



ABN 61 125 368 658

**Annual Report for the Year
Ended 30 June 2024**

Annual Report
For the year ended 30 June 2024

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Corporate Directory

Board of Directors

John Downie	Non-executive Director
Stephen Grocott	Non-executive Director
Eddie King	Non-Executive Interim Chairman
Sharna Glover	Non-Executive Director
Jim Simpson	Non-Executive Director
John Abbott	Non-Executive Director

Company Secretary

Mauro Piccini

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Brisbane QLD 4000

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Stock Exchange Listing

Australian Securities Exchange
ASX Code: QPM (formerly PM1)

Auditors

Ernst & Young
111 Eagle Street
Brisbane QLD 4000
Australia

Solicitors

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

Share Registry

Computershare
Level 17
221 St Georges Terrace
Perth WA 6000

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The Directors of Queensland Pacific Metals Limited ("Queensland Pacific Metals" or "the Company") present their report, together with the financial statements of the consolidated entity consisting of Queensland Pacific Metals Limited and its controlled entities (the "Group") for the financial year ended 30 June 2024.

DIRECTORS

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

John Downie | Non-Executive Director

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

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

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

Eddie King | Non-Executive Interim Chairperson

(Appointed 26 March 2018, Non-Executive Chairman until 24 September 2021; Interim Chairperson from 22 April 2024)

Mr. King is a qualified Mining Engineer. Mr. King holds a Bachelor of Commerce and Bachelor of Engineering from the University of Western Australia. Mr. King's experience includes being a manager for an investment banking firm, where he specialised in the technical and financial analysis of bulk commodity and other resource projects for investment and acquisition. Eddie is also a director of CPS Capital Group, one of Australia's most active stockbroking and corporate advisory firms specialising in small to medium-high-growth companies.

During the past three years, Mr. King held the following directorships in other ASX listed companies: Eastern Resources Limited (ASX:EFE) (July 2017 to current), Ragnar Metals Limited (ASX:RAG) (February 2017 to current), M3 Mining Limited (ASX: M3M) (November 2020 to current), Bindi Metals Limited (ASX:BIM) (May 2021 to current), Rubix Resources Limited (ASX:RB6) (June 2021 to current), Noble Helium Limited (ASX: NHE) (December 2021 to current), and Great Northern Mineral Limited (ASX:GNM) (May 2023 to current).

Stephen Grocott | Non-Executive Director

(Appointed 21 July 2020 – 31 March 2021, CEO; Managing Director from 1 April 2021 to 21 April 2024; Non-Executive Director from 22 April 2024)

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

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

Directors' Report

DIRECTORS (CONT.)

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

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

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

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

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

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

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

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

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

COMPANY SECRETARY

Mauro Piccini

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

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

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

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE (CONT.)

Director	Ordinary Shares	Options	Performance Rights
Eddie King	15,249,558	-	-
John Downie	35,738,283	-	521,739
Stephen Grocott	1,893,599	214,285	16,721,740
Jim Simpson	-	1,000,000	-
Sharna Glover	289,285	1,107,142	-
John Abbott	200,000	1,000,000	-
	53,370,725	3,321,427	17,243,479

PRINCIPAL ACTIVITIES

Queensland Pacific Metals (ASX: QPM) is an Australian company based in Brisbane, Queensland, with two key business units:

- QPM Energy Pty Ltd ("QPME") which is the 100% owner of the Moranbah Gas Project ("MGP") located in the Northern Bowen Basin. The MGP is a producing gas project which captures waste mine gas from operating coal mines and supplies it to end users for beneficial use in industry and electricity generation; and
- The Townsville Energy Chemicals Hub (TECH) Project which aims to establish a modern and sustainable refinery to produce nickel, cobalt and High Purity Alumina (HPA) for the burgeoning lithium-ion battery and electric vehicle industries, and high-grade hematite for the global steel sector.

The TECH Project when in production is expected to require between 11-14 PJ of gas per annum. QPME was established to source reliable and cost-effective gas for the TECH Project and to provide independent cash flow opportunities. As part of executing this strategy, on 25 August 2023, QPME successfully completed the acquisition of the Moranbah Gas Project (MGP) from Arrow Energy Group and AGL Energy Ltd. The MGP is already a well-established gas producer supplying several customers around Moranbah and Townsville. In April 2024, the Company's core focus transitioned to accelerating the growth and development of its gas and energy assets due to challenging market conditions in the nickel sector.

REVIEW AND RESULTS OF OPERATIONS

During the financial year, the Group had numerous key achievements highlighted below.

- Successful acquisition of the MGP in August 2023.
- Increased average daily production at the MGP from 23TJ/day to 30 TJ/day.
- Increased 2P reserves from within the MGP 240PJ to 331PJ.
- Executed an \$80m Development Funding Facility with Dyno Nobel to fund production growth at the MGP, including a seven well drilling program which commenced during the year.
- Received a \$3 million grant that will fund a trial program for drilling wells using a new pre-draining technique into the Fort Cooper Coal Measures (FCCM). This program will capture methane gas that would otherwise be flared or vented.
- Construction of new tie-in points to allow connection of gas produced from third party wells which has resulted in an increase in the operating gas flows.
- The group successfully received \$15.8 million for the FY23 R&D refundable tax incentive for the TECH Project.

TOWNSVILLE ENERGY CHEMICALS HUB ("TECH PROJECT")

Frontier Gas Exploration Grant

On 10 May 2024, QPM was awarded a \$3 million Frontier Gas Exploration Grant under the Department of Resources' Queensland Resources Industry Development Plan. The grant is to fund a trial program of new wells targeting the Fort Cooper Coal Measures ("FCCM") which includes the Fairhill Seam.

The Project comprises the trialling of a pre-draining technique involving drilling a series of wells into the FCCM in areas previously subject to longwall mining. The FCCM is situated above the coal seams subject to mining and no commercial gas drainage activities currently occur. As the longwall moves through where these wells have been drilled and the overlying stratigraphy collapses, the gas is liberated. Rather than migrating down to the mining void where it would be extracted through goaf gas drainage (flared) or through the air circulating activities of the mine (vented), it can be captured and taken to the surface for extraction from the previously drilled wells.

Whilst the gas resource characteristics of the FCCM are well known, there is currently no technical approach available to economically extract the gas. If the Project is successful, the key benefits would include:

- The conversion of this gas from a waste product and GHG emission into a commercially viable resource thus improving the economic returns from the Moranbah Project.
- This could change the approach to gas extraction in coal mining, turning a safety and emissions issue into an economic asset.
- Given that gas is captured prior to migration to the mining area, it will directly reduce carbon emissions.
- The potential for a significant increase in gas resources and reserves at the Moranbah Project
- A Funding Deed has been signed by QPM with funds to be received on a staged basis as several milestones for the project are met. These milestones are intended to be met during the 2024/25 financial year.

MORANBAH GAS PROJECT

In August 2023, QPME acquired the Moranbah Project ("MGP") as part of QPM's vertically integrated energy supply chain strategy for the TECH Project. The transaction involves acquiring 100% of the assets of the MGP from the Arrow Energy Group and AGL Energy Ltd.

The MGP is located in the Northern Bowen Basin and collects, processes and transports waste mine gas for industrial users and electricity generation. Key customers include Dyno Nobel and the Townsville Power Station.

Key assets and contractual rights acquired at the time of completion include:

- 240PJ 2P reserves and 269PJ 2C resources, independently certified (subsequently increased to 331PJ)
- Mature and current gas production rate of 10PJ per annum
- ~100 producing wells and associated gas gathering infrastructure (subsequently increased to +120 wells)
- Infrastructure with the capacity to supply up to 30PJ gas per annum to end users, thereby providing significant excess capacity to increase the volume of gas to be processed
- Right to transport gas via the North Queensland Gas Pipeline, which has a capacity of 39PJ per annum
- Right to dispatch 100% of the electricity generated by the Townsville Power Station ("TPS") and the associated revenue, and
- Existing gas sales contract of 7PJ per annum to the Dyno Nobel Moranbah Ammonium Nitrate Plant, owned by Incitec Pivot Limited ("IPL").

Completion occurred on 25 August 2023 at which time QPME received net settlement proceeds of \$30.0 million (before fees) from the vendors. Completion of the transaction represents a key milestone for QPM and QPME in executing the integrated gas supply and Carbon Abatement Strategy, which will deliver the following benefits for shareholders:

- Transforms QPME into a viable standalone business, with significant earnings potential from electricity generation and third-party gas sales
- Provide long-term, economically sustainable gas supply for the TECH Project avoiding exposure to the price volatility of the Eastern Australian gas market
- Excess capacity in the infrastructure to facilitate gas production growth, and

MORANBAH GAS PROJECT (CONT.)

- Ideally positioned to assist regional coal miners to reduce gas flaring and venting, thereby enabling them to better meet their obligations under the Commonwealth Safeguard Mechanism reforms and Queensland government emissions reduction objectives.

CORPORATE

Significant investment and offtake agreements

In August 2023, a Share Placement to institutional and sophisticated investors was undertaken, raising gross proceeds of \$16.0 million. As part of this capital raising, strategic investors SMT and General Motors also participated. In July, QPM and SMT entered into a Strategic Partnership where both companies recognise:

- The importance of long-term, secure ore supply for Phase 1 and Phase 2 of the TECH Project for QPM
- The importance for SMT to participate in the long-term value created in the entire battery material supply chain from mined ore to end product and will collaborate on investment opportunities in QPM to facilitate this; and
- The importance of ESG in the Electric Vehicle ("EV") sector and the combination of SMT's world class mining practices and the merits of the TECH Project will be invaluable. SMT's investment of \$5m in the Share Placement was an initial investment as part of the Strategic Partnership. QPM and SMT will continue to work on further investment and commercial opportunities. General Motors also participated in the Share Placement pro-rata to their shareholding.

The capital raising by QPM was important to ensure there was sufficient cash and working capital to:

- undertake technical work streams to advance the TECH Project towards obtaining debt funding
- undertake capital initiatives at the Moranbah Project to increase gas production, and
- manage the operating cashflow requirements of the Moranbah Project.

A share purchase plan was also launched at the same time with the offer concluding in October and raising a total of \$1.93 million (before costs).

In May 2024, another successful Share Placement, totalling \$19.12 million (before costs), was completed to institutional and sophisticated investors. As part of the Placement, 503,135,078 shares were issued at a price of \$0.038 per share. The funds raised under the Placement were used to drive growth initiatives for the Moranbah Gas Project and fund working capital.

GOVERNMENT AND SUSTAINABILITY INITIATIVES

Sustainability and Environmental Responsibility

The TECH Project is estimated to have a negative carbon footprint of 989,213 tonnes of CO₂-equivalent emissions per year, which is approximately equivalent to the emissions generated by 215,000 typical passenger vehicles annually. Furthermore, the TECH Project has achieved the remarkable milestone of generating zero solid waste. Through extensive test work demonstrating that the residues from the TECH Project can be repurposed as engineered fill, there is now potential to find economically viable applications for this waste stream. The ability to utilise these residues as engineered fill ensures that 100% of the ore processed by the TECH Project contributes to a commercially valuable application. This accomplishment effectively positions the TECH Project as a zero solid waste operation.

Community and Sponsorships

QPM continues its dedication to ensuring that the community and interested stakeholders remain well-informed about the ongoing development of the TECH Project. QPM maintains a strong local presence in Townsville through the local Townsville office, where community members can interact with QPM representatives and obtain detailed information about the Project. QPM regularly organises Community Information Sessions, and these sessions are open to everyone interested. QPM has initiated a sponsorship program with the aim of promoting children's participation in sports, particularly in regional and remote areas of Queensland. As part of this initiative, QPM has again extended sponsorships to several organisations, including the Woodstock Horse Sports Club, The Challenge Games (30th Anniversary this year), and Townsville Table Tennis. These organisations were chosen by QPM for their inclusive approach, low barriers to entry, and their commitment to encouraging children of all ability levels to engage in sports and enjoy themselves.

GOVERNMENT AND SUSTAINABILITY INITIATIVES (CONT.)**Traditional Landowners**

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

Financial Performance

The financial results of the Company for the year ended 30 June 2024 are:

	30 June 2024 \$	30 June 2023 \$
Cash and cash equivalents	25,007,326	15,755,410
Net assets	31,476,584	20,013,653
Sales revenue	106,711,284	-
Other income ⁽ⁱ⁾	1,272,357	25,782,715
Net loss after tax ⁽ⁱⁱ⁾	(24,329,368)	(39,052,195)

(i) Other income includes the true-up adjustment on the R&D refund for FY24

(ii) The largest component of the net loss after tax for QPM is the costs in relation to the TECH Project feasibility study.

DIVIDENDS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**Board Appointments and Resignations**

On 22 April 2024, the following changes to the Board were made:

- Chairperson, John Abbott, stepped down and remained as a Non-Executive Director
- Managing Director and CEO, Dr Stephen Grocott, transitioned to a Non-Executive Director role
- Executive director, John Downie, retired from executive duties and transitioned to a Non-Executive Director role, and
- Non-executive Director, Eddie King, was appointed as Interim Chairman.

Capital Raisings

During the year, the Company raised \$37.05 million before costs. An additional \$300,000 was received from the exercise of unlisted options.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 11 July 2024, QPM was awarded an \$8 million grant from the Australian Federal Government under the International Partnerships in Critical Minerals program. This funding was subsequently matched by the Queensland Government for a total of \$16 million of which \$2 million was received in September 2024. Funds received under this grant will be applied towards completing the final project validation work which will involve test work, piloting and engineering.

The key commercial terms for the new contracts which will replace the Townsville Power Station dispatch rights (Power Purchase Agreement) and North Queensland Gas Pipeline (gas transport and storage services agreement) upon their expiry were agreed on 27 August 2024 through the execution of non-binding term sheets with both counterparties. Drafting of long form agreements is currently underway.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD (CONT.)

Subsequent to year-end, the required minimum cash balance was further reduced to \$nil and all funds (\$6 million) were released from the cash collateral account.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The company will continue drilling new wells at the Teviot Brook South area and on MGP's petroleum leases as part of its ongoing production growth strategy and further improve the operational output and efficiency of the MGP.

DIRECTORS' MEETINGS

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

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

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

Due to the size and scale of the Company, there is no Audit Committee at present. Matters typically dealt with by the Audit Committee is currently being managed by the Board. For details of the function of the Board, please refer to the Corporate Governance Statement located on page 77.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

a) Key Management Personnel Disclosed in this Report

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

Name	Position	Term as KMP
Non-executive directors		
Eddie King	Non-Executive Director	Full financial year
	Interim Chair	Appointed 22 April 2024
Jim Simpson	Non-Executive Director	Full financial year
Sharna Glover	Non-Executive Director	Full financial year
John Abbott	Non-Executive Chair	Ceased 21 April 2024
	Non-Executive Director	Full financial year
John Downie	Non-Executive Director	Appointed 22 April 2024
Stephen Grocott	Non-Executive Director	Appointed 22 April 2024
Executive KMP		
John Downie	Executive Director	Ceased 21 April 2024
Stephen Grocott	Managing Director (MD) & Chief Executive Officer (CEO)	Ceased 21 April 2024
Duane Woodbury	Chief Financial Officer (CFO)	Full financial year
John Khoo	General Manager – Corporate Development (GM)	Full financial year
Barry Sanders	Project Director	Full financial year
David Wrench	Chief Executive Officer (CEO) - QPM Energy	Ceased 21 April 2024
	Chief Executive Officer (CEO)	Appointed 22 April 2024

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

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

REMUNERATION REPORT (AUDITED, CONT.)

A Remuneration Philosophy

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

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

No remuneration consultants were employed during the financial year.

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

At the 2023 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2023 was passed without amendment by a poll.

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

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board established in May 2023 a separate Remuneration Committee comprising of four Non-Executive Directors and one external remuneration consultant. The Remuneration Committee approved the engagement of Strategic & Commercial Outcomes Pty Ltd to provide remuneration recommendations regarding the remuneration mix and quantum for executives. Both Strategic & Commercial Outcomes and the Committee are satisfied the advice received from Strategic & Commercial Outcomes is free from undue influence from the KMP to whom the remuneration recommendations apply. The remuneration recommendations were provided to the Committee as an input into decision making only. The Remuneration Committee considered the recommendations, along with other factors, in making its remuneration decisions. The total fees paid to Strategic & Commercial Outcomes for the remuneration recommendations were \$14,850.

The Committee is primarily responsible for:

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

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

❖ Non-Executive Remuneration Structure

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

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

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

REMUNERATION REPORT (AUDITED, CONT.)

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

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

❖ **Executive Remuneration Structure**

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

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

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

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

❖ **Executive Remuneration Approvals**

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Given the growth in the Company, a Remuneration Committee was formed in May 2023. The Remuneration Committee is tasked with ensuring that Executive remuneration and incentive policies are aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies must be designed to motivate management to pursue the Company's long-term growth and success plans and demonstrate a clear relationship between the Company's overall performance and performance of the executives.

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

C Remuneration and Performance

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

	30-June-24	30-June-23	30-June-22	30-June-21	30-June-20
Sales Revenue (\$)	106,711,284	-	-	-	-
Other income (\$)	1,272,357	25,782,715	2,612,780	2,716,002	382,999
Net loss after tax (\$)	(24,329,368)	(39,052,195)	(38,054,319)	(11,499,536)	(4,980,543)
EPS (cents)	(1.19)	(2.31)	(3.28)	(1.25)	(0.96)
Share price (\$)	0.033	0.100	0.115	0.140	0.013
Dividends	-	-	-	-	-

Relationship between Remuneration and Company Performance

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

REMUNERATION REPORT (AUDITED, CONT.)

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

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

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

a) Fixed Remuneration – Base Salary

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

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

b) Variable Remuneration – Short Term Incentives (STI)

Discretionary cash bonuses and performance rights may be paid to senior executives annually, subject to the requisite Board and shareholder approvals where applicable. No cash bonuses were made to directors and senior executives during the financial year. Refer to section D for details of these payments.

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

Options and performance rights are issued at the Board's discretion. See section F Share-based Compensation, Performance Rights.

D Details of Remuneration

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

REMUNERATION REPORT (AUDITED, CONT.)

Table 1 – Remuneration of KMP of the Company for the year ended 30 June 2024 is set out below:

	Short-term Employee Benefits		Post- Employment	Long-term benefits	Share-based payments	Total
	Salary & fees	Non-Monetary benefits ⁽ⁱ⁾	Superannuation	Employee Entitlements ⁽ⁱⁱ⁾	Performance Rights ⁽ⁱⁱⁱ⁾	Total
	\$	\$	\$	\$	\$	\$
Non-Executive Directors						
Eddie King – Interim Chair ^(iv)	75,795	-	8,338	-	-	84,133
Jim Simpson	70,000	-	7,700	-	-	77,700
Sharna Glover	70,000	-	7,700	-	-	77,700
John Abbott ^(v)	94,205	-	9,891	-	-	104,096
Stephen Grocott ^(vi)	520,960	156,480	27,398	53,805	40,673	799,316
John Downie ^(vii)	120,000	-	13,200	(17,112)	24,607	140,695
Executive KMP						
David Wrench –Chief Executive Officer ^(viii)	503,864	132,850	27,399	24,467	28,898	717,478
Duane Woodbury – Chief Financial Officer	470,960	75,287	27,399	30,801	119,364	723,811
John Khoo – General Manager Commercial	470,960	-	27,399	24,533	119,364	642,256
Barry Sanders – Project Director	395,523	-	27,399	(434)	17,618	440,106
Total	2,792,267	364,617	183,823	116,060	350,524	3,807,291

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

REMUNERATION REPORT (AUDITED, CONT.)

Table 2 – Remuneration of KMP of the Company for the year ended 30 June 2023 is set out below:

	Short-term Employee Benefits		Post-Employment	Long-term benefits	Share-based payments	Total
	Salary & fees	Non-monetary benefits ⁽ⁱ⁾	Superannuation	Employee Entitlements ⁽ⁱⁱⁱ⁾	Performance Rights	Total
	\$	\$	\$	\$	\$	\$
Non-Executive Directors						
Eddie King	70,000	-	7,350	-	-	77,350
Jim Simpson	70,000	-	7,350	-	-	77,350
Sharna Glover	70,000	-	7,350	-	-	77,350
John Abbott	100,000	-	10,500	-	-	110,500
Executive KMP						
Stephen Grocott	390,960	171,725	25,296	23,131	153,818	764,930
John Downie	120,000	62,666	12,600	8,654	70,042	273,962
Duane Woodbury	300,960	91,166	25,296	12,302	218,035	647,759
John Khoo	300,960	-	25,296	1,227	106,035	433,518
Barry Sanders	297,758	-	25,296	-	58,035	381,089
David Wrench ⁽ⁱⁱ⁾	300,000	69,168	25,296	-	451,387	845,851
Total	2,020,638	394,725	171,630	45,314	1,057,352	3,689,659

- (i) Non-monetary benefits relate specifically to travel costs (flights and accommodation) from the KMP's primary place of residence to the QPM/Hatch office in Brisbane. This travel is considered regular and meets the criteria of reportable fringe benefits and includes tax payable amounts. The amounts included above include both the cost of the travel, and the fringe benefit tax obligation payable by QPM.
- (ii) David Wrench was appointed as General Manager of QPM Energy on 1 June 2022. Subsequently he was appointed as Chief Executive Officer of QPM Energy and became a KMP of the company.
- (iii) The amount shown above is the movement in annual leave provision during the year.

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

Name	Fixed Remuneration		Variable Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2024	2023	2024	2023	2024	2023	2024	2023
Non-Executive Directors								
Eddie King	100%	100%	-	-	-	-	-	-
Jim Simpson	100%	100%	-	-	-	-	-	-
Sharna Glover	100%	100%	-	-	-	-	-	-
John Abbott	100%	100%	-	-	-	-	-	-
Stephen Grocott ⁽ⁱ⁾	95%	-	-	-	4%	-	1%	-
John Downie ⁽ⁱ⁾	83%	-	-	-	15%	-	2%	-
Executive KMP								
Stephen Grocott ⁽ⁱ⁾	-	80%	-	-	-	15%	-	5%
John Downie ⁽ⁱ⁾	-	74%	-	-	-	26%	-	-
Duane Woodbury	84%	66%	-	-	9%	9%	7%	25%
John Khoo	80%	76%	-	-	12%	13%	8%	11%
Barry Sanders	96%	85%	-	-	4%	15%	-	-
David Wrench	96%	47%	-	-	10%	34%	-6%	19%

- (i) Stephen Grocott and John Downie ceased being executive KMP on 21 April 2024

REMUNERATION REPORT (AUDITED, CONT.)

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

30 June 2024	Balance at 01/07/2023	Granted as Remuneration	Exercise of Options	Net Change Other #	Balance at 30/06/2024
Non-Executive Directors					
Eddie King	13,749,558	-	-	1,500,000	15,249,558
Jim Simpson	-	-	-	-	-
Sharna Glover	75,000	-	-	214,285	289,285
John Abbott	200,000	-	-	-	200,000
Stephen Grocott	1,142,448	-	-	751,151	1,893,599
John Downie	35,738,283	-	-	-	35,738,283
Executive KMP					
Duane Woodbury	10,211,518	-	1,521,739	428,571	12,161,828
John Khoo	16,043,060	-	3,521,739	(2,134,631)	17,430,168
Barry Sanders	-	-	-	-	-
David Wrench	-	-	-	-	-
Total	77,159,867	-	5,043,478	759,376	82,962,721

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

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

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

30 June 2024	Balance at 01/07/2023	Issued as Remuneration	Options Exercised	Net Change Other #	Balance at 30/06/2024	Vested & Exercisable
Non-Executive Directors						
Eddie King	-	-	-	-	-	-
Jim Simpson	1,000,000	-	-	-	1,000,000	1,000,000
Sharna Glover	1,000,000	-	-	107,142	1,107,142	1,107,142
John Abbott	1,000,000	-	-	-	1,000,000	1,000,000
Stephen Grocott	-	-	-	214,285	214,285	214,285
John Downie	-	-	-	-	-	-
Executive KMP						
Duane Woodbury	-	-	-	214,285	214,285	214,285
John Khoo	-	-	-	-	-	-
Barry Sanders	-	-	-	-	-	-
David Wrench	-	-	-	-	-	-
Total	3,000,000	-	-	535,712	3,535,712	3,535,712

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

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

REMUNERATION REPORT (AUDITED, CONT.)

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

30 June 2024	Balance at 01/07/2023	Issued as Remuneration	Exercised	Lapsed	Balance at 30/06/2024	Vested & Exercisable
Non-Executive Directors						
Eddie King ⁽ⁱ⁾	152,174	-	-	(152,174)	-	-
Jim Simpson ⁽ⁱ⁾	152,174	-	-	(152,174)	-	-
Sharna Glover ⁽ⁱ⁾	152,174	-	-	(152,174)	-	-
John Abbott ⁽ⁱⁱ⁾	217,391	-	-	(217,391)	-	-
Stephen Grocott ⁽ⁱⁱⁱ⁾	22,569,566	-	-	(5,847,826)	16,721,740	12,347,826
John Downie ^(iv)	2,608,696	-	-	(2,086,957)	521,739	521,739
Executive KMP						
Duane Woodbury ^(v)	17,608,696	2,350,000	(1,521,739)	(2,521,739)	15,915,218	-
John Khoo ^(vi)	12,108,696	2,350,000	(3,521,739)	(3,021,739)	7,915,218	3,000,000
Barry Sanders ^(vii)	3,608,696	1,250,000	-	(1,521,739)	3,336,957	521,739
David Wrench ^(viii)	4,500,000	41,562,499	-	-	46,062,499	2,250,000
Total	63,678,263	47,512,499	(5,043,478)	(15,673,913)	90,473,371	18,641,304

- (i) Final Investment Decision (FID) by Board of QPM to proceed with construction of the TECH Project by 30 November 2023 (Milestone M7-3) was not met and as such, 152,174 rights lapsed.
- (ii) Obtaining FID for the TECH Project by 31 May 2024 (STI2) was not met, resulting in the lapsing of 217,391 performance rights.
- (iii) During the year, Milestone M7-3 and STI2 was not met resulting in the expiry of 5,847,826 performance rights. Upon ceasing employment, any unvested performance rights will lapse.
- (iv) 521,739 performance rights for STI2 lapsed during the year due to the milestone not being met. Upon termination of employment, any unvested performance rights will be forfeited. On 22 June 2024, following the completion of John Downie's notice period, 782,609 performance rights under LTI1 (3-year staff retention expiring 23 September 2025) and 782,609 performance rights under LTI2 (first production at the TECH Project expiring 30 November 2027) lapsed.
- (v) On 5 December 2023, 1,175,000 performance rights for STI1A and 1,175,000 performance rights for STI2B were issued to Duane Woodbury, the milestone associated with the performance rights are disclosed in section F Share-Based Compensation Performance Rights below. During the year, Duane exercised his vested M6-3 milestone and STI1 performance rights, converting 1,521,739 performance rights into ordinary shares. Due to the target date for milestone M7-3 and STI2 not being met, 2,000,000 rights and 521,739 rights lapsed respectively.
- (vi) 1,175,000 performance rights for STI1A and 1,175,000 performance rights for STI2B were issued to John Khoo on 5 December 2023, the milestone associated with the performance rights are disclosed in section F Share-Based Compensation Performance Rights below. 3,521,749 of vested performance rights for Milestones M1-M3, M6-3 and STI1 were exercised during the year resulting in 3,521,749 ordinary shares. Due to Milestone M7-3 and STI2 not being met, 2,500,000 performance rights and 521,739 performance rights lapsed during the year.
- (vii) 625,000 performance rights for STI1A and 625,000 performance rights for STI2B were issued to Barry Sanders during the year. The milestone associated with the performance rights are disclosed in section F Share-based Compensation, Performance Rights below. As milestone M7-3 and STI2 was not met, 1,000,000 performance rights and 521,739 lapsed in the year.
- (viii) In December 2023, David Wrench was issued 781,250 performance rights for STI1A and 781,250 performance rights for STI2B. On 22 April 2024, David Wrench was appointed CEO of QPM group and was offered 39,999,999 performance rights as part of his CEO contract. The milestone associated with the performance rights are disclosed in section F Share-Based Compensation Performance Rights below.

REMUNERATION REPORT (AUDITED, CONT.)

E Service Agreements

Executive KMP	Term	Notice period by Group	Notice period by Executive
John Downie (Executive Director) <i>Ceased on 21 April 2024</i>	Ongoing executive contract	2 months	3 months
Stephen Grocott (Chief Executive Officer) <i>Ceased on 21 April 2024</i>	Ongoing executive contract	3 months	6 months
Duane Woodbury (Chief Financial Officer)	Ongoing executive contract	6 months	6 months
John Khoo (General Manager – Corporate Development)	Ongoing executive contract	3 months	3 months
Barry Sanders (Project Director)	Ongoing executive contract	3 months	6 months
David Wrench (Chief Executive Officer - QPM Energy) <i>Ceased on 21 April 2024</i>	Ongoing executive contract	6 months	6 months
David Wrench (Chief Executive Officer) <i>Appointed on 22 April 2024</i>	Ongoing executive contract	6 months	6 months
Eddie King (Non-Executive Director) <i>Ceased on 21 April 2024</i>	No fixed term	No notice	No notice
Eddie King (Interim Chairman) <i>Appointed on 22 April 2024</i>	No fixed term	No notice	No notice
John Abbott (Executive Chairman) <i>Ceased on 21 April 2024</i>	No fixed term	No notice	No notice
John Abbott (Non-Executive Director) <i>Appointed on 22 April 2024</i>	No fixed term	No notice	No notice
Sharna Glover (Non-Executive Director)	No fixed term	No notice	No notice
Jim Simpson (Non-Executive Director)	No fixed term	No notice	No notice
John Downie (Non-Executive Director) <i>Appointed on 22 April 2024</i>	No fixed term	No notice	No notice
Stephen Grocott (Non-Executive Director) <i>Appointed on 22 April 2024</i>	No fixed term	No notice	No notice

F Share-based Compensation

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

Options

The terms and conditions of each grant of options over ordinary shares affecting the remuneration of directors and other key management personnel in this financial year or future reporting years are as follows.

30 June 2024	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise Price \$	Fair value per option at grant date \$
Key Management Personnel						
Jim Simpson ⁽ⁱ⁾	1,000,000	1/5/2021	Immediately on issue	3 years from issue	\$0.15	\$0.09
Sharna Glover	1,000,000	23/11/2021	Immediately on issue	3 years from issue	\$0.275	\$0.12
John Abbott	1,000,000	23/11/2021	Immediately on issue	3 years from issue	\$0.275	\$0.12

(i) 1,000,000 options granted to Jim Simpson upon his appointment with the Company expired and lapsed 2 August 2024.

REMUNERATION REPORT (AUDITED, CONT.)

Performance Rights

30 June 2024	Number of performance rights granted	Grant date	Percent vested %	Fair value \$	Value of rights granted during the year \$	Performance conditions
Key Management Personnel						
Duane Woodbury ⁽ⁱ⁾	1,175,000	05/12/2023	0	0.052	61,100	STI1A
	1,175,000	05/12/2023	0	0.023	27,119	STI2B
John Khoo ⁽ⁱⁱ⁾	1,175,000	05/12/2023	0	0.052	61,100	STI1A
	1,175,000	05/12/2023	0	0.023	27,119	STI2B
Barry Sanders ⁽ⁱⁱⁱ⁾	625,000	05/12/2023	0	0.052	32,500	STI1A
	625,000	05/12/2023	0	0.023	14,425	STI2B
David Wrench ^(iv)	1,125,000	23/09/2022	0	0.145	(163,125)	LT12A
	781,250	05/12/2023	0	0.052	40,625	STI1A
	781,250	05/12/2023	0	0.023	18,031	STI2B
	1,333,333	20/5/2024	0	0.040	53,333	Class A
	1,333,333	20/5/2024	0	0.040	53,333	Class B
	1,333,333	20/5/2024	0	0.040	53,333	Class C
	6,000,000	20/5/2024	0	0.033	198,000	Class D
	6,000,000	20/5/2024	0	0.028	168,000	Class E
	6,000,000	20/5/2024	0	0.023	138,000	Class F
	6,000,000	20/5/2024	0	0.040	240,000	Class H
	6,000,000	20/5/2024	0	0.040	240,000	Class I
	6,000,000	20/5/2024	0	0.040	240,000	Class J

- (i) During the year 1,175,000 performance rights for STI1A and 1,175,000 performance rights for STI2B were issued to Duane Woodbury.
- (ii) During the year 1,175,000 performance rights for STI1A and 1,175,000 performance rights for STI2B were issued to John Khoo.
- (iii) In December 2023, 625,000 performance rights for STI1A and 625,000 performance rights for STI2B were issued to Barry Sanders.
- (iv) In the prior year 1,125,000 performance rights for LT12A were deemed to have been achieved as at 30 June 2023. Subsequently this milestone was reassessed and determined to be unlikely to be met, resulting in a reversal of prior year's expense. During the year 781,250 performance rights for Milestone STI1A and 781,250 performance rights for Milestone STI2B were issued to David Wrench. On 22 April 2024, David Wrench was appointed to the position of CEO for the QPM group. As part of his executive contract, David was issued 39,999,999 new performance rights for milestones Class A to Class J.

Performance rights – STI1

On 23 September 2022, 4,059,782 performance rights were issued to key management personnel as part of a company-wide initiative to recognise and appreciate everyone's collective efforts throughout the year. The performance rights issued to all employees, excluding directors, were granted on 23 September whilst the rights issued to directors were subject to shareholder approval. As such, the latter were granted on 25 November 2022 following shareholder approval at the AGM. The rights immediately vest upon the recipient being employed for at least 12 months from the grant date.

On 23 September 2023, this milestone was met and the remaining the share-based payment was expensed during the period ended 30 June 2024. The total expense for the year was \$226,946 and has been recognised as a share-based payment expense in the statement of profit or loss.

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

REMUNERATION REPORT (AUDITED, CONT.)

STI1 – issued to employees, excluding directors

Letter of Offer 28/11/2022

Grant Date 23/09/2022

Value per right \$0.145

Conversion price \$0.000

STI1 – issued to directors

Letter of Offer 20/12/2022

Grant Date 25/11/2022

Value per right \$0.175

Conversion price \$0.000

Performance rights – LTI1

On 23 September 2022, 4,584,132 LTI performance rights were issued to employees whilst 1,969,566 rights were issued to directors as part of the company's employee incentive plan. The performance rights issued to executives, excluding directors, were granted on 23 September whilst the rights issued to directors were subject to shareholder approval. As such, the latter was granted on 25 November 2022 following shareholder approval at the AGM. The rights immediately vest upon the recipient being employed for at least three years expiring 23/09/2025. Given there is uncertainty that all employees will meet this milestone, a share-based payment has been expensed for the pro-rata service period satisfied.

As at 30 June 2024 a share-based payment of \$185,250 has been expensed to the statement of profit or loss. The following inputs were used to estimate the fair value per right.

LTI1 – issued to employees, excluding directors

Letter of Offer 28/11/2022

Grant Date 23/09/2022

Value per right \$0.145

Conversion price \$0.000

LTI1 – issued to directors

Letter of Offer 20/12/2022

Grant Date 25/11/2022

Value per right \$0.175

Conversion price \$0.000

Performance rights – LTI2A

On 23 September 2022, management granted a KMP 1,125,000 performance rights with the rights vesting as soon as gas is being supplied to TECH Project and forecast production from Northern Bowen Basin is sufficient to meet TECH Project's production. This is also subject to continued service. As at 30 June 2024, management assessed it was unlikely that this milestone would be met. As such, a reversal of prior year's share-based payment expense of \$163,125 was recognised in this year's share-based payment reserve and statement of profit or loss.

Letter of Offer 28/11/2022

Grant Date 23/09/2022

Value per right \$0.145

Conversion price \$0.000

REMUNERATION REPORT (AUDITED, CONT.)

Performance rights – STI1A

On 05 December 2023, under the new performance rights plan approved via the AGM, employees and executives excluding directors were granted 7,828,611 short-term incentive rights for "Milestone 1" with a nil exercise price. The rights vest immediately upon completing a 12-month tenure as of 29 November 2024. Management assessed it was highly likely that this milestone would be met. As such, the share-based payment has been expensed for the pro-rata service period satisfied as at 30 June 2024. An expense of \$154,174 was recognised in the share-based payment reserve and statement of profit or loss. The fair value of the performance rights is based on the share price on the grant date.

STI1A - issued to executives and employees excluding directors

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

Performance rights – STI2B

As part of the new performance rights plan granted on the 05 December 2023, employees and executives excluding directors were issued 7,828,611 short-term incentive rights for "Milestone 2" at a nil exercise price. The rights vest if on 29 November 2024, the 15-day VWAP average price of the shares meets or exceeds \$0.081 and is contingent upon continued employment with the company. Given there is uncertainty this milestone will be met, the share-based payment has been expensed based on the fair value of the market condition and the probability of the service condition being met. As at June 2024, a \$68,430 share-based payment expense has been recognised in the share-based payment reserve and statement of profit or loss.

STI2B - issued to executives and employees excluding directors

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

Performance Rights - Class A to Class J

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

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

Performance Rights with Safe Operations Milestones

Class A Performance Rights – 1,333,333

- Vesting Conditions:
 - 50% vest if the Company has zero Recordable Injuries for the financial year ending 30 June 2025
 - 50% vest if the Company has zero Environmental Incidents classified above Level 1 for the same period.
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date.
- Value per Right: \$0.040
- Conversion Price: \$0.000.

REMUNERATION REPORT (AUDITED, CONT.)

Class B Performance Rights – 1,333,333

- Vesting Conditions:
 - 50% vest if the Company has zero Recordable Injuries for the financial year ending 30 June 2026.
 - 50% vest if the Company has zero Environmental Incidents classified above Level 1 for the same period.
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date.
- Value per Right: \$0.040
- Conversion Price: \$0.000.

Class C Performance Rights – 1,333,333

- Vesting Conditions:
 - 50% vest if the Company has zero Recordable Injuries for the financial year ending 30 June 2027.
 - 50% vest if the Company has zero Environmental Incidents classified above Level 1 for the same period.
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date.
- Value per Right: \$0.040
- Conversion Price: \$0.000.

Performance Rights with Share Price Milestones

Class D Performance Rights – 6,000,000

- Vesting Condition: Vest upon the Company's share price reaching a VWAP of \$0.05 per share for at least 15 consecutive ASX trading days.
- Vesting Period: 3 years from issue date
- Expense Recognition: \$7,413 recognised based on the fair value of the market condition and the probability of the service condition being met as at 30 June 2024.
- Value per Right: \$0.033
- Conversion Price: \$0.000.

Class E Performance Rights – 6,000,000

- Vesting Condition: Vest upon the Company's share price reaching a VWAP of \$0.10 per share for at least 15 consecutive ASX trading days.
- Vesting Period: 3 years from issue date
- Expense Recognition: \$6,290 recognised based on the fair value of the market condition and the probability of the service condition being met as at 30 June 2024.
- Value per Right: \$0.028
- Conversion Price: \$0.000.

Class F Performance Rights – 6,000,000

- Vesting Condition: Vest upon the Company's share price reaching a VWAP of \$0.15 per share for at least 15 consecutive ASX trading days.
- Vesting Period: 3 years from issue date
- Expense Recognition: \$5,167 recognised based on the fair value of the market condition and the probability of the service condition being met as at 30 June 2024.
- Value per Right: \$0.023
- Conversion Price: \$0.000.

Performance Rights with Gas Supply Milestones

Class H Performance Rights – 6,000,000

- Vesting Condition: Vest upon achieving an average daily gas supply of 30 TJ/day over any rolling 7-day period.
- Vesting Period: 1 year from issue date
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. An expense of \$21,567 has been recognised for the pro-rata service period up to 30 June 2024.
- Value per Right: \$0.040

REMUNERATION REPORT (AUDITED, CONT.)

- Conversion Price: \$0.000.

Class I Performance Rights – 6,000,000

- Vesting Condition: Vest upon achieving an average daily gas supply of 35 TJ/day over any rolling 7-day period.
- Vesting Period: 3 years from issue date
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. An expense of \$3,595 recognised for the pro-rata service period satisfied as of 30 June 2024.
- Value per Right: \$0.040
- Conversion Price: \$0.000.

Class J Performance Rights – 6,000,000

- Vesting Condition: Vest upon achieving an average daily gas supply of 40 TJ/day over any rolling 7-day period.
- Vesting Period: 3 years from issue date
- Expense Recognition: The fair value of the performance rights is based on the share price on the grant date. An expense of \$3,595 recognised for the pro-rata service period completed as of 30 June 2024.
- Value per Right: \$0.040
- Conversion Price: \$0.000.

G Equity Instruments Issued on Exercise of Remuneration Options

There were no options exercised by KMP during the year ended 30 June 2024 (2023: nil).

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2024 (2023: nil).

I Other Transactions with KMP

There were no other transactions with KMP during the year ended 30 June 2024 (2023: nil).

End of Audited Remuneration Report.

Corporate Governance - Diversity measurable

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

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

SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options were outstanding:
2,000,000 unlisted options expiring 24 November 2024, exercisable at 2.75 cents.
46,833,661 unlisted options expiring 21 November 2025, exercisable at 20 cents.
128,077,348 unlisted options expiring 18 October 2026, exercisable at 10 cents.

PERFORMANCE RIGHTS

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

14,250,000 Milestones 1 to 4 Performance rights.

3,250,000 Milestone 6 Performance rights.

170,000 Performance rights 2022.

12,290,982 STI Performance rights.

13,107,396 LTI Performance rights.

7,828,611 STI1A Performance rights.

7,828,611 STI2B Performance rights.

1,333,333 Class A Performance rights.

1,333,333 Class B Performance rights.

1,333,333 Class C Performance rights.

6,000,000 Class D Performance rights.

6,000,000 Class E Performance rights.

6,000,000 Class F Performance rights.

6,000,000 Class H Performance rights.

6,000,000 Class I Performance rights.

6,000,000 Class J Performance rights.

SHARES ISSUED ON EXERCISE OF OPTIONS

10,000,000 ordinary shares of the Company were issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

ENVIRONMENTAL REGULATIONS

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

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

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

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

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

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

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

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

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

AUDITOR

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

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

There are no officers of the company who are former partners Ernst and Young.

AUDITOR'S INDEPENDENCE DECLARATION

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

NON-AUDIT SERVICES

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

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor amounted to \$147,700 (2023: \$206,095).

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

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

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

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



Eddie King
Non-Executive Interim Chairman
27 September 2024

Auditor's independence declaration to the directors of Queensland Pacific Metals Limited

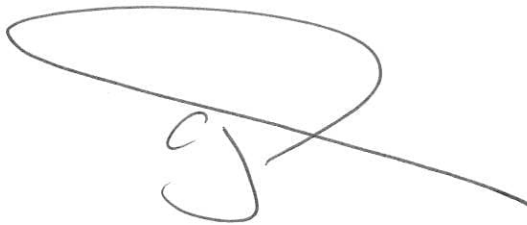
As lead auditor for the audit of the financial report of Queensland Pacific Metals Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Queensland Pacific Metals Limited and the entities it controlled during the financial year.



Ernst & Young



Andrew Carrick
Partner
27 September 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue and other income			
Revenue	4	106,711,284	-
Other income	5	1,272,357	25,510,319
Grant income	5a	3,432,715	-
Expenses			
TECH project expenses		(21,431,985)	(42,254,468)
Employee benefits	6	(11,535,265)	(6,547,950)
Other expenses	7	(7,846,167)	(12,644,000)
Operating expenses	8	(42,367,336)	-
Royalties		(2,737,170)	-
Share-based payments	25	(519,302)	(1,329,036)
Impairment of exploration assets		-	(6,310)
Depreciation & amortisation	9	(37,312,857)	(226,666)
Acquisition costs		(3,750,191)	(1,792,227)
Operating loss		(16,083,917)	(39,290,338)
Finance income		1,416,907	272,396
Finance expense	10	(9,662,358)	(34,253)
Loss before income tax		(24,329,368)	(39,052,195)
Income tax expense	11	-	-
Loss from continuing operations after income tax		(24,329,368)	(39,052,195)
Total comprehensive loss for the year ended is attributable to non-controlling interest		-	-
		(24,329,368)	(39,052,195)
Loss per share for the year attributable to the members of Queensland Pacific Metals Limited:			
Basic loss per share (cents)	12	(1.19)	(2.31)
Diluted loss per share (cents)	12	(1.19)	(2.31)

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

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	13	25,007,326	15,755,410
Trade and other receivables	14	9,616,991	15,914,110
Other assets	15	8,820,334	205,989
Inventory		2,405,554	-
Total current assets		45,850,205	31,875,509
Non-current assets			
Long term deposits	15	1,933,192	626,272
Exploration and evaluation assets		334,435	208,363
Plant and equipment	16	95,897,327	773,135
Oil and gas properties	17	65,294,964	-
Right of use asset	19	21,466,459	541,660
Total non-current assets		184,926,377	2,149,430
Total assets		230,776,582	34,024,939
LIABILITIES			
Current liabilities			
Trade and other payables	18	28,887,304	11,113,646
Employee entitlements		1,439,035	486,032
Lease liabilities	19	39,430,431	185,909
Other liabilities	20	57,867,060	1,840,000
Total current liabilities		127,623,830	13,625,587
Non-current liabilities			
Lease liabilities	19	2,990,933	385,699
Other liabilities	20	32,185,371	-
Employee entitlements		126,562	-
Interest-bearing loans and borrowings	21	18,120,222	-
Provisions	22	18,253,080	-
Total non-current liabilities		71,676,168	385,699
Total liabilities		199,299,998	14,011,286
Net assets		31,476,584	20,013,653
EQUITY			
Contributed equity	23	145,300,305	113,574,307
Reserves	24	16,825,878	12,759,577
Accumulated losses		(130,649,599)	(106,320,231)
Total equity		31,476,584	20,013,653

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2024

	Note	Issued Capital \$	Share-base payment Reserve \$	Equity raise - Options Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2023		113,574,307	8,223,733	4,535,844	(106,320,231)	20,013,653
Loss for the period		-	-	-	(24,329,368)	(24,329,368)
Total comprehensive loss for the period after tax		-	-	-	(24,329,368)	(24,329,368)
Transactions with owners in their capacity as owners						
Share placement	23	37,049,980	-	-	-	37,049,980
Capital raising costs	23	(5,807,101)	-	3,730,118	-	(2,076,983)
Share-based payments	24	-	519,302	-	-	519,302
Exercise of performance rights	23,24	183,119	(183,119)	-	-	-
Conversion of unlisted options	23	300,000	-	-	-	300,000
Balance at 30 June 2024		145,300,305	8,559,916	8,265,962	(130,649,599)	31,476,584
At 1 July 2022		86,366,328	6,894,697	-	(67,268,036)	25,992,989
Loss for the period		-	-	-	(39,052,195)	(39,052,195)
Total comprehensive loss for the period after tax		-	-	-	(39,052,195)	(39,052,195)
Transactions with owners in their capacity as owners						
Share placement	23,25	32,085,490	-	-	-	32,085,490
Capital raising costs	23	(5,120,511)	-	4,535,844	-	(584,667)
Share-based payments	24	-	1,329,036	-	-	1,329,036
Conversion of unlisted options	23	243,000	-	-	-	243,000
Balance at 30 June 2023		113,574,307	8,223,733	4,535,844	(106,320,231)	20,013,653

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

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Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		75,546,643	-
Payments to suppliers and employees		(99,476,639)	(63,675,056)
Interest and finance costs paid		(7,490,968)	(43,104)
Interest received		1,117,720	272,396
R&D tax offset received		15,839,463	10,173,251
GST recovered		2,529,468	6,237,694
Grant income received		2,926,000	1,840,000
Net cash used in operating activities	13(a)	(9,008,313)	(45,194,819)
Cash flows used in investing activities			
Payment of exploration activities capitalised		(126,072)	(68,784)
Payments for property plant and equipment and oil & gas properties	17	(10,215,774)	(718,110)
Payment of acquisition costs relating to the Moranbah Project		(3,144,029)	-
Payment of long-term deposits		(1,142,231)	(626,272)
Consideration for inheriting Moranbah contract liability		29,637,324	-
Payment for acquisition of the Moranbah project		(5,000,000)	-
Net cash used in investing activities		10,009,218	(1,413,166)
Cash flows from financing activities			
Proceeds from the issue of shares		37,049,980	32,085,490
Share issue costs		(2,076,984)	(584,664)
Proceeds from the exercise of options		300,000	243,000
Proceeds from borrowings		17,877,530	-
Principal lease payments	19	(44,964,357)	(181,341)
Net cash from financing activities		8,186,169	31,562,485
Net increase/(decrease) in cash and cash equivalents		9,187,074	(15,045,500)
Cash and cash equivalents at the beginning of the year		15,755,410	31,382,958
Effect of movement in exchange rates on cash held		64,842	(582,048)
Cash and cash equivalents at the end of the year	13	25,007,326	15,755,410

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Reporting Entity

Queensland Pacific Metals Limited (referred to as the “Company”) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Consolidated Entity” or the “Group”).

(b) Basis of Preparation

Going Concern

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

As at 30 June 2024, the Group had cash on hand of \$25 million (30 June 2023: \$15.75 million), net current liabilities of \$81.77 million (30 June 2023: \$20.01 million), and a recorded net loss of \$24.32 million (30 June 2023: \$39.05 million) for the financial year. The Group’s net cash operating outflows for the year were \$9.01 million (30 June 2023: \$45.19 million).

The above-mentioned loss and operating cash outflows include significant expenditure on advancing the definitive feasibility study (“DFS”) for the TECH Project. While the Group paid \$5.0 million plus transaction costs for the acquisition of the Moranbah Gas Project on 25 August 2023 (refer to note 32), it also received \$35.0 million (before fees) for the assumption of certain gas supply obligations. Prospectively, the Group has operating cash commitments for production of gas to meet its existing supply obligations and other contractual commitments assumed as part of the acquisition of the Moranbah Gas Project as well as expansionary capital cash outflows to increase gas production.

The funding requirements for the Moranbah Gas Project and associated contractual commitments, the volatility in the Group’s revenue due to variability in the quantities and price of electricity able to be dispatched from the power station, and the Group’s net current liabilities mean there exists material uncertainty about the Group’s ability to continue as a going concern.

In the Directors’ opinion, at the date of signing this financial report, the going concern basis of preparation remains appropriate for the financial statements. A cash flow forecast has been prepared by the Group through to September 2025 which indicates the Group will have sufficient cash to continue as a going concern due to the following;

- QPM was awarded an \$8 million grant in relation to the TECH Project from the Australian Federal Government under the International Partnerships in Critical Minerals program, of which \$2 million was received in September 2024. QPM was subsequently advised by the Queensland State Government that it had been awarded \$8 million in additional grant funding, matching the Federal Government funding. The contractual terms and conditions are currently in the process of being finalised. Prospectively, a significant proportion of the Group’s TECH Project expenditure is discretionary, as most technical aspects of the TECH Project have achieved advanced stages of development and engineering design. As such, the timing of the on-going expenditure can be largely managed to align with the availability of funds. Presently, the core QPM technical team is dedicated to project optimisation, leveraging synergies with the QPME business and mitigating risks to enhance the project’s appeal to potential financiers and investors. The grant funding will be used to subsidise all future costs relating to producing a high-quality Definitive Feasibility Study (DFS).
- The Group has started to drawdown on its Development Funding Facility with Dyno Nobel, with the initial funding potential of up to \$80 million (and the ability to increase to \$120 million) which is to fund Moranbah Gas Project field development activities. As at 30 June 2024, \$17.88 million had been drawn down from this facility.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

- During the year, the Guarantee Facility Agreement was amended to reduce the minimum cash collateral account balance required to be held in trust from \$11 million to \$4 million as at 30 June 2024. Subsequent to year-end, the required minimum cash balance was further reduced to \$nil and all funds were released from the cash collateral account. In addition, the Group's Guarantee Facility includes the ability to draw down funds to meet its fixed charges under its gas transportation and power purchasing agreements. Any amounts drawn are repayable after 1 April 2026 (refer to Note 21).
- QPME has effectively executed a cost-efficient well workover initiative aimed at revitalising non-producing wells. As a result, 24 wells have been brought back into production resulting in an additional approximate 2TJ/day production.
- The increased production from the future development of the new wells, coupled with the well workover program, enables any additional gas produced above the requirements under the Dyno Nobel and Copper Refineries Ltd gas supply agreements to be tolled to the Townsville Power Station for the generation of additional electricity revenue.
- As part of the Company's strategic initiatives, new commercial terms to replace the existing Townsville Power Station dispatch rights and North Queensland Gas Pipeline ("NQGP") gas transport and storage contracts (expiring in February 2025) were agreed subsequent to year-end. The agreed terms will result in a significant reduction in fixed operating charges and ensures QPME will be financially robust with capacity to accelerate its gas production growth plans by reducing the total annual fixed charges under the two agreements by 83% compared to current contract terms.
- The Group continues to closely monitor available cash reserves and undertake initiatives to maintain liquidity.
- The Group also has opportunities to pursue debt financing or capital raising avenues if necessary.

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

New Accounting Standards

On 9 April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) which replaces IAS 1 Presentation of Financial Statements. AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity. AASB 18 also requires several disclosures in relation to management-defined performance measures, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard. AASB 18 will replace AASB 101 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the consolidated financial statements of the Group.

Statement of compliance

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

The annual report was authorised for issue by the Board of Directors on 27 September 2024.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Basis of measurement

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 32.

(a) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Queensland Pacific Metals Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Queensland Pacific Metals Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

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

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

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

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

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

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

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

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

(b) Revenue from contracts with customers

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

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

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

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

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

(c) Property, plant and equipment

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

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

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

(d) Borrowing costs

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(e) Oil and gas assets

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

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

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

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

(f) Exploration and evaluation expenditure

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

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

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

(g) Financial instruments

Initial recognition and subsequent measurement

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

(i) Financial assets

Initial recognition and measurement

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

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

Subsequent measurement

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

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

Other financial assets

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

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

Typically, such financial assets will be either:

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

Derecognition

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

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

Impairment of financial assets

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

(a) Financial liabilities

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

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out or weighted average basis. Net realisable value represents the estimated selling price for inventories less the estimated costs necessary to sell the inventory. Gas inventory stored in the pipeline is negligible due to the timing of the sale and production of gas. As a result, the amount of inventories recognised as an expense for the use of spare parts was \$1,356,683.

(c) Provisions

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

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

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

(d) Business combinations

Business combinations are accounted for using the acquisition method.

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(e) Segment Reporting

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

(f) Interest Recognition

Interest Income

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

(g) Income Tax

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

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

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

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

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

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

Research and Development (R&D) incentive

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

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

(h) Cash and Cash Equivalents

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

(i) Other Receivables

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

(j) Impairment of non-financial assets

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

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

(k) Trade and Other Payables

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

(l) Share-based Payments

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(m) Grant Income

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

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

(n) Contributed equity

Ordinary shares are classified as equity.

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

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

(o) Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

Diluted earnings per share

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

(q) Current and Non-Current classification

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

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

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no 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.

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

(r) Dividends

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

(s) Leases

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

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

i) Right-of-use assets

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

- plant and machinery 3 to 15 years
- motor vehicles and other equipment 3 to 5 years
- building and property over lease term.

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

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

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

Business Combination

The acquisition method of accounting is applied for all business combinations, whereby all identifiable assets acquired and liabilities, and contingent liabilities assumed are, with limited exceptions, measured initially at their fair values at the acquisition date. This is in accordance with the guidelines outlined in AASB 3 Business Combinations. The critical accounting estimates and judgements undertaken in accounting for the acquisition of the Moranbah Gas Project are as follows:

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS (CONT.)

- The fair value of the petroleum leases was calculated as the present value of the after-tax cash flows attributable only to the gas reserves. The fair value of the acquired plant and equipment was measured at its depreciated replacement cost, with adjustments being made for under-utilisation of capacity.
- The fair value of the rehabilitation provision was calculated as the present value of expected costs to settle the obligation.
- The fair value of contract liabilities was determined to be the present value of the difference between the contract price and market price for pre-existing revenue contracts at acquisition date and does not indicate that the pre-existing revenue contracts are unprofitable. The valuation essentially represents the unfavourable element of the fixed price contracts inherited in the acquisition. The future gas prices are based on the Group's best estimate of the future market prices with reference to external market's analysts forecasts, current spot prices and forward curves. The Group has formed the opinion that the demand for gas will continue over the life of the respective leases. Where volumes are contracted, the future prices are based on the contracted price.
- The lease liabilities were measured using the present value of the remaining lease payments at the date of acquisition. The right-of-use-assets were measured at an amount equal to the recognised lease liability, adjusted to reflect favourable or unfavourable terms of the lease, relative to market terms and considering the forecast usage capacity. The incremental borrowing rate was determined as the weighted average cost of capital, adjusted for risks where appropriate.

The estimates, judgements and assumptions are based on historical experience, adjusted for current market conditions, and other factors that are believed to be reasonable under the circumstances, and are reviewed on a regular basis. Actual results may differ from these estimates.

NOTE 3 SEGMENT INFORMATION

In July 2024 the IFRS IC published an agenda decision which discusses how an entity applies the requirements in paragraph 23 of IFRS 8 Operating Segments. The group is currently analysing the potential impacts of this agenda decision to its segment reporting.

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

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

- The corporate segment which includes all corporate head office costs, shared services and capital raisings for the group. This segment also holds the Sewa Bay EL 1761 lease tenement in PNG.
- The TECH Project segment which houses all activities related to the TECH project in Townsville.
- The QPM Energy segment which pertains to all carbon abatement projects and the Moranbah Gas Project.

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

Notes to the Consolidated Financial Statements

NOTE 3 SEGMENT INFORMATION (CONT.)

Two customers accounted for 96% of its revenue from contracts with customers during the year ended 30 June 2024:

	Corporate \$	TECH Project \$	QPM Energy \$	Total \$
Year Ended 30 June 2024				
Revenue	-	-	106,711,284	106,711,284
Finance income	(247,623)	(426,504)	(742,780)	(1,416,907)
Finance expenses	(1,833,819)	(13,226)	(7,815,313)	(9,662,358)
Employee benefits	(3,834,861)	(4,172,963)	(3,527,441)	(11,535,265)
Operating expenses	-	-	(42,367,336)	(42,367,336)
Depreciation and amortisation	(577,676)	(84,856)	(36,650,325)	(37,312,857)
Net FX Gain/(Loss)	(59,573)	(43,755)	1,777	(101,551)
SBP Expense	(519,302)	-	-	(519,302)
Result (loss)	(10,667,316)	(22,167,880)	8,505,828	(24,329,368)
Total assets	14,019,485	693,923	216,063,174	230,776,582
Total liabilities	(4,389,869)	(1,500,595)	(193,409,534)	(199,299,998)
Year Ended 30 June 2023				
Other income	190,353	25,592,362	-	25,782,715
Net FX Gain/(Loss)	589,362	13,108	-	602,470
SBP Expense	1,329,036	-	-	1,329,036
Result (loss)	(12,055,559)	(20,062,108)	(6,934,528)	(39,052,195)
Total assets	6,580,138	25,922,741	1,522,060	34,024,939
Total liabilities	(1,931,720)	(10,647,198)	(1,432,368)	(14,011,286)

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Notes to the Consolidated Financial Statements

NOTE 4 REVENUE

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

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

	2024	2023
	\$	\$
Revenue from contracts with customers	64,695,175	-
Other revenue ¹	42,016,109	-
	106,711,284	-

¹The Group acquired two customer contracts which were recorded at fair value as part of the business combination accounting for the Moranbah Gas Project (refer to note 20 and note 32). The fair value was calculated as the lower of cash flows received under the contracts with customers, and the amount that would have been received if the contracts were at market value on acquisition date. The liabilities are unwound over the volumes delivered against sundry income.

(a) Disaggregation of revenue from contracts with customers

The Group recognises revenue from the transfer of goods over time for the following products.

Revenue from external customers

	2024	2023
	\$	\$
Revenue from sale of gas	23,635,058	-
Revenue from the sale of electricity	40,345,451	-
Revenue from the provision of gas compression services	714,666	-
Total segment revenue	64,695,175	-

Revenue by major customers

	2024	2023
Customer A	34%	0%
Customer B	62%	0%
Customer C	4%	0%

(b) Recognition and measurement

Revenue is recognised when control of the goods is passed to the customer. The amount of revenue recognised is the consideration the Group is entitled to receive in exchange for transferred goods to the customer.

i) Contracts with customers – gas sales

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

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

Notes to the Consolidated Financial Statements

NOTE 4 REVENUE (CONT.)

ii) Contracts with customers – gas compression services

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

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

iii) Electricity sales to the National Electricity Market

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

NOTE 5 OTHER INCOME

	2024	2023
	\$	\$
R&D tax offset ¹	516,492	25,510,319
Gain on termination lease	29,392	-
Gain on modification of loan	211,541	-
Sundry income	514,932	-
	1,272,357	25,510,319

¹The current period amount pertains to a true-up adjustment on the 23FY R&D refund receivable as the return was finalised after prior year's financials were finalised. The prior year's refundable R&D total includes the tax offsets for the year ended 30 June 2022 and 30 June 2023. 22FY's refundable R&D was not booked in the year ended 30 June 2022 as management concluded there was not reasonable assurance the amount was receivable at the time. The refund was subsequently received in 23FY. During the current period, the refund for the 30 June 2023 period was received in full from the ATO and used to repay the principal and associated interest on the advanced R&D short-term loan.

NOTE 5a GRANT INCOME

	2024	2023
	\$	\$
Grant income		
Front-end Engineering Design ("FEED") grant income ²	3,432,715	-
	3,432,715	-

²During the prior period, \$1,840,000 (the first grant instalment) was received by Queensland Pacific Metals for the ongoing feasibility work for the TECH Project. The full amount was recognised as income during the period ended 30 June 2024 as all the eligible expenditure was incurred in the current year. The second grant instalment of \$2,660,000 was received in the current year of which \$1,592,715 was spent on eligible grant expenditure during the year.

Notes to the Consolidated Financial Statements

NOTE 6 EMPLOYEE BENEFITS

	2024	2023
	\$	\$
Salaries and wages	10,627,767	5,731,551
Superannuation	907,498	816,399
	11,535,265	6,547,950

NOTE 7 OTHER EXPENSES

	2024	2023
	\$	\$
Other expenses	2,964,433	4,585,167
Professional fees	424,513	253,397
Consulting and legal fees	2,508,308	6,710,591
Compliance and regulatory expenses	1,853,404	940,356
Office and administrative expenses	95,509	154,489
	7,846,167	12,644,000

NOTE 8 OPERATING EXPENSES

	2024	2023
	\$	\$
Site overheads	20,848,340	-
Gas supply	2,816,131	-
Well operations	1,768,998	-
Nodal compression	1,058,916	-
Site labour	13,433,566	-
Landowner compensation	2,441,385	-
	42,367,336	-

NOTE 9 DEPRECIATION AND AMORTISATION

	2024	2023
	\$	\$
Oil and Gas Properties	1,943,275	-
Plant and equipment	10,087,247	53,541
Right-of-use asset	25,282,335	173,125
	37,312,857	226,666

NOTE 10 FINANCE EXPENSES

	2024	2023
	\$	\$
Interest paid	1,099,117	-
Lease interest	6,725,765	27,033
Unwinding of discount – other ¹	1,303,779	-
Other finance charges	533,697	7,220
	9,662,358	34,253

¹ This includes interest unwound on borrowings and the rehabilitation provision which was acquired as part of the MGP acquisition during the year.

Notes to the Consolidated Financial Statements

NOTE 11 INCOME TAX

(a) The components of tax expense comprise:

	2024 \$	2023 \$
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-

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

	2024 \$	2023 \$
Loss before income tax expense	(24,329,368)	(39,052,195)
Prima facie tax benefit on loss before income tax at 30% (2023: 30%)	(7,298,810)	(11,715,658)
Tax effect of:		
Non-deductible expenses	(96,913)	404,390
R&D refundable tax incentive income non-taxable	(154,948)	(7,648,967)
R&D refundable tax offset expenditure not deductible	319,480	9,478,334
R&D non-refundable tax offset	(1,972,262)	-
Tax losses and temporary differences not brought to account	9,203,453	9,481,901
Total	-	-
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	105,482,204	38,445,174
Potential tax benefit at 30%	31,644,661	11,533,552

Queensland Pacific Metals Limited does not currently recognise any deferred tax assets other than to the extent they offset deferred tax liabilities. The estimated potential deferred tax asset at 30% (2023: 30%) not brought to account which is attributable to tax losses carried forward at 30 June 2024 is \$30,458,928 (2023: \$11,533,552).

(c) Deferred tax assets and liabilities

	2024 \$	2023 \$
Right of use assets	(6,439,938)	(162,498)
Plant and equipment	(25,463,049)	-
Oil and gas properties	(12,834,243)	-
Other deductible temporary differences	3,489,085	4,962,648
Other provisions	469,679	145,810
Accrued expenses	4,827,323	2,790,917
Other liabilities	16,663,408	-
Exploration and evaluation expenditure	(100,331)	-
Lease liabilities	12,726,409	171,483
Rehabilitation provision	5,475,924	-
Tax losses carried forward	31,644,661	11,533,552
Deferred tax assets not brought to account	(30,458,928)	(19,441,912)
Total	-	-

NOTE 12 LOSS PER SHARE

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

Notes to the Consolidated Financial Statements

NOTE 12 LOSS PER SHARE (CONT.)

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

	2024	2023
Net loss for the year (\$)	(24,329,368)	(39,052,195)
Weighted average number of ordinary shares for basic and diluted loss per share.	2,044,367,786	1,692,610,029
Continuing operations		
Basic and diluted loss per share (cents)	(1.19)	(2.31)

Given the loss making for the period the basic and diluted earnings per share are the same.

NOTE 13 CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
Cash at bank and in hand	25,007,326	15,755,410
	25,007,326	15,755,410
Cash at bank earns interest at floating rates based on daily deposit rates. The Company's exposure to interest rate and credit risks is disclosed in Note 27.		
Loss for the financial year	(24,329,368)	(39,052,195)
<i>Adjustments for:</i>		
Other costs	1,321,605	6,310
Non-cash revenue	(496,630)	-
Interest expense	976,297	-
Gain on termination of lease	(29,392)	-
Gain on modification of loan	(211,541)	-
Share based payments	519,303	1,329,036
Unwinding of contract liabilities	(30,501,786)	-
Amortisation	1,943,287	173,125
Depreciation	35,369,581	53,541
<i>Changes in assets and liabilities</i>		
(Increase)/ decrease in trade and other receivables	6,422,316	(14,768,012)
(Increase)/ decrease in other assets	(1,991,296)	-
(Increase)/ decrease in inventories	(352,570)	-
Increase/ (decrease) in trade and other payables	2,053,277	4,476,869
Increase/ (decrease) in deferred revenue	(911,636)	1,840,000
Increase/ (decrease) in provisions	1,145,398	164,461
Unrealised FX Gain/Loss	64,842	582,046
Net cash used in operating activities	(9,008,313)	(45,194,819)

Notes to the Consolidated Financial Statements

NOTE 13 CASH AND CASH EQUIVALENTS (CONT.)

Changes in liabilities arising from financing activities

Consolidated	Loans \$	Lease Liability \$	Total \$
Balance at 30 June 2022	-	610,888	610,888
Acquisition of leases	-	115,028	115,028
Lease modification	-	-	-
Lease termination	-	-	-
Interest	-	27,035	27,035
Net cash flow	-	(181,341)	(181,341)
Balance at 30 June 2023	-	571,610	571,610
Acquisition of leases	-	89,634,355	89,634,355
Lease modification	-	2,267,115	2,267,115
Lease termination	-	(461,775)	(461,775)
Other	(280,000)	(5,007,404)	(5,287,404)
Interest	522,692	6,725,765	7,248,457
Net cash flow (interest component)	-	(6,343,945)	(6,343,945)
Net cash flow (principal component)	17,877,530	(44,964,357)	(27,086,827)
Balance at 30 June 2024	18,120,222	42,421,364	60,541,586

NOTE 14 TRADE AND OTHER RECEIVABLES

	2024 \$	2023 \$
Receivables from third-party customers	8,389,712	-
Allowance for expected credit losses	-	-
	8,389,712	-
GST receivable	908,950	564,133
Other deposits and receivables (includes R&D tax refund)	318,329	15,349,977
	1,227,279	15,914,110
	9,616,991	15,914,110

Recognition and measurement

Trade receivables are non-interest bearing and are generally on 30-day terms. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

The group applies the AASB 9 simplified approach to measuring credit losses which requires the expected lifetime losses to be recognised from initial recognition. To measure the expected credit losses, trade and other receivables with shared credit risk characteristics and days past due are grouped and then assessed. Management has determined that the assessment of expected credit loss associated with trade receivables is immaterial.

Notes to the Consolidated Financial Statements

NOTE 15 OTHER ASSETS

	2024 \$	2023 \$
<i>Current assets</i>		
Prepayments	2,423,700	205,989
Short-term deposits	210,000	-
Other deposits	186,634	-
Deposits held in trust for the corporate guarantee facility ⁽ⁱ⁾	6,000,000	-
	8,820,334	205,989
	2024 \$	2023 \$
Non-current assets		
Long-term deposits ⁽ⁱⁱ⁾	1,933,192	626,272
	1,933,192	626,272

⁽ⁱ⁾The balance represents the total funds held in trust as required to cover the fixed charges payable under various lease agreements.

⁽ⁱⁱ⁾Long term deposits are term deposits held as security against the company's long-term head office lease and the company's environmental authority ERC amounts.

The Company's exposure to interest rate and credit risks is disclosed in Note 27.

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

	2024 \$	2023 \$
<i>Non-current assets</i>		
Land	1,950,000	-
	1,950,000	-
Plant and equipment	1,256,487	223,300
Less: Accumulated depreciation	(214,106)	(70,982)
	1,042,381	152,318
Motor vehicles	243,919	33,919
Less: Accumulated depreciation	(46,191)	(16,959)
	197,728	16,960
Leasehold improvements	42,228	35,542
Less: Accumulated depreciation	(18,334)	(11,842)
	23,894	23,700
Infrastructure	102,172,519	-
Less: Accumulated depreciation	(9,908,398)	-
	92,264,121	-
Capital work in progress	419,203	580,157
	419,203	580,157
	95,897,327	773,135

Reconciliations

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

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Notes to the Consolidated Financial Statements

NOTE 16 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Movements in carrying amounts

Consolidated	Land	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Infrastructure	Work In Progress	Total
	\$	\$	\$	\$	\$	\$	\$
At 30 June 2024							
Opening net book amount	-	152,318	16,960	23,700	-	580,157	773,135
Additions	-	108,863	-	-	-	1,591,586	1,700,449
Acquisition of business	1,950,000	-	730,000	-	101,350,990	-	104,030,990
Transfers from Work in Progress	-	924,325	-	6,686	821,529	(1,752,540)	-
Disposed/Written Off	-	-	(520,000)	-	-	-	(520,000)
Depreciation Expense	-	(143,125)	(29,232)	(6,492)	(9,908,398)	-	(10,087,247)
Closing net book amount	1,950,000	1,042,381	197,728	23,894	92,264,121	419,203	95,897,327
At 30 June 2023							
Opening net book amount	-	75,261	23,743	16,100	-	185,249	300,353
Additions	-	33,107	-	4,548	-	680,455	718,110
Transfers from Work in Progress	-	277,552	-	7,995	-	(285,547)	-
Disposed/Written Off	-	(191,787)	-	-	-	-	(191,787)
Depreciation Expense	-	(41,815)	(6,783)	(4,943)	-	-	(53,541)
Closing net book amount	-	152,318	16,960	23,700	-	580,157	773,135

Notes to the Consolidated Financial Statements

NOTE 16 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Accounting policy for property, plant and equipment

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

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

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

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

NOTE 17 OIL AND GAS PROPERTIES

	2024 \$	2023 \$
<i>Non-current assets</i>		
Oil & Gas Development assets – under construction	18,421,042	-
	18,421,042	-
Oil & Gas Development Assets	31,213,000	-
Less: Accumulated amortisation	(1,222,650)	-
	29,990,350	-
Rehabilitation asset		
Acquisition of business	17,604,196	-
Less: Accumulated amortisation	(720,624)	-
	16,883,572	-
	65,294,964	-

Consolidated	Oil & Gas Development Assets – under construction	Oil & Gas Development Assets	Rehabilitation asset	Total
At 30 June 2024	\$	\$	\$	\$
Opening net book amount	-	-	-	-
Additions ⁽ⁱ⁾	18,421,042	-	-	18,421,042
Acquisition of business	-	31,213,000	17,994,702	49,207,702
Change in estimate related to provision for environmental rehabilitation	-	-	(390,506)	(390,506)
Disposed/written off	-	-	-	-
Amortisation expense	-	(1,222,650)	(720,624)	(1,943,274)
Closing net book amount	18,421,042	29,990,350	16,883,572	65,294,964

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

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Notes to the Consolidated Financial Statements

NOTE 18 TRADE AND OTHER PAYABLES

	2024 \$	2023 \$
Trade payables ^{(i) (ii)}	12,796,226	790,639
Accrued expenses	15,744,265	9,691,603
Other payables	346,813	631,404
	28,887,304	11,113,646

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

⁽ⁱⁱ⁾Refer to note 27 for further information on financial instruments.

NOTE 19 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Company has lease contracts for property, vehicles and other equipment used in its operations. The leases generally have lease terms between 2 and 7 years.

Right of use assets	Property \$	Motor vehicles \$	Other equipment \$	Total \$
As at 1 July 2022				
Reconciliation of movements				
Opening balance	599,757	-	-	599,757
New leases entered	-	115,027	-	115,028
Depreciation	(167,373)	(5,751)	-	(173,125)
Lease de-recognised (terminated)	-	-	-	-
As at 30 June 2023	432,384	109,276	-	541,660
Acquisition of business (refer to note 32)	-	-	40,132,199	40,132,199
New leases entered	3,799,925	440,279	-	4,240,204
Lease modification	-	-	2,267,116	2,267,116
Depreciation	(597,994)	(63,247)	(24,621,095)	(25,282,336)
Lease de-recognised (terminated)	(432,384)	-	-	(432,384)
As at 30 June 2024	3,201,931	486,308	17,778,220	21,466,459

Lease liability

Recognition and measurement

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

	2024 \$	2023 \$
<i>Current liabilities</i>		
Lease liability	39,430,431	185,909
	39,430,431	185,909
<i>Non-current liabilities</i>		
Lease liability	2,990,933	385,699
	2,990,933	385,699
	42,421,364	571,608

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Notes to the Consolidated Financial Statements

NOTE 19 RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONT.)

Reconciliation of movements

	2024	2023
	\$	\$
Opening balance	571,608	610,888
Acquisition of business (refer to note 32)	85,394,135	-
New leases entered	4,240,220	115,028
Payments ⁽ⁱ⁾	(56,315,705)	(181,341)
Interest	6,725,766	27,033
Lease modification	2,267,115	-
Lease de-recognised (terminated)	(461,775)	-
	<u>42,421,364</u>	<u>571,608</u>

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

Refer to note 27 for lease maturity.

NOTE 20 OTHER LIABILITIES

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Deferred income ⁱ	25,654,388	-
Customer contract liabilities ⁱⁱ	32,212,672	-
	<u>57,867,060</u>	<u>-</u>
<i>Non-current liabilities</i>		
Interest payable	12,513	-
Customer contract liabilities ⁱⁱ	21,898,882	-
Deferred income ⁱ	10,273,976	-
	<u>32,185,371</u>	<u>-</u>
	<u>90,052,431</u>	<u>-</u>

ⁱThe majority of the above reflects the total proceeds received from customers for future gas deliveries.

ⁱⁱThese relate to the customer contracts acquired as part of the Moranbah Gas Project acquisition (refer to note 32). The revenue received under these agreements was assessed as being below market value. As a result, the present value of the difference between the contractual gas sale revenue and the market value was recorded as a liability at acquisition date which unwinds over the life of the contract with the customer.

NOTE 21 INTEREST BEARING LOANS AND BORROWINGS

	2024			2023		
	Current Liabilities	Non-current liabilities	Total	Current Liabilities	Non-current liabilities	Total
	\$	\$	\$	\$	\$	\$
Well development financing	-	18,120,222	18,120,222	-	-	-
Total interest-bearing loans and borrowings	-	18,120,222	18,120,222	-	-	-
Total borrowings	-	<u>18,120,222</u>	<u>18,120,222</u>	-	-	-

Financing arrangements

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

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Notes to the Consolidated Financial Statements

NOTE 21 INTEREST BEARING LOANS AND BORROWINGS (CONT.)

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

Dyno Nobel well development funding facility

	2024	2023
	\$	\$
Total facility	80,000,000	-
Facility utilised	(17,877,530)	-
Available facility	62,122,470	-

The Dyno Nobel Development Funding Facility is available to fund Moranbah Gas Project field development activities and has a 5-year term. Interest is accrued on the facility from the initial draw down of funds. Interest is accrued at BBSY + 6% margin, with an upfront 0.35% establishment fee. The facility is secured by QPM Energy Markets Pty Ltd, QPM Energy (MGP Upstream) Pty Ltd and QPM Energy (Holdings No 2) Pty Ltd's assets.

The drawn-down funds and accrued interest will be repaid via the provision of gas from 1 April 2026.

Guarantee facility

Corporate Guarantee facility - AUD

	2024	2023
	\$	\$
Total facility (maximum limit per executed CGF agreement)	115,000,000	-
Facility reduction	(65,105,159)	-
Available facility	49,894,841	-

Under the Corporate Guarantee Facility ("CGF"), Incitec Pivot Limited has provided corporate guarantees for the Group's fixed charge payment obligations under the North Queensland Gas Pipeline Gas Transportation and Townsville Power Station Power Purchase agreements. The CGF has a fixed monthly commitment fee of 0.5% of the utilised facility balance and an upfront 0.1% establishment fee. At the date of this report, The Group has the ability to draw down \$30 million for payment of fixed charges under the Group's gas transport and power purchase agreements. Any amounts drawn are repayable after 1 April 2026.

NOTE 22 PROVISIONS

	2024	2023
	\$	\$
<i>Non-current liabilities</i>		
Rehabilitation provision	18,253,080	-
	18,253,080	-

Rehabilitation provision

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

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

During the period, \$18 million of rehabilitation provisions were recognised upon acquisition of the Moranbah Gas Project on 25 August 2023.

The rehabilitation provision was revised as at 30 June 2024 to account for the upward revised ERC notice for one of the three environmental authorities held by the business and the re-estimated life of the Moranbah Gas Project due to the updated NSAI reserve findings during the year.

Notes to the Consolidated Financial Statements

NOTE 22 PROVISIONS (CONT.)

The discount rate used in the calculation of provisions at 30 June 2024 equalled 4.39%.

Movements in provisions

	2024	2023
	\$	\$
Carrying amount at start of year	-	-
Acquisition of business (refer to note 32)	17,994,702	-
Depletions through settlement	-	-
Adjustment through re-measurement of liability	(390,506)	-
Unwinding of discount via profit and loss	648,884	-
Carrying amount at 30 June 2024	18,253,080	-

NOTE 23 CONTRIBUTED EQUITY

(a) Issued and fully paid

	2024	No.	2023	No.
	\$		\$	
Ordinary shares	145,300,305	2,520,848,433	113,574,307	1,746,347,922

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

(b) Movement reconciliation

	Number	\$
1 July 2022	1,563,613,131	86,366,328
Placement of shares (net of costs) ⁽ⁱ⁾	174,634,791	26,967,049
Exercise of unlisted options (net of costs) ⁽ⁱⁱ⁾	8,100,000	240,930
At 30 June 2023	1,746,347,922	113,574,307
1 July 2023	1,746,347,922	113,574,307
Placement of shares (net of costs) ^{(iii)(iv)}	759,289,973	31,246,036
Exercise of unlisted options (net of costs) ^(v)	10,000,000	297,215
Exercise of unlisted options (net of costs) ^(vi)	5,210,538	182,747
At 30 June 2024	2,520,848,433	145,300,305

- (i) 174,634,791 shares issued to General Motors and share issue costs of \$582,594. General Motors was also provided \$4,535,844 in options for nil consideration which as also been treated as share issued costs.
- (ii) Exercise of 8,100,000 unlisted options by previous directors, inclusive of \$2,070 share issue costs.
- (iii) 256,154,895 shares issued via Placement/SPP and share issue costs of \$1,078,872. Placement/SPP subscribers was also provided \$3,730,118 in options for nil consideration which as also been treated as share issued costs.
- (iv) In May 2024, 503,135,078 shares were issued via placement and includes \$994,956 in share issue costs.
- (v) Exercise of 10,000,000 unlisted options by external advisors inclusive of \$2,785 share issue costs.
- (vi) Exercise of 5,210,538 vested performance rights by employees inclusive of \$371 share issue costs.

Notes to the Consolidated Financial Statements

NOTE 24 RESERVES

	2024 \$	2023 \$
Share-based payment reserve	16,825,878	12,759,577
	16,825,878	12,759,577
Share-based payment reserve		
Balance at the beginning of the year	12,759,577	6,894,697
Share-based payment expense	519,302	1,329,036
Performance rights exercised ⁽ⁱⁱⁱ⁾	(183,119)	
Equity raising investor options ⁽ⁱ⁾	3,730,118	4,535,844
Balance at the end of the year	16,825,878	12,759,577

(i) Refer to note 25.

(ii) During the year 5,210,538 performance rights were exercised and converted into ordinary shares for nil consideration resulting in a \$183,119 reduction in the performance rights reserve. Refer to note 25 for the remaining performance right transactions.

Share-based payment reserve

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

NOTE 25 SHARE-BASED PAYMENTS

(a) Recognised share-based payment transactions

	2024 \$	2023 \$
Performance Rights - STI1	226,946	747,586
Performance Rights - STI2A	-	163,125
Performance rights - LT11	185,250	-
Performance Rights - LT12A	(163,125)	163,125
Performance Rights - M6-3	-	276,000
Write back non-market-based performance rights (EXP3) lapsed in FY2023	-	(20,800)
Performance rights - STI1A	154,174	-
Performance rights - STI2B	68,430	-
Performance rights - Class D	7,413	-
Performance rights - Class E	6,290	-
Performance rights - Class F	5,167	-
Performance rights - Class H	21,567	-
Performance rights - Class I	3,595	-
Performance rights - Class J	3,595	-
	519,302	1,329,036

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Notes to the Consolidated Financial Statements

NOTE 25 SHARE-BASED PAYMENTS (CONT.)

Summary of performance rights granted during the period

Milestone	Grant Date	Rights granted during the year	Share Price on Grant Date	Share Price Volatility	Risk Free Rate	Time to maturity	Model Used
STI1A	5/12/2023	7,828,611	0.052	76%	4.07%	0.42 years	Black Scholes
STI2B	5/12/2023	7,828,611	0.052	91%	4.41%	0.42 years	Monte Carlo
Class A	20/05/2024	1,333,333	0.040	75%	3.93%	1.09 years	Black Scholes
Class B	20/05/2024	1,333,333	0.040	75%	3.93%	2.09 years	Black Scholes
Class C	20/05/2024	1,333,333	0.040	75%	3.87%	3.09 years	Black Scholes
Class D	20/05/2024	6,000,000	0.040	90%	4.24%	2.89 years	Monte Carlo
Class E	20/05/2024	6,000,000	0.040	90%	4.24%	2.89 years	Monte Carlo
Class F	20/05/2024	6,000,000	0.040	90%	4.24%	2.89 years	Monte Carlo
Class H	20/05/2024	6,000,000	0.040	75%	3.93%	0.89 years	Black Scholes
Class I	20/05/2024	6,000,000	0.040	75%	3.87%	2.89 years	Black Scholes
Class J	20/05/2024	6,000,000	0.040	75%	3.87%	2.89 years	Black Scholes

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Notes to the Consolidated Financial Statements

NOTE 25 SHARE-BASED PAYMENTS (CONT.)

Summary of Options

Options	Grant Date	Vesting Date	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Advisors	2/12/2020	Immediately	25/09/2023	0.03	10,000,000	-	(10,000,000)	-	-
Corporate advisor	21/2/2021	Immediately	2/08/2023	0.116	21,000,000	-	-	(21,000,000)	-
Director	1/5/2021	Immediately	2/08/2024	0.15	1,000,000	-	-	-	1,000,000
Director	23/11/2021	Immediately	24/11/2024	0.28	2,000,000	-	-	-	2,000,000
External investors	21/11/2022	Immediately	21/11/2025	0.20	46,833,661	-	-	-	46,833,661
Placement & SPP ⁽ⁱ⁾	12/10/2023	Immediately	18/10/2026	0.10	-	128,077,348	-	-	128,077,348
Total					80,833,661	128,077,348	(10,000,000)	(21,000,000)	177,911,009
Vested and exercisable					80,833,661				177,911,009

(i) Options - Placement & Share Purchase Plan ("SPP")

As part of the capital raising announced on 22 August 2023 via Placement and SPP, subscribers were offered up to 114,286,714 new options under the placement and up to 57,143,857 new options under the SPP. Options were offered on the basis of one new option for every two new shares issued and are exercisable at A\$0.10 on or before 18 October 2026. On 19 October 2023, QPM issued 128,077,348 options under the placement and SPP option offer. The issue of options was subject to share holder approval which was received on 12 October 2023 at the EGM. As there were no services or goods exchanged for the options, this transaction was outside the scope of AASB 2. It is of the view that these options were granted as part of the capital raising and so form part of the total subscription received. The following inputs were used in the Black Scholes model to calculate the fair value of the options issue. \$3,730,118 of the total subscription monies was classed against the equity raise options reserve:

Grant Date	12/10/2023
Expected volatility	83.64%
Dividend yield	0%
Risk free rate	3.91%
Value per option	\$0.03
Conversion price	\$0.10

Notes to the Consolidated Financial Statements

NOTE 26 RELATED PARTY DISCLOSURES

Related Party Transactions

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

Key management personnel of the Group:		Sales to related parties	Purchases from related parties	Amounts owed by related parties *	Amount owed to related parties*
CPS Capital Group Pty Ltd ⁽ⁱ⁾	2024	-	91,712	-	13,708
	2023	-	77,730	-	7,671
Keronga Development Pty Ltd ⁽ⁱⁱ⁾	2024	-	95,237	-	8,651
	2023	-	88,270	-	6,446

* The amounts are classified as trade receivables and trade payables, respectively (see Note 14 and 18).

- (i) Non-executive chairman and non-executive director fees were paid to Eddie King's company CPS Capital Group Pty Ltd.
- (ii) Non-executive director fees were paid to Keronga Development Pty Ltd; a Company of which Jim Simpson is a Director.

Key Management Personnel Compensation

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

	2024 \$	2023 \$
Short-term benefits	2,792,267	2,020,638
Superannuation	183,823	171,630
Long-term benefits	116,060	45,314
Share-based payments (Remuneration Report - Table 1)	350,524	1,057,352
Other	364,617	394,725
	3,807,291	3,689,659

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

NOTE 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Notes to the Consolidated Financial Statements

NOTE 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

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

	2024 \$	2023 \$
Financial Assets		
Cash and cash equivalents	25,007,326	15,755,410
Short-term deposits	210,000	-
Deposits held in trust	6,000,000	-
Long-term deposits	1,933,192	626,272
Trade and other receivables	8,688,898	796,793
	41,839,416	17,178,475
	2024 \$	2023 \$
Financial Liabilities		
Trade and other payables	28,887,304	11,113,646
Lease liabilities	42,421,364	571,608
Interest bearing loans and borrowings	18,120,221	-
	89,428,889	11,685,254

(a) Market risk

(i) Interest rate risk

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

	2024 Weighted average interest rate	Balance \$	2023 Weighted average interest rate	Balance \$
Cash and cash equivalents	3.27% ⁱ	25,007,326	1.69% ⁱ	15,755,410
Long-term borrowings	10.35% ⁱⁱ	18,120,221	-	-

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

(ii) The interest rate on the long-term borrowing is calculated based on BBSY + 6% margin. The rate reflects the closing 30 June 2024 rate.

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Notes to the Consolidated Financial Statements

NOTE 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

Sensitivity

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

Cash and cash equivalents

Judgements of reasonably possible movements:

+ 1.0% (100 basis points)

- 1.0% (100 basis points)

Long-term borrowings

Judgements of reasonably possible movements:

+ 1% (100 basis points)

- 1% (100 basis points)

Profit/(loss) \$	
2024	2023
250,073	157,554
(250,073)	(157,554)
Profit/(loss) \$	
2024	2023
181,202	-
(181,202)	-

(b) Credit risk

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

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

(c) Liquidity risk

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

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

2024	Carrying amount	6 months	6-12 months	1-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	28,887,304	28,887,304	-	-	-	28,887,304
Borrowings	18,120,221	-	-	23,080,334	5,891,610	28,971,944
Lease liabilities ¹	42,421,364	33,754,820	7,368,042	2,942,671	694,207	44,759,740
Total Financial Liabilities	89,428,889	62,642,124	7,368,042	26,023,005	6,585,817	102,618,988
2023						
Trade and other payables	11,113,646	11,113,646	-	-	-	11,113,646
Lease liabilities	571,608	291,799	291,799	2,590,132	1,363,321	4,537,051
Total Financial Liabilities	11,685,254	11,405,445	291,799	2,590,132	1,363,321	15,650,697

Notes to the Consolidated Financial Statements

NOTE 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

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

(d) Capital risk management

The Company's objectives when managing capital are to:

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

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

NOTE 28 COMMITMENTS

	2024	2023
	\$	\$
Exploration commitments		
Within one year	52,963	40,928
Later than one year but not later than five years	79,445	-
Later than five years	-	-
Total	132,408	40,928
Other expenditure commitments		
Within one year	102,061	13,349,965
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	102,061	13,349,965
Total exploration and other expenditure commitments	234,469	13,390,893

NOTE 29 AUDITOR'S REMUNERATION

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

	2024	2023
	\$	\$
Audit of the annual financial report	246,030	74,880
Other services – Ernst & Young ¹	147,700	206,095
	393,730	280,975

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

Notes to the Consolidated Financial Statements

NOTE 30 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2024	2023
			%	%
Pure Manganese Pty Ltd	Exploration	Australia	100	100
QPM Tech Project Pty Ltd (formerly Queensland Pacific Metals Pty Ltd)	Exploration & TECH Project	Australia	100	100
Anroca Pty Ltd	Exploration	Australia	100	100
Mineral Developments Pty Ltd	Exploration	Australia	80	80
Ozark Mineral Resources INC	Exploration	USA	100	100
QPM Energy Pty Ltd	Exploration	Australia	100	100
QPM Energy Holdings No.1 Pty Ltd	Holding Company	Australia	100	100
QPM Energy Holdings No.2 Pty Ltd	Holding Company	Australia	100	100
QPM Energy (MGP Upstream) Pty Ltd	Gas	Australia	100	100
QPM Energy (Midstream) Pty Ltd	Gas	Australia	100	100
QPM Energy Markets Pty Ltd	Gas	Australia	100	100
QPM Energy (Merchant Services) Pty Ltd	Gas	Australia	100	100

NOTE 31 PARENT ENTITY

	2024	2023
	\$	\$
Assets		
Current assets	10,341,480	5,044,148
Non-current assets	25,525,789	16,902,043
Total assets	35,867,269	21,946,191
Liabilities		
Current liabilities	1,720,662	1,609,628
Non-current liabilities	2,670,023	322,910
Total liabilities	4,390,685	1,932,538
Equity		
Contributed equity	145,300,306	113,574,307
Reserves	16,815,338	12,749,024
Accumulated losses	(130,639,060)	(106,309,678)
Total equity	31,476,584	20,013,653
Loss for the year	(24,329,381)	(39,052,195)
Total comprehensive loss	(24,329,381)	(39,052,195)

NOTE 32 BUSINESS COMBINATIONS

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

Notes to the Consolidated Financial Statements

NOTE 32 BUSINESS COMBINATIONS (CONT.)

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

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

Details of the acquisition are as follows:

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

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

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Notes to the Consolidated Financial Statements

NOTE 32 BUSINESS COMBINATIONS (CONT.)

Since the acquisition, the Moranbah Gas Project has contributed \$106,711,284 in revenue and a \$12,797,166 net profit.

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

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

NOTE 33 EVENTS AFTER THE REPORTING DATE

On 11 July 2024, QPM was awarded an \$8 million grant from the Australian Federal Government under the International Partnerships in Critical Minerals program. This funding was subsequently matched by the Queensland Government for a total of \$16 million of which \$2 million was received in September 2024.

The key commercial terms for the new contracts which will replace the Townsville Power Station dispatch rights (Power Purchase Agreement) and North Queensland Gas Pipeline (gas transport and storage services agreement) upon their expiry were agreed on 27 August 2024 through the execution of non-binding term sheets with both counterparties. Drafting of long form agreements is currently underway.

Subsequent to year-end, the required minimum cash balance was further reduced to \$nil and all funds (\$6 million) were released from the cash collateral account.

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Consolidated entity disclosure statement

As at 30 June 2024

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

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Directors' Declaration

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- d) The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

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

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



Eddie King
Non-Executive Interim Chairman

27 September 2024

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Independent auditor's report to the members of Queensland Pacific Metals Limited

Report on the audit of the financial Report

Opinion

We have audited the financial report of Queensland Pacific Metals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

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

Key audit matters

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

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

Acquisition of the Moranbah Gas Project

Why significant	How our audit addressed the key audit matter
During the year, the Group completed the acquisition of the Moranbah Gas Project ("MGP"), which was accounted for as a business combination. As disclosed in note 32 of the financial statements, the Group acquired total assets of \$230.7 million (including cash of \$35.0 million), and total liabilities of \$225.7 million, for a total purchase consideration of \$5 million. The accounting for the acquisition was considered a key audit matter due to the magnitude of assets and liabilities acquired and the judgements required by the Group to identify and measure the fair value of the identifiable assets and liabilities acquired.	Our audit procedures included the following: ▶ Obtained and read the purchase agreements, related appendices and side agreements. ▶ Evaluated the Group's conclusion that the acquisition of the MGP was a business combination under the requirements of Australian Accounting Standards. ▶ Considered the acquisition date applied by the Group with reference to the date control of MGP was obtained. ▶ Agreed the payment of the purchased consideration to bank statement. ▶ Assessed the qualifications, competence and objectivity of the independent experts used by the Group to determine the fair value of property plant and equipment, oil and gas properties and customer contract liabilities. ▶ Assessed completeness of the identified assets, liabilities and contingent liabilities acquired and their respective fair values, including: ▶ Visited the MGP and performed a stocktake in relation to the acquired material and spares inventories. ▶ Assessed the valuation methodology applied by the Group and its independent experts for consistency with the requirements of Australian Accounting Standards and generally accepted industry practice. ▶ Performed valuation cross-checks to reserves multiple, appropriate to the assets. ▶ Assessed key assumptions; market value for gas, inflation rates, and discount rates used to by the Group and its independent experts in measuring the fair value of acquired assets and liabilities. ▶ Evaluated the planned usage of acquired assets, including expected idle capacity and the impact of the fair value of those assets.

Why significant	How our audit addressed the key audit matter
	▶ Checked the clerical accuracy of models used as within the fair value calculations. ▶ Assessed the adequacy of the related disclosures included in the notes to the financial statements.

Revenue from contracts with customers and other revenue

Why significant	How our audit addressed the key audit matter
Revenue from contracts with customers recorded by the Group for the year ended 30 June 2024 was \$64.7 million as disclosed in note 4. Revenue is recognised by the Group when the gas, electricity, or gas processing services are delivered. The Group also recorded <i>Other Revenue</i> of \$42.0 million for the year ended 30 June 2024 in relation to the unwind of customer contract liabilities recorded as part of the business combination accounting for the MGP. The Groups revenue is a key performance measure for executives and it is also a key parameter by which the financial performance of the Group is measured. Accordingly, we consider revenue to be a key audit matter.	Our audit procedures evaluated revenue recognised in accordance with the requirements of Australian Accounting Standards, these included: ▶ Assessed the Group's identification of the performance obligations and timing of revenue recognition based on satisfying those performance obligations. ▶ Assessed the Group's design effectiveness of relevant controls over the recognition of revenue. ▶ Tested a sample of revenue recorded, including obtaining third party evidence of the delivery of the gas, electricity, or service. ▶ Obtained third party confirmation from the Group's key customer of gas sales volumes and amounts for the financial year, and the associated trade debtor receivable at year end. ▶ Evaluated the unwind of contract liabilities recorded as <i>Other Revenue</i> during the financial year. ▶ Evaluated the cut-off of revenue to test revenue was recognised in the appropriate financial year, by obtaining third party evidence of gas and electricity delivered up until balance date. ▶ Assessed the adequacy of the Group's disclosures included in the notes to the financial statements.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 24 of the directors' report for the year ended 30 June 2024.

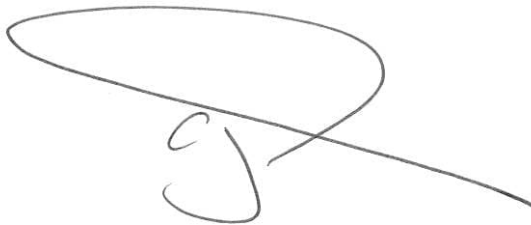
In our opinion, the Remuneration Report of Queensland Pacific Metals Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



Ernst & Young



Andrew Carrick
Partner
Brisbane
27 September 2024

Corporate Governance Statement

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

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

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

ASX Additional information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 27 September 2024.

TWENTY LARGEST SHAREHOLDERS

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	238,237,824	9.45
2	CITICORP NOMINEES PTY LIMITED	215,217,081	8.54
3	GENERAL MOTORS HOLDINGS LLC	196,063,363	7.78
4	PALM BEACH NOMINEES PTY LIMITED	74,503,018	2.96
5	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	72,631,579	2.88
6	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	60,466,166	2.40
7	BNP PARIBAS NOMS PTY LTD	60,417,276	2.40
8	MR KENNETH JOSEPH HALL <HALL PARK A/C>	47,202,550	1.87
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	42,978,938	1.70
10	MR ANDREW MARTIN MATHESON	30,000,000	1.19
11	MR JOHN CHARLES DOWNIE	29,588,283	1.17
12	FOSTER STOCKBROKING PTY LTD <NO 1 ACCOUNT>	20,318,947	0.81
13	MR KENNETH JOSEPH HALL <HALL PARK A/C>	19,200,000	0.76
14	MS XIAODAN WU	18,614,441	0.74
15	DAVIDSON NOMINEES PTY LTD <DAVIDSON HOLDINGS A/C>	18,142,857	0.72
16	BNP PARIBAS NOMS (NZ) LTD	15,000,000	0.59
17	KING CORPORATE PTY LTD	13,250,000	0.53
18	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	12,898,346	0.51
19	BLACK PRINCE PTY LTD <BLACK PRINCE SUPER FUND A/C>	11,857,143	0.47
20	E-TECH CAPITAL PTY LTD <ASF SUPER FUND A/C>	11,735,061	0.47
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		1,208,322,873	238,237,824

ASX Additional information

DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

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

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

(ii) Unlisted Options

2,000,000 unlisted options expiring 24 November 2024, exercisable at 2.75 cents.

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

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

(iii) Performance Rights

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

14,250,000 Milestones 1 to 4 Performance rights.

3,250,000 Milestone 6 Performance rights.

170,000 Performance rights 2022

12,290,982 STI Performance rights

13,107,396 LTI Performance rights

7,828,611 STI1A Performance rights

7,828,611 STI2B Performance rights

1,333,333 Class A Performance rights

1,333,333 Class B Performance rights

1,333,333 Class C Performance rights

6,000,000 Class D Performance rights

6,000,000 Class E Performance rights

6,000,000 Class F Performance rights

6,000,000 Class H Performance rights

6,000,000 Class I Performance rights

6,000,000 Class J Performance rights

For personal use only

SUBSTANTIAL SHAREHOLDERS

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

1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	238,237,824	9.45
2	CITICORP NOMINEES PTY LIMITED	215,217,081	8.54

RESTRICTED SECURITIES

There were no restricted securities.

UNMARKETABLE PARCELS

There were 4,458 holders of less than a marketable parcel of ordinary shares, which as at 27 September 2024 was 17,242.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

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

TAX STATUS

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

FRANKING CREDITS

The Company has no franking credits.

STATEMENT IN ACCORDANCE WITH ASX LISTING RULE 4.10.19

The Company confirms in the period from admission to the official list of the ASX to 28 September 2018, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

TENEMENT TABLE

Tenement ID	Status	Applic. Date	Granted Date	Expiry Date	Holding	Name	Registered Co.
EL 1761	Renewal application submitted and pending approval	12-Dec-23	12-Mar-22	11-Mar-2024	100%	Sewa Bay	Queensland Pacific Metals Ltd