

# ASX ANNOUNCEMENT



31 March 2022

## QEM Proactively Adopts the Global Standard for ESG Reporting

- QEM adopts framework to measure and report its Environmental, Social and Governance performance
- The Company has engaged Socialsuite to monitor, disclose and streamline ESG progress and initiatives
- Commencement of ESG reporting comes ahead of several key project development milestones set to be achieved in the near term

### **QEM's purpose statement: "Developing a critical minerals project utilising innovative and sustainable energy solutions"**

QEM Limited (ASX: QEM) ("**QEM**" or "**Company**") is pleased to announce that it has adopted a comprehensive Environment, Social and Governance (ESG) framework and reporting process, as the Company advances its Julia Creek vanadium and oil shale project with associated green hydrogen potential.

QEM will implement an ESG framework developed by the World Economic Forum (WEF), encompassing 21 core metrics and disclosures.<sup>1</sup>

As the Company is committed to achieving tangible positive ESG outcomes, QEM has engaged independent impact monitoring technology company Socialsuite to ensure it can effectively measure, monitor and report on its progress across ESG metrics. This information will be streamlined with other ESG-related initiatives QEM is undertaking.

QEM is developing the Julia Creek project in North Western Queensland, with the project possessing a 2,760Mt Vanadium JORC Resource with an average V<sub>2</sub>O<sub>5</sub> content of 0.30%, making it one of the single largest Vanadium deposits in the world. The project has the added benefit of 783MMBBIs of Oil in the 3C category, contained within the same ore body. Additionally, QEM is currently progressing renewable power generation optimisation studies following initial encouraging results, potentially facilitating green hydrogen production.

QEM's dual commodities of vanadium and oil will help address Australia's growing energy storage and fuel security issues in the transition to a renewable energy driven society. Vanadium is a key input into the renewable large scale energy storage markets through the use of vanadium redox flow batteries (VRFB), and the oil shale is intended to be upgraded to diesel utilising green hydrogen produced onsite at Julia Creek.

This forms the basis of QEM's purpose statement: "**Developing a critical minerals project utilising innovative and sustainable energy solutions**".

QEM Managing Director Gavin Loyden said the adoption of the ESG reporting process will crystallise the Company's commitment to environmentally and socially responsible initiatives to all of QEM's stakeholders.

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<sup>1</sup> World Economic Forum, White Paper: Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation [22 September 2020]

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“The implementation of this ESG process demonstrates our tangible commitment to operate in the safest and cleanest way possible, while providing strong and sustained value to our shareholders,” Mr Loyden said.

“ESG reporting will enable us to assess and further enhance the social and environmental initiatives we are already undertaking.

“We have proactively adopted ESG reporting at an optimal time, with several key project development milestones on the horizon, including our pilot plant delivery and renewable power generation PFS.”

The implementation of the ESG framework and reporting process will complement the work currently being progressed by specialist environmental consultant Epic Environmental Pty Ltd (“Epic Environmental”) for the provision of an environmental permitting pathway and assistance with related approvals (see ASX announcement dated 27 October 2021).

Brisbane-based Epic Environmental is progressing the development of an Environmental Impact Statement, undertaking extensive technical studies at Julia Creek, coordinating environmental approval applications, assisting with Government engagement through the Office of the Coordinator General and establishing a Progressive Rehabilitation and Closure Plan.

## **Adopting an ESG Framework**

The context in which the Company operates has been transformed by climate impact, nature loss, and social unrest around inclusion and working conditions. This new global environment is challenging the traditional expectations of corporations and redirecting investment capital. Global sustainable investment now tops \$30 trillion, up 68% since 2014 and tenfold since 2004.

QEM is charting a course to build resilience and enhance our social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people and the planet. The Board of the Company has resolved to adopt the WEF ESG framework and instructed management to set up an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, child labour, GHG emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and local tax payments.

To ensure that QEM can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform “Socialsuite” to streamline the outcomes measurement and ongoing ESG reporting process. The Company’s goal is to demonstrate progress on its ESG scorecard, but more broadly, requires progress on a range of ESG benchmarks as set out by the WEF’s ESG White Paper.

The Company will update the market regularly on its ESG progress and seek to ensure that the Julia Creek Project remains an impact investment for shareholders and local communities.

## **Baseline ESG Dashboard**

The Company has deployed Socialsuite’s ESG Go technology platform to set its initial ESG baseline. With a tailored action plan, QEM will focus on delivering and reporting ongoing progress toward disclosing and improving ESG metrics and indicators. Socialsuite’s ‘ESG Go’ reporting technology provides an easy way for investors and other stakeholders to assess the commitment and progress of the Company on its journey to create “best in class” ESG credentials and outcomes.

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## ESG Dashboard - Baseline (30/Mar/2022)

### Disclosure

#### Status:

- D Draft
- R Reported
- V Verified
- A Audited

### Disclosure

#### Progress:

- P In progress
- C Completed

### GOVERNANCE

Code	Description	Type	Last Updated	Disclosure	Progress (A1-A5)
GO-01-A	Setting purpose	Full disclosure	30 Mar 2022	R	C C C C C
GO-02-A	Governance body composition	Full disclosure	30 Mar 2022	D	P P C C C
GO-03-A	Material issues impacting stakeholders	Full disclosure	30 Mar 2022	D	C C P P C
GO-04-A	Anti-corruption practices	Full disclosure	30 Mar 2022	R	C C C
GO-04-B	Mechanisms to protect ethical behaviour	Full disclosure	30 Mar 2022	D	C P
GO-05-A	Integrating risk and opportunity into business process	Full disclosure	30 Mar 2022	D	C C P P P

### PLANET

Code	Description	Type	Last Updated	Disclosure	Progress (A1-A5)
PL-01-A	GHG emissions	Full disclosure	30 Mar 2022	D	P P C
PL-01-B	TCFD implementation	Full disclosure	30 Mar 2022	D	P P P
PL-02-A	Land use and ecological sensitivity	Full disclosure	30 Mar 2022	R	C N N N N
PL-03-A	Water consumption	Full disclosure	30 Mar 2022	D	P P P P P

### PEOPLE

Code	Description	Type	Last Updated	Disclosure	Progress (A1-A5)
PE-01-A	Diversity and inclusion	Full disclosure	30 Mar 2022	D	P P P P P
PE-01-B	Pay equality	Full disclosure	30 Mar 2022	D	P P P P
PE-01-C	Wage level	Full disclosure	30 Mar 2022	D	P P
PE-01-D	Child, forced or compulsory labour	Full disclosure	30 Mar 2022	D	P
PE-02-A	Health and safety	Full disclosure	30 Mar 2022	D	P P
PE-03-A	Training provided	Full disclosure	30 Mar 2022	D	P P

### PROSPERITY

Code	Description	Type	Last Updated	Disclosure	Progress (A1-A5)
PR-01-A	Rate of employment	Full disclosure	30 Mar 2022	D	P P
PR-01-B	Economic contribution	Full disclosure	30 Mar 2022	R	C C
PR-01-C	Financial investment contribution	Partial disclosure	30 Mar 2022	R	C N
PR-02-A	Total R&D expenses	Full disclosure	30 Mar 2022	R	C
PR-03-A	Total tax paid	Full disclosure	30 Mar 2022	R	C

QEM | ESG Dashboard ( to ) | Published on 30 Mar 2022

Powered by  
**Socialsuite ESG**

**ENDS**

*This announcement was authorised for release on the ASX by the Board of QEM Limited.*

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\*The information in this announcement that relates to the mineral resource and contingent resource estimates for the Company's Julia Creek Project was first reported by the Company in its IPO prospectus dated 20 August 2018 and supplementary prospectus dated 12 September 2018 (together, the "Prospectus") and the subsequent resource upgrade announcement ("Resource Upgrade") dated 14 October 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and Resource Upgrade, and in the case of estimates of Mineral Resources and Contingent Resources, that all material assumptions and technical parameters underpinning the estimates in the Prospectus and Resource Upgrade continue to apply and have not materially changed.

## ABOUT QEM

QEM Limited (ASX:QEM) is a publicly listed company which is focussed on the exploration and development of its flagship Julia Creek Project, covering 250km<sup>2</sup> in the Julia Creek area of North Western Queensland.

The Julia Creek vanadium / oil shale project is a unique world class resource with the potential to deliver innovative energy solutions, through the production of energy fuels and vanadium pentoxide. QEM strives to become a leading producer of liquid fuels and in response to a global vanadium deficit, also aims to become a global supplier of high-quality vanadium pentoxide, to both the nascent energy storage sector and the Australian steel industry.

This globally significant JORC (2012) Mineral Resource of 2,760 Mt @ 0.30% V<sub>2</sub>O<sub>5</sub> is one of the single largest ASX listed vanadium resources and represents a significant opportunity for development.

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 and located less than 6km east of the township of Julia Creek. In close proximity to all major infrastructure and services, the project is intersected by the main infrastructure corridor of the Flinders Highway and Great Northern Railway, connecting Mt Isa to Townsville.