability lens. An analysis of material issues captured and feedback of material issues to stakeholders occurred in Q4 FY23/24 The survey results were extremely aligned with our current focus but will help us prioritise and improve on material ESG matters. Importantly, our stakeholders placed a priority on the key areas that we also see as vital to our company: Good health and well-being, affordable and clean energy, reduced inequalities, sustainable cities and communities, decent work and economic growth, and life on land.

COMMUNITY RELATIONS

Investment in our community is a high priority for QEM. QEM contributes to the region with work packages being assigned to local contractors in Julia Creek and the North West Minerals Province, for work including fabrication, plant hire, civil site works, building renovations, and preparation for QEM's drilling campaigns and general property maintenance.

QEM also seeks to support the greater communities in which we operate, with a particular focus on youth and women's development, education and sport. QEM proudly sponsors the Julia Creek Saints junior girls and boys and senior rugby league teams, as well as the annual Town vs Country Women's Netball, Juniors and Seniors' Rugby League.

QEM was a sponsor this financial year of the following McKinlay Shire events:

- Julia Creek Dirt N Dust Festival (April)
- Saxby Roundup weekend (June/July)
- Sedan Dip (August)
- Big Weekend in (October)
- Beach Races in (November)

In early 2024, QEM became a WISER (Women In Sustainable Energy & Resources) Inc. Bronze Partner and sponsored the WISER International Women's Day Event held in Brisbane in March 2024.

INFORMATION ON DIRECTORS

TIM WALL – NON-EXECUTIVE CHAIRMAN

GAICD, MIE Aust, CPEng, RPEQ

Background

Mr Wall is an experienced ASX chair and company executive across energy, infrastructure, transport and resources sectors, with a strong leadership track record at multiple ASX100 companies. His impressive list of recent achievements includes driving a strategic shift in manufacturing while President of Global Manufacturing and Corporate HSE for Incitec Pivot. He also delivered highly successful operational outcomes while occupying senior managerial positions at Caltex Australia and BP Australia. Mr Wall has over 35 years of global Oil Refining and fuel supply experience.

Mr Wall currently serves as a Senior Advisor – Oil and Gas at management consultant dss+ and as a Director for energy consultant TJW Energy, with specific expertise in hydrogen and ammonia manufacturing, storage and transportation, and energy storage technologies.

Mr Wall brings strong ESG credentials to the QEM Board, exemplified by his four-year board tenure on the not-for-profit National Association of Women in Operations.

Interest in securities

100,000 Ordinary Shares
600,000 Options exercisable at $0.345 on or before 12 August 2025
150,000 Class A performance rights
75,000 Class B performance rights
150,000 Class C performance rights

Directorships held in other listed entities in the past three years

None

GAVIN LOYDEN – MANAGING DIRECTOR

M.A.I.C.D

Background

Gavin Loyden is the Founder and Managing Director of QEM Limited, having identified and acquired the significant dual commodity resource at Julia Creek. Mr Loyden is responsible for QEM's early capitalisation, initial exploration program and project development. He has over a decade of experience in the mining industry.

Prior to founding QEM, Mr Loyden assisted a range of companies from early-stage development through to international stock market listings. He has extensive experience in the structuring of capital raising proposals for both private and public companies, executive selection, and Corporate Governance. Mr Loyden is a member of the Australian Institute of Company Directors and AusIMM.

Interest in securities

20,730,690 Ordinary Shares
2,000,000 Options exercisable at $0.345 on or before 12 August 2025
250,000 Class A performance rights
125,000 Class B performance rights
250,000 Class C performance rights

Directorships held in other listed entities in the past three years

None

DAVID FITCH – NON-EXECUTIVE DIRECTOR (resigned 27 August 2024)

B.Com. B.Juris., GAICD

Background

Mr Fitch was previously the Chief Operating Officer and joint major shareholder of the Fitch Group – a group of companies with assets in excess of $250 million spread across the commercial, residential, manufacturing, retail and hotel industries.

He has extensive experience in strategic planning, commercial negotiations, business operations and asset management, with a particular focus on greenfield development sites for the commercial / retail sectors and residential development.

Mr Fitch is also actively involved as director of BioCentral Laboratories Ltd, a company producing advanced products for the firefighting industry, in addition to dust suppressants for mining and road construction. Mr. Fitch is also the largest shareholder of QEM.

Interest in securities

44,219,693 Ordinary Shares
1,000,000 Options exercisable at $0.345 on or before 12 August 2025
100,000 Class A performance rights
50,000 Class B performance rights
100,000 Class C performance rights

Directorships held in other listed entities in the past three years

None

DANIEL CLIFFORD HARRIS – NON-EXECUTIVE DIRECTOR
B.Sc (Chem Eng)

Background
Mr Daniel Harris is a seasoned and highly experienced mining executive and director. He has most recently held the role of Executive Director and member of the board of U.S. Vanadium, Ltd, a US based vanadium producer of high purity vanadium oxides and chemicals and was previously interim CEO and managing director of ASX listed Atlas Iron, a mid-sized, independent Australian iron ore mining company with operations in the Northern Pilbara of Western Australia.

Mr Harris has been involved in all aspects of the vanadium industry for over 45 years and held both COO and CEO positions in Atlantic Ltd. The company's subsidiary, Midwest Vanadium, owned a +$500 million-dollar production plant and vanadium mine in Western Australia. As COO, Daniel was tasked with the start-up of the newly constructed vanadium plant and brought it into commercial operation.

Mr Harris is also the former Vice President of EVRAZ Plc, Vanadium Assets responsible for their global vanadium business. EVRAZ plc is a £4.2 billion publicly traded steel, mining and vanadium business with operations in the Russian Federation, Ukraine, Europe, USA, Canada and South Africa. EVRAZ consolidated vanadium business produced and marketed approximately one third of the world's vanadium supply, with annual turnover, in excess of $600 million dollars.

Prior to EVRAZ, Mr Harris held numerous positions with Strategic Minerals Corporation. Throughout his 30 years with the company, he advanced his career from junior engineer, through to CFO and CEO roles within the group and was responsible for increasing the capacity of the Hot Springs Project by 50%.

Mr Harris is a non-executive director on the Board of Australian Vanadium Ltd, a Perth based vanadium company now finalizing a DFS for their Gabanintha vanadium project. Additionally, Mr Harris is a Non-executive Director of Red Hawk Mining, an ASX listed iron ore company.

Mr Harris also acts as a technical executive consultant to GSA Environmental in the UK, a process engineering company that is well credentialed in the vanadium and oil industries. GSA is the UK's leading technology company for extraction and recovery of metals from ashes, minerals, refinery residues, spent catalyst and industrial by-products.

Mr Harris brings a wealth of experience, in all aspects of mining and project development and will assist QEM in creating a world class project in Queensland, Australia.

Interest in securities
600,000 Options exercisable at $0.345 on or before 12 August 2025
100,000 Class A performance rights
50,000 Class B performance rights
100,000 Class C performance rights

Directorships held in other listed entities in the past three years
Australian Vanadium Limited (current)
Red Hawk Mining (previously Flinders Mines Limited) (current)

TONY PEARSON – NON-EXECUTIVE DIRECTOR – APPOINTED 24 AUGUST 2023
B.Comm. (with Merit) UNSW, MAICD

Background
Mr Pearson's experience spans natural resources, infrastructure, and State and Federal Government. He is currently Chair of Possability Group Limited ("Possability") and ASX-listed company, Xanadu Mines. He also serves as a Non-Executive Director of Bloomfield Group and Communicare, and a trustee of the Royal Botanic Garden & Domain Trust. Mr Pearson was previously Chair of ASX-listed Peak Rare Earths and Cellnet Group Limited, as well as a Commissioner at the Independent Planning Commission. His executive experience includes a variety of senior positions as a finance and investment professional, most recently as Managing Director at HSBC (Hong Kong Shanghai Banking Corporation) and prior to that as Group Executive at SouthGobi Resources.

Mr Pearson's experience also bolsters the Board's ESG credentials. He is the Chair of Possability, a leading human services organisation in disability and youth services. As a Commissioner at the Independent Planning Commission, he determined state significant development projects, with a need to consider environmental and other stakeholder impacts, across natural resource, wind and solar farm projects. As a former Senior Advisor to Regnan, Mr Pearson provided ESG advice to some of Australia's largest institutional shareholders.

Interest in securities
150,000 Class A performance rights
75,000 Class B performance rights
150,000 Class C performance rights

Directorships held in other listed entities in the past three years
Xanadu Mines Ltd (current)
Cell Group Limited
Peak Rare Earths Ltd

COMPANY SECRETARY

DUNCAN CORNISH

Mr. Cornish was appointed as Company Secretary and CFO on 1 May 2024.

Mr. Cornish is a Chartered Accountant with significant experience as a public company CFO and Company Secretary. He has more than 30 years' experience in the accountancy profession including with the accountancy firms Ernst & Young and PricewaterhouseCoopers. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, initial public offerings and capital raisings and has served as CFO and/or Company Secretary of several Australian and Canadian public companies.

DAVID PALUMBO

Mr Palumbo is a Chartered Accountant and a graduate of the Australian Institute of Company Directors with over fifteen years' experience in company secretarial, accounting and financial reporting of ASX listed and unlisted companies, including five years as an external auditor. Mr Palumbo is an employee of Mining Corporate and provides corporate advisory, financial management and corporate compliance services. He has acted as Company Secretary for numerous ASX listed companies, assisted with multiple ASX IPO's and currently serves on the Board of Krakatoa Resources Limited, Albion Resources Limited and Rubix Resources Limited.

Mr. Palumbo resigned from the Company on 1 May 2024.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of QEM Limited and for the executives receiving the highest remuneration.

1. Employment Agreements
The Company has entered into an Executive Employment Agreement with Gavin Loyden. Either party may terminate this Agreement by providing written notice to the other party by providing three (3) months' prior notice. Following a review by the Board, Gavin Loyden's remuneration package was increased to $340,000 plus superannuation per annum, effective from 25 February 2024.

Appointments of non-executive directors are formalised in the form of service agreements between themselves and the Company. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act.

2. Remuneration policy
The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board;
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are entitled to the issue of share options (subject to Board discretion and shareholder approval). The remuneration committee reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Company's shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

Any executive director, who is an Australian resident for tax purposes, receives a superannuation guarantee contribution required by the government, which was 11%. No other retirement benefits are paid.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed or capitalised to exploration expenditure if appropriate. Options, if given to directors and executives in lieu of remuneration, are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.
Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

3. Performance rights issued as part of remuneration for the year ended 30 June 2024:

During the financial year, the Board were issued a total of 1,875,000 performance rights in three classes: Class A, Class B and Class C.

- Class A: A total of 750,000 Class A performance rights were granted to directors. These performance rights will vest after a 3-year service period by 26 August 2026.
- Class B: A total of 375,000 Class B performance rights were granted to directors. These performance rights will vest on the Company's share price reaching $0.40 at any time before 26 August 2026.
- Class C: A total of 750,000 Class C performance rights were granted to directors. These performance rights will vest upon the security of a strategic investor to the Company at any time before 26 August 2027.

The value of these performance rights is recognized on a pro-rated basis over the life of the performance rights, considering the probability of meeting the performance conditions. Refer Note 13 to the Financial Statements.

4. Details of remuneration for the year ended 30 June 2024:

The remuneration for each key management personnel of the Company for the year ended 30 June 2024 was as follows:

Key Management Personnel	Short Term Benefits			Post-Employment		Equity-settled Share-based Payments		Total	Performance related %	% consisting of options/ rights
	Salary & Fees	Prov for leave entitle-ments	Non-monetary benefits	Super-annuation	Other	Shares	Options /Rights			
	$		$	$	$	$	$	$	%	%
Directors										
David Fitch[5]	31,800	-	-	3,498	-	-	8,884	44,182	-	20%
Daniel Harris	40,000	-	-	-	-	-	8,884	48,884	-	18%
Gavin Loyden	308,990	51,683	8,323	33,989	-	-	22,209	425,194	-	5%
Tony Pearson[1]	34,194	-	-	3,761	-	-	17,741	55,696	-	32%
Tim Wall[2]	70,000	-	-	7,700	-	-	13,325	91,025	-	15%
Total	**484,984**	**51,683**	**8,323**	**48,948**	**-**	**-**	**71,043**	**664,981**		

The remuneration for each key management personnel of the Company for the year ended 30 June 2023 was as follows:

Key Management Personnel	Short Term Benefits			Post-Employment		Equity-settled Share-based Payments		Total	Performance related %	% consisting of options/ rights
	Salary & Fees	Prov for leave entitle-ments	Non-monetary benefits	Super-annuation	Other	Shares	Options /Rights			
	$		$	$	$	$	$	$	%	%
Directors										
John Foley[3]	53,000			-	-	-	73,860	126,860	-	58%
David Fitch[5]	31,800			3,339	-	-	123,100	158,239	-	78%
Daniel Harris	31,800			-	-	-	73,860	105,660	-	70%
Gavin Loyden	291,500	29,651	8,500	30,608			246,200	606,459	-	41%
John Henderson[4]	10,600			2,968			73,860	87,428	-	84%
Tim Wall[2]	22,824			2,397			69,341	94,562	-	73%
Total	**441,524**	**29,651**	**8,500**	**39,312**	**-**	**-**	**660,221**	**1,179,208**		

[1]Tony Pearson was appointed as a Non-Executive Director on 24 August 2023.

[2]Tim Wall was appointed as a Non-Executive Director on 12 October 2022, and succeeded John Foley as Non-Executive Chairman on 15 February 2023.

[3]John Foley resigned from his position as Non-Executive Chairman effective 15 February 2023.

[4]John Henderson resigned from his position as Non-Executive Director effective 9 November 2022.

[5]David Fitch resigned as a Non-Executive Director on 27 August 2024.

5. Equity holdings of key management personnel

Share holdings

Number of ordinary shares held by key management personnel during the financial year ended 30 June 2024 was as follows:

30 June 2024	Balance at beginning of year	Net change other	Balance at end of year
Directors			
David Fitch[1]	38,939,955	5,279,738	44,219,693
Daniel Harris	-	-	-
Gavin Loyden	20,654,936	75,754	20,730,690
Tony Pearson	-	-	-
Tim Wall	100,000	-	100,000
TOTAL	**59,694,891**	**5,355,492**	**65,050,383**

[1]David Fitch resigned as a Non-Executive Director on 27 August 2024.

Option holdings

Number of options held by key management personnel during the financial year ended 30 June 2024 was as follows:

30 June 2024	Balance at beginning of year	Net change other	Balance at end of year
Directors			
David Fitch[1]	1,000,000	-	1,000,000
Daniel Harris	600,000	-	600,000
Gavin Loyden	2,000,000	-	2,000,000
Tony Pearson	-	-	-
Tim Wall	600,000	-	600,000
TOTAL	**4,200,000**	**-**	**4,200,000**

[1]David Fitch resigned as a Non-Executive Director on 27 August 2024.

Performance Rights Holdings

Number of performance rights held by key management personnel during the financial year ended 30 June 2024 was as follows:

30 June 2024	Balance at beginning of year	Issued as remuneration	Balance at end of year
Directors			
David Fitch[1]	-	250,000	250,000
Daniel Harris	-	250,000	250,000
Gavin Loyden	-	625,000	625,000
Tony Pearson	-	375,000	375,000
Tim Wall	-	375,000	375,000
TOTAL	**-**	**1,875,000**	**1,875,000**

[1]David Fitch resigned as a Non-Executive Director on 27 August 2024.

6. Other Key Management Personnel Transactions

During the year ended 30 June 2024, the Company paid consulting fees to Daniel Harris totalling $66,000 (2023: $74,200).

David Fitch was a non-executive director of the Company during the year ended 30 June 2024, who resigned on 27 August 2024. On 3 June 2023, the Company entered into a rental agreement with CL Fitch Pty Ltd, a related party entity of David Fitch for a premises in Julia Creek. The rental agreement was for a term of 12 months and was rented to the Company for $30,000 per annum. After the lease expired on 2 June 2024, it continued on a month-to-month basis under the same terms until such time as either party provides one month notice. The Company paid CL Fitch Pty Ltd $27,500 (exc GST) under this agreement during the financial year 2024 (2023: $30,000).

The Company incurred no other transactions with related parties.

"End of Remuneration Report (Audited)"

AFTER BALANCE DATE EVENTS

Mr David Fitch resigned as a non-executive director on 27 August 2024.

On 23 September 2024 the Company announced it was undertaking renounceable entitlement offer to raise up to $3.0 million. The entitlement offer is partially underwritten to $1.6 million.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

FUTURE DEVELOPMENTS

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

MEETINGS OF DIRECTORS

During the financial year five meetings of directors were held. Attendances by each director during the period were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
David Fitch[1]	5	5
Daniel Harris	5	5
Gavin Loyden	5	5
Tony Pearson	5	5
Tim Wall	5	5

[1]David Fitch resigned as a Non-Executive Director on 27 August 2024.

ENVIRONMENTAL ISSUES

The Company is not aware of any breaches in relation to environmental matters.

UNQUOTED SECURITIES

At the date of this report, there were 6,350,000 unquoted options and 1,875,000 unquoted performance rights on issue.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

INDEMNIFYING OF OFFICERS

During the year the Company paid premiums in respect of a contract insuring all the directors and officers of the Company against liabilities, past, present and future.

In accordance with normal commercial practice, the disclosure of the total amount of premiums under and the nature of the liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support, and adhere to, good corporate governance practices. Refer to the Company's Corporate Governance Statement at www.qldem.com.au.

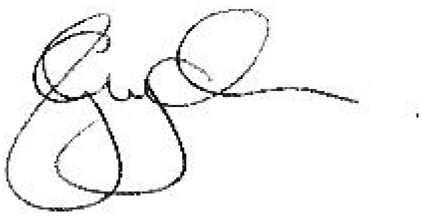
NON-AUDIT SERVICES

There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2024.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2024 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.



Gavin Loyden
Managing Director
25 September 2024

Auditor's Independence Declaration

HALL CHADWICK

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of QEM Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 25th day of September 2024
Perth, Western Australia

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PO Box 1288 Subiaco WA 6904
283 Rokeby Rd Subiaco WA 6008
T: +61 8 9426 0666

Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 $	2023 $
Other income	2	2,863,663	453,398
Corporate and compliance expenses		(614,793)	(302,596)
Investor relations and marketing expenses		(131,439)	(188,467)
Travelling expenses		(239,278)	(260,315)
Employee benefits expense		(485,896)	(406,956)
Exploration expenditure		(2,829,307)	(2,639,248)
Share based payments expense	13	(99,898)	(752,451)
Amortisation and depreciation expense		(237,985)	(241,904)
Foreign exchange		(6,351)	(11,058)
Interest expense		(9,000)	-
Other expenses		(254,582)	(211,722)
Loss from continuing operations before income tax benefit		**(2,044,866)**	**(4,561,319)**
Income tax expense	3	-	-
Loss from continuing operations after income tax benefit		**(2,044,866)**	**(4,561,319)**
Other comprehensive income, net of tax		-	**-**
Total comprehensive loss attributable to Members of the parent entity		**(2,044,866)**	**(4,561,319)**
Basic and diluted loss per share (cents)	4	(1.36)	(3.46)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,645,176	1,970,158
Trade and other receivables	6	51,563	117,555
Other assets	7	38,178	96,858
Right of Use Asset	9	30,609	91,828
Total Current Assets		**1,765,526**	**2,276,399**
Non-Current Assets			
Other Assets	7	19,450	19,450
Right of Use Asset	9	-	30,609
Plant and Equipment	10	531,181	1,062,649
Total Non-Current Assets		**550,631**	**1,112,708**
Total Assets		**2,316,157**	**3,389,107**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	504,543	392,026
Lease Liabilities	9	36,485	104,198
Provisions		210,669	107,199
Total Current Liabilities		**751,697**	**603,423**
Non-Current Liabilities			
Lease Liabilities	9	-	36,484
Total Non-Current Liabilities		**-**	**36,484**
Total Liabilities		**751,697**	**639,907**
Net Assets		**1,564,460**	**2,749,200**
EQUITY			
Issued capital	11	16,991,177	16,230,949
Reserves	12	807,683	724,869
Accumulated losses		(16,234,400)	(14,206,618)
Total Equity		**1,564,460**	**2,749,200**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2024

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2022		**11,448,721**	**17,084**	**(9,645,299)**	**1,820,506**
Issue of shares (net)		4,782,228	-	-	4,782,228
Loss after income tax expense for the year		-	-	(4,561,319)	(4,561,319)
Share-based payments	13	-	707,785	-	707,785
Balance at 30 June 2023		**16,230,949**	**724,869**	**(14,206,618)**	**2,749,200**
Issue of shares (net)		760,228	-	-	760,228
Loss after income tax expense for the year		-	-	(2,044,866)	(2,044,866)
Share-based payments	13	-	99,898	-	99,898
Options lapsed		-	(17,084)	17,084	-
Balance at 30 June 2024		**16,991,177**	**807,683**	**(16,234,400)**	**1,564,460**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2024

	Note	2024 $	2023 $
Cash Flows from Operating Activities			
Payments for exploration and evaluation		(2,783,962)	(2,733,877)
Payments to suppliers and employees		(1,433,673)	(1,220,722)
Interest received		14,751	12,921
Grants received		240,707	440,477
Net Cash (Outflow) from Operating Activities	**16**	**(3,962,177)**	**(3,501,201)**
Cash Flows from Investing Activities			
Payments for plant and equipment		(35,818)	(608,684)
Proceeds from sale of plant and equipment	2	3,000,000	-
Net Cash (Outflow) from Investing Activities		**2,964,182**	**(608,684)**
Cash Flows from Financing Activities			
Lease repayments		(87,215)	(73,449)
Payments for capital raising costs		(4,861)	(147,893)
Proceeds from issued capital		765,089	4,875,910
Net Cash Inflow from Financing Activities		**673,013**	**4,654,568**
Net Increase in cash held		(324,982)	544,683
Cash and cash equivalents at the beginning of the year		1,970,158	1,425,475
Cash and cash equivalents at the end of the year	5	1,645,176	1,970,158

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2024

1. Statement of Material Accounting Policies

These financial statements and notes represent those of QEM Limited (the "Company"). QEM Limited is a listed public Company, incorporated and domiciled in Australia. The financial statements were authorised for issue on 25 September 2024 by the directors of the Company.

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars unless otherwise stated.

GOING CONCERN

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2024 the Company generated a loss of $2,044,866 and incurred operating cash outflows of $3,962,176. As at 30 June 2024 the Company has cash and cash equivalents of $1,645,176 and net assets of $1,564,460.

The Company's ability to continue to adopt the going concern assumption will depend upon the Company being able to manage its liquidity requirement and by taking some or all of the following actions:

1. raising additional capital;
2. successful exploration and subsequent exploitation of the Company's tenements;
3. applying for government grant funding; and
4. reducing its working capital expenditure.

The Company has a strong track record of raising capital, evidenced by the $14.3m raised since the Company's IPO in 2018. As announced on 23 September 2024, the Company executed a (lead manager) mandate to raise up to $3.0m (before costs) via a partially underwritten (to $1.6m) renounceable entitlement offer.

The directors have concluded as a result of the requirement to raise funds currently, and in the future, there exists a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern and therefore, the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Nevertheless, after taking into account the current financial position of the Company, and the Company's ability to raise further capital, the directors have a reasonable expectation that the Company will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

(a) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(c) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring tenements, are expensed as incurred.

Expensing exploration and evaluation expenditure as incurred is irrespective of whether or not the Board believes expenditure could be recouped from either a successful development and commercial exploitation or sale of the respective assets.

(d) Investments and 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 are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

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: (i) 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 (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associate or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed. Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

EQUITY-SETTLED COMPENSATION

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black – Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

(i) Borrowing Costs

All borrowing costs are recognised as expense in the period in which they are incurred.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques
In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy
AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:
- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(l) 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 Company's normal operating cycle; it is held primarily for the purpose of 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 Company'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 unconditional 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.

(m) Revenue

Interest revenue is recognised using the effective interest method.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(o) Property, Plant, and Equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is 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	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.
An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(p) New and Amended Standards and Interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are necessary for the current reporting period. Adoption of these new and amended standards and interpretations did not have material impact to the financial statements.

2. Other income	**2024** **$**	**2023** **$**
Interest received	14,751	12,921
Research and development grant	240,708	440,477
Gains on sale of plant and equipment(1)	2,608,204	-
	2,863,663	453,398

(1) On 15 January 2024, QEM signed a binding agreement with Enel Green Power Australia Pty Ltd (EGPA) for the sale of the Julia Creek Renewables Project (JCRP)(Sales Agreement). Conditions precedent were subsequently met, and an upfront payment of $3,000,000 was made to QEM in accordance with the Sales Agreement. Further contingent consideration is available based on milestones.

In accordance with AASB 15 (Revenue from Contracts with Customers) recognition of the upfront payment occurred upon the transfer of the control of the assets to the purchaser (i.e. on settlement), as a “gain on sale of plant and equipment”.

We have not yet recognised the potential contingent milestone payments as revenue, as we are currently not sufficiently confident that it is highly probable that a significant reversal of any contingent consideration recognised will not occur.

3. Income tax benefit/(expense)	**2024** **$**	**2023** **$**
(a) Income tax (benefit)/expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
Profit from ordinary activities before income tax	(2,044,866)	(4,557,726)
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating profit at 30% (2023: 30%)	(613,460)	(1,367,318)

Income tax benefit/(expense) continued:	**2024**	**2023**
	$	$
Increase/(decrease) in income tax due to the tax effect of:		
Non-deductible expenses	532,131	682,708
Research and development incentive	(72,212)	(132,143)
Temporary difference movements	(61,998)	(71,238)
Tax losses not recognised/(utilised)	215,539	887,991
Income tax reported in the statement of comprehensive income	-	-
(c) Deferred tax assets		
Tax losses	3,469,151	2,951,820
Right of Use Asset	11,342	43,423
Provisions and accruals	1,431,643	928,711
Total deferred tax assets	4,912,136	3,923,954
Set-off deferred tax liabilities pursuant to set-off provisions	-	-
Net deferred tax assets	4,912,136	3,923,954
Less deferred tax assets not recognised	(4,912,136)	(3,923,954)
Net tax assets	-	-
(d) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Accrued income	-	-
Total deferred tax liabilities	-	-
Set-off deferred tax assets pursuant to set-off provisions	-	-
Net deferred assets	-	-
(e) Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	11,563,835	10,845,371
Potential tax benefit @ 30% (2023: 30%)	3,469,151	3,253,611

The benefit for tax losses will only be obtained if:

(a) The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and

(c) No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

4. Earnings per share

	2024 Cents / share	2023 Cents / share
Basic/diluted loss per share	(1.36)	(3.46)

The loss and weighted average number of ordinary shares used in this calculation of basic/diluted loss per share are as follows:

	2024 $	2023 $
Loss from continuing operations	(2,044,866)	(4,561,319)

	Number	Number
Weighted average number of ordinary shares for the purposes of basic/diluted loss per share	150,703,108	131,963,511

5. Cash and cash equivalents

	2024 $	2023 $
Cash at bank	1,645,176	1,970,158

6. Trade and other receivables

Current		
GST receivable	51,563	72,889
Other receivable	-	44,666
	51,563	117,555

As at 30 June 2024, current trade and other receivables do not contain amounts which are past due and not impaired. It is expected that these amounts will be received when due.

7. Other assets

	2024 $	2023 $
Current		
Prepayments	38,178	96,858
	38,178	96,858
Non-current		
Bond	19,450	19,450
	19,450	19,450

8. Trade and other payables

	2024 $	2023 $
Current		
Trade payables and accruals	437,872	392,026
Employee benefits	66,671	-
	504,543	392,026

9. Leases

a) Right-of-use asset

Balance at the beginning of the year	122,437	214,265
Additions	-	-
Depreciation	(91,828)	(91,828)
Balance at the end of the year	30,609	122,437
Current	30,609	91,828
Non-Current	-	30,609
Total	30,609	122,437

b) Lease liabilities

Office lease	36,485	140,682
Current	36,485	104,198
Non-Current	-	36,484
Total	36,485	140,682

On 1 November 2021, the Company extended its office lease at 50 Appel Street, Surfers Paradise, Queensland. The lease extension runs for a further 3 years ceasing on 21 October 2024.

10. Plant and equipment

	2024 $	2023 $
Equipment at cost	58,241	51,103
Equipment – accumulated depreciation	(25,945)	(11,806)
Plant at cost	693,361	1,189,294
Plant – accumulated depreciation	(194,476)	(165,942)
	531,181	1,062,649
Plant and equipment		
Opening balance	1,062,649	716,877
Additions	28,537	517,050
Disposals (refer note 2)	(517,333)	-
Depreciation	(42,672)	(171,278)
	531,181	1,062,649

11. Issued Capital	2024 $	2023 $
(a) Issued and paid-up capital		
151,391,713 (2023: 146,891,190) Ordinary Shares	16,991,177	16,230,949

(b) Movement in ordinary shares on issue	2024 Number	2024 $	2023 Number	2023 $
Balance at beginning of period	146,891,190	16,230,949	121,630,162	11,448,721
Shares issued during the year:				
Issue of ordinary shares – 12 August 2022 (1)			3,463,415	710,000
Issue of ordinary shares – 11 October 2022 (2)			7,322,720	1,610,998
Issue of ordinary shares – 21 October 2022 (3i)			2,727,272	600,000
Issue of ordinary shares – 26 April 2023 (4)			248,143	44,666
Issue of ordinary shares – 27 June 2023 (5)			11,499,478	1,954,911
Issue of ordinary shares – 25 August 2023 (6)	4,500,523	765,089	-	-
Capital raising costs	-	(4,861)	-	(138,347)
Balance at end of period	**151,391,713**	**16,991,177**	**146,891,190**	**16,230,949**

(1) On 12 August 2022, the Company issued 3,463,415 shares at $0.205 to raise $710,000. These shares were issued to David Fitch following shareholder approval.

(2) On 11 October 2022, the Company issued 7,323,720 shares at $0.23 to raise $1,610,998 before costs.

(3) On 21 October 2022, the Company issued 2,727,272 shares at $0.23 to raise $600,000 before costs.

(4) On 26 April 2023, the Company issued 248,143 shares to consultant in lieu of cash for services provided. The shares were issued at a share price equivalent to $0.18 totalling services valued at $44,666.

(5) On 27 June 2023, the Company issued 11,499,478 shares at $0.17 to raise $1,954,911 before costs.

(6) On 25 August 2023, the Company issued 4,500,523 shares at $0.17 to raise $765,089 before costs.

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Company at 30 June 2024 was a surplus of $1,013,829 (2023: $1,672,976) and the net decrease in cash held during the year was $324,982 (2023: increase of $544,683).

12. Reserves

Share-Based Payments Reserve

The share-based payment reserve is used to recognise the fair value of options and performance rights issued to directors, employees and consultants. This reserve can be reclassified to accumulated losses if options or performance rights lapse. Refer to note 13 for details of share-based payment arrangements and valuations.

13. Share-based Payments

Director and Employee Share-based Payments

	2024	2023
Share-based payments expense recognised during the year:	$	$
Share based payment reserve		
Options issued – 12 August 2022 (1)	-	615,501
Options issued – 12 October 2022 (2)	-	69,341
Options issued – 27 April 2023 (3)	-	22,943
Performance rights issued – 31 August 2023 (4)	17,742	-
Performance rights issued – 9 November 2023 (5)	53,301	-
Options issued – 12 March 2024 (6)	28,855	-
	99,898	707,785

Notes for the above table are:

(1) 5,000,000 incentive options were issued to directors on 12 August 2022. The options were issued with an exercise price of $0.345 expiring on 12 August 2025 and vested immediately.

These options were calculated using the Black-Scholes option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	3.08%
Weighted average expected life of options (years)	3.00

Expected dividends	Nil
Option exercise price ($)	$0.345
Share price at grant date ($)	$0.225
Fair value of option ($)	$0.1231

(2) 600,000 options were issued to Non-Executive Chairman Tim Wall on his deputy chair appointment on 12 October 2022. The options were issued with an exercise price of $0.345 expiring 12 August 2025 and vested immediately.

These options were calculated using the Black-scholes option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	3.61%
Weighted average expected life of options (years)	2.80
Expected dividends	Nil
Option exercise price ($)	$0.345
Share price at grant date ($)	$0.22
Fair value of option ($)	$0.1156

(3) 250,000 incentive options were issued to employees on 27 April 2023. The options were issued with an exercise price of $0.20 expiring 1 May 2025 and vested immediately.

These options were calculated using the Black-scholes option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	3.05%
Weighted average expected life of options (years)	2.00
Expected dividends	Nil
Option exercise price ($)	$0.20
Share price at grant date ($)	$0.18
Fair value of option ($)	$0.092

(4) A total of 375,000 performance rights were issued to directors on 24 August 2023. These performance rights are in three classes: Class A, Class B and Class C.

- Class A: 150,000 Class A performance rights were issued to director. These performance rights will vest after a 3-year service period by 26 August 2026.
- Class B: 75,000 Class B performance rights were issued to director. These performance rights will vest on the Company's share price reaching $0.40 at any time before 26 August 2026.
- Class C: 150,000 Class C performance rights were issued to director. These performance rights will vest upon the security of a strategic investor to the Company at any time before 26 August 2027.

These options were calculated using the Monte-Carlo option pricing model with the following inputs:

	Tranche 1 Class A Performance Rights[1]	Tranche 2 Class B Performance Rights[2]	Tranche 3 Class C Performance Rights[3]
Methodology	-	Monte-Carlo	-
Grant date	24 August 2023	24 August 2023	24 August 2023
Vesting date	26 August 2026	26 August 2026	26 August 2027
Expiry date	26 August 2026	26 August 2026	26 August 2027
Spot price	$0.20	$0.20	$0.20
Share Price target	-	$0.40	-
Risk-free rate	-	3.81%	-
Volatility	-	92.4%	-
Dividend Yield	-	-	-
Number	150,000	75,000	150,000
Value per PR	$0.20	$0.13268	$0.20

The value of these performance rights is recognized on a pro-rated basis over the life of the performance rights, considering the probability of meeting the performance conditions.

(5) A total of 1,500,000 performance rights were issued to directors on 9 November 2023. These performance rights are in three classes: Class A, Class B and Class C.

- Class A: 600,000 Class A performance rights. These performance rights will vest after a 3-year service period by 26 August 2026.
- Class B: 300,000 Class B performance rights. These performance rights will vest on the Company's share price reaching $0.40 at any time before 26 August 2026.
- Class C: 600,000 Class C performance rights. These performance rights will vest upon the security of a strategic investor to the Company at any time before 26 August 2027.

These options were calculated using the Monte-Carlo option pricing model with the following inputs:

	Tranche 1 Class A Performance Rights[1]	Tranche 2 Class B Performance Rights[2]	Tranche 3 Class C Performance Rights[3]
Methodology	-	Monte-Carlo	-
Grant date	9 November 2023	9 November 2023	9 November 2023
Vesting date	26 August 2026	26 August 2026	26 August 2027
Expiry date	26 August 2026	26 August 2026	26 August 2027
Spot price	$0.20	$0.20	$0.20
Share Price target	-	$0.40	-
Risk-free rate	-	4.16%	-
Volatility	-	92.2%	-
Dividend Yield	-	-	-
Number	600,000	300,000	600,000
Value per PR	$0.20	$0.13268	$0.20

The value of these performance rights is recognized on a pro-rated basis over the life of the performance rights, considering the probability of meeting the performance conditions.

(6) 500,000 incentive options were issued to employees on 12 March 2024. The options were issued with an exercise price of $0.20 expiring 1 March 2026.

These options were calculated using the Black-scholes option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	68.3%
Risk free interest rate (%)	3.64%
Weighted average expected life of options (years)	1.97
Expected dividends	Nil
Option exercise price ($)	$0.20
Share price at grant date ($)	$0.17
Fair value of option ($)	$0.0577

Share-based payment options during 2024:

Option exercise price	Option expiry date	Balance 1 July 2023	Granted as Compens-ation	Exercised/ Lapsed	Balance 30 June 2024	Total Vested 30 June 2024	Total Vested and Exercisable 30 June 2024	Weighted average remaining contractual life
$0.345	12/08/2025	5,000,000	-	-	5,000,000	5,000,000	5,000,000	1.12 years
$0.345	12/08/2025	600,000	-	-	600,000	600,000	600,000	1.12 years
$0.20	01/05/2025	250,000	-	-	250,000	250,000	250,000	0.84 years
$0.20	01/03/2026	-	500,000	-	500,000	500,000	500,000	1.67 years
Total		**5,850,000**	**500,000**	**-**	**6,350,000**	**6,350,000**	**6,350,000**	**1.15 years**

Share-based payment options during 2023:

Option exercise price	Option expiry date	Balance 1 July 2022	Granted as Compens-ation	Exercised/ Lapsed	Balance 30 June 2023	Total Vested 30 June 2023	Total Vested and Exercisable 30 June 2023	Weighted average remaining contractual life
$0.068	17/03/2023	250,000	-	(250,000)	-	-	-	0 year
$0.345	12/08/2025		5,000,000		5,000,000	5,000,000	5,000,000	2.12 years
$0.345	12/08/2025		600,000		600,000	600,000	600,000	2.12 years
$0.20	01/05/2025		250,000		250,000	250,000	250,000	1.84 years
Total		**250,000**	**5,850,000**	**(250,000)**	**5,850,000**	**5,850,000**	**5,850,000**	**2.11 years**

Share-based payment performance rights during 2024:

Performance rights exercise price	Performance rights expiry date	Balance 1 July 2023	Granted as Compensation	Exercised/ Lapsed	Balance 30 June 2024	Total Vested 30 June 2024	Total Vested and Exercisable 30 June 2024	Weighted average remaining contractual life
Class A								
$0	26/06/2026	-	750,000	-	750,000	-	-	2.16 years
Class B								
$0	26/06/2026	-	375,000	-	375,000	-	-	2.16 years
Class C								
$0	26/06/2027	-	750,000	-	750,000	-	-	3.16 years
Total		**-**	**1,875,000**	**-**	**1,875,000**	**-**	**-**	

There is no performance rights on issued in 2023.

14. Auditors' Remuneration	**2024 $**	**2023 $**
Amounts, received or due and receivable by auditors for:		
- audit or review services	32,420	31,500

15. Key Management Personnel (KMP) and Related Party Transactions

(a) Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's KMP for the financial year ended 30 June 2024. The totals of remuneration paid to KMP of the Company during the year are as follows:

	2024 $	**2023 $**
Short-term employee benefits	544,990	441,524
Post-employment benefits	48,948	39,312
Share-based payments	71,043	660,221
	664,981	1,141,057

(b) Other Transactions

During the year ended 30 June 2024, the Company paid consulting fees to Daniel Harris totalling $66,000 (2023: $74,200).

David Fitch was a non-executive director of the Company during the year ended 30 June 2024, who resigned on 27 August 2024. On 3 June 2023, the Company entered into a rental agreement with CL Fitch Pty Ltd, a related party entity of David Fitch for a premises in Julia Creek. The rental agreement was for a term of 12 months and was rented to the Company for $30,000 per annum. After the lease expired on 2 June 2024, it continued on a month-to-month basis under the same terms until such time as either party provides one month notice. The Company paid CL Fitch Pty Ltd $27,500 (exc GST) under this agreement during the financial year 2024 (2023: $30,000).

The Company incurred no other transactions with related parties.

16. Cash flow information

	2024 $	2023 $
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(2,044,866)	(4,561,319)
Non cash flows:		
Finance cost on right of use asset	5,070	10,412
Depreciation on right of use asset	69,777	70,626
Depreciation on plant and equipment	168,208	171,278
Gains on sale of plant and equipment (refer note 2)	(2,608,204)	-
Share based payments	99,898	752,451
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	44,666	(67,370)
- (increase)/decrease in other assets	58,680	19,329
- increase/(decrease) in trade and other payables	141,125	103,392
- Increase/(decrease) in other current liability	103,470	-
	(3,962,176)	(3,501,201)

(b) Non-Cash investing and financing activities

Reconciliation of cash and non-cash movements in the investing and financing activities:

	2023 $	Cash flows $	Non-cash adjustments $	2024 $
Plant and equipment	1,062,649	28,537	(560,005)	531,181
Lease liability	140,682	(87,215)	(16,982)	36,485

17. Contingent liabilities and contingent assets

It is the opinion of directors of the Company that there were no contingent assets or liabilities.

18. Financial reporting by segments

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Company has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets; and
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the year ended 30 June 2024, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

The Company is domiciled in Australia. All revenue from external customers are only generated from Australia. No revenues were derived from a single external customer.

19. Financial risk management

Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Trade and other receivables

As the Company has just started operations, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

Financial Assets	**2024**	**2023**
	$	**$**
Cash and cash equivalents – AAA rated counterparties	1,645,176	1,970,158
Receivables – other	-	117,555
	1,645,176	2,087,713

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 the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is not currently exposed to any material interest rate risk.

Interest rate risk sensitivity analysis

The Company does not have any material exposure to interest rate risk as there were no external borrowings at 30 June 2024 (2023: nil). Any borrowings were intercompany related and unsecured and interest free and therefore there is no exposure to interest rate risk associated with these amounts. Interest bearing assets are all short term liquid assets and the only interest rate risk is the effect on interest income by movements in the interest rate. There is no other material interest rate risk.

Fair value of financial instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value. There are no financial assets or liabilities which are required to be measured at fair value on a recurring basis.

20. Commitments

Exploration commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration requirements specified by the Queensland Governments Department of Natural Resource and Mines. These obligations are not provided for in the financial report.

Minimum Work Requirements	**2024**	**2023**
	$	**$**
No later than 12 months	720,000	334,167
Between 1 and 5 years	4,500,000	145,833
	5,220,000	480,000

21. Events Subsequent to Period End

Mr David Fitch resigned as a non-executive director on 27 August 2024.

On 23 September 2024 the Company announced it was undertaking renounceable entitlement offer to raise up to $3.0 million. The entitlement offer is partially underwritten to $1.6 million.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years

Consolidated Entity Disclosure Statement

Name of entity	Type of entity	Trustee partner or participant in JV	Share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
QEM Limited	Body Corporate	-	100%	Australia	Australian	-

Basis of preparation

QEM Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

Directors' Declaration for the year ended 30 June 2024

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
    a) comply with Accounting Standards and the Corporations Regulations 2001; and
    b) give a true and fair view of the Company's financial position as at 30 June 2024 and its performance for the year ended on that date; and
    c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
2. the Managing Director and Company Secretary have each declared that:
    a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
    b) the financial statements and notes for the financial year comply with the Accounting Standards; and
    c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The consolidated entity disclosure statement on the previous page is true and correct.

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

Gavin Loyden
Managing Director
25 September 2024

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF QEM LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of QEM Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Company 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* (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 in the financial report which indicates that the Company incurred a net loss of $2,044,866 during the year ended 30 June 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

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hallchadwickwa.com.au

PO Box 1288 Subiaco WA 6904
283 Rokeby Rd Subiaco WA 6008
T: +61 8 9426 0666

HALL CHADWICK

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration Expenditure During the year, the Company incurred exploration expenses of $2,829,307. Exploration expenditure is a key audit matter due to the significance to the Company's statement of profit or loss and other comprehensive income.	Our procedures included, amongst others: • Testing exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the Company's accounting policy and the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*; and • Assessing the Company's rights to tenure by corroborating to government registries
Sale of Julia Creek Renewables Project In January 2024, the Company signed a binding agreement for the sale of the Julia Creek Renewables Project (**JCRP**) assets to Enel Green Power Australia (**EGPA**). As disclosed in note 2 to the financial statements, the Company recorded a gain on the sale of the project of $2,608,204 for the year ended 30 June 2024. This was considered to be a key audit matter due to the significance of the amounts involved and the judgment applied.	The following procedures were performed: • Reviewing the Project Sale Agreement ("the agreement") to obtain an understanding of the key terms and conditions • Evaluating the determination of the assets and liabilities included in the sale and testing the mathematical accuracy of the calculation of the gain on sale of the project • Assessing the adequacy of the Group's disclosures included in the Notes to the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, 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.

HALL CHADWICK

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 that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In [Note 1], the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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 judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company'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 Company'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 Company 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.

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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 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

HALL CHADWICK

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 25th day of September 2024
in Perth, Western Australia

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 17 September 2024.

1. Shareholder and Option holder information

a. Distribution of Equity Securities

	Ordinary Shares		Performance Rights	
Range	**No. Holders**	**No. Shares**	**No. Holders**	**No. Rights**
1 - 1,000	39	4,605	-	-
1,001 - 5,000	434	1,482,593	-	-
5,001 - 10,000	260	2,052,125	-	-
10,001 - 100,000	467	16,782,117	-	-
100,001 and over	114	131,070,272	5	1,875,000
Total	**1,314**	**151,391,712**	**5**	**1,875,000**

	Options ($0.345 @ 12-Aug-25)		Options ($0.20 @ 1-May-25)		Options ($0.20 @ 1-Mar-26)	
Range	**No. Holders**	**No. Options**	**No. Holders**	**No. Options**	**No. Holders**	**No. Options**
1 - 1,000	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-
5,001 - 10,000	-	-	-	-	-	-
10,001 - 100,000	-	-	-	-	-	-
100,001 and over	10	5,600,000	1	250,000	2	500,000
Total	**10**	**5,600,000**	**1**	**250,000**	**2**	**500,000**

There are 312 shareholders holding less than a marketable parcel of 3,846 shares.

b. Substantial Shareholders

The Company has received substantial shareholder notices from the following entities:

Name of Shareholder	No. Ordinary Shares	% of Total Shares
TRACEY LOYDEN	20,730,690	13.69%
DAVID FITCH	44,219,693	29.21%
NICHOLAS STONE	7,591,222	5.01%

c. Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options and performance rights do not carry voting rights.

d. 20 Largest Shareholders

#	Registered Name	Number of Shares	% of total Shares
1	DL FITCH NOMINEES PTY LTD <DAVID FITCH FAMILY A/C> *	21,029,684	13.9%
2	GREENWICH GLOBAL PTY LTD <LOYDEN FAMILY A/C>	19,707,248	13.0%
3	ER FITCH PTY LTD *	9,800,366	6.5%
4	STONE GROUP PTY LTD <THE STONE GROUP DISC A/C>	7,475,952	4.9%
5	DAVRAC INVESTMENTS PTY LTD <DAVRAC SUPERFUND A/C>	5,786,822	3.8%
6	CL FITCH PTY LTD *	5,242,225	3.5%
7	MR QILIANG GU	4,171,108	2.8%
8	CITYMETRO PTY LTD <BILL MCHARG FAMILY A/C>	3,901,054	2.6%
9	EVOLUTION HUB PTY LTD *	3,584,444	2.4%
10	ML FITCH NOMINEES PTY LTD *	3,439,053	2.3%
11	PARADISE MARINE PTY LTD <JAMES SUPER FUND A/C>	3,000,000	2.0%
12	DLFCMS NOMINEES PTY LTD <DLFCMS PROPERTY A/C>	2,415,229	1.6%
13	SKIPTRAK PTY LTD	2,223,857	1.5%
14	P & L DEMPSEY SMSF PTY LTD <P & L DEMPSEY SMSF A/C>	2,150,000	1.4%
15	MR MICHAEL MYLES FORD & MRS ELIZABETH FORD <BIRKBECK STAFF RETIREME A/C>	2,083,210	1.4%
16	TRAFALGAR HOUSE PTY LTD <HW MCKENZIE-MCHARG S/F A/C>	1,798,946	1.2%
17	ZARMAD PTY LTD *	1,745,126	1.2%
18	CRAV PTY LTD <CRAV SUPER FUND A/C>	1,650,000	1.1%
19	DAVGOE INVESTMENTS PTY LTD <DAVGOE FAMILY A/C>	1,473,118	1.0%
20	MT DAVIES INVESTMENTS PTY LTD <MG & TJ DAVIES FAMILY A/C>	1,473,118	1.0%
	Top 20 total	**104,150,560**	**68.8%**
	Total Shares	**151,391,712**	**100.0%**

**Denotes merged holding*

2. The name of the company secretary is Duncan Cornish.

3. The address of the registered office in Australia is:
Level 6, 10 Market Street, Brisbane QLD 4000

4. Registers of securities are held at the following address:
Automic Registry Services, Level 2, 267 St Georges Terrace, PERTH WA 6000

5. Stock Exchange Listing:
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

6. Restricted Securities:
The Company currently has no restricted securities held in Escrow.

SCHEDULE OF MINERAL TENEMENTS

Project	***Tenement***	***Interest held by QEM Limited***
Julia Creek	EPM 25662	100%
Julia Creek	EPM 25681	100%
Julia Creek	EPM 26429	100%
Julia Creek	EPM 27057	100%