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QEM

2026 Annual Report

FOR THE YEAR ENDED 30 JUNE 2026

QEM LIMITED
ACN 167 966 770

Table of Contents

Corporate Directory	03
Chairman's Letter	04
Directors' Report	06
Auditor's Independence Declaration	36
Statement of Profit or Loss and Other Comprehensive Income	37
Statement of Financial Position	38
Statement of Changes in Equity	39
Statement of Cash Flows	40
Notes to the Financial Statements	41
Consolidated Entity Disclosure Statement	65
Directors' Declaration	66
Independent Auditor's Report	67
ASX Additional Information	71
Schedule of Mineral Tenements	74

Corporate Directory

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Daniel Harris
Robert Cooper

SECRETARY

Duncan Cornish

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Chairman's Letter

Dear Fellow Shareholders,

I hereby present QEM Limited's 2026 Annual Report.

The 2026 financial year was a period of significant change for QEM with the initiation and completion of a full Strategic Review in March 2026 resulting in suspension of all non-essential activities for the Julia Creek Vanadium and Energy Project (JCVEP) in North-West Queensland and a shift of focus to alternative critical minerals opportunities, notably entering into a binding agreement to acquire all shares in Freshwater Metals (completed in July 2026) holding 100% ownership in two critical minerals projects (Big It and Garden Valley) in Idaho, United States.

During 2025, QEM continued to progress metallurgical test work at the University of Queensland's Sustainable Minerals Institute (SMI) aimed at developing and validating the JCVEP flowsheets. In September 2025, QEM received results which provided the most detailed understanding to date of mineral associations within the Julia Creek ore body which challenged key assumptions underpinning the 2024 Scoping Study. Following review of these results, combined with a depressed vanadium price, the board proactively initiated a full strategic review. The strategic review was completed in March 2026 with a key outcome being that although the JCVEP has technically viable solutions available, none of those are currently commercially attractive.

As a result of the strategic review, the board made the difficult decision to suspend all non-essential activities associated with the JCVEP, prioritising preservation of JCVEP assets and maintaining future optionality. The company has continued to progress base line environmental monitoring required under the Terms of Reference for an EIS for the JCVEP agreed with the Office of the Coordinator General in June 2025, including a five-hole drilling program for additional groundwater bores and ongoing quarterly monitoring.

A key outcome of the strategic review was to investigate potential investments in alternative critical minerals opportunities, reflecting the company's commitment to broaden its strategic options which unlock additional pathways for growth and shareholder value creation. In April 2026 QEM entered into a binding agreement to acquire the shares in Freshwater Metals Pty Ltd which owns two critical minerals exploration projects in Idaho, United States and capital raising of \$2.62 Million. The acquisition was completed post reporting period in August 2026 with QEM assuming ownership of the two projects: Big It (tungsten, antimony, gold) and Garden Valley, formerly named Columbite (niobium, tantalum, rare earth elements).

The company is now well positioned for further growth in the critical minerals sector, with a strong balance sheet and an exciting project pipeline. In addition to progressing exploration opportunities for the Idaho projects, the company will continue to evaluate other potential value adding critical minerals investments, while maintaining strong cash and balance sheet governance.

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, our hard-working team, and our collaboration partners for their efforts and achievements this year for your Company which is now re-positioned for value creation and growth.

In closing, I thank QEM's loyal shareholders and our newer investors 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 dark ink, reading "Tim Wall", is displayed on a light gray rectangular background.

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 2026.

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)
- 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 \$2,416,912 (2025: \$3,230,823).

FINANCIAL POSITION

The net assets of the Company at 30 June 2026 are \$4,283,234 (2025: net assets of \$2,829,123). The Company's working capital, being current assets less current liabilities is \$4,265,499 at 30 June 2026 (2025: working capital of \$2,360,705).

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

MINE DEVELOPMENT

Drilling Campaign

In August 2025, QEM completed a five-hole drilling programme in Julia Creek, for the installation of five additional groundwater bores across the tenement for the purpose of environmental baseline monitoring. The water bores ranged in depth from 30m-100m targeting the Allura Mudstone Formation, Toolebuc Formation and the Wallumbilla Formation.

Fresh core samples from these holes were also collected for assaying and metallurgical test work, initially expected to be completed in Q1 of 2026. It was later determined that assaying of these holes was not required as sufficient coverage was already provided by existing drill holes. The core remains in storage and may be used for future test work.

Baseline Water Monitoring

During the year, QEM conducted four rounds of environmental surface water and ground water surveys. 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). QEM has now completed 24 months of data to 30 June 2025, with samples collected quarterly since then.

PROJECT APPROVALS

Coordinated Project Status

During the previous reporting period (23 December 2024), 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

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.

Following the designation as a Coordinated Project by the OCG, the Company and OCG worked on preparing the Terms of Reference (ToR) which sets the requirements that the project must satisfy in preparing an Environmental Impact Statement (EIS). The ToR were finalised by the Queensland Government in June 2025, marking an important milestone in advancing the Julia Creek Project towards securing an Environmental Authority and Mining Lease, essential for project development.

During the year the Company has continued to progress base line monitoring required under the ToR.

Controlled Action Declaration

In the prior reporting period (late 2024), the Commonwealth's Department of Climate Change, Energy, the Environment and Water (DCCEEW) determined that the JCVEP is a Controlled Action requiring assessment and approval under the EPBC Act. 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 benefits from the bilateral agreement between the Commonwealth and Queensland Government in that it streamlines environmental assessment processes that require both Commonwealth and State approvals, reducing duplication and improving efficiency.

Cultural Heritage Management Plan

Under the Aboriginal Cultural Heritage Act 2003 and the Torres Strait Islander Cultural Heritage Act 2003, a Cultural Heritage Management Plan (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 2025 QEM endorsed the Wanamara People as the traditional owners and the terms of the CHMP were agreed in the previous reporting period (June 2025). The CHMP was executed between QEM and the Wanamara People on 8 July 2025, which was followed by the first cultural heritage survey being undertaken in August 2025. This survey was targeted to assess and clear the proposed drill pads and tracks required as part of the September drilling campaign. No significant remains or artifacts were found as part of this survey.

PROCESSING & MINERALOGY

The beneficiation of oil shale ores presents a complex challenge due to the intimate association of organic matter, carbonate minerals, and silicate phases. In the Julia Creek deposit, the presence of free oil and kerogen coatings on mineral surfaces significantly influences flotation behaviour, mineral liberation, and vanadium deportment.

Following the release of the Scoping Study for the JCVEP in 2024, the Company has continued to progress several workstreams to advance the JCVEP including comprehensive metallurgical test work aimed at developing and validating the Company's flowsheets. To validate some of these assumptions, in 2025 the Company engaged the University of Queensland's Sustainable Minerals Institute (SMI) to conduct comprehensive metallurgical test work.

The SMI had previously been engaged in 2024 to investigate and test beneficiation methods on QEM's oil shale. That 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 2024 flotation tests explored the effects of grinding, reagent dosage, frother type, collector dosing methods, pH, depressant and alternative collectors on kerogen recovery.

Results from the 2024 study demonstrated that kerogen recovery from oil shale may be feasible using flotation technology, with recovery up to 79% achieved under optimal conditions. While 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 recommendation was that future work should focus on surface treatment, exploring advanced flotation techniques, and investigating alternative reagents to improve recovery and selectivity.

The objective of the 2025 test work was therefore to enhance flotation selectivity and improve recovery of kerogen, calcite, and vanadium-bearing minerals. This work programme 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.

In September 2025, QEM received the results of the flotation and beneficiation programme undertaken by the SMI. The studies provided the most detailed understanding to date of mineral associations within the Julia Creek ore body, providing new insights that challenge certain assumptions underpinning the 2024 Scoping Study JCVEP. The results were not consistent with prior assumptions in that:

- The strategy of direct kerogen recovery by flotation as a pathway to extract vanadium was shown to be not technically or economically viable.
- Direct recovery of calcite was shown to have a potentially promising result, producing a degree of selectivity between calcite and kerogen, however on its own, this result does not represent an economically feasible separation and requires further optimisation.
- Contrary to earlier assumptions, vanadium was preferentially recovered into the calcite concentrate, not the kerogen-rich tailings, challenging the hypothesis that vanadium is primarily associated with kerogen and necessitating further review of mineral associations.
- Fossilised microorganisms (coccoliths) were identified within the sample matrix as part of the calcium carbonate content, increasing the complexity for conventional flotation processing and necessitating a more detailed analysis of vanadium deportment before undertaking further test work.

In parallel the Company received results from Core Resources (Core) on a flotation test work programme completed on the CQLA and CQLB coquina composite material, which sits above the oil shales. This programme aimed to characterise the samples in terms of grade, mineralogy and particle size (Stage 1), and test the amenability of the samples to be upgraded by beneficiation/flotation (Stage 2).

The size-by-assay analysis showed that there was no deportment of vanadium into the fine size fractions as per other oxide vanadium projects in the region. The grade of vanadium was evenly distributed across all size fractions, and therefore it will not be possible to adopt a scrubbing-cycloning or scrubbing-screening flowsheet to remove a low-grade coarse fraction prior to flotation. Instead, a crushing-grinding-flotation flowsheet will be required, as per the previous test work completed by Core in 2017. While the Core test work results do not alter the overall conclusions of the SMI programme, they nonetheless provide additional clarity on processing requirements for the coquina portions of the deposit.

These two sets of test work outcomes affect material assumptions underpinning the 2024 Scoping Study, and as such, QEM advised that the outcomes of the Scoping Study should no longer be relied upon. The Company advised that it would undertake further reviews of flowsheet options and mineral associations before progressing any additional metallurgical testing, and then integrating these findings into a strategic review of the JCVEP.

STRATEGIC REVIEW

In light of the metallurgical test work results received in September 2025, combined with a depressed vanadium price and challenging short-term global outlook, QEM proactively initiated a strategic review of the JCVEP with a focus on preserving capital and assessing all project and corporate opportunities. During the review period, QEM optimised development expenditure, ensuring financial flexibility while maintaining the JCVEP's standing.

In March 2026 QEM announced the outcome of the Strategic Review. Having thoroughly assessed the Project, the outcomes of the Review demonstrated that the project has technically viable solutions available, but that none of these are currently commercially attractive. In addition, the uncertainty around the vanadium market continues to impact the economics of the Project.

As a result, the Company made the difficult decision that all non-essential activities associated with the JCVEP were to remain suspended, prioritising the preservation of the JCVEP assets and achievements of key workstreams. The Company intends to maintain future optionality for the JCVEP with relevant macro-economic conditions and potential value-add opportunities continuing to be monitored to ensure that value is preserved for the Project.

As part of the Strategic Review, QEM has also been actively investigating potential investments in alternative critical minerals opportunities. This initiative reflects the Company's commitment to broadening its strategic options and unlocking additional pathways for growth and shareholder value creation.

BIG IT AND GARDEN VALLEY PROJECTS

Subsequent to the reporting period, in July 2026 QEM completed the acquisition of all of the shares in Freshwater Metals Pty Ltd, who through its 100% owned subsidiary Elemental Resources Inc. owns critical minerals exploration projects in Idaho, United States (**Figure 2**). The two projects are Big It (tungsten, antimony, gold) and Garden Valley, formerly named Columbite, (niobium, tantalum, rare earth elements).

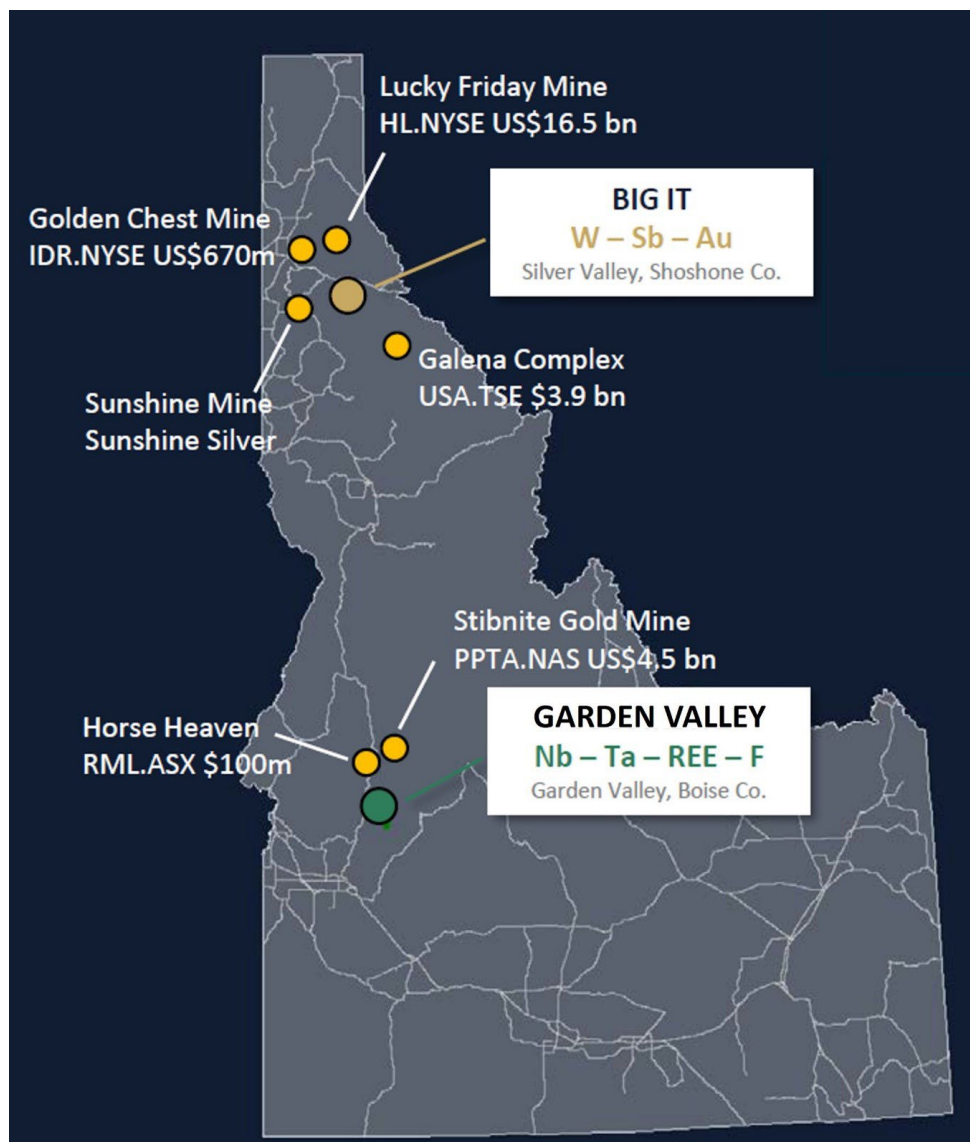


Figure 2: Location of Big It and Garden Valley projects, Idaho, United States

BIG IT TUNGSTEN & ANTIMONY PROJECT

Overview

The Big It Project is located in Idaho's historic Pine Creek mining district, immediately adjacent to the highly mineralised Coeur d'Alene mineral belt, one of the world's major historic silver-producing districts with reported production exceeding 1.2 billion ounces of silver. The project itself comprises three unpatented federal mining claims (3 x ~20 acres) together with approximately 101 acres of associated landholdings (**Figure 3**), representing a relatively small position within a much larger mineralised corridor and providing potential for the project footprint to be expanded through additional tenure acquisition.

Highlights for the project include:

- **Confirmed past-producing U.S. tungsten project with demonstrated W-Sb-Au mineralisation**

Big It produced high-grade tungsten concentrates grading 67–75% WO₃, with available historical underground sampling returning individual values of up to 2,980 ppm W, 19.5% Sb, and 11.15 g/t Au¹.

- **Extensive historical underground development providing early access and reduced costs**

Provides direct access to the mineralised system and a platform for exploration, with U.S. Government records documenting approximately 380 m of lateral development, together with raises, winzes and historical stoping.

- **Compelling untested depth and strike potential**

The steeply dipping mineralised vein system has not been systematically drill tested beneath the historical underground workings, while potential extensions along strike and within parallel or related structures also remain largely unexplored.

- **Historical U.S. Government exploration confirmed multiple high-grade tungsten oreshoots**

A 1952–1953 U.S. Defence Minerals Exploration Administration ("DMEA") programme identified additional oreshoots, with historical records reporting average grades of 4.45% WO₃ over an average vein width of 6.8" (17.2 cm) and 7.45% WO₃ over 4.3" (10.9 cm), locally supporting the high-grade tungsten tenor of the historically mined vein system.

- **Demonstrated W-Sb-Au polymetallic system**

Underground rock/grab sampling in 2016¹ returned individual maximum values of 19.50% Sb and 11.15 g/t Au, demonstrating an important antimony and gold component in addition to tungsten mineralisation.

- **Highly prospective Pritchard Formation and structural setting**

Hosted within the regionally extensive Pritchard Formation immediately southwest of the prolific Coeur d'Alene mining district, providing a broader geological and structural framework for exploration beyond the mine footprint.

- **Clear, cost-effective pathway to test and expand the historical mineralised system**

Existing underground development provides direct access for geological mapping and systematic sampling of the known vein system, complemented by surface geochemistry, structural mapping and targeted drilling to test continuity, width and grade at depth and along strike.

¹ Results are from a limited suite of historical rock/grab samples without surveyed locations or representative sample widths. Quoted maximum W, Sb and Au values occur in separate samples and should not be interpreted as representative grades or evidence of continuous mineralisation

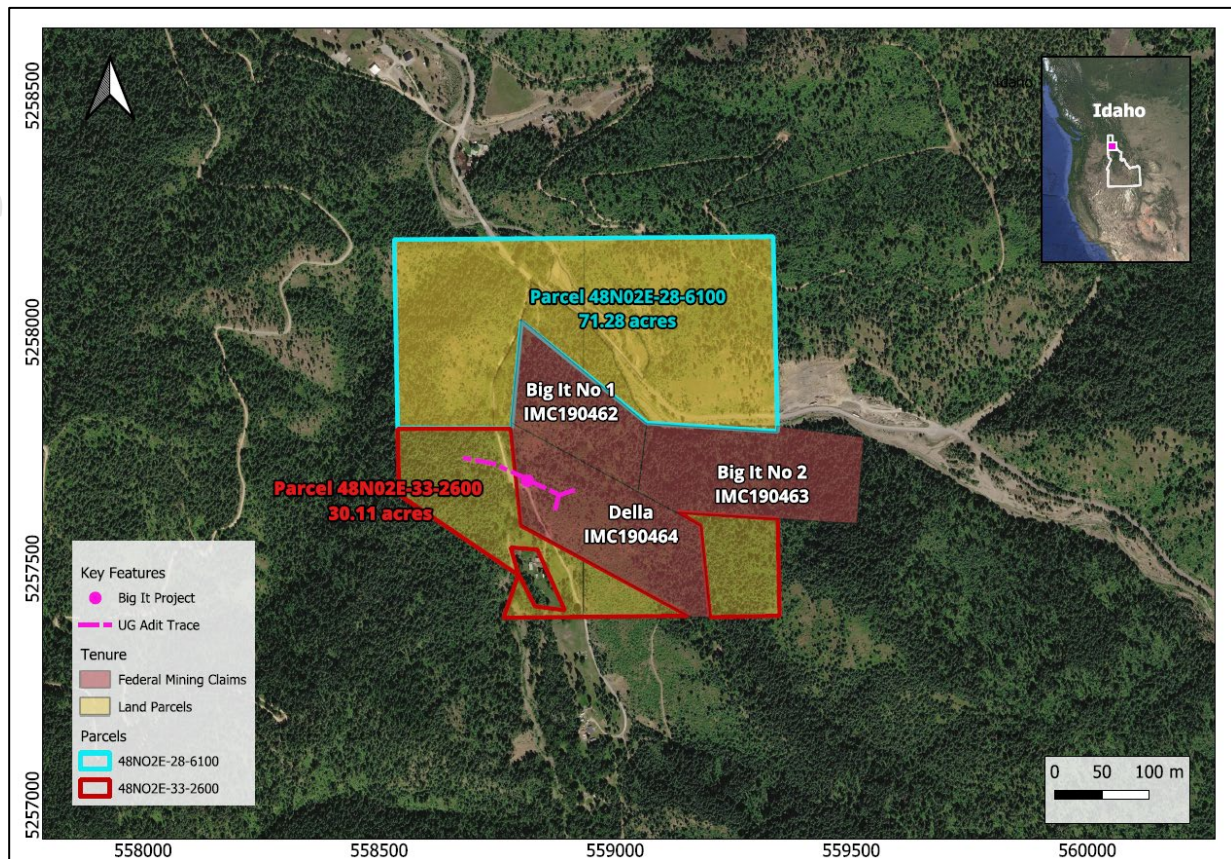


Figure 3: Big It Project – Tenure position, showing Federal Unpatented Lode Claims and Land Parcels

Big It is distinguished from many early-stage exploration projects by its history as a past-producing underground tungsten mine. Historical operations reportedly produced high-grade tungsten concentrates grading 67–75% WO₃ for supply to U.S. wartime programmes, and approx. 350 m of underground workings are reported to remain, accessed through two historical drifts. This makes Big It one of only a handful of historically verified past tungsten producers in the United States with documented government shipments.

This documented production history provides direct evidence of high-grade tungsten mineralisation at Big It and is particularly relevant against the backdrop of a renewed U.S. focus on securing domestic supplies of tungsten and other critical minerals. The project's tungsten potential has increasing strategic relevance within the United States where tungsten is an important input into defence, industrial and high-temperature applications, particularly tungsten carbide, while global primary supply remains highly concentrated.

In terms of prospectivity, the project has considerable exploration upside. Despite its production history, the project remains relatively underexplored by modern standards with little exploration having been undertaken since it was last investigated in the 1950s. The 100 m-wide shear corridor remains largely undrilled with historical production coming from near-surface workings only. The potential for toll treatment (reducing project capital costs) of the ores also exists with the proposed Sunshine Mine antimony plant² to be located only 11 km away³. The proposed Sunshine Mine antimony plant will be the only operating antimony processing facility in the United States.

² <https://americas-gold.com/news-releases/2026/americas-gold-and-silver-signs-joint-venture-agreement-with-us-antimony-to-construct-antimony-processing-facility-in-idaho/>

³ The Company has not yet commenced discussions with the operators of this facility and there is a risk that an agreement for toll treatment may ultimately not be achieved

Geological Setting

The Big It Project is centred on an historically developed tungsten-antimony-gold mineralised vein system hosted within the Pritchard Formation of the Precambrian Belt Supergroup in the Pine Creek area of northern Idaho (Figure 4). Historical United States Government geological investigations describe the Pritchard Formation at Big It as comprising predominantly interbedded black slate and finely banded, dark fine-grained quartzite, with distinctive white quartzite horizons. Historical mineralogical descriptions identify scheelite, stibnite, sphalerite, pyrite, siderite and ankerite within the quartz vein, with arsenopyrite reported in the immediately adjacent wall rocks and chloritic alteration developed parallel to the vein. Gold was also historically reported within the mineralised system.

The historically producing structure was interpreted as a fissure-style quartz vein, developed broadly sub-parallel to bedding. The underground workings provide direct evidence that mineralisation extends over a meaningful strike extent. Importantly, historical U.S. Government investigators also identified the potential for additional scheelite-bearing quartz veins away from the developed structure, specifically recommending consideration of diamond drilling from the underground workings to search for additional veins. The available information demonstrates a structurally controlled polymetallic W-Sb-Au hydrothermal system, developed within the regionally extensive Pritchard Formation and supported by historical mining, government exploration, underground geological mapping and later laboratory-supported sampling.

Accordingly, determining the continuity of the historically mined vein system along strike and at depth, together with testing for additional parallel or structurally related mineralised veins elsewhere within the Project area, represents a priority for QEM's proposed exploration programme.

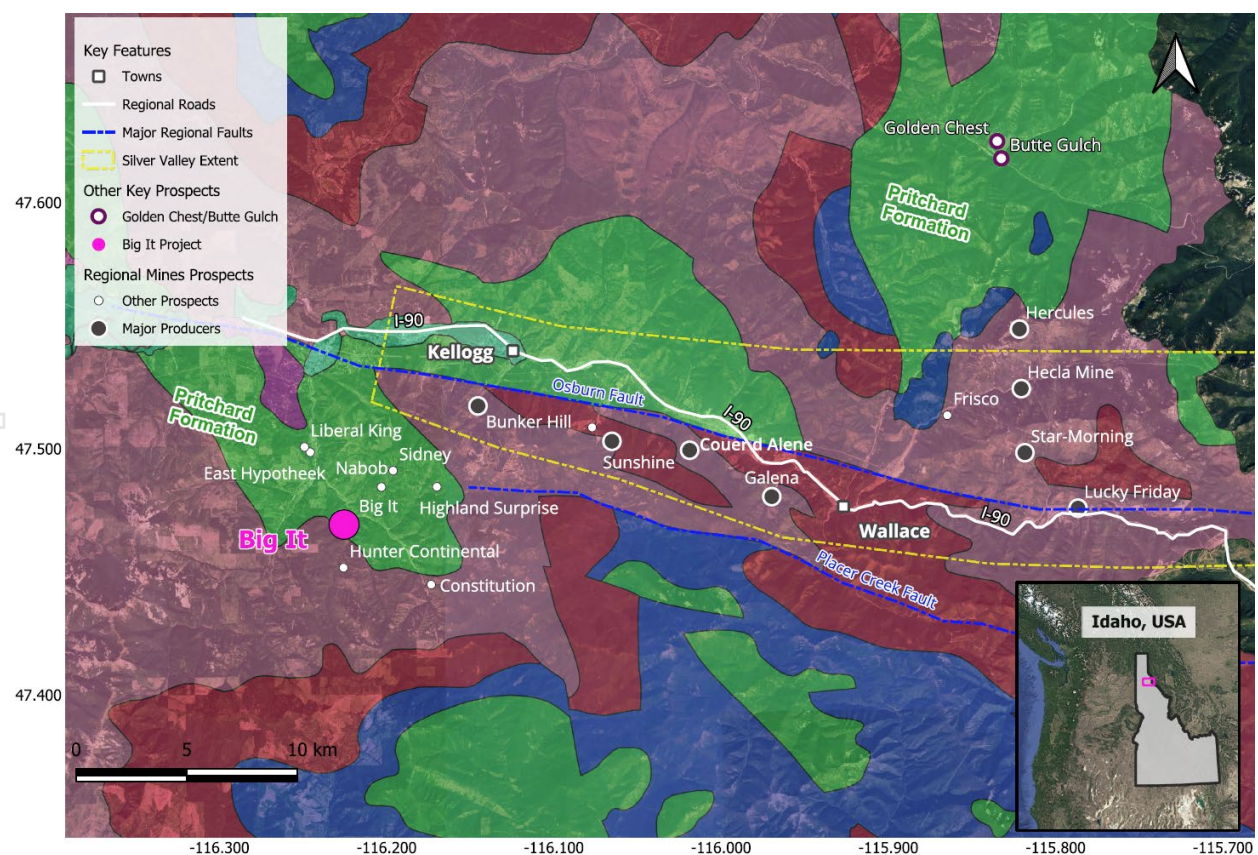


Figure 4: Geological setting in the area of the Big It Project

Historical Exploration and Sampling

Big It has a history of underground mining and subsequent exploration for tungsten, antimony and gold. Historical U.S. Government records confirm that tungsten mineralisation at Big It was mined both prior to and during an exploration programme conducted by the DMEA during 1952–1953. The government programme included approximately 350 ft (107 m) of additional drifting, a 200 ft (61 m) raise and a 50 ft (15 m) winze along the mineralised structure. The programme ultimately resulted in a formal Certification of Discovery and identified two additional tungsten oreshoots reported at average grades of 4.45% WO₃ and 7.45% WO₃, respectively.

Historical records indicate that the broader mine workings ultimately comprised approximately 1,250 ft (~380 m) of lateral development, together with winzes, a 200-ft raise and historical stoping. The records also document production and sale of high-grade scheelite concentrates from the Big It operation, including a recorded shipment assaying approximately 75% WO₃. These records provide independent historical confirmation that Big It operated as a small-scale tungsten producer supplying high-grade tungsten products during the period of United States Government strategic-minerals procurement. Other historical underground mapping records operator composite samples from individual scheelite-bearing lenses reporting values including 7.4% WO₃ and 12.9% WO₃.

It is important to note that these historical results pre-date modern reporting standards and, where identified as operator samples, the available records do not provide sufficient information regarding sampling, preparation, analytical methodology or QA/QC for the results to be treated as equivalent to modern exploration results. While encouraging, QEM therefore considers these results indicative of the historical tenor and distribution of tungsten mineralisation only.

Underground sampling undertaken in 2016 returned locally high metal tenors from the mineralised system, while more recent exploration has included geological compilation and surface soil geochemistry. An original laboratory Certificate of Analysis is available for a limited suite of 14 underground rock/grab samples for the 2016 underground samples (identified as B-9 to B-19 and B-48 to B-50 in Table 2). The 2016 results are therefore particularly relevant to the proposed Big It exploration programme as they provide a basis for systematic re-sampling and geological mapping of the exposed vein system, where safely accessible, and for assessing the distribution and relationship of tungsten, antimony and gold mineralisation prior to drill testing.

Importantly, historical underground video footage reviewed as part of the project compilation shows sample markings on the walls of the Big It workings, providing supporting evidence that sampling was undertaken within the historical underground development⁴, however precise surveyed locations are not currently available and this footage does not provide sufficient spatial control to reliably position individual samples within the workings. Nonetheless, the analytical results provide important evidence of the polymetallic Sb-W-Au character of the Big It mineralised system, with:

- individual maximum results of 19.50% Sb in sample B-10, 2,980 ppm W in sample B-18 and 11.15 g/t Au in sample B-50 (these maxima occur in separate samples);
- multiple samples returning elevated values across more than one commodity, supporting the presence of a polymetallic mineralising system rather than solely tungsten mineralisation; and
- encouraging gold results, including several samples exceeding 1 g/t Au and a maximum of 11.15 g/t Au, highlighting gold as a potentially important component of the mineralised system that warrants systematic evaluation during future exploration.

⁴ Underground video footage provides supporting visual evidence of sample markings within the workings but does not provide sufficient spatial control to locate individual samples accurately

Table 2: Historical underground rock sample results⁵

Sample	Sb (%)	W (ppm)	Au (g/t)
B-9	12.60	106	2.05
B-10	19.50	52.7	2.19
B-11	18.00	40.0	1.16
B-12	0.040	143	0.44
B-13	0.147	1,650	0.48
B-14	0.206	1,450	1.74
B-15	0.168	1,480	3.42
B-16	0.248	2,020	0.92
B-17	0.275	909	1.09
B-18	0.460	2,980	2.33
B-19	0.887	1,650	1.23
B-48	0.021	1,690	1.68
B-49	0.009	41.7	3.49
B-50	0.013	19.7	11.15

**Figure 5: Underground sampling site for samples B-49 and B-50 at Big It**

⁵ The samples were analysed by American Analytical Services Inc., Osburn, Idaho, under Job TSG_101316 and reported in October 2016. The samples are considered selective historical rock/grab samples and the currently available records do not provide surveyed sample locations, representative sample widths or complete documentation of the underground sampling procedure. The results are therefore indicative of the tenor and polymetallic character of mineralisation but should not be interpreted as representative widths, average grades or evidence of continuous mineralisation.

Verification and improvement of this historical spatial control will also be an early priority of QEM's proposed exploration program. Subject to safe access, this will include survey of the portal and accessible underground development, geological and structural mapping, relocation of historical sample positions where practicable, and systematic sampling of exposed mineralised veins. At surface, the programme will seek to verify and extend the historical geochemical coverage and integrate these results with structural mapping to refine targets for initial drilling.

GARDEN VALLEY RARE METALS PROJECT

Overview

The Garden Valley Project covers a cluster of historically recognised rare-element pegmatite prospects in the Garden Valley area of Boise County, Idaho (Figure 6). Idaho itself hosts multiple rare earth elements (REE) deposit styles across at least six distinct districts from thorium-REE veins in the east to pegmatite and placer systems in the Boise Basin. The IGS Critical Mineral Atlas catalogues about 15 placer deposit areas, one at the Garden Valley Project area. The project has potential to align directly with United States critical mineral priorities, as the United States has had 0% domestic Nb/Ta production since 1959.

Highlights for the project include:

- **Garden Valley Project represents a highly prospective U.S. rare-metal pegmatite project**
Multiple historically documented niobium (columbite), tantalum-bearing rare-metal and rare earth elements (REE) mineral occurrences across the Garden Valley claim package.
- **Historical Columbite Mine represents the priority target**
Historical USGS work documented a large, strongly zoned pegmatite approx. 250 ft long and at least 200 ft wide, tested by an approx. 150 ft underground tunnel beneath a prominent quartz core.
- **Exceptional coarse rare-metal mineralisation historically reported**
Includes recovery of a 309 lb columbite-bearing crystal associated with an approximately 100 lb samarskite crystal, demonstrating the capacity of the pegmatite system to develop very coarse concentrations of niobium-bearing and REE-bearing minerals.
- **Multiple additional mineralised pegmatites provide district-scale exploration upside**
Reporting of historical columbite, samarskite and/or euxenite at the Bowman and Mirandeborde prospects, together with rare-earth oxides at Mica Dome.
- **Historical exploration was limited and largely confined to surface/underground prospecting**
Principal occurrences were documented during mid-20th-century investigations with no systematic modern exploration programmes having been undertaken to define the scale, continuity or geochemical characteristics of the broader pegmatite field.
- **Clear pathway to rapidly advance the Project**
Programmes to commence with geological and structural mapping, systematic rock and soil geochemistry and modern geophysics, followed by potential drilling of priority targets, including Vaught-Peck, Bowman and Mirandeborde.

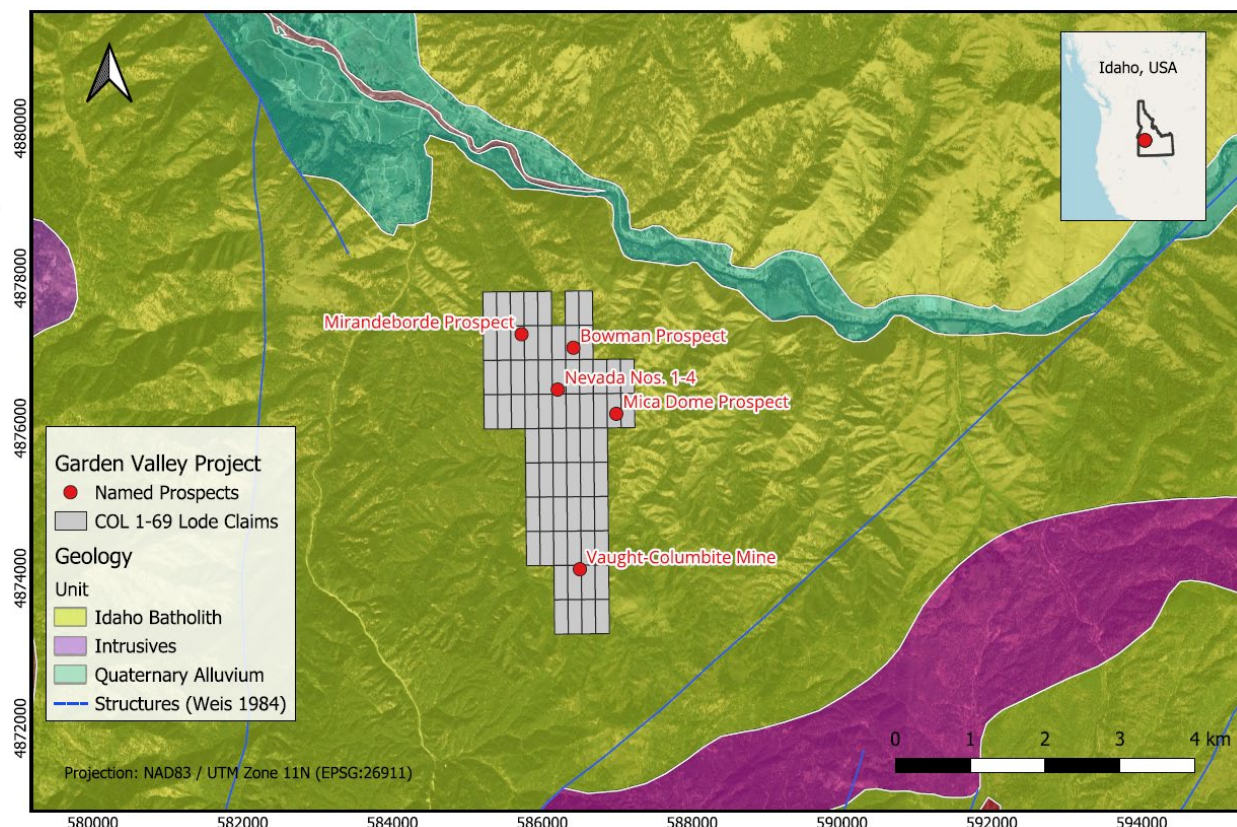


Figure 6: Garden Valley COL Claims 1-69, with main Prospects highlighted

Niobium (Nb), historically known as columbium, and tantalum (Ta) commonly occur together, with niobium typically present at higher grades. Both are important specialty metals, with niobium principally used in high-strength steels and specialty alloys, while tantalum has applications in gas turbines, electronic capacitors, cell phones and computers, cemented carbides and optical products. Critically, significant U.S. mine production of niobium and tantalum has not been reported since 1959, with the United States reported as 100% net-import reliant on both metals⁶.

The principal niobium-tantalum ore minerals at the Garden Valley Project are columbite-tantalite, associated with granitic rocks and granitic pegmatites located on the southwest margin of the Idaho Batholith, a known metallogenic province. Historical government work records pegmatites hosted by granodioritic rocks of the Idaho Batholith and containing combinations of columbite, samarskite, euxenite, monazite, mica and feldspar. The key prospects within the Garden Valley Project are shown in Table 3.

The principal documented occurrence is the Vaught-Peck (or Vaught Columbite) prospect, where intermittent historical mining reportedly recovered approximately 500 lb of columbite (niobium). Other prospects within the broader project area include Mica Dome, Bowman, Mirandeborde, and Nevada Nos. 1-4. Collectively, these occurrences support exploration for a broader Nb-Ta-REE-bearing pegmatite field.

The historical information is significant principally because rare-metal minerals are reported from several separate pegmatite occurrences rather than from a single isolated working. Vaught-Peck provides the strongest evidence of rare-metal enrichment and historical production, while Bowman and Mirandeborde record columbite-samarskite-bearing pegmatites and, at Bowman, euxenite. Mica Dome provides additional evidence for differentiated pegmatites with minor rare-earth oxides.

⁶ U.S. Geological Survey (2022), *Mineral Commodity Summaries 2022*, U.S. Geological Survey, 202 p., DOI: 10.3133/mcs2022; U.S. Geological Survey, *Niobium and Tantalum Statistics and Information*.

Table 3: Summary of main prospects associated with the Garden Valley Project

Prospect	Rare-metal minerals	Historical description	Exploration significance
Vaught-Peck / Columbite	Columbite, samarskite, monazite; mica and feldspar	Principal historic working; zoned pegmatite with pits/open cuts and underground development. Historical production of ~500 lb columbite reported	Highest-priority historical occurrence; demonstrates significant local rare-metal fractionation and coarse Nb-Y-REE mineral development
Mica Dome	Minor rare-earth oxides; muscovite and feldspar	Two pegmatites with plagioclase-quartz-muscovite wall zones and quartz cores; historically assessed for mica/feldspar	Supports the presence of multiple differentiated pegmatites across the project area
Bowman	Columbite, samarskite and euxenite (Y, REE)	Three prospect pits on small pegmatite bodies reported at approximately 3–15 ft wide	Strong rare-metal mineralogical indicator; priority target despite historically narrow exposed bodies
Mirandeborde	Columbite and samarskite; mica and feldspar	Pits and short adits expose narrow pegmatites through approximately 300 ft of vertical relief	Evidence for repeated mineralised pegmatites over a material vertical interval; potentially important target corridor
Nevada Nos. 1–4	Reported REE- and U-associated phases in modern compilation	Poorly exposed pegmatitic occurrences identified in modern project compilations; detailed primary historical information is limited.	Reconnaissance target requiring field verification, mapping, radiometrics and geochemistry

Historical Information Disclosure – Garden Valley

The historical information reported for the Garden Valley Project in this report is derived principally from historical data compiled from U.S. Government and Idaho State geological reports, historical mine and prospect records and project files. QEM has reviewed supporting records including historical geological mapping, underground workings plans and descriptions of historical exploration, mineral occurrences, and reported historical results.

The historical information has not been independently verified by QEM where historical sampling or assay results are reported, or where complete details of sample location, sample dimensions, representativity, sampling and preparation methodology, analytical techniques, laboratory procedures and QAQC have generally not been identified in the historical records reviewed. Accordingly, the reliability and repeatability of individual historical results cannot be established to modern reporting standards.

Historical descriptions of mineralisation, mineral occurrences, workings and reported assay results should therefore be regarded as indicative of the geological and exploration potential of the Project only and should not be interpreted as demonstrating the grade, continuity or economic significance of mineralisation, or as representing a current Mineral Resource or Ore Reserve. Further work, including field verification, geological and structural mapping, systematic sampling and drilling, is required to confirm the nature, extent, continuity and grade of mineralisation.

Vaught-Peck (also known as Vaught Columbite / Peck / Columbite Group)

Vaught-Peck is the best documented and most significant historical prospect within the Garden Valley Project area. Stoll (1950)⁷ described the Vaught prospect, also known as the Peck prospect and Columbite Group. The exposed pegmatite was reported to have been mined intermittently for columbite and mica from about 1900. Historical accounts cited by Stoll record approximately 500 lb of total columbite production. Subsequent Idaho compilation work also records an exceptional 309 lb composite crystal comprising a columbite-rich inner zone and samarskite outer zone, illustrating the capacity of the pegmatite system to develop very coarse rare-metal mineralisation.

⁷ Stoll, W.C. (1950). *Mica and Beryl Pegmatites in Idaho and Montana*. U.S. Geological Survey Professional Paper 229, 64 p

The pegmatite is strongly zoned and historical descriptions identify a graphic-textured perthite-quartz wall zone, intermediate plagioclase-quartz-muscovite and microcline-rich zones, and a quartz core. Columbite, samarskite and monazite occur as scattered fine- to coarse-grained masses within the plagioclase-quartz-muscovite pegmatite. Production is reported to have been intermittently worked for columbite and mica from 1900 until at least 1950. Historical records describe small-scale mining from surface and underground workings, although comprehensive production records and total historical production have not been identified.

Historical work at Vaught/Columbite⁸ describes an exposed pegmatite approximately 250 ft long and at least 200 ft wide, with a quartz core about 175 × 50 ft, plunging approximately S10°E at 15–20°. A 150 ft long tunnel was developed beneath the quartz core, with historical mapping documenting a distinct pegmatite zonation and the occurrence of columbite and samarskite; the samarskite is reported as uranium-bearing. Critically, records the recovery of a 309-lb crystal in August 1950, comprising an inner columbite zone surrounded by an outer samarskite zone, accompanied by an approximately 100-lb samarskite crystal⁸.

Vaught-Peck therefore represents the clearest historical proof-of-concept target within the Project, although the historical information does not demonstrate modern resource-scale continuity or grade.

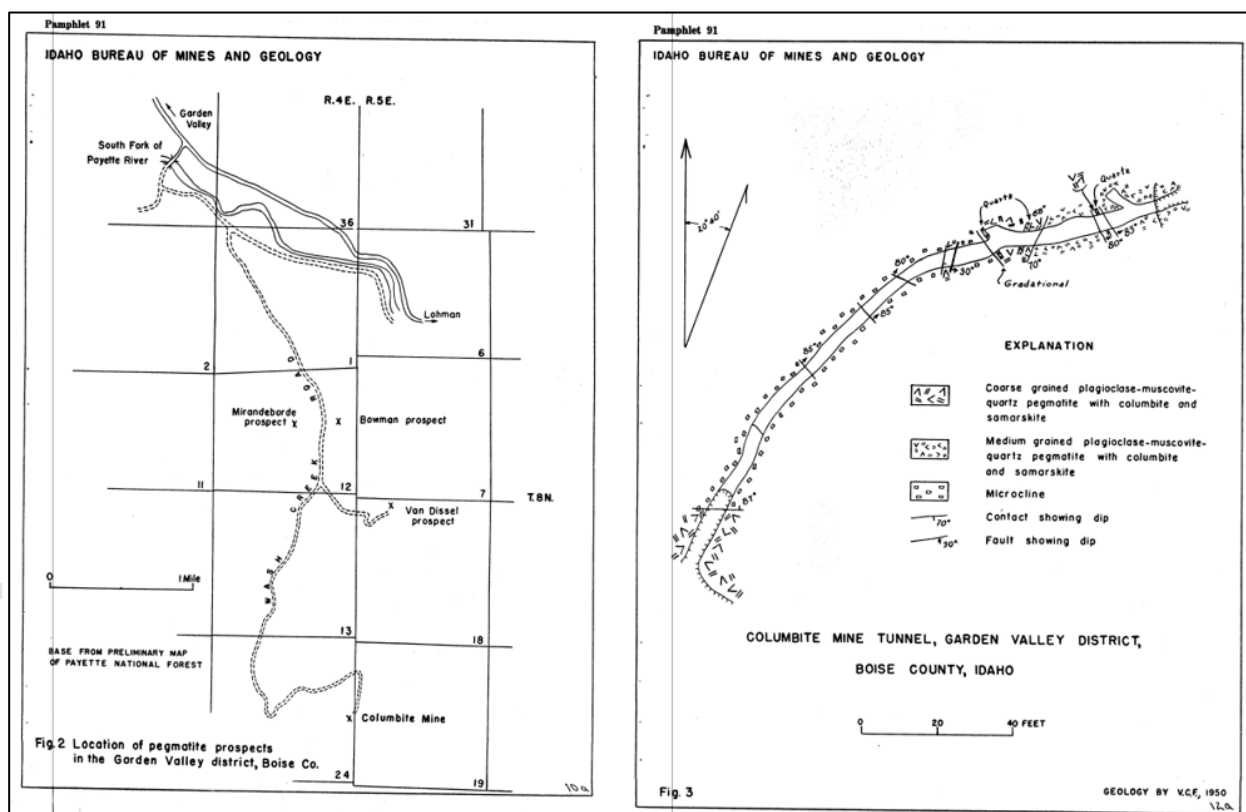


Figure 7: Garden Valley prospect-location map (left) - plots the Columbite Mine, Bowman prospect, Mirandeborde prospect and Van Dissel prospect together, and detailed Columbite Mine tunnel plan (right) maps the underground drive, pegmatite contacts, faults//contact dips and the internal pegmatite mineralogy⁸

⁸ Fryklund, V.C. Jr. (1951). A Reconnaissance of Some Idaho Feldspar Deposits, With a Note on the Occurrence of Columbite and Samarskite. Idaho Bureau of Mines and Geology Pamphlet 91

Mica Dome Prospect

Historical work describes two pegmatites at the Mica Dome claims⁸. The pegmatites comprise fine- to medium-grained plagioclase-quartz-muscovite wall zones surrounding quartz cores. A small tonnage of plagioclase and scrap mica was recognised, and minor rare-earth oxides were reported. Two pegmatites were exposed in bulldozer trenches and two short tunnels the western body was approx. 60 ft wide with approx. 150 ft of along-slope exposure. Compared with Vaught-Peck, the historical documentation is less indicative of concentrated niobium mineralisation; however, the occurrence is important because it demonstrates additional zoned and differentiated pegmatites within the same broader Garden Valley field.

Bowman Prospect

Three historical pits were excavated at Bowman on relatively small pegmatite bodies ranging from approx. 3 to 15 ft in width. The pegmatite was described as a fine-grained intergrowth of microcline, quartz and muscovite with accessory columbite, samarskite and euxenite⁸. The largest pegmatite was 15 ft wide, striking N45°W and dipping 75–80°E with columbite, samarskite and euxenite reported.

The presence of several Nb-Y-REE-bearing accessory minerals makes Bowman one of the more technically significant historical targets after Vaught-Peck. The principal limitation is the relatively narrow width of the pegmatites exposed by the historical workings; the proposed modern exploration programme should therefore test for thicker, repeated or concealed pegmatite bodies along the broader trend.

Mirandeborde Prospects

The Mirandeborde prospects contain pits and short adits exposing narrow pegmatite bodies through approximately 300 ft of vertical relief. Historical descriptions distinguish feldspar-quartz wall zones and quartz-muscovite-feldspar cores containing minor columbite and samarskite. The occurrence of multiple mineralised pegmatites over a substantial vertical interval is potentially important because it supports a pegmatite-swarm concept rather than a single isolated surface body. The prospect was noted to consist of a series of roughly east-west striking pegmatites developed by pits and short tunnels with columbite and minor samarskite reported. Exposed bodies were 2–4 ft wide, intersected by smaller pegmatites at both high and low angles, with workings covering about 300 ft vertically.

Mirandeborde warrants integrated mapping along with Bowman to determine whether the occurrences form part of a common structural or intrusive corridor. An historical channel sample from one of the prospect tunnels was reported to have assayed 1% columbium (niobium) ⁸. The historical result has not been independently verified by QEM and details of the sampling methodology, analytical method and QAQC are not available.

Nevada Nos. 1–4

The Nevada Nos. 1–4 occurrences are included in modern project compilations as poorly exposed pegmatitic veins with reported rare-earth and uranium association. The occurrence is recorded by the Idaho Geological Survey (CH0708) with rare-earths and uranium as commodities. The underlying US Bureau of Mines mineral property file referenced by the IGS record has not been sighted by QEM and no specific mineral species have been identified in the historical sources reviewed. They should therefore be treated as lower-confidence reconnaissance targets, and initial field verification will focus on confirming the location and geometry of individual pegmatites, radiometric response, mineralogy and systematic multi-element geochemistry.

Exploration Significance and Prospectivity

The principal exploration opportunity is the potential for a broader rare-element pegmatite system containing multiple Nb-REE-bearing pegmatite bodies with potential for associated tantalum within the Idaho Batholith. Historical records establish rare-metal mineralogy at several separate prospects and demonstrate that at least one occurrence, Vaught-Peck, produced columbite on a small historical scale. The Bowman and Mirandeborde prospects extend the evidence for columbite-samarskite-bearing pegmatites beyond the principal historic workings, while Mica Dome records additional differentiated pegmatites⁸.

Historical exploration was predominantly based on surface exposure, pits, trenches, short adits and limited underground development. The available records do not indicate systematic modern exploration of the entire pegmatite field using detailed geological and structural mapping, modern multi-element geochemistry, radiometrics/geophysics, and drilling. Accordingly, the principal upside is not simply re-evaluation of the old workings but testing whether the known occurrences represent surface expressions of a larger and more continuous rare-element pegmatite system.

On the information presently available, Vaught-Peck (Nb-Ta-Y) is the highest-priority historical target. Bowman and Mirandeborde form the next priority group due to their reported Nb-Y-REE mineralogy and multiple pegmatite occurrences. Mica Dome provides additional evidence of pegmatite differentiation, while Nevada Nos. 1–4 require more fundamental verification.

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 having spent 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:

- Sedan Dip Campdraft (August 2025)
- Julia Creek Dirt N Dust Festival (August 2025)
- Julia Creek Big Weekend (October 2025)
- Julia Creek Beach Races (November 2025)

CAPITAL RAISINGS

On 18 February 2026, QEM announced it had firm commitments for a Placement to raise approximately \$1.4 million. On 24 February 2026, the Company issued 59,100,000 new fully paid ordinary shares at \$0.024 per share. As part of the Placement, on 10 April 2026, following shareholder approval, the Company issued a further 1,000,000 shares to a director and 36,059,995 (unquoted) options exercisable at \$0.045, with an expiry date of 10 April 2029 (including 6,010,000 options to the lead manager).

On 15 April 2026, QEM announced it had firm commitments for a Placement to raise approximately \$2.6 million. During May and June 2026, the Company issued 57,666,669 new fully paid ordinary shares at

\$0.045 per share. As part of the Placement, shareholder approval was received for the issue of 34,599,999 (unquoted) options exercisable at \$0.08, with an expiry date of three years after issue (including 5,766,667 options to the lead manager) and 1,297,500 shares to the lead manager.

BOARD RESIGNATIONS AND APPOINTMENTS

During the year ended 30 June 2026, and up to the date of this report, the following director resigned:

- Gavin Loyden (Managing Director, resigned 2 July 2025)

ROBERT COOPER

On 2 July 2025 the Company appointed Mr Robert Cooper 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.

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

1,007,144 Ordinary Shares

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

75,000 Class B performance rights

150,000 Class C performance rights

1,100,000 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 Cooper 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

5,500,000 Ordinary Shares

5,000,000 Unquoted Options exercisable at \$0.045 on or before 26 November 2028

500,000 Unquoted Options exercisable at \$0.045 on or before 10 April 2029

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 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

657,143 Ordinary Shares

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

50,000 Class B performance rights

100,000 Class C performance rights

550,000 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. Securities issued as part of remuneration for the year ended 30 June 2026:

During the financial year:

- no new performance rights were issued as part of remuneration;
- director Robert Cooper was issued 5,000,000 unquoted options exercisable at \$0.045 each, expiring on or before 26 November 2028 (following shareholder approval); and
- A member of management was issued a total of 1,500,000 unquoted options exercisable at \$0.05 each, expiring on or before 27 March 2029.

Refer Note 13 to the Financial Statements.

4. Details of remuneration for the years ended 30 June 2025 and 30 June 2026:

The remuneration for each key management personnel of the Company for the year ended 30 June 2026 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										
Daniel Harris	37,000	-	-	-	-	-	15,428	52,428	-	29.4%
Gavin Loyden ²	200,000	-	-	11,838	-	-	5,500	217,338	-	2.5%
Tim Wall	72,520	-	-	-	-	-	26,423	98,943	-	26.7%
Robert Cooper ⁴	474,000	44,980	-	30,000	-	-	32,239	581,219	-	5.5%
Total	783,520	44,980	-	41,838	-	-	79,590	949,928		

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		

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.

5. Equity holdings of key management personnel

Share holdings

Number of ordinary shares held by key management personnel during the financial year ended 30 June 2026 was as follows:

30 June 2026	Balance at beginning of year	Net change other	Balance at end of year
Directors			
Daniel Harris	357,143	-	357,143
Tim Wall	457,144	-	457,144
Robert Cooper ¹	-	1,000,000	1,000,000
TOTAL	814,287	1,000,000	1,814,287
Gavin Loyden ²	20,948,689	-	20,948,689 ³

¹Robert Cooper was appointed as CEO on 26 May 2025, then as Managing Director on 2 July 2025.

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

³Balance at date of resignation.

Option holdings

Number of incentive options held by key management personnel during the financial year ended 30 June 2026 was as follows:

30 June 2026	Balance at beginning of year	Net change other	Balance at end of year
Directors			
Daniel Harris	600,000	(600,000)	-
Tim Wall	600,000	(600,000)	-
Robert Cooper ¹	-	5,000,000	5,000,000
TOTAL	1,200,000	3,800,000	5,000,000
Gavin Loyden ²	4,500,000	-	4,500,000 ³

¹Robert Cooper was appointed as CEO on 26 May 2025, then as Managing Director on 2 July 2025.

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

³Balance at date of resignation

Performance Rights Holdings

Number of performance rights held by key management personnel during the financial year ended 30 June 2026 was as follows:

30 June 2026	Balance at beginning of year	Issued as remuneration, exercised or lapsed	Balance at end of year
Directors			
Daniel Harris	1,000,000	-	1,000,000
Tim Wall	1,875,000	-	1,875,000
Robert Cooper ¹	-	-	-
TOTAL	2,875,000	-	2,875,000
Gavin Loyden ²	625,000	-	625,000 ³

¹Robert Cooper was appointed as CEO on 26 May 2025, then as Managing Director on 2 July 2025.

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

³Balance at date of resignation

6. Other Key Management Personnel Transactions

During the year ended 30 June 2026, the Company paid consulting fees to Daniel Harris totalling \$27,750 (2025: \$16,500).

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 2026 (2025: \$30,000).

The Company incurred no other transactions with related parties.

"End of Remuneration Report (Audited)"

AFTER BALANCE DATE EVENTS

During August 2026, the Company completed an acquisition of all of the shares in Freshwater Metals Pty Ltd ("**Freshwater**"), after completing detailed due diligence and the satisfaction of conditions precedent within the terms. Freshwater is the owner of two critical minerals exploration projects (Big It and Vaught-Peck) located in Idaho, United States. Big It is a past producer of tungsten, and is also prospective for antimony and gold, while the Columbite Project hosts the Vaught-Peck prospect which is prospective for fluorspar and niobium, and other rare earth elements (REE). Consideration for the acquisition comprised 6,666,667 Shares valued at \$0.045 each (\$300,000), which have been (voluntarily) escrowed for 3 months (33.3%), 6 months (33.3%) and 9 months (33.3%).

Subsequent to 30 June 2026, the following changes to the capital structure occurred:

- A total of 850,000 shares were issued following the exercise of 850,000 vested performance rights.
- As noted above 6,666,667 shares were issued for the acquisition of Freshwater, along with 666,667 shares as a finder's fee.
- 28,833,332 unquoted options (exercisable at \$0.08 each, expiring 23 September 2029) were issued as part of the June 2026 placement (following shareholder approval). A further 5,766,667 of these options were issued, along with 1,297,500 shares, to the lead manager of the June 2026 placement.
- 1,000,000 shares were issued Robert Coopers, QEM's Managing Director, as part of his remuneration following shareholder approval.

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 twelve meetings of directors were held. Attendances by each director during the period were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Tim Wall	12	12
Daniel Harris	12	12
Robert Cooper ¹	12	12

¹Robert Cooper was appointed as a director on 2 July 2025

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 103,819,487 unquoted options and 2,250,000 unquoted performance rights on issue.

PROCEEDINGS ON BEHALF OF COMPANY

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

INDEMNIFYING OF OFFICERS

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

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

CORPORATE GOVERNANCE

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

NON-AUDIT SERVICES

There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2026.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2026 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.



Tim Wall
Director (Non-Executive Chairman)
28 September 2026

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 2026, 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 28th day of September 2026
Perth, Western Australia

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Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2026

	Note	2026 \$	2025 \$
Interest Received	2	28,392	19,634
Research & Development Grant		259,576	243,539
Total Other Income		287,968	263,173
Corporate and administrative expenses		(510,907)	(534,479)
Investor relations and marketing expenses		(109,400)	(174,202)
Travelling expenses		(9,603)	(98,051)
Employee benefits expense		(416,384)	(381,272)
Exploration expenditure		(1,302,925)	(1,784,502)
Share based payments expense	13	(62,286)	(83,117)
Amortisation and depreciation expense		(153,373)	(189,952)
Impairment of Assets	8	(300,334)	-
Interest expense		(668)	(6,921)
Bad debt recovered/(expense)	6	161,000	(241,500)
Loss from continuing operations before income tax benefit		(2,416,912)	(3,230,823)
Income tax expense	3	-	-
Loss from continuing operations after income tax benefit		(2,416,912)	(3,230,823)
Other comprehensive income, net of tax		-	-
Total comprehensive loss attributable to Members of the parent entity		(2,416,912)	(3,230,823)
Basic and diluted loss per share (cents)	4	(0.92)	(1.78)

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2026

	Note	2026 \$	2025 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	4,257,910	2,835,732
Trade and other receivables	6	296,715	60,671
Other assets	7	-	31,226
Total Current Assets		4,554,625	2,927,629
Non-Current Assets			
Other Assets	7	2,500	2,500
Right of Use Asset	9 (a)	-	39,682
Plant and Equipment	8	15,235	426,236
Total Non-Current Assets		17,735	468,418
Total Assets		4,572,360	3,396,047
LIABILITIES			
Current Liabilities			
Trade and other payables	10	217,327	465,214
Lease Liabilities	9 (b)	-	37,175
Provisions		71,799	64,535
Total Current Liabilities		289,126	566,924
Total Liabilities		289,126	566,924
Net Assets		4,283,234	2,829,123
EQUITY			
Issued capital	11	24,972,437	21,403,546
Reserves	12	424,052	417,076
Accumulated losses		(21,113,255)	(18,991,499)
Total Equity		4,283,234	2,829,123

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2026

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 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
Issue of shares (net)		3,568,891	-	-	3,568,891
Loss after income tax expense for the year		-	-	(2,416,912)	(2,416,912)
Share-based payments – directors/employees	13	-	62,286	-	62,286
Options issued to lead managers as capital raising costs		-	239,846	-	239,846
Options and performance rights lapsed		-	(295,156)	295,156	-
Balance at 30 June 2026		24,972,437	424,052	(21,113,255)	4,283,234

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash Flows from Operating Activities			
Payments for exploration and evaluation		(1,285,809)	(2,000,586)
Payments to suppliers and employees		(1,065,437)	(1,172,319)
Interest received		28,392	19,634
Grants received		-	243,539
Net Cash (Outflow) from Operating Activities	16	(2,322,854)	(2,909,732)
Cash Flows from Investing Activities			
Payments for plant and equipment		(3,023)	(13,483)
Net Cash (Outflow) from Investing Activities		(3,023)	(13,483)
Cash Flows from Financing Activities			
Payments for capital raising costs		(251,502)	(365,964)
Proceeds from issued capital		4,037,400	4,569,939
Payments for lease liability		(37,843)	(90,204)
Net Cash Inflow from Financing Activities		3,748,055	4,113,771
Net Increase in cash held		1,422,178	1,190,556
Cash and cash equivalents at the beginning of the year		2,835,732	1,645,176
Cash and cash equivalents at the end of the year	5	4,257,910	2,835,732

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2026

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 28 September 2026 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 2026 the Company generated a loss of \$2,416,912 and incurred operating cash outflows of \$2,322,854. As at 30 June 2026 the Company has cash and cash equivalents of \$4,257,910 and net assets of \$4,283,234.

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 \$23.2m raised since the Company's IPO in 2018, including the \$4.0m raised during the financial year ended 30 June 2026.

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

Standards issued but not yet effective

AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101.

It is effective for annual reporting periods beginning on or after 1 January 2027 and will first apply to the Company for the year ending 30 June 2028. AASB 18 changes the presentation of the statement of profit or loss and the classification of interest cash flows, but not recognition or measurement. The Company has not yet fully assessed its impact.

No other standards issued but not yet effective are expected to have a material impact on the Company's financial statements.

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	2026	2025
	\$	\$
Interest received	28,392	19,634
Research and development grant	259,576	243,539
	<u>287,968</u>	<u>263,173</u>
3. Income tax benefit/(expense)	2026	2025
	\$	\$
(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	(2,416,912)	(3,230,823)
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% (2025: 30%)	(725,074)	(969,247)
Increase/(decrease) in income tax due to the tax effect of:		
Non-deductible expenses	336,703	389,978
Research and development incentive	(75,793)	(73,062)
Temporary difference movements	(125,872)	(30,894)
Tax losses not recognised/(utilised)	590,036	683,224
Income tax reported in the statement of comprehensive income	<u>-</u>	<u>-</u>

Income tax benefit/(expense) continued:

	2026	2025
	\$	\$
(c) Deferred tax assets		
Tax losses	4,669,961	4,152,375
Right of Use Asset	-	10,600
Provisions and accruals	250,382	236,453
Total deferred tax assets	4,920,343	4,399,428
Set-off deferred tax liabilities pursuant to set-off provisions	-	-
Net deferred tax assets	4,920,343	4,399,428
Less deferred tax assets not recognised	(4,920,343)	(4,399,428)
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	15,566,536	13,599,750
Potential tax benefit @ 30% (2025: 30%)	4,669,961	4,079,925

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

	2026	2025
	Cents / share	Cents / share
Basic/diluted loss per share	(0.92)	(1.78)
The loss and weighted average number of ordinary shares used in this calculation of basic/diluted loss per share are as follows:		
	2026	2025
	\$	\$
Loss from continuing operations	(2,416,912)	(3,230,823)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic/ diluted loss per share	262,208,390	181,186,808

5. Cash and cash equivalents

	2026	2025
	\$	\$
Cash at bank	4,257,910	2,835,732

6. Trade and other receivables

	2026	2025
	\$	\$
<i>Current</i>		
GST receivable	42,770	60,671
Trade receivable	1,207	-
Research and Development Grant	252,738	-
Share subscription receivable	-	241,500
Provision for bad debt on unpaid share subscription fund	-	(241,500)
	296,715	60,671

On 6 June 2025, the Company completed a capital raising under which an investor failed to settle for their committed \$241,500 worth of shares. At 30 June 2025, despite commencing legal proceedings to recover the debt, the Company had recorded a provision against the receivable. During March 2026, the Company recovered \$161,000 of the debt.

7. Other assets

	2026	2025
	\$	\$
<i>Current</i>		
Prepayments	-	14,276
Bond	-	16,950
	-	31,226
<i>Non-current</i>		
Bond	2,500	2,500
	2,500	2,500

8. Plant and equipment

	2026	2025
	\$	\$
Equipment at cost	44,018	68,555
Equipment – accumulated depreciation	(28,783)	(41,875)
Plant at cost	-	693,361
Plant – accumulated depreciation	-	(293,805)
	15,235	426,236
Plant and equipment		
Opening balance	426,236	531,181
Additions	3,023	10,314
Impairment (refer note below)	(300,334)	-
Depreciation	(113,690)	(115,259)
	15,235	426,236

Plant and equipment continued:

Between September 2025 and March 2026, the Company undertook a strategic review of the JCVEP. Receipt of metallurgical test results meant that the Scoping Study's outcomes should no longer be relied upon. The review concluded that the project has technically viable solutions available, but that none of these alternatives are currently commercially attractive due to their high project capital costs and/or flowsheet implications. Additionally, uncertainty around the vanadium market (depressed vanadium price) continues to impact the economics of the Project. While the Company believes that there is value in the JCVEP, in the current economic environment, the decision was made that all non-essential activities associated with the JCVEP are to remain suspended. In light of this, the Company has decided to write off the value of the Pilot Plant due to its uniqueness/scarcity which provides limited specialised potential users, and is therefore difficult to justify carrying value.

9. Leases**(a) Right-of-use asset**

Balance at the beginning of the year	39,682	30,609
Additions	-	60,603
Depreciation	(39,682)	(51,530)
Balance at the end of the year	-	39,682
Current	-	39,682
Non-Current	-	-
Total	-	39,682

(b) Lease liabilities

Office lease	-	37,175
Current	-	37,175
Non-Current	-	-
Total	-	37,175

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.

10. Trade and other payables

	2026 \$	2025 \$
Current		
Trade payables and accruals	196,428	209,388
Employee benefits	20,899	255,826
	217,327	465,214

11. Contributed Equity

Fully paid ordinary shares		2026	2026	2025	2025
		No. of shares	\$	No. of shares	\$
Balance at beginning of period		236,400,353	21,403,546	151,391,712	16,991,177
Shares issued during the year:					
Issue of ordinary shares – 25 October 2024	(a)	-	-	39,441,976	2,760,939
Issue of ordinary shares – 6 June 2025	(b)	-	-	45,566,665	2,050,500
Issue of ordinary shares – 24 February 2026	(c)	59,100,000	1,418,400		
Issue of ordinary shares – 10 April 2026	(c)	1,000,000	24,000		
Issue of ordinary shares – 12 May 2026	(d)	23,222,224	1,045,000		
Issue of ordinary shares – 1 June 2026	(d)	10,000,000	450,000		
Issue of ordinary shares – 11 June 2026	(d)	24,444,445	1,100,000		
Capital raising costs		-	(468,509)	-	(399,070)
Balance at end of the year		354,167,022	24,972,437	236,400,353	21,403,546

Notes for the above table are:

- (a) On 25 October 2024, the Company issued 39,441,976 shares at \$0.07 to raise \$2,760,939 before costs.
- (b) On 6 June 2025, the Company issued 45,566,665 shares at \$0.045 to raise \$2,050,500 before costs.
- (c) On 24 February 2026 and 10 April 2026, the Company issued a total of 60,100,000 shares at \$0.024 to raise a total of \$1,442,400 before costs.
- (d) On 12 May 2026, 1 June 2026 and 11 June 2026, the Company issued a total of 57,666,669 shares at \$0.045 to raise a total of \$2,595,000 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.

Contributed Equity continued:**Unlisted Options**

	Weighted average exercise price	30 Jun 2026 No. of Options	Weighted average exercise price	30 Jun 2025 No. of Options
Unlisted Share Options	\$0.052	64,219,488	\$0.264	7,200,000
Balance at the beginning of the year (1 July)	\$0.264	7,200,000	\$0.328	6,350,000
Changes during the period:				
Issued to Director – November 2024	-	-	\$0.14	2,500,000
Issue of Placement Options – August 2025	\$0.065	21,659,493	-	-
Issued to Director – November 2025	\$0.045	5,000,000	-	-
Issued to CFO – March 2026	\$0.05	1,500,000	-	-
Issue of Placement Options – April 2026	\$0.045	36,059,995	-	-
Options lapsed/expired	\$0.264	(7,200,000)	\$0.323	(1,650,000)
Outstanding at the end of the year	\$0.052	64,219,488	\$0.264	7,200,000
Exercisable at the end of the year	\$0.052	64,219,488	\$0.264	7,200,000

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

Performance Rights

	30 Jun 2026 No. of Performance Rights	30 Jun 2025 No. of Performance Rights
Performance Rights	3,400,000	3,650,000
Balance at the beginning of the year (1 July)	3,650,000	1,875,000
Changes during the period:		
Issued to Directors – November 2024	-	2,250,000
Performance Rights lapsed/expired	(250,000)	(475,000)
Outstanding at the end of the year	3,400,000	3,650,000
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.

Contributed Equity continued:**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 2026 was a surplus of \$4,265,499 (2025: \$2,360,705) and the net increase in cash held during the year was \$1,422,178 (2025: net increase of \$1,190,556).

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**

	2026	2025
	\$	\$
Share-based payments expense recognised during the year:		
Share based payment reserves		
Performance rights issued – 9 November 2023 (a)	29,867	59,867
Performance rights issued – 22 November 2024 (b)	19,684	23,250
Options issued – 26 November 2025 (c)	32,239	-
Options issued – 27 March 2026 (d)	32,417	-
Reversals (prior years charged, rights since lapsed)	(51,921)	-
	<u>62,286</u>	<u>83,117</u>

Notes for the above table are:

- (a) 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.

Share-based Payments continued:

- 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.

475,000 performance rights (A:250,000, B:75,000, C:150,000) lapsed on 3 March 2025. A further 250,000 performance rights (Class A) lapsed on 2 July 2025).

- (b) 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.

Share-based Payments continued:

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%

- (c) 5,000,000 incentive options were issued to a director (Robert Cooper) on 26 November 2025. The options were issued with an exercise price of \$0.045 expiring 26 November 2028.

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

	Options granted Range
Expected volatility (%)	86%
Risk free interest rate (%)	3.80%
Weighted average expected life of options (years)	3.0
Expected dividends	Nil
Option exercise price (\$)	\$0.045
Share price at grant date (\$)	\$0.018
Fair value of option (\$)	\$0.0064

Share-based Payments continued:

- (d) 1,500,000 incentive options were issued to management on 27 March 2026. The options were issued with an exercise price of \$0.050 expiring 27 March 2029.

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

	Options granted Range
Expected volatility (%)	96%
Risk free interest rate (%)	4.73%
Weighted average expected life of options (years)	3.0
Expected dividends	Nil
Option exercise price (\$)	\$0.050
Share price at grant date (\$)	\$0.038
Fair value of option (\$)	\$0.0216

- (e) 2,500,000 incentive options were issued to director (Gavin Loyden) 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 flotation 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 years ended 30 June 2025 or 30 June 2026.

Share-based payment options during 2026:

Option exercise price	Option expiry date	Balance 1 July 2025	Granted as Compensation/fees	Exercised/Lapsed	Balance 30 June 2026	Total Vested 30 June 2026	Total Vested and Exercisable 30 June 2026	Weighted average remaining contractual life
\$0.345	12/08/2025	3,600,000	-	(3,600,000)	-	-	-	-
\$0.345	12/08/2025	600,000	-	(600,000)	-	-	-	-
\$0.20	01/03/2026	500,000	-	(500,000)	-	-	-	-
\$0.14	01/10/2027	1,000,000	-	(1,000,000)	-	-	-	-
\$0.14	31/07/2028	1,500,000	-	(1,500,000)	-	-	-	-
\$0.045	26/11/2028	-	5,000,000	-	5,000,000	5,000,000	5,000,000	2.41 years
\$0.05	27/03/2029	-	1,500,000	-	1,500,000	1,500,000	1,500,000	2.74 years
\$0.065	31/07/2028	-	1,559,483	-	1,559,483	1,559,483	1,559,483	2.09 years
\$0.045	10/04/2029	-	6,010,000	-	6,010,000	6,010,000	6,010,000	2.78 years
Total		7,200,000	14,069,483	(7,200,000)	14,069,483	14,069,483	14,069,483	2.57 years

Share-based Payments continued:

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 performance rights during 2026:

Performance rights exercise price	Performance rights expiry date	Balance 1 July 2025	Granted as Compensation	Exercised/ Lapsed	Balance 30 June 2026	Total Vested 30 June 2026	Total Vested and Exercisable 30 June 2026	Weighted average remaining contractual life
Class A \$0	26/08/2026	500,000	-	(250,000)	250,000	-	-	0.16 years
Class B \$0	26/08/2026	300,000	-	-	300,000	-	-	0.16 years
Class C \$0	26/08/2027	600,000	-	-	600,000	-	-	1.16 years
Tranche 1 \$0	31/07/2028	1,350,000	-	-	1,350,000	600,000	600,000	2.09 years
Tranche 2 \$0	31/07/2028	300,000	-	-	300,000	-	-	2.09 years
Tranche 3 \$0	31/07/2028	600,000	-	-	600,000	-	-	2.09 years
Total		3,650,000	-	(250,000)	3,400,000	600,000	600,000	1.61 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 Payments continued:

Share-based payments for capital raising costs	2026 \$	2025 \$
Options issued for capital raising costs	204,470	23,236

Note for the above table:

- (a) 1,559,483 options were issued on 1 August 2025 (accrued in FY25) to the lead manager for the June 2025 Placement, valued at \$23,236. The options have an exercise price of \$0.065 each and will expire on 31 July 2028.
- (b) 6,010,000 options were issued on 10 April 2026 to the lead manager for the February 2026 Placement, valued at \$204,470. The options have an exercise price of \$0.045 each and will expire on 10 April 2029

14. Auditor's Remuneration	2026 \$	2025 \$
Amounts, received or due and receivable by auditors for:		
- audit or review services	37,392	34,768

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 2026. The totals of remuneration paid to KMP of the Company during the year are as follows:

	2026 \$	2025 \$
Short-term employee benefits	828,500	569,804
Post-employment benefits	41,838	48,619
Share-based payments	79,590	83,117
	<u>949,928</u>	<u>701,540</u>

(b) Other Transactions

During the year ended 30 June 2026, the Company paid consulting fees to Daniel Harris totalling \$27,750 (2025: \$16,500).

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 2026 (2025: \$30,000).

The Company incurred no other transactions with related parties.

16. Cash flow information**2026**
\$**2025**
\$**(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax**

Loss after income tax	(2,416,912)	(3,230,823)
Non cash flows:		
Finance cost on right of use asset	668	6,921
Depreciation on right of use asset	39,682	74,692
Depreciation on plant and equipment	113,690	115,260
Share based payments	62,286	83,117
Impairment loss on plant and equipment	300,334	-
Bad debt provision	-	241,500
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(236,043)	(9,108)
- (increase)/decrease in other assets	31,225	23,903
- increase/(decrease) in trade and other payables	(187,872)	(69,060)
- Increase/(decrease) in other current liability	(29,912)	(146,134)
	<u>(2,322,854)</u>	<u>(2,909,732)</u>

(b) Non-Cash investing and financing activities

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

	2025	Cash flows	Non-cash adjustments	2026
	\$	\$	\$	\$
Plant and equipment	426,236	3,023	(414,024)	15,235
Issued capital	21,403,546	3,785,898	(217,007)	24,972,437
	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

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 2026, 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 risk management continued:

Financial Assets	2026	2025
	\$	\$
Cash and cash equivalents – AAA rated counterparties	4,257,910	2,835,732

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.

All financial liabilities are due within six months of reporting date.

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 2026 (2025: 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 Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development. These obligations are not provided for in the financial report.

Minimum Work Requirements	2026	2025
	\$	\$
No later than 12 months	2,640,000	1,860,000
Between 1 and 5 years	10,100,000	12,740,000
	<u>12,740,000</u>	<u>14,600,000</u>

21. Events Subsequent to Period End

During August 2026, the Company completed an acquisition of all of the shares in Freshwater Metals Pty Ltd ("**Freshwater**"), after completing detailed due diligence and the satisfaction of conditions precedent within the terms. Freshwater is the owner of two critical minerals exploration projects (Big It and Vaught-Peck) located in Idaho, United States. Big It is a past producer of tungsten, and is also prospective for antimony and gold, while the Columbite Project hosts the Vaught-Peck prospect which is prospective for fluor spar and niobium, and other rare earth elements (REE). Consideration for the acquisition comprised 6,666,667 Shares valued at \$0.045 each (\$300,000), which have been (voluntarily) escrowed for 3 months (33.3%), 6 months (33.3%) and 9 months (33.3%).

Subsequent to 30 June 2026, the following changes to the capital structure occurred:

- A total of 850,000 shares were issued following the exercise of 850,000 vested performance rights.
- As noted above 6,666,667 shares were issued for the acquisition of Freshwater, along with 666,667 shares as a finders fee.
- 28,833,332 unquoted options (exercisable at \$0.08 each, expiring 23 September 2029) were issued as part of the June 2026 placement (following shareholder approval). A further 5,766,667 of these options were issued, along with 1,297,500 shares, to the lead manager of the June 2026 placement.
- 1,000,000 shares were issued Robert Coopers, QEM's Managing Director, as part of his remuneration following shareholder approval.

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 2026

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 2026 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
28 September 2026

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QEM LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of QEM Limited ("the Company"), which comprises the statement of financial position as at 30 June 2026, 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, 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 2026 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 \$2,416,912 during the year ended 30 June 2026. 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.



Key Audit Matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters which in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration Expenditure During the year, the Company incurred exploration expenses of \$1,302,925. Exploration expenditure is a key audit matter due to the significance to the Company's statement of profit or loss and other comprehensive income.	Our procedures included, amongst others: • Testing exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the Company's accounting policy and the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>; and • Assessing the Company's rights to tenure by corroborating to government registries

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 2026, 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.

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 Company to express an opinion on the financial report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit of the Company. 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 2026.

In our opinion, the Remuneration Report of QEM Limited, for the year ended 30 June 2026, 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 28th day of September 2026
in Perth, Western Australia

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 23 September 2026

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	51	7,552	-	-
1,001 - 5,000	315	1,051,687	-	-
5,001 - 10,000	217	1,725,301	-	-
10,001 - 100,000	598	23,816,998	-	-
100,001 and over	284	338,046,318	4	2,250,000
Total	1,465	364,647,856	4	2,250,000

Range	Quoted Options (\$0.14 @ 30-Sep-26)		Options (\$0.045 @ 10-Apr-29)		Options (\$0.08 @ 23-Sep-29)	
	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	1,996,567	-	-	-	-
100,001 and over	38	18,393,904	18	36,059,995	30	34,599,999
Total	244	20,769,014	18	36,059,995	30	34,599,999

Range	Options (\$0.065 @ 31-Jul-28)		Incentive Options (\$0.045 @ various)		Incentive Options (\$0.05 @ 27-Mch-29)	
	No. Holders	No. Options	No. Holders	No. Options	No. Holders	No. Options
1 - 1,000	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-
5,001 - 10,000	-	-	-	-	-	-
10,001 - 100,000	11	733,335	-	-	-	-
100,001 and over	41	20,926,158	2	10,000,000	1	1,500,000
Total	52	21,659,493	2	10,000,000	1	1 500,000

There are 923 shareholders holding less than a marketable parcel of 33,333 shares.

b. Substantial Shareholders

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

Name of Shareholder	No. Ordinary Shares	% of Total Shares
DAVID FITCH	60,641,559	17.07%

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	FINEXIA WEALTH PTY LTD <CLIENT NOMINEE A/C>	17,777,778	4.9%
2	ER FITCH PTY LTD <ELOISE FITCH FAMILY A/C>	17,747,459	4.9%
3	DL FITCH NOMINEES PTY LTD <DAVID FITCH FAMILY A/C>	17,506,134	4.8%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	16,030,572	4.4%
5	PACIFIC CONTINENTAL HOLDINGS PTY LTD <THE PACIFIC CONTINENTAL A/C>	12,908,664	3.5%
6	CL FITCH PTY LTD <CAELAN FITCH FAMILY A/C>	8,979,437	2.5%
7	STONE GROUP PTY LTD <STONE GROUP DISC A/C>	8,000,000	2.2%
8	RIYA INVESTMENTS PTY LTD	7,577,776	2.1%
9	DL FITCH NOMINEES PTY LTD <DAVID FITCH FAMILY A/C>	7,076,597	1.9%
10	GROUND RISK PTY LTD <HALL A/C>	6,666,667	1.8%
11	PHEAKES PTY LTD <SENATE A/C>	6,635,984	1.8%
12	DAVRAC INVESTMENTS PTY LTD <DAVRAC SUPERFUND A/C>	6,086,822	1.7%
13	CITICORP NOMINEES PTY LIMITED	5,696,427	1.6%
14	OAKPHIL PTY LIMITED <OAKPHIL FAMILY A/C>	5,679,849	1.6%
15	MR ROBERT JOHN COOPER	5,500,000	1.5%
16	BLTS CAPITAL PTY LTD <ERKES A/C>	5,400,000	1.5%
17	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	5,343,122	1.5%
18	CRAV PTY LTD <CRAV SUPER FUND A/C>	5,000,000	1.4%
19	GREENWICH SMSF PTY LTD <GREENWICH SMSF A/C>	4,746,927	1.3%
20	CITYMETRO PTY LTD <BILL MCHARG FAMILY A/C>	4,244,000	1.2%
	Top 20 total	174,604,215	47.9%
	Total Shares	364,647,856	100.0%

*Denotes merged holding

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