# 2025 Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

**QEM LIMITED**

ACN 167 966 770

# Table of Contents

Corporate Directory....3

Directors' and HY Review of Operations Report....4

Condensed Statement of Profit or Loss and Other Comprehensive Income....7

Condensed Statement of Financial Position....8

Condensed Statement of Changes in Equity....9

Condensed Statement of Cash Flows....10

Notes to the Condensed Financial Statements....11

Directors' Declaration....19

Independent Auditor's Review Report....20

Auditor's Independence Declaration....22

**The information in this report that relates to exploration results and metallurgical test work for the Company's Julia Creek Vanadium and Energy Project was announced on 23 September 2025 (titled 'Latest Test Work Results and Strategic Review). The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 23 September 2025.*

# Corporate Directory

**DIRECTORS**
Tim Wall
Robert Cooper
Daniel Harris

**COMPANY SECRETARY**
Duncan Cornish

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**STOCK EXCHANGE CODE**
ASX: QEM

# Directors' Report

Your directors submit the financial report of QEM Limited (referred to hereafter as "**QEM**", or the "**Company**") for the period ended 31 December 2025.

**DIRECTORS**

The names of Directors who held office during or since the end of the period are:

| | |
|---|---|
| Timothy Wall | Non-Executive Chairman |
| Gavin Loyden | Managing Director (resigned 2 July 2025) |
| Daniel Harris | Non–Executive Director |
| Robert Cooper | Managing Director (appointed 2 July 2025) |

**PRINCIPAL ACTIVITY**

The principal activity of the Company during the financial period was the exploration at the Julia Creek Vanadium and Energy Project (JCVEP).

**RESULTS**

The loss after tax for the period ended 31 December 2025 was $1,500,553 (2024: $1,770,050).

**REVIEW OF OPERATIONS**

**Mine development**

Drilling Campaign

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

Fresh core samples from these holes were also collected for assaying and metallurgical test work, initially expected to be competed in Q1 of 2026. Subsequent to the reporting period, it was determined that assaying of these holes was not required as sufficient coverage was already provided by existing drill holes.

Mineral Characterisation and Beneficiation work –The University of Queensland and Core Resources*

In September 2025, QEM received the results of the flotation and beneficiation programs undertaken by the University of Queensland's Sustainable Minerals Institute (SMI), and Core Resources (Core). The studies provided the most detailed understanding to date of mineral associations within the Julia Creek ore body.

The objective of the SMI test work was to enhance flotation selectivity and improve recovery of kerogen, calcite, and vanadium-bearing minerals. Flotation test work undertaken by Core aimed to characterise CQLA and CQLB coquina composite material (located above the oil shale), in terms of grade, mineralogy and particle size, and test the amenability of the samples to be upgraded by beneficiation/flotation.

The test work outcomes were found to affect material assumptions underpinning the 2024 Scoping Study. As such, QEM advised that the outcomes of the Scoping Study should no longer be relied upon, and that a further review of flowsheet options and mineral associations would be undertaken before progressing additional metallurgical testing and integrating these findings into a strategic review of the JCVEP.

**Environmental and Approvals**

Baseline Water Monitoring

During the reporting period, QEM conducted two rounds of environmental surface water and ground water surveys. The purpose of this work is to provide an assessment of baseline groundwater and surface water conditions to support preparation of an Environmental Impact Statement (EIS). In accordance with the Environmental Protection Act 1994, this EIS is a requisite to obtain Environmental Authority. QEM has now completed 24 months of data to 30 June 2025, with samples collected quarterly since then.

Cultural Heritage Management Plan

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

On 8 July 2025, QEM finalised and signed the Cultural Heritage Management Plan (CHMP) with the Wanamara people for the JCVEP. Upon finalisation of the Cultural Heritage Management Plan, QEM conducted the first cultural heritage survey with the Wanamara people in August 2025. This survey was targeted to assess and clear the proposed drill pads and tracks required as part of the September drilling campaign. No significant remains or artifacts were found as part of this survey, however QEM will continue to monitor the area during the disturbing and rehabilitation activities.

Strategic Review

In light of the metallurgical test work results received in September 2025, combined with a depressed vanadium price and challenging short-term global outlook, the Company initiated a strategic review of the JCVEP in September 2025. During this reporting period, QEM has:

- Slowed activities and expenditure associated with development to preserve capital.
- Continued water monitoring and environmental baseline studies required for the EIS; five new ground water monitoring bores were installed in September.
- Continued working with our partner, Potentia Energy, on advancing the Renewables Project.
- Investigated broader corporate opportunities that may enhance shareholder value.

The Strategic Review is expected to be completed by the end of March 2026.

**Corporate**

2025 Annual Report and AGM

On 30 September 2025 the Company issued its Annual Report to shareholders for year ending 30 June 2025. The full report is available on the QEM website.

The QEM Annual General Meeting of shareholders was held on 26 November 2025, with all resolutions being passed by members.

## SUBSEQUENT EVENTS

QEM undertook water bore drilling in September 2025 and took the opportunity to sample these holes even though they were completed for water sampling. As such the assays were not considered a high priority. QEM was originally provided with an estimated turnaround time that indicated that the assay results would be received in January 2026. As part of the Strategic Review, and subsequent to the release of the December 2025 Quarterly Report, the Company took the decision to not proceed with the assaying of the samples. This decision will be reported in the March 2026 Quarterly Report.

On 18 February 2026, the Company announced that it had received firm commitments for a placement of approximately 59.1 million fully paid ordinary shares in the Company (**Shares**) to sophisticated investors to raise a total of $1.418 million (before costs) at an issue price of $0.024 per Share. Managing Director, Robert Cooper, has (subject to shareholder approval) committed to subscribe on the same terms for 1,000,000 Shares, bringing total commitments received to $1.442 million. Participants (including Mr Cooper) in the Placement will also be issued a total of 30.05 million attaching unlisted options to acquire Shares (**Options**), on the basis of one option for every two Shares issued, for nil additional consideration (**Placement**), subject to shareholder approval. 59,100,000 Shares were issued on 24 February 2026.

As previously reported, an investor in the placement completed in June 2025 had failed to settle for their committed $241,500 worth of shares. At 30 June 2025, despite commencing legal proceedings to recover the debt, the Company had recorded a provision against the receivable. During March 2026, the Company recovered $161,000 of the debt.

There were no other matters or circumstances that 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 periods.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial period.

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 31 December 2025 is set out on page 21.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Robert Cooper
Managing Director
Dated: 13 March 2026

# Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2025

| | Note | 31 Dec 2025 | 31 Dec 2024 |
|---|---|---|---|
| | | $ | $ |
| Revenue | | 6,679 | 9,537 |
| Corporate and administrative expenses | | (203,623) | (300,371) |
| Investor relations and marketing expenses | | (80,500) | (87,093) |
| Travelling expenses | | (19,213) | (75,982) |
| Employee benefits expense | | (43,380) | (156,212) |
| Exploration expenditure | | (1,049,187) | (1,026,093) |
| Share based payments | | (10,300) | (43,527) |
| Amortisation and depreciation expense | | (100,361) | (88,520) |
| Interest expense | | (668) | (1,789) |
| **Loss before income tax expense** | | **(1,500,553)** | **(1,770,050)** |
| Income tax expense | | - | - |
| Loss after income tax expense for the period | | (1,500,553) | (1,770,050) |
| Other comprehensive loss, net of tax | | - | - |
| **Total comprehensive loss for the period** | | **(1,500,553)** | **(1,770,050)** |
| Net loss for the period is attributable to: | | | |
| Members of the parent entity | | (1,500,553) | (1,770,050) |
| Total comprehensive loss for the period is attributable to: | | | |
| Members of the parent entity | | (1,500,553) | (1,770,050) |
| Basic and diluted loss per share (cents per share) | | (0.63) | (1.07) |

The accompanying notes form part of these financial statements.

# Condensed Statement of Financial Position as at 31 December 2025

| | Note | 31 Dec 2025 | 30 Jun 2025 |
|---|---|---|---|
| | | $ | $ |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | 1,076,211 | 2,835,732 |
| Trade and other receivables | | 33,080 | 60,671 |
| Other assets | | 49,958 | 31,226 |
| **TOTAL CURRENT ASSETS** | | **1,159,249** | **2,927,629** |
| | | | |
| **NON-CURRENT ASSETS** | | | |
| Other Assets | | 2,500 | 2,500 |
| Right of Use Asset | 3a | - | 39,682 |
| Plant and Equipment | 4 | 365,558 | 426,236 |
| **TOTAL NON-CURRENT ASSETS** | | **368,058** | **468,418** |
| **TOTAL ASSETS** | | **1,527,307** | **3,396,047** |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | 116,485 | 465,214 |
| Lease liabilities | 3b | - | 37,175 |
| Provisions | | 48,715 | 64,535 |
| **TOTAL CURRENT LIABILITIES** | | **165,200** | **566,924** |
| | | | |
| **TOTAL LIABILITIES** | | **165,200** | **566,924** |
| | | | |
| **NET ASSETS** | | **1,362,107** | **2,829,123** |
| | | | |
| **EQUITY** | | | |
| Issued capital | 2 | 21,391,406 | 21,403,546 |
| Reserves | | 182,023 | 417,076 |
| Accumulated losses | | (20,211,322) | (18,991,499) |
| | | | |
| **TOTAL EQUITY** | | **1,362,107** | **2,829,123** |

The accompanying notes form part of these financial statements.

# Condensed Statement of Changes in Equity for the half-year ended 31 December 2025

| | Note | Issued Capital | Reserves | Accumulated Losses | Total |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| **Balance at 1 July 2024** | | **16,991,177** | **807,683** | **(16,234,400)** | **1,564,460** |
| Loss for the period | | - | - | (1,770,050) | (1,770,050) |
| Shares issued | 2 | 2,760,939 | - | - | 2,760,939 |
| Share-based payments | | - | 43,527 | - | 43,527 |
| Performance rights lapsed | | - | (21,075) | 21,075 | - |
| Less: Transaction costs arising from issue of shares | | (254,054) | - | - | (254,054) |
| **Balance at 31 December 2024** | | **19,498,062** | **830,135** | **(17,983,375)** | **2,344,822** |
| **Balance at 1 July 2025** | | **21,403,546** | **417,076** | **(18,991,499)** | **2,829,123** |
| Loss for the period | | - | - | (1,500,553) | (1,500,553) |
| Options issued | 2 | - | 35,377 | - | 35,377 |
| Share-based payments | | - | 10,300 | - | 10,300 |
| Options lapsed | | - | (280,730) | 280,730 | - |
| Less: Transaction costs arising from issue of shares | | (12,140) | - | - | (12,140) |
| **Balance at 31 December 2025** | | **21,391,406** | **182,023** | **(20,211,322)** | **1,362,107** |

The accompanying notes form part of these financial statements.

# Condensed Statement of Cash Flows for the half-year ended 31 December 2025

| | Note | 31 Dec 2025 $ | 31 Dec 2024 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | (645,180) | (814,606) |
| Exploration expenditure and project evaluation costs | | (1,073,308) | (1,105,290) |
| Payments for lease liability | | (37,843) | (34,397) |
| Interest received | | 4,946 | 9,537 |
| Other receipts | | 1,733 | - |
| **Net cash used in operating activities** | | **(1,749,652)** | **(1,944,756)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for Property, Plant and Equipment | | - | (11,713) |
| **Net cash used in investing activities** | | **-** | **(11,713)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares and options | 2 | - | 2,760,939 |
| Payments for capital raising costs | | (9,869) | (245,757) |
| **Net cash provided by/(used in) financing activities** | | **(9,869)** | **2,515,182** |
| **Net increase/(decrease) in cash held** | | **(1,759,521)** | **558,713** |
| Cash and cash equivalents at beginning of period | | 2,835,732 | 1,645,176 |
| **Cash and cash equivalents at end of reporting period** | | **1,076,211** | **2,203,889** |

The accompanying notes form part of these financial statements.

# Notes to the Condensed Financial Statements for the half-year ended 31 December 2025

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### Basis of Preparation

These general purpose interim financial statements for the period reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by QEM Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements aside from the adoption of the accounting policy identified below.

### Going Concern

The half-year 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 half-year ended 31 December 2025 the Company generated a loss of $1,500,553 and incurred operating cash outflows of $1,749,652. As at 31 December 2025 the Company has cash and cash equivalents of $1,076,211 and net assets of $1,362,107.

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

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

The Company has a strong track record of raising capital, evidenced by the $20.6m raised since the Company's IPO in 2018. As announced on 18 February 2026, the Company completed a private placement, raising $1.4m (before costs).

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

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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.

### New and Amended Standards and Interpretations

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

## 2. CONTRIBUTED EQUITY

### Fully paid ordinary shares

| | | 31 Dec 2025 | | 30 Jun 2025 | |
|---|---|---|---|---|---|
| | | No. of Shares | $ | No. of Shares | $ |
| **(a) Issued and paid up capital** | | | | | |
| Ordinary shares fully paid | | 236,400,353 | 21,391,406 | 236,400,353 | 21,403,546 |
| **(b) Movement in ordinary shares on issue** | | | | | |
| Balance at the beginning of the year (1 July) | | 236,400,353 | 21,403,546 | 151,391,712 | 16,991,177 |
| Share issues: | | | | | |
| Issue of Ordinary Shares – 25 October 2024 | (i) | - | - | 39,441,976 | 2,760,939 |
| Issue of Ordinary Shares – 6 June 2025 | (ii) | - | - | 45,566,665 | 2,050,500 |
| Transaction Costs | (iii) | - | (12,140) | - | (399,070) |
| **Balance as at the end of the period** | | **236,400,353** | **21,391,406** | **236,400,353** | **21,403,546** |

Notes for the above table are:

(i) On 25 October 2024, 39,441,975 shares were issued at $0.07 per share, raising $2,760,939 before costs.

(ii) On 6 June 2025, 45,556,665 shares were issued at $0.045 per share, raising $2,050,500 before costs.

(iii) On 1 August 2025, 1,559,483 placement lead manager fee options were issued as capital raising costs, with an exercise of $0.065 per option.

### Quoted Options

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

## 2. CONTRIBUTED EQUITY (Continued)

### Unlisted Options

| | | Weighted average exercise price | 31 Dec 2025 No. of Options | Weighted average exercise price | 30 Jun 2025 No. of Options |
|---|---|---|---|---|---|
| Unlisted Share Options | | $0.063 | 26,909,493 | $0.264 | 7,200,000 |
| Balance at the beginning of the year (1 July) | | $0.264 | 7,200,000 | $0.328 | 6,350,000 |
| Changes during the period: | | | | | |
| Issued to Director – November 2024 | (i) | - | - | $0.14 | 2,500,000 |
| Option lapses – March 2025 | | - | - | $0.323 | (1,650,000) |
| Option lapses – July/August 2025 | | $0.266 | (6,950,000) | - | - |
| Placement options – August 2025 | (ii) | $0.065 | 20,100,010 | - | - |
| Placement lead manager fee options – August 2025 | (iii) | $0.065 | 1,559,483 | - | - |
| Issued to Director – November 2025 | (iv) | $0.045 | 5,000,000 | - | - |
| **Outstanding at the end of the period** | | **$0.063** | **26,909,493** | **$0.264** | **7,200,000** |
| **Exercisable at the end of the period** | | **$0.063** | **26,909,493** | **$0.264** | **7,200,000** |

Notes for the above table are:

(i) In November 2024, a total of 2,500,000 options were issued to a director. These options are in four tranches: Tranche 1, Tranche 2, Tranche 3 and Tranche 4.

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

These options lapsed on 1 July 2025.

(ii) In August 2025, 20,100,010 placement options were issued with an exercise price of $0.065 per option.

(iii) In August 2025, 1,559,483 lead manager fee options were issued as capital raising costs, with an exercise price of $0.065 per option. These options were measured at fair value of $35,377 at the grant date, using a Black-Scholes option pricing model. The key inputs used in the valuation are shown in the table below.

**2. CONTRIBUTED EQUITY** (Continued)

**Unquoted Options** (Continued)

| | **Lead manager fee options** |
|---|---|
| Number of options granted | 1,559,483 |
| Grant date | 6-Jun-25 |
| Expiry date | 31-Jul-28 |
| Exercise price (cents) | 6.50 |
| Share price at grant date (cents) | 4.80 |
| Life of the options (years) | 3.15 |
| Underlying share price volatility | 79.70% |
| Expected dividends | Nil |
| Risk free interest rate | 3.27% |
| Fair value of options (cents) | 2.27 |

(iv) In November 2025, 5,000,000 options were issued to a director, with an exercise price of $0.045 per option. These options were measured at fair value of $32,239 at the grant date, using a Black-Scholes option pricing model. The key inputs used in the valuation are shown in the table below.

| | **Director options** |
|---|---|
| Number of options granted | 5,000,000 |
| Grant date | 26-Nov-25 |
| Expiry date | 26-Nov-28 |
| Exercise price (cents) | 4.50 |
| Share price at grant date (cents) | 1.80 |
| Life of the options (years) | 3.00 |
| Underlying share price volatility | 85.90% |
| Expected dividends | Nil |
| Risk free interest rate | 3.73% |
| Fair value of options (cents) | 0.64 |

## 2. CONTRIBUTED EQUITY (Continued)

### Performance Rights

| | | 31 Dec 2025 No. of Performance Rights | 30 Jun 2025 No. of Performance Rights |
|---|---|---|---|
| Performance Rights | | 3,400,000 | 3,650,000 |
| Balance at the beginning of the year (1 July) | | 3,650,000 | 1,875,000 |
| Changes during the period: | | | |
| Issued to Directors – November 2024 | (i) | - | 2,250,000 |
| Lapsed – March 2025 | | - | (475,000) |
| Lapsed – July 2025 | | (250,000) | - |
| **Outstanding at the end of the period** | | **3,400,000** | **3,650,000** |
| **Exercisable at the end of the period** | | **600,000** | **-** |

Notes for the above table are:

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

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

## 2. CONTRIBUTED EQUITY (Continued)

**Performance Rights** (Continued)

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

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

## 3. LEASES

| | 31 Dec 2025 $ | 30 Jun 2025 $ |
|---|---|---|
| **a) Right-of-use asset** | | |
| Balance at the beginning of the year (1 July) | 39,682 | 30,609 |
| Additions | - | 60,603 |
| Depreciation | (39,682) | (51,530) |
| **Balance at the end of the period** | **-** | **39,682** |
| | | |
| **b) Lease liabilities** | | |
| Office lease | - | 37,175 |
| | | |
| Current liabilities | - | 37,175 |
| **Balance at the end of the period** | - | 37,715 |

The Company surrendered the office lease in December 2025.

## 4. PLANT AND EQUIPMENT

| | 31 Dec 2025 | 30 Jun 2025 |
|---|---|---|
| | $ | $ |
| Equipment at cost | 40,994 | 68,555 |
| Equipment – accumulated depreciation | (24,919) | (41,875) |
| Plant and Equipment at cost | 693,361 | 693,361 |
| Plant and Equipment – accumulated depreciation | (343,878) | (293,805) |
| **Balance at the end of the period** | **365,558** | **426,236** |

| | | |
|---|---|---|
| **PLANT AND EQUIPMENT** | | |
| Balance at the beginning of the year (1 July) | **426,236** | **531,181** |
| Additions | - | 10,314 |
| Disposals | (6,022) | - |
| Depreciation | (54,656) | (115,259) |
| **Balance at the end of the period** | **365,558** | **426,236** |

## 5. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

## 6. SEGMENT INFORMATION

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. During the period ended 31 December 2025, the Board considers that it has only operated in one segment, being mineral exploration.

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

## 7. EVENTS SUBSEQUENT TO REPORTING PERIOD

QEM undertook water bore drilling in September 2025 and took the opportunity to sample these holes even though they completed for water sampling. As such the assays were not considered a high priority and QEM was originally provided with an estimated turnaround time that indicated that the assay results would be received in January 2026. As part of the strategic Review, and subsequent to the release of the December 2025 Quarterly Report, the Company took the decision to not proceed with the assaying of the samples. This decision will be reported in the March 2026 Quarterly Report.

On 18 February 2026, the Company announced that it had received firm commitments for a placement of approximately 59.1 million fully paid ordinary shares in the Company (**Shares**) to sophisticated investors to raise a total of $1.418 million (before costs) at an issue price of $0.024 per Share. Managing Director, Robert Cooper, has (subject to shareholder approval) committed to subscribe on the same terms for

## 7. EVENTS SUBSEQUENT TO REPORTING PERIOD (Continued)

1,000,000 Shares, bringing total commitments received to $1.442 million. Participants (including Mr Cooper) in the Placement will also be issued a total of 30.05 million attaching unlisted options to acquire Shares (**Options**), on the basis of one option for every two Shares issued, for nil additional consideration (**Placement**), subject to shareholder approval. 59,100,000 Shares were issued on 24 February 2026.

As previously reported, an investor in the placement completed in June 2025 had failed to settle for their committed $241,500 worth of shares. At 30 June 2025, despite commencing legal proceedings to recover the debt, the Company had recorded a provision against the receivable. During March 2026, the Company recovered $161,000 of the debt.

There were no other matters or circumstances that 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 periods.

## 8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date.

## 9. 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 statements.

| **Minimum Work Requirements** | **31 Dec 2025 $** | **30 Jun 2025 $** |
|---|---|---|
| No later than 12 months | 1,860,000 | 1,860,000 |
| Between 1 and 5 years | 12,740,000 | 12,740,000 |
| **Total Commitment** | **14,600,000** | **14,600,000** |

# Directors' Declaration for the half-year ended 31 December 2025

In the opinion of the Directors of QEM Limited (the Company):

1. The financial statements and notes thereto of the Company, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the half year then ended.

2. 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 made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Robert Cooper
Managing Director

Brisbane, QLD
Dated: 13 March 2026

# Auditor's Review Report

HALL CHADWICK

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QEM LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of QEM Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2025, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of QEM Limited does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half year financial report, which indicates that the Company incurred a net loss of $1,500,553 during the half year ended 31 December 2025. As stated in Note 1 these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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HALL CHADWICK

## Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick
**HALL CHADWICK WA AUDIT PTY LTD**

Mark Delaurentis
**MARK DELAURENTIS CA**
**Director**

Dated this 13th day of March 2026
Perth, Western Australia

# Auditor's Independence Declaration

HALL CHADWICK

To the Board of Directors

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

As lead audit Director for the review of the financial statements of QEM Limited for the half year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick
**HALL CHADWICK WA AUDIT PTY LTD**

Mark Delaurentis
**MARK DELAURENTIS** CA
**Director**

Dated this 13th day of March 2026
Perth, Western Australia

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