QEM LIMITED
ACN 167 966 770

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2022

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

John Foley
Gavin Loyden
David Fitch
Daniel Harris
John Henderson

SECRETARY

David Palumbo

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DIRECTORS' REPORT

Your Directors present their report on QEM Limited (referred hereafter as "the Company") for the financial year ended 30 June 2022.

Directors

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

- John Foley (Non-Executive Chairman)
- Gavin Loyden (Managing Director)
- David Fitch (Non-Executive Director)
- Daniel Harris (Non-Executive Director)
- John Henderson (Non-Executive Director, appointed 20 October 2021)

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

Company Secretary

David Palumbo

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 oil shale and vanadium project.

Operating Results

Loss after income tax for the financial year was $2,827,142 (2021: $1,390,411).

Financial Position

The net assets of the Company at 30 June 2022 are $1,820,506 (2021: net assets of $1,136,592). The Company's working capital, being current assets less current liabilities is $1,102,424 at 30 June 2022 (2021: working capital of $1,136,592).

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.

FULL YEAR FY2022 REVIEW OF OPERATIONS:

Oil & Vanadium Pilot Plant

QEM made significant progress on the development of its oil shale and vanadium pilot plant through FY2022, which culminated in successful commissioning and sustained operation. The pilot plant has been designed to validate the Company's proprietary oil extraction and vanadium separation process, ahead of commercial demonstration of both the vanadium and oil components.

On 9 July 2021, the hazard and operability (HAZOP) study on the pilot plant was completed at the Melbourne headquarters of HRL Technology Group Pty Ltd ("HRL Technology"), where the pilot plant was later installed and operated. The plant was certified and approved by ASME-U on 26 October 2021. The plant was subsequently fabricated by specialist manufacturer, AMAR, and was delivered to Australia on 3 April 2022. The pilot plant is based at the Melbourne headquarters of HRL Technology.

From commissioning, the plant is scheduled to be operational for a period of up to six months, with full-scale advanced testing and proceeding as planned. The first batch of results was released post-FY2022 on 9 August 2022, with the tests highlighting high oil and vanadium extraction rates at a much larger scale than previously possible.

During early pilot tests, vanadium recovery of 71.5% was achieved on shale ash leached by acid for four hours. Additionally, oil yields were 142% of that reported under a Modified Fischer Assay (MFA). The increase in oil yield was made possible with the use of QEM's innovative hydrogen-based solvent extraction process.

Subsequent pilot runs will concentrate on optimising yields of both vanadium and oil and progressively improve and maximise the extraction processes. This will in turn lead to the development of a Process Flow Sheet. QEM's primary focus is the extraction of the critical mineral, vanadium, and oil, but the Company will also integrate metallurgy work to investigate high-purity alumina (HPA) production potential, after a resource estimate announced on 7 April 2022 at the Julia Creek project identified a material volume of aluminium, which is also designated as a critical mineral by the Australian Government.

The installation and commissioning of the bench scale pilot plant at HRL's Melbourne headquarters during FY22.

Townsville Vanadium Multi-user Facility

QEM's pilot plant will provide feedstock for the multi-user vanadium processing facility in Townsville, which will be built and fully funded by the Queensland Government.

This demonstration scale facility is designed to support smaller mining companies to cost effectively test their processing technologies without having to fund their own standalone facility.

QEM is a founding member of the Queensland Vanadium Consortium, which worked with the State Government leading up to its November 2021 announcement of the provision of over $10 million in funding to build a Townsville based facility.

Sites are currently under consideration in Townsville and QEM as a founding member of the Queensland Vanadium Consortium (QVC) has been contributing to the development of the vanadium multi-user facility.

The Queensland State Government will develop this project over the coming 12 months with significant positive benefits for QEM.

Renewable Power Generation Optimisation Studies

In tandem with developing the Company's flagship Julia Creek vanadium and oil project, QEM made substantial strides during the year in progressing associated renewable power generation potential at the project. This is for providing renewable power to the Project.

On 9 July 2021, with subsequent related additional information released on 19 July 2021, QEM announced an update of assessment work being undertaken by DNV Australia ("DNV") into power generation opportunities to underpin the mining operations on site at the Julia Creek vanadium and oil project. DNV's preliminary assessment indicated that wind power and a complementary solar farm could be considered as conceptually feasible sources of power generation at the Julia Creek project.

DNV recommended further solar farm and wind farm optimisation studies, including on-site stations to monitor long-term wind speed and solar resources to provide enhanced confirmation of the initial encouraging results and determine the most suitable solution for the Julia Creek project. Subsequently, on 11 November 2021, QEM formally engaged global engineering consultant GHD for renewable power generation optimisation and advanced studies at the Julia Creek project.

GHD commenced overseeing the purchase and installation of on-site stations, including a 160m high Met Mast to monitor long-term wind speed and solar resources to provide enhanced confirmation of the initial encouraging results from studies completed by DNV.

On 10 June 2022, QEM issued a Connection Enquiry Information Request to understand CopperString's position regarding potential connection points to QEM's infrastructure. On 22 June 2022 CopperString responded to the Company's enquiry, which detailed an initial proposal to determine the connection point's maximum export into the grid and maximum load requirement from the grid. The positive response will give rise to more technical discussions over the coming months.

CopperString 2.0 is a proposed $1.7 billion, 1,500km high voltage transmission project, between Townsville and the North West Minerals Province (NWMP) and will run through the western portion of QEM's Julia Creek vanadium and oil shale project, ideal conditions for efficient access to the National electricity grid (NEM), as a consumer and/or an exporter of surplus QEM project power.

The Queensland government is yet to make a final decision regarding the Copperstring 2.0 project.

Environmental Permitting and Studies

Environmental studies were undertaken during the 2022 fiscal year, for the purpose of progressing the Julia Creek vanadium and oil project. Important environment permitting and studies culminated in an Ecological Assessment Report, which will form a crucial component of the Pre-Feasibility Study for the Julia Creek project.

On 27 October 2021, QEM engaged specialist environmental consultant Epic Environmental Pty Ltd ("Epic Environmental") for the provision of an environmental permitting pathway and assistance with related approvals.

Epic Environmental's scope of works includes leading the development of an Environmental Impact Statement, undertaking environmental baseline studies at Julia Creek, coordinating environmental approval applications, an Initial Advice Statement to obtain Coordinated Project status and Major Project application, as well as establishing a Progressive Rehabilitation and Closure Plan.

Epic Environmental completed the on-site ecological field survey on 24 March 2022, established fauna traps and began the Environmental Impact Statement work program.

In early June 2022, EPIC Environmental completed the Ecological Assessment Report, which included a proposed pipeline corridor to the Flinders River.

Epic Environmental will continue to progress important project development initiatives over FY2023, including coordinating environmental approval applications.

Drilling Program

On 23 November 2021, QEM Ltd successfully completed its planned 2021 exploration drilling program at the Julia Creek project.

The program was designed with two purposes in mind, the first to provide a greater volume of research material, approximately 1500 kgs total sample for the pilot plant testing and the second to provide further definition to the mineral JORC Resource and Petroleum Resources, and to expand the current Indicated area to the west and north-west.

Wizard Drilling conducted the campaign, overseen by the Measured Group. Six (4C) holes were drilled for a total of 417m of drilling, completed with 99.4 m of 100mm diameter core obtained from the target Toolebuc Formation. All holes were geophysically logged by Weatherford Services and despatched to Mitra PTS in Gladstone, Queensland.

Resource Upgrade

Following the drilling campaign in November 2021, an independent geology and resource estimate report was undertaken by Measured Group Pty Ltd.

On 7 April 2022, QEM released the results of this report which detailed and revealed a significant upgrade in the confidence of the oil resource at the Company's flagship Julia Creek Project, as well as an increase in the size and grade of the Julia Creek vanadium deposit, which was already one of the largest single vanadium deposits in the world.

The report detailed a current estimated Mineral Resource at the Julia Creek project of 2,850 million tonnes (Mt) vanadium bearing ore at an average V205 content of 0.31%.

The previous Mineral Resource estimate, which was released to the ASX on 14 October 2019, consisted of 2,760Mt vanadium bearing ore at an average V205 content of 0.30%. Crucially, the updated Mineral Resource encompasses an Indicated vanadium JORC Resource of 360Mt and 2,490Mt in the Inferred category. The previous Mineral Resource estimate had an Indicated vanadium JORC Resource 220Mt and 2,540Mt in the Inferred category.

Utilising a 90% recovery factor, a 3C oil shale Resource estimate of 626 million barrels (MMBBL was reached. Additionally, a maiden 2C oil shale estimate of 71 MMBBL was identified, which is a resource class of greater confidence compared to a 3C estimate.

Furthermore, an average of 2.43% of aluminium was identified in the Resource estimate, which the Company believes warrants further investigation. QEM is currently undertaking vanadium and oil shale testing in its bench scale pilot plant and can incorporate assessment of high-purity alumina (HPA) extraction without deviating from its planned testing schedule or incurring significant additional costs.

Survey and Monitoring

Throughout the June 2022 quarter QEM conducted several survey and monitoring initiatives to advance the Julia Creek vanadium and oil shale project.

QEM partnered with National Drones to complete an entire topographic survey of QEM's 250 square kilometre tenement. The resultant imagery from the two-week survey has been utilised to baseline the current environmental condition of the tenement and the topographic data will be initially used to conduct a flood modelling study.

Additionally, geotechnical drill and soil samples were completed at the end of April 2022, in preparation of the installation of QEM's meteorological mast.

Wind speed (soDAR) and solar measuring equipment was placed on site and commissioned on 17 May 2022 by Fulcrum 3D. The soDAR and solar equipment is used to measure and record solar radiance, wind speed and other technical data required for wind and solar farm design.

Significant work on the 160-metre meteorological mast was also carried out during the June 2022 quarter. During that quarter, footings and concrete blocks were poured and various components of the met mast were delivered to site, with the met mast fully installed and commissioned post quarter.

The met mast is fitted with anemometers and other instruments to measure wind speed and other weather conditions. It will collect information for 12 to 18 months to support the wind farm feasibility studies. The soDAR and solar monitoring equipment, as well as the met mast, will play a key part in the optimisation studies into renewable energy generation to potentially power the Company's critical minerals project.

Capital Raisings

On 4 August 2021, QEM announced the completion of a ~$2 million placement to institutional, professional and sophisticated investors at $0.15 per share. Together with existing cash reserves, the proceeds of the raise sufficiently funded the Company through the first phase of oil and vanadium pilot plant development and operation at HRL Laboratories in Melbourne, as well as the next round of wind and solar power studies. The placement received strong support from existing QEM shareholders, including non-executive director and largest shareholder David Fitch, who subscribed for $580,000.

On 4 May 2022, QEM announced it had successfully completed an oversubscribed $2.4m placement to institutional, professional, and sophisticated investors at 20.5 cents per share. The funds raised, in addition to QEM's existing cash reserves, were applied towards the vanadium and oil shale pilot plant testing program and to continue PFS studies. The placement received strong support from existing shareholders including non-executive director and major shareholder David Fitch, who subscribed for approximately $710,000 to maintain his 29% shareholding.

Community Relations

Positive awareness of QEM's activities and commitment to the Julia Creek community continued to grow during the 2022 financial year across various local and state government bodies, as well as the broader resources sector.

On 8 December 2021, QEM sponsored the launch of the Gold Coast branch of WIMARQ (Women In Mining And Resources Queensland) to bring together women in the resources industry. On 10 March 2022, QEM hosted a financial literacy workshop for the WIMARQ Gold Coast branch.

The Company was also a major sponsor of the 2022 Julia Creek Dirt n Dust Festival, with naming rights for the QEM Mount Isa Convoy to the Creek, focused on the theme of inviting people to "Have a "Yack in the Outback", acknowledging the impact that events such as COVID, flood and drought have had on the community not only physically but mentally.

QEM continued to support the local St Vinnies' Chapter in the lead up to the 2022 St Vinnies' CEO Sleepout. On 23 June 2022, Managing Director Gavin Loyden participated in his second Vinnies CEO Sleepout on the Gold Coast, raising $7,636 and awareness to support Vinnies' homelessness services. Also on 23 June 2022, QEM proudly sponsored the "Investing in Women in Resources Networking Breakfast" organised by the Women in Mining and Resources Queensland (WIMARQ) Gold Coast Chapter and supported by the Queensland Resources Council.

QEM also sponsored the local junior and senior rugby leagues in Julia Creek. Additionally, the Company proactively held numerous meetings with the McKinlay Shire Council, landholders and other relevant stakeholders to update and receive feedback on QEM's Julia Creek Project. Comprehensive weekly updates are emailed to QEM's landholders, and the McKinlay Shire Council distributes the monthly QEM newsletters to its broad regional email database. This financial year, QEM also took up a premises in the main street of Julia Creek, which includes an office, executive accommodation and a large shed. The community's feedback has been highly supportive to date.

QEM continued to increase the positive impact it has in its local communities during FY2022.

Board Appointment

On 20 October 2021, QEM appointed John Henderson to the Company's Board of Directors as a Non-executive Director. Mr Henderson has over 40 years' experience in major and mega project development, which includes executive roles with oil and mining multinationals, as well as mid-tier and start-up energy companies.

His extensive project management experience and expertise across the mining and energy sectors includes senior managerial roles at Rio Tinto and the BHP Billiton Mitsubishi Alliance. Among his achievements, Mr Henderson developed Rio Tinto's unconventional energy project portfolio in Mozambique.

Government Relations

Throughout FY2022, QEM continued its engagement with the relevant Queensland State Government Departments who will be key stakeholders in the successful development of the Julia Creek project. QEM issued the Office of the Coordinator General (OCG) a draft of the Initial Advice Statement (IAS) in the December 2021 quarter. The IAS is the initial step towards obtaining a Coordinated Project Declaration.

During the June 2022 quarter, QEM attended a follow up meeting with the OCG. QEM was informed that the OCG issued the Initial Advice Statement to other Queensland Government Departments to obtain feedback.

The feedback received has helped QEM to refine the studies and work to be performed to obtain a Coordinated Project Declaration. Additionally, during the June 2022 quarter QEM issued an Expression of Interest to the Department of Regional Development, Manufacturing and Water for an allocation of four gigalitres of water from the Flinders River.

ESG

On 31 March 2022, QEM announced it had engaged Socialsuite to assist in streamlining, monitoring, and disclosing the Company's ESG progress and initiatives. QEM released its initial baseline Environment, Social and Governance (ESG) report to the market.

QEM published its quarterly ESG report for Q4 FY2022 with disclosures on 21 core metrics set by the World Economic Forum in its standardised and globally recognised Stakeholder Capitalism Metrics ESG framework.

Highlights throughout the quarter included reporting on environmental management activities such as aerial drone surveys, baseline ecology and habitat assessments, as well as improved disclosures on stakeholder mapping and consultation – ensuring hard to reach stakeholders and groups are identified and included in community engagement activities.

Post-FY22, QEM provided its first quarterly ESG baseline comparison report, which compares progress on ESG initiatives on a quarterly basis. Via quarterly ESG reporting, QEM aims to increase the transparency of overall reporting to keep ESG goals on track, and to be able to communicate progress to internal and external stakeholders, including potential investors.

Throughout FY22, QEM participated in the consultation process for Everledger's pilot project to create a digital certification for critical minerals throughout the supply chain, from extraction to processing and export to global markets.

COVID-19

QEM is pleased to report that it experienced no material COVID-19 impacts on its operations during the 2022 financial year. The Company is maintaining adherence to Government directives to ensure it does its part to mitigate the risk of an outbreak.

Information on Directors

John Joseph Foley – Non-Executive Chairman

B.D., LL.B., B.L. (Dub), KHS., F.A.I.C.D. Barrister-at-Law

Background

Graduating in law from the University of Sydney in 1969, John was admitted to practice as a barrister in New South Wales in 1971. He was subsequently admitted to practice in the jurisdictions of Victoria, ACT, the High Court of Australia and Ireland. He graduated with the post graduate degree of Barrister-at-Law from Trinity College Dublin and was called to the Irish Bar and admitted as a Member of the Honourable Society of King's Inns in Dublin. John spent two years as a lecturer in law at Macquarie University Sydney and has practiced as a Barrister for 40 years.

He is also currently a director of two public companies listed on the ASX, namely Citigold Corporation Limited (ASX: CTO) and Hudson Investment Group Limited (ASX:HGL). John was a founding director of the Australian Gold Council, the industry body. He is a long standing member and fellow of the Australian Institute of Company Directors and he is listed in Who's Who in Business in Australia.

John has wide-ranging experience in the resources, financial and investment related industries, with extensive business experience in Australia and overseas. His leadership roles have covered a broad scope of senior positions, and his commercial and legal background will provide further depth, knowledge and experience to any enterprise.

John has a large network of connections with people in government, industry and the Investment community. As a professional advocate he has represented industry bodies before various Commissions, Tribunals and Courts and has extensive experience in negotiations and representations with both State and Federal Governments.

Interest in securities

884,299 Ordinary Shares

600,000 Options exercisable at $0.345 on or before 12 August 2025

Directorships held in other listed entities in the past three years

Citigold Corporation Limited (current)

Hudson Investment Group Limited (current)

Gavin Loyden – Managing Director

M.A.I.C.D

Background

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

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

Interest in securities
20,649,808 Ordinary Shares
2,000,000 Options exercisable at $0.345 on or before 12 August 2025

Directorships held in other listed entities in the past three years
None

David Fitch – Non-Executive Director
B.Com. B.Juris., GAICD

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

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

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

Interest in securities
36,172,439 Ordinary Shares
1,000,000 Options exercisable at $0.345 on or before 12 August 2025

Directorships held in other listed entities in the past three years
None

Daniel Clifford Harris – Non-Executive Director
B.Sc (Chem Eng)

Background
Daniel is a seasoned and highly experienced mining executive and director. He has most recently held the role of 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.

Daniel has been involved in all aspects of the vanadium industry for over 37 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.

Daniel 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, Daniel 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%.

Daniel is a non-executive director on the Board of Australian Vanadium Ltd, a Perth based vanadium company now finalizing a DFS for their Gabanintha vanadium project. Additionally, Daniel is an Executive Director and member of the board of U. S. Vanadium, Ltd, a US based vanadium producer of high purity vanadium oxides and chemicals.

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

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

Interest in securities
600,000 Options exercisable at $0.345 on or before 12 August 2025

Directorships held in other listed entities in the past three years
Australian Vanadium Limited (current)
Flinders Mines Limited (current)
Atlas Iron Limited
Paladin Energy Ltd

John Henderson – Non-Executive Director – appointed 20 October 2021

Background
John is a Non-Executive Director, Advisory Board Member, Director and project development specialist with 40 years industry experience in the mining, oil & gas and energy sectors. He has deep, experience-based understanding of major project development processes and governance.

Since 2016, John has been a minority shareholder of Siecap Pty Ltd, which provides project management advisory and consultancy services to mining, petroleum and energy clients. His executive career has included senior project development and delivery assignments for multi-national energy, resource and petroleum companies including BHP, Rio Tinto and Mobil, as well as large engineering consulting and construction companies. In 2011 he founded Inkwazi Energy, a boutique advisory firm that has provided advisory and strategic consulting to governments and agencies in developing nations.

Interest in securities
135,000 Ordinary Shares
600,000 Options exercisable at $0.345 on or before 12 August 2025

Directorships held in other listed entities in the past three years
None

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

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

On 28 May 2021, Gavin Loyden's Remuneration package was reviewed by the board and it was deemed appropriate to increase his remuneration package to $275,000 per annum plus superannuation effective from 1 July 2021. Previously, on 27 April 2021, Gavin Loyden entered into an executive employment agreement with the Company. Under the terms of the agreement, Mr Loyden's annual salary was $200,000 plus superannuation. Either party may terminate this Agreement by providing written notice to the other party by providing three (3) months' prior notice. Gavin Loyden was previously employed by the Company until his resignation on 16 July 2018. Mr Loyden's previous annual salary was $186,000 plus superannuation with a (3) month termination notice.

Appointments of non-executive directors are formalised in the form of service agreements between themselves and the Company at a rate of $30,000 per annum. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act. Mr John Henderson was appointed as a non-executive director on 20 October 2021. His agreement is consistent with other non-executive directors and his remuneration has been awarded on a pro-rata basis since his appointment.

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. The remuneration committee reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

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

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

Any executive director, who is an Australian resident for tax purposes, receives a superannuation guarantee contribution required by the government, which was 10%. 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. Options issued as part of remuneration for the year ended 30 June 2022

Nil

4. Details of remuneration for the year ended 30 June 2022:

The remuneration for each key management personnel of the Company during the period was as follows:

2022	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payments		Total	Perfor-mance Related	% of Options as Remunera tion
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
	$	$	$	$	$	$	%	%
Directors								
John Foley	30,000	-	-	-	-	30,000	-	-
David Fitch	30,000	3,000	-	-	-	33,000	-	-
Daniel Harris	30,000	-	-	-	-	30,000	-	-
Gavin Loyden	275,000	27,500	-	-	-	302,500	-	-
John Henderson	21,300	2,105	-	-	-	23,405		
	386,300	32,605	-	-	-	418,905	-	-

2021	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payments		Total	Perfor-mance Related	% of Options as Remunera tion
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
	$	$	$	$	$	$	%	%
Directors								
John Foley	30,000	-	-	-	-	30,000	-	-
David Fitch	30,000	2,850	-	-	-	32,850	-	-
Daniel Harris	30,000	-	-	-	-	30,000	-	-
Gavin Loyden	200,000	19,000	-	-	-	219,000	-	-
	290,000	21,850	-	-	-	311,850	-	-

5. Equity holdings of key management personnel

Ordinary Shares

Number of ordinary shares held by key management personnel during the financial year ended 30 June 2022 was as follows:

30 June 2022	Balance at beginning of year	Net change other	Balance at end of year
Directors			
John Foley	884,299	-	884,299
David Fitch	27,992,500	4,668,932	32,661,432
Daniel Harris	-	-	-
Gavin Loyden	20,613,336	27,777	20,641,113
John Henderson	-	135,000	135,000
	49,490,135	4,831,709	54,321,844

6. Other Key Management Personnel Transactions

During the year ended 30 June 2022, the Company paid consulting fees to Daniel Harris totalling $70,000 (2021: $60,000). The Company also incurred fees of $716,921 plus GST, to Siecap Pty Ltd for the financial year ended 30 June 2022 under the project management agreement announced to ASX on 20 April 2021. Siecap Pty Ltd is an entity in which John Henderson is a minority shareholder and maintains an advisory role.

On 3 June 2022, 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 is for a term of 12 months and is rented to the Company for $30,000 per annum. The Company paid CL Fitch Pty Ltd $2,250 in relation to this agreement in financial year 2022.

The Company incurred no other transactions with related parties.

"End of Remuneration Report (Audited)"

After Balance Date Events

On 12 August 2022 the Company issued 3,463,415 fully-paid ordinary shares to David Fitch at $0.205 per share to raise $710,000. The shares were placed as part of the 4 May 2022 capital raise and were issued after receiving shareholder approval at the general meeting held on 12 August 2022.

The Company issued 5,000,000 options to KMP and employees exercisable at $0.345 expiring on 12 August 2025 after approval obtaining shareholder approval at the 12 August 2022 general meeting.

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

	Directors' Meetings	
	Number eligible to attend	Number attended
John Foley	5	5
David Fitch	5	5
Daniel Harris	5	5
Gavin Loyden	5	5
John Henderson	4	4

Environmental Issues

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

Options

At the date of this report, there were 5,250,000 unissued ordinary shares of the Company under option.

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 2022.

Auditor's Declaration of Independence

The auditor's independence declaration for the year ended 30 June 2022 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.

Gavin Loyden
Managing Director
21 September 2022

To the Board of Directors

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

As lead audit director for the audit of the financial statements of QEM Limited for the financial year ended 30 June 2022, 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

D Bell

D M BELL CA
Director

Dated this 21st day of September 2022
Perth, Western Australia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Revenue	2	256,769	339,327
Corporate and compliance expenses		(248,746)	(209,377)
Investor relations and marketing expenses		(120,673)	(106,217)
Travelling expenses		(55,285)	(20,063)
Employee benefits expense		(273,717)	(634,467)
Exploration expenditure		(2,132,103)	(552,198)
Share based payments expense	12	-	(17,084)
Depreciation expense		(81,996)	(66,821)
Other expenses		(171,391)	(123,511)
Loss from continuing operations before income tax benefit		**(2,827,142)**	**(1,390,411)**
Income tax expense	3	-	-
Loss from continuing operations after income tax benefit		**(2,827,142)**	**(1,390,411)**
Other comprehensive income, net of tax		**-**	**-**
Total comprehensive loss attributable to Members of the parent entity		**(2,827,142)**	**(1,390,411)**
Basic and diluted loss per share (cents)	4	(2.51)	(1.39)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,425,475	1,326,474
Trade and other receivables	6	184,925	35,738
Other assets	7	77,530	32,402
Right of Use Asset	9	91,828	22,274
Total Current Assets		**1,779,758**	**1,416,888**
Non Current Asset			
Other Assets	7	19,450	-
Right of Use Asset	9	122,437	-
Plant and Equipment	10	716,877	-
Total Non Current Asset		**858,764**	**-**
Total Assets		**2,638,522**	**1,416,888**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	518,648	229,019
Lease Liabilities	9	94,651	24,172
Provisions		64,035	27,105
Total Current Liabilities		**677,334**	**280,296**
Non Current Liabilities			
Lease Liabilities	9	140,682	-
Non Current Liabilities		**140,682**	**-**
Total Liabilities		**818,016**	**280,296**
Net Assets		**1,820,506**	**1,136,592**
EQUITY			
Issued capital	11	11,448,721	7,937,665
Reserves	12	17,084	17,084
Accumulated losses		(9,645,299)	(6,818,157)
Total Equity		**1,820,506**	**1,136,592**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2020	**7,937,665**	**-**	**(5,427,746)**	**2,509,919**
Issue of shares (net)	-	-	-	-
Loss after income tax expense for the year	-	-	(1,390,411)	(1,390,411)
Options issued during the period	-	17,084	-	17,084
Other comprehensive income for the year, net of tax	-	-	-	-
Balance at 30 June 2021	**7,937,665**	**17,084**	**(6,818,157)**	**1,136,592**
Issue of shares (net)	3,511,056	-	-	3,511,056
Loss after income tax expense for the year	-	-	(2,827,142)	(2,827,142)
Options issued during the period	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Balance at 30 June 2022	**11,448,721**	**17,084**	**(9,645,299)**	**1,820,506**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Cash Flows from Operating Activities			
Payments for exploration and evaluation		(2,117,253)	(1,071,290)
Payments to suppliers and employees		(809,110)	(509,673)
Interest received		1,663	7,456
Grants received		256,497	331,416
Net Cash (Outflow) from Operating Activities	15	(2,668,203)	(1,242,089)
Cash Flows from Investing Activities			
Payments for plant and equipment		(684,503)	-
Net Cash (Outflow) from Operating Activities		(684,503)	-
Cash Flows from Financing Activities			
Lease repayments		(59,799)	(69,034)
Payments for capital raising costs		(184,394)	-
Proceeds from issued capital		3,695,900	-
Net Cash Inflow from Financing Activities		3,451,707	(69,034)
Net Increase/(decrease) in cash held		99,001	(1,311,123)
Cash and cash equivalents at the beginning of the year		1,326,474	2,637,597
Cash and cash equivalents at the end of the year	5	**1,425,475**	**1,326,474**

The accompanying notes form part of these financial statements.

1. Statement of Significant 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 21 September 2022 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 financial year ended 30 June 2022 the Company incurred a loss of $2,827,142 (2021: $1,390,411). The ability of the Company to continue as a going concern is principally dependent on the Company raising capital. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required. This is evidenced by the the Company raising $3,511,056 (net of costs) during the financial period, and an additional $710,000 subsequent to year end (refer Note 20).

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

Accounting Policies

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

a) **Income Tax**

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

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

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

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

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

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

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

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

b) **Leases**

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

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

c) **Exploration and evaluation expenditure**

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

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

d) **Investments and other financial assets**

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

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

Financial assets at fair value through profit or loss

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

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

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

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

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

e) **Impairment of Assets**

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

f) **Employee Benefits**

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

Equity-settled compensation
The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained

using a Black –Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

g) **Provisions**

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

h) **Cash and Cash Equivalents**

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

i) **Borrowing Costs**

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

j) **Goods and Services Tax (GST)**

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

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

k) **Fair Value of Assets and Liabilities**

The Group 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 Group 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 (ie 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 (ie 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 Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group 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 Group 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 Group 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:

<u>Level 1</u>
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 Group would change the categorisation within the fair value hierarchy only in the following circumstances:
(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

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

l) **Current and non-current classification**

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

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

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

m) **Revenue**

Interest revenue is recognised using the effective interest method.

n) **Critical Accounting Estimates and Judgments**

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

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

o) Property, Plant, and Equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-10 years

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

p) Accounting Standards that are mandatorily effective for the current reporting year

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2021.

The Directors have determined that there is no material impact from new and revised Accounting Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

At the date of authorisation of the financial statements, the Company has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Company's accounting policies, however further analysis will be performed when the relevant standards are effective.

2. Revenue

	2022 $	2021 $
Interest received	272	7,911
Research and development grant	256,497	281,416
Other grants	-	50,000
	256,769	339,327

3. Income tax benefit/(expense)

Net loss before tax	(2,827,142)	(1,390,411)
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Income tax benefit on above at 25% (2021: 30%)	(706,786)	(417,123)
Increase/(decrease) in income tax due to the tax effect of:		
Non-deductile expenses	6,694	1,191
Non-assessable income	-	(15,000)
Research and development incentive	(64,124)	(84,425)
Tax losses not recognised/(utilised)	764,216	515,357
Income tax reported in the statement of comprehensive income	-	-

4. Earnings per share

	2022 Cents per Share	2021 Cents per Share
Basic/diluted loss per share	(2.51)	(1.39)

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

	2022 $	2021 $
Loss from continuing operations	(2,827,142)	(1,390,411)
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic/ diluted loss per share	112,667,441	100,000,000

5. Cash and cash equivalents

	2022 $	2021 $
Cash at bank	1,425,475	1,326,474

6. Trade and other receivables

	2022 $	2021 $
Current		
GST receivable	184,925	34,348
Interest receivable	-	1,390
	184,925	35,738

As at 30 June 2022, current trade and other receivables do not contain amounts which are past due and not impaired. It is expected that these amounts will be received when due.

7. Other assets

	2022 $	2021 $
Current		
Prepayments	77,530	32,402
	77,530	32,402
Non-current		
Other Assets	19,450	-
	19,450	-

8. Trade and other payables

	2022 $	2021 $
Current		
Trade payables and accruals	518,648	229,019

9. Leases

	2022 $	2021 $
a) Right-of-use asset		
Balance at the beginning of the year	22,274	89,095
Additions	267,517	-
Depreciation	(75,526)	(66,821)
Balance at the end of the year	214,265	22,274
Current	91,828	22,274
Non-Current	122,437	-
Total	214,265	22,274

b) Lease liabilities

Office lease	235,333	24,172
Current	94,651	24,172
Non-Current	140,682	-
Total	235,333	24,172

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

10. Plant and equipment

	2022 $	2021 $
Equipment at cost	28,200	-
Equipment – accumulated depreciation	(1,679)	-
Plant at cost	695,147	-
Plant – accumulated depreciation	(4,791)	-
	716,877	-
Plant and equipment		
Opening balance	-	-
Additions	723,347	-
Disposals	-	-
Depreciation	(6,470)	-
	716,877	-

During the year, the Company finalised the development and commissioned the vanadium and oil shale pilot plant on 25 May 2022.

	2022 $	2021 $
11. Issued capital		
(a) Issued and paid up capital		
121,630,162 (2021: 100,000,000) Ordinary Shares	11,448,721	7,937,665

(b) Movement in ordinary shares on issue	**2022 Number**	**2022 $**	**2021 Number**	**2021 $**
Balance at beginning of period	100,000,000	7,937,665	100,000,000	7,937,665
Shares issued during the year:				
Issue of ordinary shares – 10 August 2021 (i)	9,556,666	1,433,500	-	-
Issue of ordinary shares – 29 September 2021 (ii)	3,866,667	580,000	-	-
Issue of ordinary shares 4 May 2022 (iii)	8,206,829	1,682,400		
Capital raising costs	-	(184,844)	-	-
Balance at end of period	**121,630,162**	**11,448,721**	**100,000,000**	**7,937,665**

(i) On 10 August 2021, the Company issued 9,556,666 shares at $0.15 to raise $1,433,500 before costs.

(ii) On 29 September 2021, the Company issued 3,866,667 shares at $0.15 to raise $580,000 before costs.

(iii) On 4 May 2022, the Company issued 8,206,829 shares at $0.205 to raise $1,682,400 before costs.
As part of the raising, an additional 3,463,415 shares were placed to David Fitch (which were subject to shareholder approval) at $0.205 to raise $710,000. These shares were approved subsequent to year end. See note 20.

(c) Terms and conditions of contributed equity

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

(d) Capital Management

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

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

The net working capital position of the Company at 30 June 2022 was a surplus of $1,102,424 (2021: $1,136,592) and the net increase in cash held during the year was $99,001 (2021: decrease of $1,311,123).

12. Reserves

	2022 $	2021 $
Share based payment reserve	17,084	17,084
Share based payment reserve		
Reserve at the beginning of the year	17,084	-
Options issued – 19 March 2021	-	17,084
Reserve at end of year	17,084	17,084

Options

There were no options issued in the financial year ended 30 June 2022. 250,000 options were issued to employees as part of their remuneration in FY21. Details of the options granted to employees are detailed below:

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument $	Value $
Employee options	250,000	19/03/2021	31/03/2023	$0.20	0.068	17,084

Employee options issued during the period were calculated using the Black-scholes option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	0.09%
Weighted average expected life of options (years)	2.03
Expected dividends	Nil
Option exercise price ($)	$0.20
Share price at grant date ($)	$0.15
Fair value of option ($)	$0.068

13. Auditors' remuneration

	2022 $	2021 $
Amounts, received or due and receivable by auditors for:		
- audit or review services	18,500	17,500

14. 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 2022. The totals of remuneration paid to KMP of the Company during the year are as follows:

Short term	386,300	290,000
Post-employment	32,605	21,850
	418,905	311,850

(b) Other transactions

During the year ended 30 June 2022, the Company paid consulting fees to Daniel Harris totalling $70,000 (2021: $60,000). The Company also incurred fees of $716,921 plus GST, to Siecap Pty Ltd for the financial year ended 30 June 2022 under the project management agreement announced to ASX on 20 April 2021. Siecap Pty Ltd is an entity in which John Henderson is a minority shareholder and maintains an advisory role.

On 3 June 2022, 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 is for a term of 12 months and is rented to the Company for $30,000 per annum. The Company paid CL Fitch Pty Ltd $2,250 in relation to this agreement in financial year 2022.

The Company incurred no other transactions with related parties.

15. Cash Flow Information	**2022** $	**2021** $
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(2,827,142)	(1,390,411)
Non cash flows:		
Finance cost on right of use asset	2,651	3,358
Depreciation on right of use asset	75,526	66,821
Depreciation on plant and equipment	6,470	-
Share based payments	-	17,084
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(84,242)	(9,570)
- (increase)/decrease in other assets	(61,578)	(79)
- increase/(decrease) in trade and other payables	220,112	70,708
	(2,668,203)	(1,242,089)

(b) Non Cash Investing & Financing Activities

There were no non-cash investing or financing activities during the year.

16. Contingent liabilities and contingent assets

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

17. 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 2022, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

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

18. Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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

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

Credit risk

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

Trade and other receivables

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

Exposure to credit risk

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

Financial assets	**2022**	**2021**
	$	**$**
Cash and cash equivalents – AAA rated counterparties	1,425,475	1,326,474
Receivables – other	184,925	35,738
	1,610,400	1,362,212

Liquidity risk

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

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

Market risk

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

Interest rate risk sensitivity analysis
The Company does not have any material exposure to interest rate risk as there were no external borrowings at 30 June 2022 (2021: 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.

19. Commitments

Exploration commitments

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

Minimum Work Requirements	**2022**	**2021**
	$	**$**
No later than 12 months	290,000	244,000
Between 1 and 5 years	600,000	890,000
	890,000	1,134,000

Capital commitments

On 28 March 2022, Company agreed to purchase Wind Monitoring Mast from Fulcrum 3D for a total of $396,281. The terms of the arrangement meant 50% of the balance, being $198,140, was due on completion/commissioning of the Wind Mast, which is expected Q1 FY23.

20. Events Subsequent to Period End

On 12 August 2022 the Company issued 3,463,415 fully-paid ordinary shares to David Fitch at $0.205 per share to raise $710,000. The shares were placed as part of the 4 May 2022 capital raise and were issued after receiving shareholder approval at the general meeting held on 12 August 2022.

The Company issued 5,000,000 options to key management personnel and employees exercisable at $0.345 expiring on 12 August 2025 after obtaining shareholder approval at the 12 August 2022 general meeting.

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.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2022

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 2022 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.

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

Gavin Loyden
Managing Director
21 September 2022

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 2022, 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 a summary of significant accounting policies, and the directors' 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 2022 and of its financial performance for the year then ended; and

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

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

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of $2,827,142 during the year ended 30 June 2022. 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 respect of this matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Exploration Expenditure	
During the year, the Company incurred exploration expenses of $2,132,103. Exploration expenditure is a key audit matter due to the significance to the Company's statement of profit or loss and other comprehensive income.	Our procedures included, amongst others: • Testing exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the Company's accounting policy and the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*; and • Assessing the Company's rights to tenure by corroborating to government registries.

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 2022, 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.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D Bell

D M BELL CA
Director

Dated this 21st day of September 2022
Perth, Western Australia

ASX INFORMATION

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 12 September 2022.

1. Shareholder and Option holder information

a. Number of Shareholders and Option Holders

Shares

As at 12 September 2022, there were 1,401 shareholders holding 125,093,577 fully paid ordinary shares.

Options

As at 12 September 2022, there are 5 option holders holding 5,000,000 unlisted options exercisable at $0.345 on or before 12 August 2025, and 1 option holder holding 250,000 unlisted options exercisable at $0.20 expiring 31 March 2023.

b. Distribution of Equity Securities

Fully paid ordinary shares	**Number (as at 12 September 2022)**	
Category (size of holding)	**Shareholders**	**Ordinary Shares**
1 – 1,000	36	6,268
1,001 – 5,000	454	1,506,563
5,001 – 10,000	311	2,446,572
10,001 – 100,000	492	17,430,035
100,001 – and over	108	103,704,139
	1,401	125,093,577

As at 12 September 2022 there were no number of shareholdings that were held in less than marketable parcels.

c. The names of substantial shareholders listed in the company's register as at 12 September 2022 are:

Shareholder	**Ordinary Shares**	**%Held of Total Ordinary Shares**
David Fitch	36,172,439	28.92%
Gavin & Tracey Loyden	20,649,808	16.51%

d. Voting Rights

The voting rights attached to the ordinary shares are as follows:

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.

e. 20 Largest Shareholders as at 12 September 2022 — Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	David Fitch Group	36,172,439	28.92%
2.	Gavin Loyden Group	20,649,808	16.51%
3.	STONE GROUP PTY LTD <THE STONE GROUP DISC A/C>	4,257,156	3.40%
4.	EVOLUTION HUB PTY LTD	3,138,436	2.51%
5.	SKIPTRAK PTY LTD	2,886,438	2.31%
6.	ML FITCH NOMINEES PTY LTD <MATHEW FITCH FAMILY A/C>	2,188,816	1.75%
7.	MR MICHAEL MYLES FORD & MRS ELIZABETH FORD <BIRKBECK STAFF RETIREME A/C>	1,705,310	1.36%
8.	CITYMETRO PTY LTD <BILL MCHARG FAMILY A/C>	1,618,185	1.29%
9.	CRAV PTY LTD <CRAV SUPER FUND A/C>	1,500,000	1.20%
10.	CG DAVIES INVESTMENTS PTY LTD <COL DAVIES FAMILY A/C>	1,473,118	1.18%
11.	DAVGOE INVESTMENTS PTY LTD <DAVGOE FAMILY A/C>	1,473,118	1.18%
12.	MT DAVIES INVESTMENTS PTY LTD <MG & TJ DAVIES FAMILY A/C>	1,473,118	1.18%
13.	ZARMAD PTY LTD <FREUND FAMILY A/C>	1,267,854	1.01%
14.	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	1,183,749	0.95%
15.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,033,369	0.83%
16.	TALOR PTY LTD	1,000,000	0.80%
17.	VALFAST PTY LTD	884,299	0.71%
18.	MFSF SUPER PTY LTD <SUPER MF SUPERANNUATION A/C>	715,000	0.57%
19.	MR MAXWELL WALTER ELLIOT	566,733	0.45%
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	550,725	0.44%
		74,805,781	**68.28%**

2. The name of the company secretary is David Palumbo.

3. The address of the principal registered office in Australia is:
Level 8, 216 St Georges Terrace Perth WA 6000

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

5. Stock Exchange Listing:

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

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

SCHEDULE OF MINERAL TENEMENTS

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