



2025 Annual Report

FOR THE YEAR ENDED 30 JUNE 2025

QEM LIMITED
ACN 167 966 770

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Corporate Directory

DIRECTORS

Timothy Wall
Daniel Harris
Robert Cooper

SECRETARY

Duncan Cornish

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Chairman's Letter

Dear Fellow Shareholders,

I hereby present QEM Limited's 2025 Annual Report.

The 2025 financial year saw the Company continue to deliver significant key milestones for the Julia Creek Vanadium and Energy Project (JCVEP) in North-West Queensland. The primary focus for the team was delivery of the project's Scoping Study, which was released in August 2024, demonstrating a distinctive and commercially attractive project for onsite critical minerals refining in Queensland. Subsequent work during the 2025 financial year focussed on narrowing the range of outcomes for key flowsheet opportunities and risks identified in the scoping study and progressing critical project approvals.

The scoping study built on vanadium recovery optimisation work by GSA Environmental, previous QEM pilot plant work and the completion of mineral characterisation and fine particle beneficiation work, focused on optimising vanadium pentoxide grade, by The University of Queensland's Sustainable Minerals Institute (SMI). Post the financial year close, the continuing work by SMI on validating key separation steps in the Feed Preparation Facility flowsheet (identified as a key risk mitigation in the scoping study) regrettably proved unsuccessful, necessitating a slowdown in project activities and a strategic review of the JCVEP.

In December 2024, a significant step towards securing an Environmental Authority and Mining Lease was achieved, with QEM's JCVEP designated a 'Coordinated Project' by the Office of the Coordinator General (OCG) recognising the project's complexity, strategic value and potential positive social and economic impact. The Declaration also established the environmental approvals processes, including an Environmental Impact Statement (EIS), which could be assessed and decided through the Joint Queensland and Commonwealth Government Bilateral Agreement.

Following the designation as 'Coordinated Project', the Company and the OCG worked on preparing a draft Terms of Reference (ToR) which sets the requirements that the project must satisfy in preparing an EIS. In June 2025 the ToR was finalised by the Queensland Government, marking another important milestone towards securing an Environmental Authority and Mining Lease.

During 2025, QEM endorsed the Wanamara People as the traditional owners, and in June 2025 the terms of the Cultural Heritage Management Plan were agreed between QEM and the Wanamara People. The agreement was executed post the reporting period in July 2025.

Following delivery of the Scoping study 'Coordinated Project' declaration and strong progress towards securing Environmental approvals, a planned transition occurred between QEM founder Gavin Loyden and incoming CEO Robert Cooper at the end of the financial year. Gavin retired post reporting period on 2 July and Robert was subsequently appointed to the board as Managing Director. On behalf of the board and all Shareholders I sincerely thank Gavin for his vision, leadership and tireless contribution in realising the strategic ambition he set in 2014, and welcome Robert to the company.

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

The vanadium sector continues to be strongly supported by both the Australian Federal Government and the Queensland State Government through their respective Critical Minerals Strategies. The Queensland State Government is progressing the \$75M Queensland Resources Common User Facility to demonstrate vanadium extraction at scale.

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

I am honoured to serve as QEM's Chair and I would like to thank my fellow Directors, in particular our outgoing founder and MD Gavin Loyden, our hard-working team, and our collaboration partners for their efforts and achievements this year for your Company.

The next 12 months will see QEM continue evaluation of our flagship Julia Creek Vanadium and Energy Project, with priority on flowsheet options, progressing the EIS and continuing our renewable energy initiatives with Potentia Energy.

In closing, I thank QEM's loyal shareholders for your continued support of our Company and assure you that the board remains fully focussed on delivering long term shareholder value.

A handwritten signature in black ink, reading "Tim Wall". The signature is written in a cursive, flowing style.

Tim Wall
Non-executive Chair

Directors' Report

Your directors present their report on QEM Limited (referred hereafter as "the Company") for the financial year ended 30 June 2025.

DIRECTORS

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

- Timothy Wall (Non-Executive Chairman)
- Robert Cooper (Managing Director and CEO, appointed 2 July 2025)
- Daniel Harris (Non-Executive Director)
- Tony Pearson (Non-Executive Director, resigned 20 November 2024)
- David Fitch (Non-Executive Director, resigned 27 August 2024)
- Gavin Loyden (Managing Director, resigned 2 July 2025)

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

COMPANY SECRETARY

Duncan Cornish

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was exploration at the Julia Creek Vanadium and Energy Project.

OPERATING RESULTS

Loss after income tax for the financial year was \$3,230,823 (2024: \$2,044,866).

FINANCIAL POSITION

The net assets of the Company at 30 June 2025 are \$2,829,123 (2024: net assets of \$1,564,460). The Company's working capital, being current assets less current liabilities is \$2,360,705 at 30 June 2025 (2024: working capital of \$1,013,829).

DIVIDENDS PAID OR RECOMMENDED

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

RISK MANAGEMENT

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

EXPLORATION AND DEVELOPMENT

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

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

ECONOMIC CONDITIONS

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

RELIANCE ON KEY PERSONNEL

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

FUTURE FUNDING RISK

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

UNFORESEEN EXPENDITURE RISK

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

ENVIRONMENTAL, WEATHER & CLIMATE CHANGE

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

CYBER SECURITY AND IT

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

FULL YEAR REVIEW OF OPERATIONS:

THE JULIA CREEK VANADIUM AND ENERGY PROJECT

The Julia Creek Vanadium and Energy Project (or Julia Creek Project) comprises four granted Exploration Permits for Minerals (EPMs) covering a total area of approximately 250km². The tenements form part of the vast Toolebuc Formation, which is recognised as one of the largest deposits of vanadium and oil shale in the world.

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

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

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

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

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

Tenure

The 100% fully owned project consists of 4 tenements covering 249.6 km².

Table 1: Julia Creek Project Tenure

Tenement	Concession Type	Area (km ²)	Status	Granted	Expiry
EPM 25662	Exploration Permit Minerals other than Coal	134.54	Granted	22/01/2015	23/01/2030
EPM 25681	Exploration Permit Minerals other than Coal	6.41	Granted	06/03/2015	05/03/2030
EPM 26429	Exploration Permit Minerals other than Coal	35.24	Granted	16/03/2017	15/03/2027
EPM 27057	Exploration Permit Minerals other than Coal	73.63	Granted	02/05/2019	01/05/2029



Figure 1: Julia Creek Project Location

SCOPING STUDY

RPM Advisory Services Pty Ltd ("RPM") successfully completed the Scoping Study for QEM's Julia Creek Project Vanadium and Energy Project in August 2024.

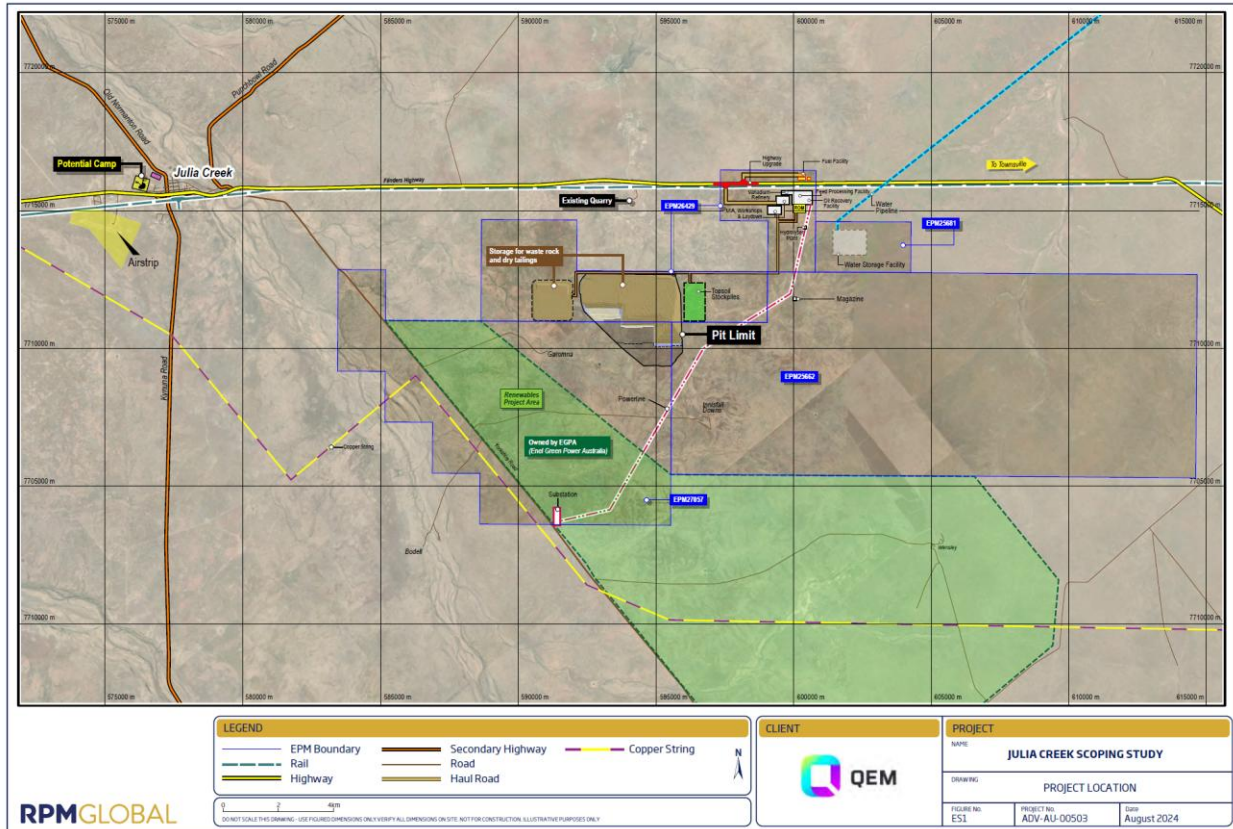
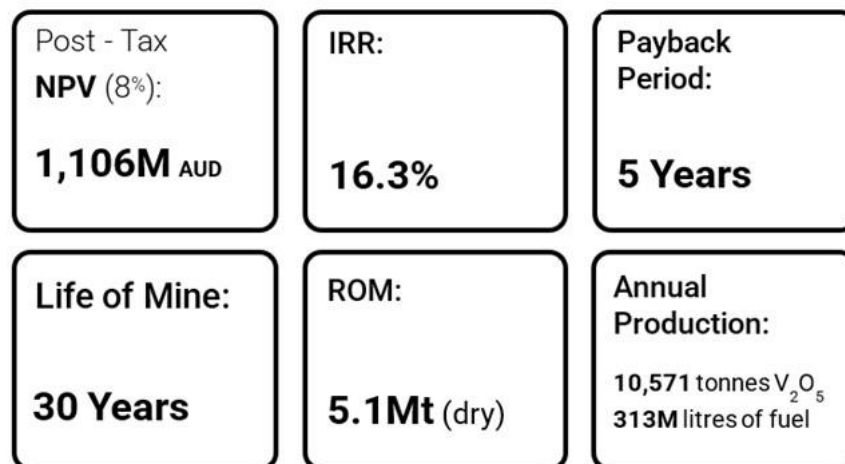


Figure 2: General Arrangement - Scoping Study

KEY STUDY FINDINGS

All financial outcomes reflect an approximate or estimated value. Key physical metrics for the Project, key financial outcomes and key assumptions used in the Scoping Study are summarised below (the below graphic should be read with the detailed notes that follow).



Key Outcomes of the Scoping Study:

- Post-tax NPV of AUD 1,106 M (8% discount rate), DCF-IRR of 16.3%, and a payback period of five years from the start of mining ¹;
- Pre-production capital expenditure estimated at approximately AUD 791M ²
- Projected revenue over the life of mine from V₂O₅ sales is approximately 11.5Bn AUD and approximately 10.1Bn AUD from sale of transport fuel (Total revenue 21.7Bn) ³.
- Scheduled plant feed quantities of approximately 148.4M dmt (154.7 M wmt @ ~4% moisture) at an average of 0.27% V₂O₅ and 54.1 litres per tonne (L/t) (PRMS), and strip ratio of 5:1;
- Pit limit sensitivity analysis indicated the majority of the lease has economic ore and, therefore, the Project has significant potential to increase production or the life of the operation;
- Mine life of 30 years, assuming an ore production rate of 5.1 Mt (dry) (5.3 Mt wet) per year with over 80% of the process plant feed from Indicated Mineral Resources;
- Over the LOM, an average production of 10,571 tpa (23.3Mlbs) V₂O₅ (99.5% grade) and 5,960 bbl/day (313 million litres per annum) of transport fuel;
- Approximately 7% of the produced transport fuel is to be provided free-issue to the mining contractor to undertake the mining work. Therefore, the average transport fuel sold is 5,500 bbl/day (874,500 L/day) totalling 291 million litres per annum;
- Ongoing replacement and sustaining capital of AUD 598 M (over 30-year mine life ~AUD 20 M per annum), resulting in a total capital expenditure of AUD 1,694 M (including contingency costs and indirect costs);
- Mine cash operating costs average AUD 83.36/dmt plant feed (including royalties, transport costs and contingency); and
- Projected vanadium pentoxide (V₂O₅) selling price of approximately USD11.56/lb and transport fuel at AUD 1.20/L (AUD 191.18/bbl) excluding excise and GST.

A sensitivity analysis⁷ across a range of +/-15% undertaken on product selling price, capital and operating costs, and product output indicates that the NPV remains positive for each analysis. The Project is most sensitive to the selling price and operating costs as outlined on the table below.

Project Economic Sensitivities

Variable	Lower %	Upper %	Lower NPV (AUD million)	Upper NPV (AUD million)
Sale Price	85%	115%	343	1,847
Opex	115%	85%	462	1,732
Plant Recovery	95%	105%	837	1,356
Capital	115%	85%	909	1,285
Diesel for Mining Operations	125%	75%	1,097	1,097

* Approximately 7% of the transport fuel produced by QEM is to be provided free-issue to the mining contractor to undertake the mining work. Fuel is provided free of charge to the mining Contractor, therefore, a change in the price of diesel (as a cost) is immaterial to the estimated NPV.

¹ Based on a projected V₂O₅ selling price of approximately USD11.56/lb and exchange rate of AUD:USD 0.68. The projected selling price has been selected on the assumption that a premium is to be applied on the basis of the 99.5% grade of the V₂O₅ and with reference to the Vanitec Forecast and Vanadium Market Overview presented in July 2024 which projects the long-term average price of V₂O₅ to be USD12.26/lb.

² Excluding contingency costs and indirect costs such as owner's costs and EPCM. Inclusive of contingency costs and indirect costs, pre-production capital expenditure is estimated at AUD 1,096M.

³ The transport fuel selling price of AUD 1.202/L (AUD 191.18/bbl) has been selected based on the 3-year average wholesale at the gate price for diesel ex. Brisbane (excluding excise and GST).

PROJECT APPROVALS

Coordinated Project Status

On 23 December 2024, the QEM's Julia Creek Vanadium and Energy Project was designated a 'Coordinated Project' under Queensland's State Development and Public Works Organisation Act 1971 by the Office of the Coordinator General (OCG).

Coordinated Project Status is a major milestone recognising JCVEP's complexity, strategic value and potential positive social and economic impact. The Declaration also establishes the environmental approvals processes, including an Environmental Impact Statement (EIS), which could be assessed and decided through the Joint Queensland and Commonwealth Government Bilateral Agreement.

Terms of Reference

Following the designation as 'Coordinated Project' under Queensland's State Development and Public Works Organisation Act 1971 by the Office of the Coordinator General (OCG), the Company and OCG worked on preparing a draft Terms of Reference (ToR) which sets the requirements that the project must satisfy in preparing an Environmental Impact Statement (EIS).

Where a project is declared a coordinated project by the Queensland Government and requires an EIS, the project proponent must prepare an EIS that provides:

- A detailed description of the proposed project;
- All relevant environmental, social and economic impacts of the project; and
- An assessment of the management, monitoring, and other measures proposed to avoid, minimise and/or mitigate any adverse impacts of the project.

In June 2025 the ToR was finalised by the Queensland Government, marking an important milestone in advancing the Julia Creek Project towards securing an Environmental Authority and Mining Lease, essential for project development.

Controlled Action Declaration

In October 2024, QEM submitted a referral under the Environmental and Biodiversity Conservation Act 1999 (EPBC Act) for the Project. In late December, the Commonwealth's Department of Climate Change, Energy, the Environment and Water (DCCEEW) assessed the referral and determined that the JCVEP is a Controlled Action requiring assessment and approval under the EPBC Act. The Controlled Action Declaration was announced to the market on 6 January 2025.

The DCCEEW also decided, under section 87 of the EPBC Act, that the Project will be assessed under Queensland State's Development and Public Works Organisation Act 1971. The Project will benefit by the bilateral agreement between the Commonwealth and Queensland Government. The bilateral agreement streamlines environmental assessment processes for projects that require both Commonwealth and State approvals, reducing duplication and improving efficiency.

Cultural Heritage Management Plan

During 2025, QEM endorsed the Wanamara People as the traditional owners and commenced negotiations regarding the development of a Cultural Heritage Management Plan (CHMP) for the Julia Creek Project.

Under the Aboriginal Cultural Heritage Act 2003 and the Torres Strait Islander Cultural Heritage Act 2003, a CHMP is mandatory for any project that requires an environmental impact statement (EIS) or certain other approvals. This means that for major developments—such as the Julia Creek Vanadium and Energy Project—a CHMP must be developed and approved before the project can proceed.

In June 2025, the terms of the CHMP were agreed between QEM and the Wanamara People with the agreement being executed post the reporting period in July 2025. This was followed by the first cultural heritage survey, prior to completing the September 2025 drilling programme.

PROCESSING & MINERALOGY

Mineral Characterisation Studies

In July 2024, commenced work with The University of Queensland's (UQ) WH Bryan Mining Geology Research Centre to undertake characterisation work of the mineralogical and chemical composition of QEM's oil shale.

The project was carried out according to the following main objectives:

- Macro-scale characterisation of provided core samples (photography, petrophysical properties)
- Determination of organic carbon content and geochemical composition of provided samples
- Mineralogical characterisation to determine bulk mineral properties of supplied samples
- Intact mineralogical and chemical characterisation focussing on distribution of vanadium at macro- to micro-scale using appropriate analytical techniques

Six core samples were provided to UQ from two separate diamond drill holes and a staged approach was adopted to characterise the intact cores using petrophysical and non-destructive geochemical methods prior to destructive, bulk analyses. Petrophysical results indicated that all cores have a similar magnetic susceptibility response which is likely attributed to clay-mineral type, relative abundance and fabric (giving rise to paramagnetic properties). Conductivity responses were also highly heterogeneous and controlled by localised presence of pyrite with variable textures ranging from microscopic disseminations to larger agglomerations.

Determination of organic-material was by programmed pyrolysis and optical microscopy methods. The pyrolysis results indicated that the samples contain low concentrations of free oil (<5 mg/kg) and higher than average kerogen content (90-105 mg/g) for oil shales. Optical microscopy identified three main kerogen sub-groups (dendovitrinite, bituminite, inertinite) with varying physical properties (grain size, shape and texture) that likely impacts liberation characteristics.

Bulk vanadium concentration of the samples was determined by XRF and ranges between 0.22% and 0.32% V₂O₅ varying both down hole and laterally between holes. Mineralogically, the samples are dominated by clay group minerals (20-30 wt. %), quartz (13-19 wt. %) and calcite (9-20 wt. %) with minor gypsum, pyrite and plagioclase along with amorphous material (28 to 37 wt.%).

In situ geochemical mapping using XRF highlights vanadium can be heterogeneously distributed on a scale of centimetres within the samples and is broadly correlated with bands of higher aluminium (clays) and inversely correlated with calcium (carbonate shell fragments) which may indicate periods of low-energy

sedimentation and vanadium-rich organic material accumulation. Further micro-analysis indicated that clay minerals represent the dominant vanadium-host, consistent with previous studies.

The final report was received in October 2024 and was passed onto UQ's Sustainable Minerals Institute team to assist in the scoping of the floatation and beneficiation test work.

Mineral Beneficiation Studies

In September 2024, QEM signed an agreement with UQ's Julius Kruttschnitt Mineral Research Centre to investigate and test beneficiation methods on QEM's oil shale. This research project focused on the recovery of kerogen from oil shale using flotation technology, with the broader goal of separating valuable hydrocarbons from clay and calcite. The study involved sample preparation, mineralogical analysis, and a series of flotation tests under varying conditions.

This work program utilised a range of advanced mineralogical and chemical beneficiation techniques to constrain the mineralogical characteristics and vanadium host phases in feed materials. Understanding the flotation response of the naturally hydrophobic material and achieving selectivity were key components of this test work.

The sample characterisation revealed a complex mineralogy dominated by montmorillonite clay, calcite, and organic matter. Primarily composed of 62% clay (montmorillonite), 16.4% calcite, and 8% organics, with minor pyrite (3.8%) and quartz (3.4%). The bulk assay of overall material (calculated from each size fraction of crushed material) contains 2.15 mg/g free oil, 107.4 mg/g kerogen yield, 15.5% TOC, 17.7% CaCO₃, 36.5% SiO₂, and 0.32% V₂O₅. The results of this analysis showed that almost all elements are homogeneously distributed across different size fractions.

The flotation tests explored the effects of grinding, reagent dosage, frother type, collector dosing methods, pH, depressant and alternative collectors on kerogen recovery. Results indicated that the recovery of kerogen from oil shale via flotation is technically feasible, selectivity remains a significant challenge. The alternative approach of reverse calcite flotation showed potential but required further optimisation.

The study demonstrated that kerogen recovery from oil shale may be feasible using flotation technology, with recovery up to 79% achieved under optimal conditions. The recommendation was that future work should focus on surface treatment, exploring advanced flotation techniques, and investigating alternative reagents to improve recovery and selectivity.

During this beneficiation test work, UQ tested aerosol dosing equipment (UQ-developed technology) for mixing oil shale feed with frothers and collectors, improving selectivity in separating vanadium-bearing clays and kerogen.

From this work, UQ sought to protect its aerosol dosing equipment intellectual property (IP), while QEM sought to retain ownership of its own IP around the process conditions for clay-kerogen separation.

The final agreement has UQ assigning all IP from work package #4 (data, reports, and work) to QEM via an IP deed of assignment. UQ retains IP ownership for work package #5, including any advancements in aerosol dosing technology via the work schedule. Work schedule #5, however, acknowledges that QEM's background IP includes all process conditions, reagents, and consumables for successful oil shale beneficiation and clay-kerogen separation, with any further developments owned by QEM. UQ also included a licence back of the IP (equipment), which is the standard approach under the Umbrella Agreement between QEM and UQ.

Delays in finalising an agreement to protect each party's IP meant that a contract for completing work on test package #5 was not executed until June 2025, with the test work starting shortly after. Beneficiation test package #5 focuses on the aerosol dosing to enhance selectivity observed in work package #4. the UQ test work is expected to be completed towards the end of the first quarter of FY2026.

ENVIRONMENTAL STUDIES

Waste Characterisation

During the reporting year, RGS Consultants Pty Ltd (RGS) completed a soil quality, geochemical, and physical characterisation assessment of mine waste materials for the project. The assessment represents phase 1 of the waste characterisation work required by the Environmental Impact Statement and for the Progressive Rehabilitation and Closure Plan (PRCP) to meet Queensland regulatory requirements for the Julia Creek Vanadium and Energy Project. Key results are:

- Soil and overburden mine materials represented by the samples tested are classified as Non-Acid Forming (NAF).
- The coquina and oil shale orebody is predominantly NAF and is expected to have sufficient Acid Neutralising Capacity (ANC) to neutralise the small proportion of Potentially Acid Forming (PAF) materials. These materials have an elevated factor of safety with respect to potential acid generation.
- Basement (Wallumbilla Formation - WLA) materials are PAF and have moderate sulfide sulfur levels and negligible ANC and will require management.
- Most overburden mine waste materials have a low risk of generating metalliferous drainage. However, metals should be included in the water quality monitoring program for the site.
- Most mine materials have a very low to moderate potential to produce saline drainage.
- Topsoil is a suitable growth medium for re-establishing suitably salt-tolerant native vegetation.

Future program of works will include:

- Geochemical characterisation of process residues (e.g., tailings and coarse rejects), options for re-use, as well as the potential impacts to surface water and groundwater.
- Assessment of the mining strategy regarding the exposure of the PAF basement materials; A basal layer of orebody may be sufficient to prevent the oxidation of the basement.

Ground and Surface Water Monitoring

Throughout the year, QEM has completed four rounds of surface and groundwater monitoring surveys on a quarterly basis. The monitoring network around the project includes 11 surface water locations and 16 groundwater monitoring bores that QEM has installed across the tenement.

The purpose of this work is to provide an assessment of baseline groundwater and surface water conditions to support preparation of an Environmental Impact Statement (EIS). In accordance with the Environmental Protection Act 1994, this EIS is a requisite to obtain Environmental Authority.

QEM has now completed over 24 months of data collection and will continue collecting samples on a quarterly basis post reporting period.



Figure 3: Water monitoring campaign

GRANTS

Collaborative Development Program - Grant Approved

In February 2025, the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development notified QEM that it had been successful in its application for the Collaborative Development Program (CDP) grant.

The CDP has clear objectives focused on advancing the State's critical minerals sector and supporting regional economic growth by enhancing recovery of critical minerals, promoting reprocessing and reuse of mine waste, supporting innovation and novel technologies, and driving regional jobs and economic development.

The terms of the CDP grant continued to be refined by the Company and the Department up until the end of the reporting year and have continued into the first quarter of financial year 2026.

Collaborative Exploration Initiative

In December 2024, QEM applied for funding through the Queensland Government's Collaborative Exploration Initiative (CEI).

The CEI grant aims to encourage the discovery and development of Queensland's critical mineral deposits to help meet the growing demands of the world's technology and renewable energy sectors. Funding is currently provided under the Queensland Resources Industry Development Plan (QRIDP), with \$17.5 million available until June 2027 to support Queensland's exploration companies to discover the future mines to produce the minerals and metals that the world needs.

Unfortunately, QEM's grant application was unsuccessful due to the maturity of the deposit. The grant is intended to fund greenfield exploration, not existing infill drilling programs such as QEM's.

CAPITAL RAISINGS

On 25 October 2024, QEM announced the completion of a Renounceable Entitlement Offer, raising approximately \$2.76 million, issuing 39,441,976 new fully paid ordinary shares at \$0.07 per share and 20,769,014 (quoted) options exercisable at \$0.14, with an expiry date of 30 September 2026. (including 1,048,000 options to the lead manager)

On 29 May 2025, QEM announced the completion of a Placement to raise approximately \$2.05 million. On 6 June 2025, the Company issued 45,566,665 new fully paid ordinary shares at \$0.045 per share. As part of the Placement, on 1 August 2025, following shareholder approval, the Company issued 21,659,493 (unquoted) options exercisable at \$0.065, with an expiry date of 31 July 2028 (including 1,559,483 options to the lead manager).

GOVERNMENT RELATIONS

Throughout FY2025, QEM has continued its engagement with the relevant all Queensland State Government Departments who are key stakeholders in the progress and development of the Julia Creek Project, whilst also providing strong support for the development of vanadium industry.

R&D TAX INCENTIVE REFUND

On 17 June 2025, QEM received the R&D tax incentive rebate for a total of \$243,539 for financial year 2024. These funds will be reinvested into the on-going project development.

BOARD RESIGNATIONS AND APPOINTMENTS

During the year ended 30 June 2025, and up to the date of this report, the following director resigned:

- Tony Pearson (Non-Executive Director, resigned 20 November 2024)
- David Fitch (Non-Executive Director, resigned 27 August 2024)
- Gavin Loyden (Managing Director, resigned 2 July 2025)

ROBERT COOPER

On 2 July 2025 the Company appointed Mr Robert Copper as Managing Director of QEM.

Mr Cooper brings over 30 years of global mining experience, including senior executive leadership and non-executive board roles across the resources and battery materials sectors. He most recently served as MD/CEO of New Century Resources, and prior to that, as CEO of Round Oak Minerals, a wholly owned subsidiary of Washington H. Soul Pattinson (ASX:SOL). He has held senior roles with Discovery Metals, BHP, and has been a non-executive director at Novonix ASX:NVX), Syndicated Metals, and Verdant Minerals.

ESG

QEM has continued to use the Socialsuite platform and has released the company's 13th consecutive Quarterly ESG Report to monitor and disclose the Company's ESG progress and initiatives. The metrics QEM reports on form part of the World Economic Forum's (WEF) standardised and globally recognised Stakeholder Capitalism Metrics ESG framework, with the Company's current ESG focus highlighted below.

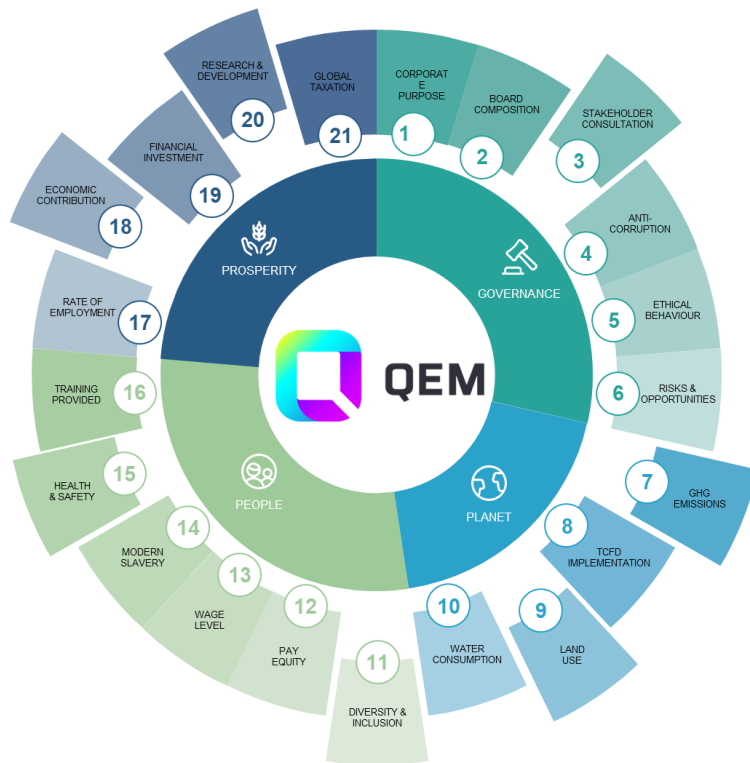


Figure 4: QEM has adopted the WEF Stakeholder Capitalism Metrics ESG Framework

GOVERNANCE – MATERIALITY & STAKEHOLDER ENGAGEMENT

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

RENEWABLES PROJECT

Following the sale of the Julia Creek Renewables Project in January 2024, QEM has remained actively engaged with Potentia (formerly Enel Green Power Australia) to assist in the development of the Renewables Project.

The Renewables Project is located immediately adjacent to QEM's Julia Creek Project and represents one of Queensland's largest proposed renewable energy projects. At the time of the sale, the project was targeting a 1GW generation capacity with a mix of technologies including wind, solar and battery storage.

COMMUNITY RELATIONS

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

QEM maintains a constant presence in Julia Creek, with staff members spending on average one week per month in town while conducting site work or operating from QEM's Julia Creek office.

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

- Saxby Roundup Campdraft (July 2024)
- Sedan Dip Campdraft (August 2024)
- Big Weekend (October 2024)
- Beach Races (November 2024)
- Julia Creek Dirt N Dust Festival (April 2025 – Postponed to August 2025)

INFORMATION ON DIRECTORS

TIM WALL – NON-EXECUTIVE CHAIRMAN

GAICD, MIE Aust, CPEng, RPEQ

Background

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

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

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

Interest in securities

457,144 Ordinary Shares

178,572 Quoted Options exercisable at \$0.14 on or before 30 September 2026

150,000 Class A performance rights

75,000 Class B performance rights

150,000 Class C performance rights

1,500,000 Performance rights

Directorships held in other listed entities in the past three years

None

ROBERT COOPER – MANAGING DIRECTOR***Background***

On 2 July 2025 the Company appointed Mr Robert Copper as Managing Director of QEM.

Mr Cooper brings over 30 years of global mining experience, including senior executive leadership and non-executive board roles across the resources and battery materials sectors. He most recently served as MD/CEO of New Century Resources, and prior to that, as CEO of Round Oak Minerals, a wholly owned subsidiary of Washington H. Soul Pattinson (ASX:SOL). He has held senior roles with Discovery Metals, BHP, and has been a NED at Novonix ASX:NVX), Syndicated Metals, and Verdant Minerals.

Interest in securities

Nil

Directorships held in other listed entities in the past three years

None

DANIEL CLIFFORD HARRIS – NON-EXECUTIVE DIRECTOR

B.Sc (Chem Eng)

Background

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

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

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

Prior to EVRAZ, Mr Harris held numerous positions with Strategic Minerals Corporation. Throughout his 30 years with the company, he advanced his career from junior engineer, through to CFO and CEO roles within the group and was responsible for increasing the capacity of the Hot Springs Project by 50%. Additionally, Mr Harris was a Non-executive Director of Red Hawk Mining, an ASX listed iron ore company and Paladin Energy, an ASX listed uranium producer.

Mr Harris is a non-executive director on the Board of Australian Vanadium Ltd, a Perth based vanadium company now finalizing a DFS for their Gabanintha vanadium project.

Mr Harris is also a non-executive director and acts as a technical executive consultant to GSA Environmental in the UK, a process engineering company that is well credentialed in the vanadium and oil

industries. GSA is the UK's leading technology company for extraction and recovery of metals from ashes, minerals, refinery residues, spent catalyst and industrial by-products.

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

Interest in securities

357,143 Ordinary Shares

178,571 Quoted Options exercisable at \$0.14 on or before 30 September 2026

100,000 Class A performance rights

50,000 Class B performance rights

100,000 Class C performance rights

750,000 Performance rights

Directorships held in other listed entities in the past three years

Australian Vanadium Limited (ASX:AVL) Non-Executive Director

Red Hawk Mining Limited (ASX:RHK) Non-Executive Director

COMPANY SECRETARY**DUNCAN CORNISH**

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

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

REMUNERATION REPORT (AUDITED)

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

1. Employment Agreements

The Company has entered into an Employment Agreement with Robert Cooper. Mr Cooper was employed as Chief Executive Officer effective from 26 May 2025, then subsequently appointed Managing Director on 2 July 2025. Either party may terminate this Agreement by providing written notice to the other party by providing one (1) months' prior notice. Mr Cooper's remuneration is \$2,500 per day (plus 12% superannuation) for 15 days per month (ie. \$37,500 per month (plus 12% superannuation) for 75% time commitment). Incentives may be payable at the discretion of the Board.

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

2. Remuneration policy

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

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

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

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

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

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

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

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

3. Performance rights issued as part of remuneration for the year ended 30 June 2025:

During the financial year, directors Tim Wall and Daniel Harris were issued a total of 2,250,000 performance rights in three tranches:

- Tranche 1: A total of 1,350,000 performance rights will vest based on continuous employment for the years ending 30 November 2025, 2026 and 2027.
- Tranche 2: A total of 300,000 performance rights will vest upon securing a strategic investor to the Company at any time before 26 August 2027 (and continuous employment).
- Tranche 3: A total of 600,000 performance rights will vest upon delivery of a Pre-Feasibility Study by 1 July 2026 (and continuous employment).

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

4. Options issued as part of remuneration for the year ended 30 June 2025:

During the financial year, the director Gavin Loyden was issued a total of 2,500,000 unlisted incentive options in four tranches of 500,000, 500,000, 500,000 and 1,000,000 with vesting conditions based on various project milestones.

The value of these options is recognized on a pro-rated basis over the life of the options, considering the probability of meeting the performance conditions. The 2,500,000 options lapsed upon the resignation of Gavin Loyden as director on 2 July 2025, and no value of these options was recognized in the financial year ended 30 June 2025. Refer Note 13 to the Financial Statements.

5. Details of remuneration for the year ended 30 June 2025:

The remuneration for each key management personnel of the Company for the year ended 30 June 2025 was as follows:

Key Management Personnel	Short Term Benefits			Post-Employment		Equity-settled Share-based Payments		Total	Performance related %	% consisting of options/ rights
	Salary & Fees	Prov for leave entitlements	Non-monetary benefits	Super-annuation	Other	Shares	Options /Rights			
	\$		\$	\$	\$	\$	\$	\$	%	%
Directors										
David Fitch ¹	4,939	-	-	568	-	-	7,200	12,707	-	57%
Daniel Harris	40,000	-	-	-	-	-	21,617	61,617	-	35%
Gavin Loyden ²	528,500	(131,478)	8,915	38,716	-	-	18,000	462,653	-	4%
Tony Pearson ³	15,525	-	-	1,785	-	-	-	17,310	-	-
Tim Wall	53,273	-	-	2,012	-	-	36,300	91,585	-	40%
Robert Cooper ⁴	46,154	3,976	-	5,538	-	-	-	55,668	-	-
Total	688,391	(127,502)	8,915	48,619	-	-	83,117	701,540		

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

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

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

²Gavin Loyden resigned as a Director on 2 July 2025.

³Tony Pearson was appointed as a Non-Executive Director on 24 August 2023, and resigned on 20 November 2024.

⁴Robert Cooper was appointed as CEO on 26 May 2025, then as Managing Director on 2 July 2025.

⁵Tim Wall was appointed as a Non-Executive Director on 12 October 2022, and succeeded John Foley as Non-Executive Chairman on 15 February 2023.

6. Equity holdings of key management personnel

Share holdings

Number of ordinary shares held by key management personnel during the financial year ended 30 June 2025 was as follows:

30 June 2025	Balance at beginning of year	Net change other	Balance at end of year
Directors			
Daniel Harris	-	357,143	357,143
Gavin Loyden	20,730,690	217,999	20,948,689
Tim Wall	100,000	357,144	457,144
Robert Cooper ³	n/a	-	-
TOTAL	20,830,690	932,286	21,762,976
David Fitch ¹	44,219,693	-	44,219,693 ⁴
Tony Pearson ²	-	357,143	357,143 ⁴

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

²Tony Pearson was appointed as a Non-Executive Director on 24 August 2023, and resigned on 20 November 2024.

³Robert Cooper was appointed as CEO on 26 May 2025, then as Managing Director on 2 July 2025.

⁴Balance at date of resignation

Option holdings

Number of incentive options held by key management personnel during the financial year ended 30 June 2025 was as follows:

30 June 2025	Balance at beginning of year	Net change other	Balance at end of year
Directors			
Daniel Harris	600,000	-	600,000
Gavin Loyden	2,000,000	2,500,000	4,500,000
Tim Wall	600,000	-	600,000
Robert Cooper ³	n/a	-	-
TOTAL	3,200,000	2,500,000	5,700,000
David Fitch ¹	1,000,000	-	1,000,000 ⁴
Tony Pearson ²	-	-	- ⁴

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

²Tony Pearson was appointed as a Non-Executive Director on 24 August 2023, and resigned on 20 November 2024.

³Robert Cooper was appointed as CEO on 26 May 2025, then as Managing Director on 2 July 2025.

⁴Balance at date of resignation

Performance Rights Holdings

Number of performance rights held by key management personnel during the financial year ended 30 June 2025 was as follows:

30 June 2025	Balance at beginning of year	Issued as remuneration	Balance at end of year
Directors			
Daniel Harris	250,000	750,000	1,000,000
Gavin Loyden	625,000	-	625,000
Tim Wall	375,000	1,500,000	1,875,000
Robert Cooper ³	n/a	-	-
TOTAL	1,250,000	2,250,000	3,500,000
David Fitch ¹	250,000	-	250,000 ⁴
Tony Pearson ²	375,000	-	375,000 ⁴

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

²Tony Pearson was appointed as a Non-Executive Director on 24 August 2023, and resigned on 20 November 2024.

³Robert Cooper was appointed as CEO on 26 May 2025, then as Managing Director on 2 July 2025.

⁴Balance at date of resignation

7. Other Key Management Personnel Transactions

During the year ended 30 June 2025, the Company paid consulting fees to Daniel Harris totalling \$16,500 (2024: \$66,000).

David Fitch was a non-executive director of the Company during the year ended 30 June 2024, and until his resignation on 27 August 2024. On 3 June 2023, the Company entered into a rental agreement with CL Fitch Pty Ltd, a related party entity of David Fitch for a premises in Julia Creek. The rental agreement was for a term of 12 months and was rented to the Company for \$30,000 per annum. After the lease expired on 2 June 2024, it continued on a month-to-month basis under the same terms until such time as either party provides one month notice. The Company paid CL Fitch Pty Ltd \$30,000 (exc GST) under this agreement during the financial year 2025 (2024: \$27,500).

The Company incurred no other transactions with related parties.

"End of Remuneration Report (Audited)"

AFTER BALANCE DATE EVENTS

Mr Robert Cooper was appointed Managing Director on 2 July 2025.

Mr Gavin Loyden resigned as a director on 2 July 2025.

On 29 May 2025, QEM announced the completion of a Placement. On 6 June 2025, the Company issued 45,566,665 new fully paid ordinary shares at \$0.045 per share. At part of the Placement, on 1 August 2025 following shareholder approval, the Company issued 21,659,493 (unquoted) options exercisable at \$0.065, with an expiry date of 31 July 2028.

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

FUTURE DEVELOPMENTS

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

MEETINGS OF DIRECTORS

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

	Directors' Meetings	
	No. eligible to attend	No. attended
David Fitch ¹	0	0
Daniel Harris	4	4
Gavin Loyden	4	4
Tony Pearson ²	2	2
Tim Wall	4	4

¹David Fitch resigned on 27 August 2024.

²Tony Pearson resigned on 20 November 2024.

ENVIRONMENTAL ISSUES

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

UNQUOTED SECURITIES

At the date of this report, there were 21,909,493 unquoted options and 3,400,000 unquoted performance rights on issue.

PROCEEDINGS ON BEHALF OF COMPANY

On 6 June 2025, the Company completed a capital raising under which an investor committed to subscribe for 5,366,667 ordinary shares at \$0.045 per share, with a total subscription amount of \$241,500. The investor has, despite demand, failed to remit the funds and has denied any obligation to do so.

The Company has engaged legal counsel and is in the process of commencing proceedings to recover the debt owing. The investor's obligation to subscribe and pay for the relevant shares is considered by the Company to be legally binding and enforceable; however, the outcome of the legal action is uncertain as at the reporting date (and therefore a provision has been applied against the receivable amount).

Other than the matter noted above, no person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

INDEMNIFYING OF OFFICERS

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

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

CORPORATE GOVERNANCE

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

NON-AUDIT SERVICES

There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2025.

AUDITOR'S DECLARATION OF INDEPENDENCE

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

Signed in accordance with a resolution of directors.



Tim Wall
Director (Non-Executive Chairman)
30 September 2025

Auditor's Independence Declaration

HALL CHADWICK 

To the Board of Directors,

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

As lead audit director for the audit of the financial statements of QEM Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 30th day of September 2025
Perth, Western Australia

Statement of Profit or Loss and Other Comprehensive Income

	Note	2025 \$	2024 \$
Other income	2	263,173	2,863,663
Corporate and administrative expenses		(534,479)	(869,375)
Investor relations and marketing expenses		(174,202)	(131,439)
Travelling expenses		(98,051)	(239,278)
Employee benefits expense		(381,272)	(485,896)
Exploration expenditure		(1,784,502)	(2,829,307)
Share based payments expense	13	(83,117)	(99,898)
Amortisation and depreciation expense		(189,952)	(237,985)
Foreign exchange		-	(6,351)
Interest expense		(6,921)	(9,000)
Bad debt expense		(241,500)	-
Loss from continuing operations before income tax benefit		(3,230,823)	(2,044,866)
Income tax expense	3	-	-
Loss from continuing operations after income tax benefit		(3,230,823)	(2,044,866)
Other comprehensive income, net of tax		-	-
Total comprehensive loss attributable to Members of the parent entity		(3,230,823)	(2,044,866)
Basic and diluted loss per share (cents)	4	(1.78)	(1.36)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,835,732	1,645,176
Trade and other receivables	6	60,671	51,563
Other assets	7	31,226	38,178
Total Current Assets		2,927,629	1,734,917
Non-Current Assets			
Other Assets	7	2,500	19,450
Right of Use Asset	9 (a)	39,682	30,609
Plant and Equipment	8	426,236	531,181
Total Non-Current Assets		468,418	581,240
Total Assets		3,396,047	2,316,157
LIABILITIES			
Current Liabilities			
Trade and other payables	10	465,214	504,543
Lease Liabilities	9 (b)	37,175	36,485
Provisions		64,535	210,669
Total Current Liabilities		566,924	751,697
Total Liabilities		566,924	751,697
Net Assets		2,829,123	1,564,460
EQUITY			
Issued capital	11	21,403,546	16,991,177
Reserves	12	417,076	807,683
Accumulated losses		(18,991,499)	(16,234,400)
Total Equity		2,829,123	1,564,460

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2025

	Note	Issued Capital	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
Balance at 1 July 2023		16,230,949	724,869	(14,206,618)	2,749,200
Issue of shares (net)		760,228	-	-	760,228
Loss after income tax expense for the year		-	-	(2,044,866)	(2,044,866)
Share-based payments	13	-	99,898	-	99,898
Options lapsed		-	(17,084)	17,084	-
Balance at 30 June 2024		16,991,177	807,683	(16,234,400)	1,564,460
Issue of shares (net)		4,412,369	-	-	4,412,369
Loss after income tax expense for the year		-	-	(3,230,823)	(3,230,823)
Share-based payments	13	-	83,117	-	83,117
Options and performance rights lapsed		-	(473,724)	473,724	-
Balance at 30 June 2025		21,403,546	417,076	(18,991,499)	2,829,123

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash Flows from Operating Activities			
Payments for exploration and evaluation		(2,000,586)	(2,783,962)
Payments to suppliers and employees		(1,172,319)	(1,433,673)
Interest received		19,634	14,751
Grants received		243,539	240,707
Net Cash (Outflow) from Operating Activities	16	(2,909,732)	(3,962,177)
Cash Flows from Investing Activities			
Payments for plant and equipment		(13,483)	(35,818)
Proceeds from sale of plant and equipment	2	-	3,000,000
Net Cash (Outflow) from Investing Activities		(13,483)	2,964,182
Cash Flows from Financing Activities			
Payments for capital raising costs		(365,964)	(4,861)
Proceeds from issued capital		4,569,939	765,089
Payments for lease liability		(90,204)	(87,215)
Net Cash Inflow from Financing Activities		4,113,771	673,013
Net Increase in cash held		1,190,556	(324,982)
Cash and cash equivalents at the beginning of the year		1,645,176	1,970,158
Cash and cash equivalents at the end of the year	5	2,835,732	1,645,176

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2025

1. Statement of Material Accounting Policies

These financial statements and notes represent those of QEM Limited (the "Company"). QEM Limited is a listed public Company, incorporated and domiciled in Australia. The financial statements were authorised for issue on 30 September 2025 by the directors of the Company.

BASIS OF PREPARATION

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

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

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

GOING CONCERN

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

For the year ended 30 June 2025 the Company generated a loss of \$3,230,823 and incurred operating cash outflows of \$2,909,732. As at 30 June 2025 the Company has cash and cash equivalents of \$2,835,732 and net assets of \$2,829,123.

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

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

The Company has a strong track record of raising capital, evidenced by the \$19.1m raised since the Company's IPO in 2018, including the \$4.8m raised during the financial year ended 30 June 2025.

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

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

ACCOUNTING POLICIES

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

(a) Income Tax

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

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

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

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

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

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

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

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

(b) Leases

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

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

(c) Exploration and evaluation expenditure

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

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

(d) Investments and other financial assets

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

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

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

(e) Impairment of Assets

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

(f) Employee Benefits

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

EQUITY-SETTLED COMPENSATION

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

(g) Provisions

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

(h) Cash and Cash Equivalents

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

(i) Borrowing Costs

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

(j) Goods and Services Tax (GST)

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

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

(k) Fair Value of Assets and Liabilities

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

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

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

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

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

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

Valuation techniques

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

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

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

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is

not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

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

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

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

(I) Current and non-current classification

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

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

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

(m) Revenue

Interest revenue is recognised using the effective interest method.

(n) Critical Accounting Estimates and Judgments

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

Share-based payment transactions

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

(o) Property, Plant, and Equipment

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

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

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

Plant and equipment	3-10 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(p) New and Amended Standards and Interpretations

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

2. Other income	2025	2024
	\$	\$
Interest received	19,634	14,751
Research and development grant	243,539	240,708
Gains on sale of plant and equipment ^(a)	-	2,608,204
	<u>263,173</u>	<u>2,863,663</u>

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

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

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

3. Income tax benefit/(expense)	2025	2024
	\$	\$
(a) Income tax (benefit)/expense		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
(b) Reconciliation of income tax expense to prima facie tax payable		
Profit from ordinary activities before income tax	(3,230,823)	(2,044,866)
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating profit at 30% (2024: 30%)	(969,247)	(613,460)

	2025	2024
	\$	\$
Income tax benefit/(expense) continued:		
Increase/(decrease) in income tax due to the tax effect of:		
Non-deductible expenses	389,978	532,131
Research and development incentive	(73,062)	(72,212)
Temporary difference movements	(30,894)	(61,998)
Tax losses not recognised/(utilised)	683,224	215,539
Income tax reported in the statement of comprehensive income	-	-
 (c) Deferred tax assets		
Tax losses	4,152,375	3,469,151
Right of Use Asset	10,600	11,342
Provisions and accruals	236,453	1,431,643
Total deferred tax assets	4,399,428	4,912,136
Set-off deferred tax liabilities pursuant to set-off provisions	-	-
Net deferred tax assets	4,399,428	4,912,136
Less deferred tax assets not recognised	(4,399,428)	(4,912,136)
Net tax assets	-	-
 (d) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Accrued income	-	-
Total deferred tax liabilities	-	-
Set-off deferred tax assets pursuant to set-off provisions	-	-
Net deferred assets	-	-
 (e) Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	13,599,750	11,563,835
Potential tax benefit @ 30% (2024: 30%)	4,079,925	3,469,151

The benefit for tax losses will only be obtained if:

- (i) The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and
- (iii) No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

4. Earnings per share

	2025 Cents / share	2024 Cents / share
Basic/diluted loss per share	(1.78)	(1.36)

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

	2025 \$	2024 \$
Loss from continuing operations	(3,230,823)	(2,044,866)

	Number	Number
Weighted average number of ordinary shares for the purposes of basic/ diluted loss per share	181,186,808	150,703,108

	2025 \$	2024 \$
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5. Cash and cash equivalents

Cash at bank	2,835,732	1,645,176
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6. Trade and other receivables*Current*

GST receivable	60,671	51,563
Share subscription receivable	241,500	-
Provision for bad debt on unpaid share subscription fund	(241,500)	-
	60,671	51,563

On 6 June 2025, the Company completed a capital raising under which an investor committed to subscribe for 5,366,667 ordinary shares at \$0.045 per share, totalling \$241,500. The investor has, despite demand, failed to remit the funds and has denied any obligation to do so.

The Company has engaged legal counsel and is in the process of commencing legal proceedings to recover the debt owing. The investor's obligation to subscribe and pay for the relevant shares is considered by the Company to be legally binding and enforceable; however, the outcome of the legal action is uncertain as at the reporting date (and therefore a provision has been applied against the receivable amount, although this does not limit the Company's claim for the full debt outstanding).

7. Other assets*Current*

Prepayments	14,276	38,178
Bond	16,950	-
	31,226	38,178

Non-current

Bond	2,500	19,450
	2,500	19,450

	2025 \$	2024 \$
8. Plant and equipment		
Equipment at cost	68,555	58,241
Equipment – accumulated depreciation	(41,875)	(25,945)
Plant at cost	693,361	693,361
Plant – accumulated depreciation	(293,805)	(194,476)
	<u>426,236</u>	<u>531,181</u>
 Plant and equipment		
Opening balance	531,181	1,062,649
Additions	10,314	28,537
Disposals (refer note 2)	-	(517,333)
Depreciation	(115,259)	(42,672)
	<u>426,236</u>	<u>531,181</u>
 9. Leases		
(a) Right-of-use asset		
Balance at the beginning of the year	30,609	122,437
Additions	60,603	-
Depreciation	(51,530)	(91,828)
Balance at the end of the year	<u>39,682</u>	<u>30,609</u>
 Current	39,682	30,609
Non-Current	-	-
Total	<u>39,682</u>	<u>30,609</u>
 (b) Lease liabilities		
Office lease	<u>37,175</u>	<u>36,485</u>
 Current	37,175	36,485
Non-Current	-	-
Total	<u>37,175</u>	<u>36,485</u>

In April 2025, the Company entered into an agreement to surrender its office lease at 50 Appel Street, Surfers Paradise, Queensland, with the surrender effective on 28 December 2025. As at the date of this report, no new office lease has been entered into.

	2025 \$	2024 \$
10. Trade and other payables		
<i>Current</i>		
Trade payables and accruals	209,388	437,872
Employee benefits	255,826	66,671
	465,214	504,543

11. Contributed Equity

Fully paid ordinary shares	2025 No. of shares	2025 \$	2024 No. of shares	2024 \$
Balance at beginning of period	151,391,712	16,991,177	146,891,190	16,230,949
Shares issued during the year:				
Issue of ordinary shares – 25 August 2023 (a)	-	-	4,500,522	765,089
Issue of ordinary shares – 25 October 2024 (b)	39,441,976	2,760,939	-	-
Issue of ordinary shares – 6 June 2025 (c)	45,566,665	2,050,500	-	-
Capital raising costs	-	(399,070)	-	(4,861)
Balance at end of the year	236,400,353	21,403,546	151,391,712	16,991,177

Notes for the above table are:

- (a) On 25 August 2023, the Company issued 4,500,522 shares at \$0.17 to raise \$765,089 before costs.
- (b) On 25 October 2024, the Company issued 39,441,976 shares at \$0.07 to raised \$2,760,939 before costs.
- (c) On 6 June 2025, the Company issued 45,566,665 shares at \$0.045 to raised \$2,050,500 before costs.

Quoted Options

On 25 October 2024, the Company issued 20,769,014 quoted options as part of the Renounceable Entitlement Offer announced on 23 September 2024. The options were issued with an exercise price of \$0.14 expiring 30 September 2026.

Unlisted Options

	Weighted average exercise price	30 Jun 2025 No. of Options	Weighted average exercise price	30 Jun 2024 No. of Options
Unlisted Share Options	\$0.275	8,850,000	\$0.328	6,350,000
Balance at the beginning of the year (1 July)	\$0.328	6,350,000	\$0.339	5,850,000
Changes during the period:				
Issued to employees – March 2024	-	-	\$0.20	500,000
Issued to Director – November 2024	\$0.14	2,500,000	-	-
Outstanding at the end of the year	\$0.275	8,850,000	\$0.328	6,350,000
Exercisable at the end of the year	\$0.328	6,350,000	\$0.328	6,350,000

Refer to Note 13 for further details of share-based payments.

Performance Rights

	30 Jun 2025 No. of Performance Rights	30 Jun 2024 No. of Performance Rights
Performance Rights	3,650,000	1,875,000
Balance at the beginning of the year (1 July)	1,875,000	-
Changes during the period:		
Issued to Directors – August 2023	(375,000)	375,000
Issued to Directors – November 2023	(100,000)	1,500,000
Issued to Directors – November 2024	2,250,000	-
Outstanding at the end of the year	3,650,000	1,875,000
Exercisable at the end of the year	-	-

Refer to Note 13 for further details of share-based payments.

Terms and conditions of contributed equity

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

Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

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

The net working capital position of the Company at 30 June 2025 was a surplus of \$2,602,205 (2024: \$1,013,829) and the net increase in cash held during the year was \$1,190,556 (2024: decrease of \$324,982).

12. Reserves

Share-Based Payments Reserve

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

13. Share-based Payments

Director and Employee Share-based Payments

	2025	2024
	\$	\$
Share-based payments expense recognised during the year:		
Share based payment reserve		
Performance rights issued – 31 August 2023 (a)	-	17,742
Performance rights issued – 9 November 2023 (b)	59,867	53,301
Options issued – 12 March 2024 (c)	-	28,855
Performance rights issued – 22 November 2024 (d)	23,250	-
Options issued – 22 November 2024 (e)	-	-
	<u>83,117</u>	<u>99,898</u>

Notes for the above table are:

- (a) A total of 375,000 performance rights were issued to a director in three Classes on 24 August 2023. These performance rights lapsed upon the resignation of the director on 20 November 2024.
- (b) A total of 1,500,000 performance rights were issued to directors on 9 November 2023. These performance rights are in three classes: Class A, Class B and Class C.
 - Class A: 600,000 Class A performance rights. These performance rights will vest after a 3-year service period by 26 August 2026. 100,000 of Class A performance rights lapsed upon the resignation of a director on 27 November 2024.
 - Class B: 300,000 Class B performance rights. These performance rights will vest on the Company's share price reaching \$0.40 at any time before 26 August 2026.
 - Class C: 600,000 Class C performance rights. These performance rights will vest upon the security of a strategic investor to the Company at any time before 26 August 2027.

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

	Tranche 1 Class A Performance Rights¹	Tranche 2 Class B Performance Rights²	Tranche 3 Class C Performance Rights³
Methodology	-	Monte-Carlo	-
Grant date	9 November 2023	9 November 2023	9 November 2023
Vesting date	26 August 2026	26 August 2026	26 August 2027
Expiry date	26 August 2026	26 August 2026	26 August 2027
Spot price	\$0.20	\$0.20	\$0.20
Share Price target	-	\$0.40	-
Risk-free rate	-	4.16%	-
Volatility	-	92.2%	-
Dividend Yield	-	-	-
Number	500,000	300,000	600,000
Value per PR	\$0.20	\$0.13268	\$0.20

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

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

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

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

- (d) A total of 2,250,000 performance rights were issued to directors on 22 November 2024. These performance rights are in three tranches: Tranche 1, Tranche 2 and Tranche 3.

- Tranche 1: 1,350,000 performance rights. Subject to continuous employment, 600,000 of these performance rights will vest on 30 November 2025; 450,000 performance rights will vest on 30 November 2026 and 300,000 performance rights will vest on 30 November 2027.
- Tranche 2: 300,000 performance rights. These performance rights will vest upon the security of a strategic investor to the Company by 26 August 2027.
- Tranche 3: 600,000 performance rights. These performance rights will vest upon delivery of a PFS by 1 July 2026.

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

	Tranche 1 Performance Rights	Tranche 2 Performance Rights	Tranche 3 Performance Rights
Number of performance rights	1,350,000	300,000	600,000
Grant date	22 Nov 2024	22 Nov 2024	22 Nov 2024
Vesting date	30 Nov 2025, 2026 and 2027	26 Aug 2027	1 Jul 2026
Expiry date	31 Jul 2028	31 Jul 2028	31 Jul 2028
Expected volatility (%)	70%	70%	70%
Risk free interest rate (%)	4.24%	4.24%	4.24%
Weighted average expected life of options (years)	3.69	3.69	3.69
Expected dividends	Nil	Nil	Nil
Exercise price (\$)	Nil	Nil	Nil
Share price at grant date (\$)	\$0.042	\$0.042	\$0.042
Fair value (\$)	\$0.042	\$0.042	\$0.042
Management assessment of the probability of meeting the vesting conditions	- Vesting on 30 Nov 2025 >50% - Vesting on 30 Nov 2026 >50% - Vesting on 30 Nov 2027 <50%	>50%	<50%

(e) A total of 2,500,000 options were issued to director on 22 November 2024. These options are in four tranches: Tranche 1, Tranche 2, Tranche 3 and Tranche 4.

- Tranche 1: 500,000 options with an exercise price of \$0.14 expiring 1 October 2027. These options will vest upon completion of core floatation and beneficiation test work completed by 30 March 2025; and UQ technical studies completed by 30 September 2025.
- Tranche 2: 500,000 options with an exercise price of \$0.14 expiring 1 October 2027. These options will vest upon completion of necessary test-work and pre-PFS deliverables necessary to enter a Pre-Feasibility Study ("PFS"); and delivery of scope, schedule and cost proposals ready to enter a PFS by 30 September 2025.
- Tranche 3: 500,000 options with an exercise price of \$0.14 expiring 31 July 2028. These options will vest upon the security of a strategic investor to the Company by 26 August 2027.
- Tranche 4: 1,000,000 options with an exercise price of \$0.14 expiring 31 July 2028. These options will vest upon delivery of a PFS by 1 July 2026.

The options lapsed upon the resignation of Gavin Loyden as director on 2 July 2025, and no value of these options was recognized in the financial year ended 30 June 2025.

Share-based payment options during 2025:

Option exercise price	Option expiry date	Balance 1 July 2024	Granted as Compensation	Exercised/ Lapsed	Balance 30 June 2025	Total Vested 30 June 2025	Total Vested and Exercisable 30 June 2025	Weighted average remaining contractual life
\$0.345	12/08/2025	5,000,000	-	(1,400,000)	3,600,000	3,600,000	3,600,000	0.12 years
\$0.345	12/08/2025	600,000	-	-	600,000	600,000	600,000	0.12 years
\$0.20	01/05/2025	250,000	-	(250,000)	-	-	-	-
\$0.20	01/03/2026	500,000	-	-	500,000	500,000	500,000	0.67 years
\$0.14	01/10/2027	-	1,000,000	-	1,000,000	-	-	2.25 years
\$0.14	31/07/2028	-	1,500,000	-	1,500,000	-	-	3.09 years
Total		6,350,000	2,500,000	(1,650,000)	7,200,000	4,700,000	4,700,000	1.07 years

Share-based payment options during 2024:

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

Share-based payment performance rights during 2025:

Performance rights exercise price	Performance rights expiry date	Balance 1 July 2024	Granted as Compensation	Exercised/ Lapsed	Balance 30 June 2025	Total Vested 30 June 2025	Total Vested and Exercisable 30 June 2025	Weighted average remaining contractual life
Class A \$0	26/06/2026	750,000	-	(250,000)	500,000	-	-	1.16 years
Class B \$0	26/06/2026	375,000	-	(75,000)	300,000	-	-	1.16 years
Class C \$0	26/06/2027	750,000	-	(150,000)	600,000	-	-	2.16 years
Tranche 1 \$0	31/07/2028	-	1,350,000	-	1,350,000	-	-	3.09 years
Tranche 2 \$0	31/07/2028	-	300,000	-	300,000	-	-	3.09 years
Tranche 3 \$0	31/07/2028	-	600,000	-	600,000	-	-	3.09 years
Total		1,875,000	2,250,000	(475,000)	3,650,000	-	-	2.51 years

Share-based payment performance rights during 2024:

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

Share-based payments for capital raising costs

2025	2024
\$	\$

Options to be issued for capital raising costs (a)

23,236	-
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Note for the above table:

- (a) 1,559,483 options were issued on 1 August 2025 to the lead manager for the June 25 Placement, valued at \$23,236. The options have an exercise price of \$0.065 each and will expire on 31 July 2028.

14. Auditor's Remuneration

2025	2024
\$	\$

Amounts, received or due and receivable by auditors for:

- audit or review services	34,768	32,420
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15. Key Management Personnel (KMP) and Related Party Transactions

(a) Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's KMP for the financial year ended 30 June 2025. The totals of remuneration paid to KMP of the Company during the year are as follows:

	2025 \$	2024 \$
Short-term employee benefits	569,804	544,990
Post-employment benefits	48,619	48,948
Share-based payments	83,117	71,043
	<u>701,540</u>	<u>664,981</u>

(b) Other Transactions

During the year ended 30 June 2025, the Company paid consulting fees to Daniel Harris totalling \$16,500 (2024: \$66,000).

David Fitch was a non-executive director of the Company during the year ended 30 June 2024, who resigned on 27 August 2024. On 3 June 2023, the Company entered into a rental agreement with CL Fitch Pty Ltd, a related party entity of David Fitch for a premises in Julia Creek. The rental agreement was for a term of 12 months and was rented to the Company for \$30,000 per annum. After the lease expired on 2 June 2024, it continued on a month-to-month basis under the same terms until such time as either party provides one month notice. The Company paid CL Fitch Pty Ltd \$30,000 (exc GST) under this agreement during the financial year 2025 (2024: \$27,500).

The Company incurred no other transactions with related parties.

16. Cash flow information**2025**
\$**2024**
\$**(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax**

Loss after income tax	(3,230,823)	(2,044,866)
Non cash flows:		
Finance cost on right of use asset	6,921	5,070
Depreciation on right of use asset	74,692	69,777
Depreciation on plant and equipment	115,260	168,208
Gains on sale of plant and equipment (refer note 2)	-	(2,608,204)
Share based payments	83,117	99,898
Bad debt provision	241,500	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(9,108)	44,666
- (increase)/decrease in other assets	23,903	58,680
- increase/(decrease) in trade and other payables	(69,060)	141,125
- Increase/(decrease) in other current liability	(146,134)	103,470
	(2,909,732)	(3,962,176)

(b) Non-Cash investing and financing activities

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

	2024	Cash flows	Non-cash adjustments	2025
	\$	\$	\$	\$
Plant and equipment	531,181	10,314	(115,259)	426,236
Issued capital	16,991,177	4,203,975	208,394	21,403,546

	2023	Cash flows	Non-cash adjustments	2024
	\$	\$	\$	\$
Plant and equipment	1,062,649	28,537	(560,005)	531,181
Issued capital	16,230,949	760,228	-	16,991,177

17. Contingent liabilities and contingent assets

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

18. Financial reporting by segments

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

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

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

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

During the year ended 30 June 2025, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

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

19. Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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

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

Credit risk

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

Trade and other receivables

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

Exposure to credit risk

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

Financial Assets	2025	2024
	\$	\$
Cash and cash equivalents – AAA rated counterparties	2,835,732	1,645,176

Liquidity risk

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

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

Market risk

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

Interest rate risk sensitivity analysis

The Company does not have any material exposure to interest rate risk as there were no external borrowings at 30 June 2025 (2024: nil). Any borrowings were intercompany related and unsecured and interest free and therefore there is no exposure to interest rate risk associated with these amounts. Interest bearing assets are all short-term liquid assets and the only interest rate risk is the effect on interest income by movements in the interest rate. There is no other material interest rate risk.

Fair value of financial instruments

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

20. Commitments**Exploration commitments**

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

Minimum Work Requirements	2025	2024
	\$	\$
No later than 12 months	1,860,000	720,000
Between 1 and 5 years	12,740,000	4,500,000
	<u>14,600,000</u>	<u>5,220,000</u>

21. Events Subsequent to Period End

Mr Robert Cooper was appointed Managing Director on 2 July 2025.

Mr Gavin Loyden resigned as a director on 2 July 2025.

On 29 May 2025, QEM announced the completion of a Placement to raise approximately \$2.05 million. On 6 June 2025, the Company issued 45,566,665 new fully paid ordinary shares at \$0.045 per share. At part of the Placement, on 1 August 2025, following shareholder approval, the Company issued 21,659,493 (unquoted) options exercisable at \$0.065, with an expiry date of 31 July 2028 (including 1,559,483 options to the lead manager).

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

Consolidated Entity Disclosure Statement

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

Basis of preparation

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

Directors' Declaration for the year ended 30 June 2025

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Company's financial position as at 30 June 2025 and its performance for the year ended on that date; and
 - c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
2. the Managing Director and Company Secretary have each declared that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The consolidated entity disclosure statement on the previous page is true and correct.

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



Tim Wall
Director
30 September 2025



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QEM LIMITED

Report on the Audit of the Financial Report

Opinion

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

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
 - (ii) 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of \$3,230,823 during the year ended 30 June 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

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HALL CHADWICK

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration Expenditure</p> <p>During the year, the Company incurred exploration expenses of \$1,784,502.</p> <p>Exploration expenditure is a key audit matter due to the significance to the Company's statement of profit or loss and other comprehensive income.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Testing exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the Company's accounting policy and the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>; and <p>Assessing the Company's rights to tenure by corroborating to government registries</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, 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 that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

HALL CHADWICK

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

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

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 30th day of September 2025
in Perth, Western Australia

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 22 September 2025

1. Shareholder and Option holder information

a. Distribution of Equity Securities

Range	Ordinary Shares		Performance Rights	
	No. Holders	No. Shares	No. Holders	No. Rights
1 - 1,000	43	5,532	-	-
1,001 - 5,000	347	1,173,932	-	-
5,001 - 10,000	251	1,998,137	-	-
10,001 - 100,000	584	21,371,890	1	100,000
100,001 and over	205	211,850,862	4	3,300,000
Total	1,430	236,400,353	5	3,400,000

Range	Quoted Options (\$0.14 @ 30-Sep-26)		Options (\$0.20 @ 1-Mar-26)		Options (\$0.065 @ 1-Jul-28)	
	No. Holders	No. Options	No. Holders	No. Options	No. Holders	No. Options
1 - 1,000	58	30,858	-	-	-	-
1,001 - 5,000	64	172,754	-	-	-	-
5,001 - 10,000	23	174,931	-	-	-	-
10,001 - 100,000	61	1,997,838	-	-	11	733,335
100,001 and over	38	18,392,633	1	250,000	41	20,926,158
Total	244	20,769,014	1	250,000	52	21,659,493

There are 720 shareholders holding less than a marketable parcel of 13,514 shares.

b. Substantial Shareholders

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

Name of Shareholder	No. Ordinary Shares	% of Total Shares
TRACEY LOYDEN	20,730,690	8.92%
DAVID FITCH	44,219,693	29.21%

c. Voting Rights

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

Options and performance rights do not carry voting rights.

d. 20 Largest Shareholders

#	Registered Name	Number of Shares	% of total Shares
1	DL FITCH NOMINEES PTY LTD <DAVID FITCH FAMILY A/C>*	24,686,959	10.44%
2	GREENWICH SMSF PTY LTD <GREENWICH SMSF A/C>	20,064,390	8.49%
3	ER FITCH PTY LTD <ELOISE FITCH FAMILY A/C>	17,747,459	7.51%
4	CL FITCH PTY LTD ATF CAELAN FITCH FAMILY TRUST <CAELAN FITCH FAMILY>	8,979,437	3.80%
5	STONE GROUP PTY LTD <STONE GROUP DISC A/C>	8,100,000	3.43%
6	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	6,643,676	2.81%
7	DAVRAC INVESTMENTS PTY LTD <DAVRAC SUPERFUND A/C>	6,086,822	2.57%
8	VIRIATHUS CAPITAL PTY LTD <SETTLEMENT 1 A/C>	5,366,666	2.27%
9	CRAV PTY LTD <CRAV SUPER FUND A/C>	5,000,000	2.12%
10	MR QILIANG GU	4,181,108	1.77%
11	CITYMETRO PTY LTD <BILL MCHARG FAMILY A/C>	4,000,000	1.69%
12	PARADISE MARINE PTY LTD <JAMES SUPER FUND A/C>	3,000,000	1.27%
13	MR MICHAEL MYLES FORD & MRS ELIZABETH FORD <BIRKBECK STAFF RETIREME A/C>	2,678,413	1.13%
14	DLFCMS NOMINEES PTY LTD <DLFCMS PROPERTY A/C>	2,415,229	1.02%
15	ML FITCH NOMINEES PTY LTD <MATHEW FITCH FAMILY A/C>*	2,336,096	0.99%
16	SKIPTRAK PTY LTD	2,223,857	0.94%
17	MR NARENDRA KAPUR	2,222,222	0.94%
18	TRAFALGAR HOUSE PTY LTD <HW MCKENZIE-MCHARG S/F A/C>	2,000,000	0.85%
19	ZARMAD PTY LTD <FREUND FAMILY A/C>	1,922,305	0.81%
20	MT DAVIES INVESTMENTS PTY LTD <MG & TJ DAVIES FAMILY A/C>	1,894,009	0.80%
	Top 20 total	131,548,648	55.65%
	Total Shares	236,400,353	100.0%

*Denotes merged holding

- The name of the company secretary is Duncan Cornish.
- The address of the registered office in Australia is:
Level 6, 10 Market Street, Brisbane QLD 4000
- Registers of securities are held at the following address:
Automatic Registry Services, Level 2, 267 St Georges Terrace, PERTH WA 6000
- Stock Exchange Listing:
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.
- Restricted Securities:
The Company currently has no restricted securities held in Escrow.

SCHEDULE OF MINERAL TENEMENTS

<i>Project</i>	<i>Tenement</i>	<i>Interest held by QEM Limited</i>
Julia Creek	EPM 25662	100%
Julia Creek	EPM 25681	100%
Julia Creek	EPM 26429	100%
Julia Creek	EPM 27057	100%