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QEM
ASX : QEM

Chair
Tim Wall

Managing Director
Robert Cooper

Non-Executive Director
Daniel Harris

Julia Creek Vanadium and Energy Project:



QEM Limited:

Registered Office:
Corporate Administration Services
Level 6, 10 Market St.
Brisbane QLD 4000

Head Office:
Level 6, 10 Market St.
Brisbane QLD 4000
+61 7 3212 6299

ASX Announcement

15 April 2026

QEM to Acquire Past-Producing U.S. Fluorspar, Tungsten & Niobium Projects

$2.645m Placement

Highlights:

- → **Binding term sheet executed for the acquisition of Idaho, USA fluorspar, tungsten & niobium projects**
- → **Big It Tungsten Project is one of only a handful of historically verified past tungsten producers in the entire United States with documented government shipments**
- → **The Vaught-Peck mine at Columbite Project produced ~500 lbs of columbite historically, with zero modern exploration or drilling**
- → **Big It and Columbite Projects are prospective for seven U.S. critical minerals: fluorspar, tungsten, antimony, niobium, tantalum, REE, and gold — potential to address the most acute U.S. supply vulnerabilities**
- → **U.S. government pro-actively working to rebuild its tungsten supply chain, highlighted by the recently announced US$12 billion policy initiative to stockpile critical minerals to reduce off-shore supply dependency[1]**
- → **Acquisition comes amidst highly-supportive U.S. government policy that provides fast-tracking (FAST-41) and federal funding for development of domestic critical minerals projects**
- → **Well-supported $2.645 million placement at $0.045 per share**

Critical minerals explorer and developer QEM Limited (ASX: QEM) ("**QEM**" or "**Company**") is pleased to announce that it has received firm commitments to raise $2.645 million (before costs) via a Placement.

This raise comes as the Company enters into a binding agreement (subject to any approval required under the ASX Listing Rules) to acquire all of the shares in Freshwater Metals Pty Ltd ("**Freshwater**") which owns two critical minerals exploration projects (Big It and Vaught-Peck) located in Idaho, United States.

Oakley Capital Partners Pty Ltd ("**Oakley**") acted as Lead Manager to the heavily supported placement, as well as introducing the new projects being acquired by the Company.

[1] https://www.reuters.com/world/china/trump-launches-12-billion-minerals-stockpile-counter-china-bloomberg-news-2026-02-02/

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Managing Director Robert Cooper said,

"This acquisition represents a highly strategic step forward for QEM, providing exposure to a compelling portfolio of past-producing U.S. critical mineral assets with exceptional upside potential. The combination of historically verified tungsten production at Big It and the highly prospective, underexplored niobium and fluorspar system at Columbite positions the Company at the forefront of several tightening global supply chains.

With fluorspar facing a structural supply deficit, tungsten demand accelerating through defence and industrial applications, and niobium constrained by extreme supply concentration, we see a unique potential for QEM to address the U.S. critical minerals supply chain crisis. Importantly, these assets offer potential significant exploration upside.

Project Information

QEM has entered into a binding agreement (subject to any shareholder approval required under the ASX Listing Rules) to acquire all shares in Freshwater which owns two critical minerals exploration projects located in Idaho, United States. The two projects are Big It (tungsten, antimony, gold) and Vaught-Peck Columbite (fluorspar, niobium, tantalum, rare earth elements), shown in Figure 1.

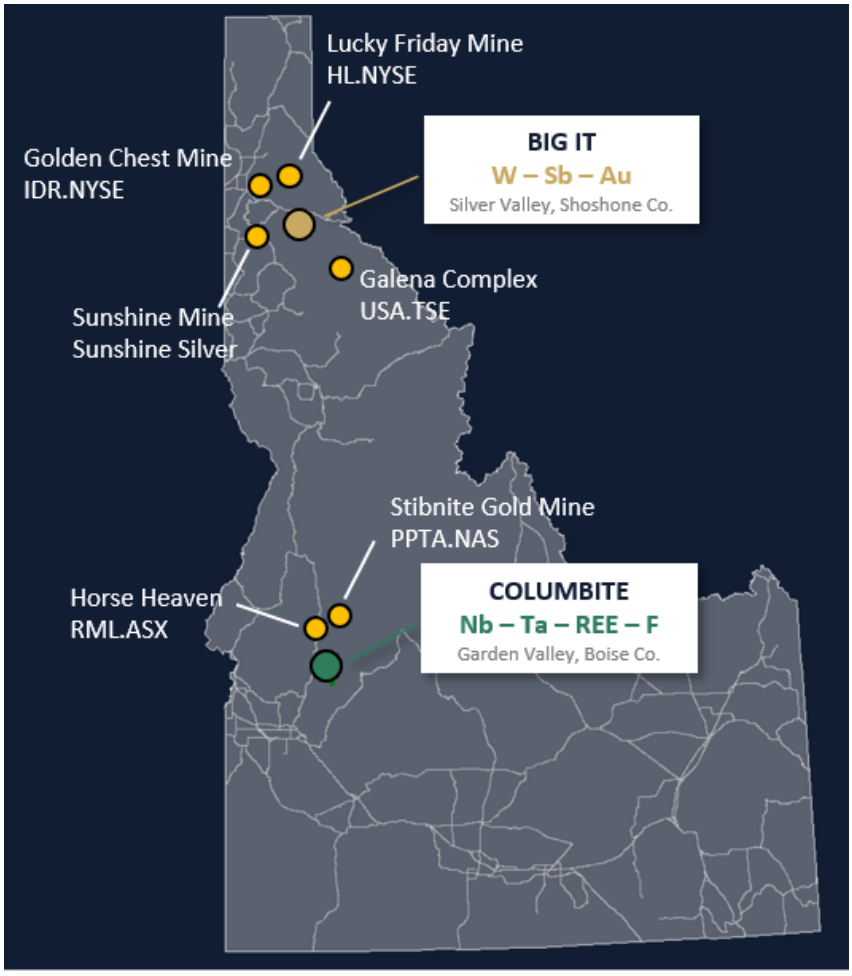

Figure 1: Location of Big It and Vaught-Peck Columbite Projects in Idaho, USA

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Big It Project

The Big It project is located in Idaho's Pine Creek District, adjacent to the metal endowed Coeur d'Alene mineral belt, one of the largest and richest silver producing districts globally (>1.2Boz Ag). The underground mine supplied high-grade tungsten concentrates of between 67–75% WO_3 to U.S. wartime programmes, with approx. 350 metres of underground workings with drifts (tunnels), raises and stopes, accessed via two drifts – one 296m long and the other 274m long. Big It is one of only a handful of historically verified tungsten producers in the entire United States with documented government shipments

Big It currently comprises three unpatented federal mining claims plus approx. 101 acres of land —a small footprint in a large, mineralised corridor. There is potential to extend the landholding beyond the current boundaries.

In terms of prospectivity, the project has considerable upside potential, as it is underexplored by modern standards. Little exploration has been undertaken since it was last investigated in the 1950s. A three-stage evaluation programme has been proposed:

- Stage 1 – requires early-stage data verification, underground mapping, sampling, ground staking, and geophysics
- Stage 2 – subject to the results of Stage 1, this could then lead into a first-pass drill program beneath the existing levels from current development
- Stage 3 – subject to the results of Stage 2, scale-up of project evaluation leading to mineral resource definition

Existing tunnels (570+ m combined) are expected to dramatically reduce the capital needed to reach potential tungsten ore. The 100m-wide shear corridor remains largely undrilled — the historic production came from surface and near-surface workings only.

Logistics for the project are relatively straightforward, with good access, and there is potential for toll treatment (reducing capital costs) with the Sunshine Mine antimony plant[2] – soon the only operating antimony processing facility in the United States, located 11 km away[3]. The previous supply of critical metals to the US Government is a potential advantage.

Vaught-Peck Columbite Project (Fluorspar, REE, Nb, Ta)

The Vaught-Peck Columbite Project is a rare-metal pegmatite system located near Garden Valley, Boise County, central Idaho, USA. Idaho itself hosts multiple rare earth elements (REE) deposit styles across at least six distinct districts from thorium-REE veins in the east to pegmatite and placer systems in the Boise Basin. The IGS Critical Mineral Atlas catalogues about 15 placer deposit areas, one at the Columbite Project area.

The project is located within a proven North American metallogenic province for columbite–tantalite, monazite, fluorite, and associated rare-metal mineralisation. The project has potential to align directly with U.S. critical mineral priorities, as the U.S. has had 0% domestic Nb/Ta production since 1959.

Idaho hosts structurally controlled vein systems that historically produce high-grade acid-grade material, not bulk metallurgical-grade. The historic recovery of giant Nb-Ta oxide crystals (up to 309 lb) confirms high-grade columbite–samarskite pockets, with approx. 500 lb historic columbite (Nb) production. Early-stage exploration was undertaken via an historical adit / tunnel dating back to 1944, but no modern exploration geochemical sampling has been conducted.

[2] *https://americas-gold.com/news-releases/2026/americas-gold-and-silver-signs-joint-venture-agreement-with-us-antimony-to-construct-antimony-processing-facility-in-idahos/*

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

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The Idaho Antimony Belt, a metallogenic Mineral Belt in Central Idaho in which the Columbite project is located, also hosts the American Tungsten & Antimony (AT4:ASX)[4]. The belt extends roughly 40–60 km through central Idaho and contains the largest historic antimony resources in the United States. Deposits typically classified as - Intrusion-related hydrothermal antimony–gold–tungsten systems (e.g. Stibnite / Yellow Pine Deposit).

The project has good prospectivity featuring a large, zoned rare-metal pegmatite system, hosting Nb-Ta-REE-F-U mineralisation, including historical underground workings and trenching, and 44 patented lode mining claims covering multiple named prospects. There are reported multiple untested pegmatites providing district-scale exploration potential. There are six prospects Vaught-Peck, Mica Dome, Bowman, Mirandeborde, Nevada Nos.

The project has a favourable location and infrastructure in central Idaho, within an established and mining-supportive jurisdiction.

Proposed next steps for the project are to undertake geophysics surveys, ground staking, data validation, and detailed mapping this early-stage work is focussed on confirmation of mineralised zones, and the potential discovery of parallel/repeated vein structures. Work on understanding the by-product Nb-Ta potential, investigating potential strategic offtake agreements, and investigating U.S. critical minerals funding support would form a separate work programme.

Market Background

Fluorspar - Supply Crisis

The U.S. has had zero domestic fluorspar production since 1995, ie, 30 years of total import dependence, and no fluorspar processing infrastructure exists in the U.S., creating a double vulnerability (no mining, no refining)[5].

China and Mexico control ~70% of global supply; both face increasing export restriction risks[6]. The EU, Japan, Canada, and Australia all list fluorspar as critical, making it a globally recognised strategic mineral[7].

Demand Drivers — The AI & Tech Nexus

- Hydrofluoric acid, made from acid-grade fluorspar, is essential for semiconductor chip etching — every TSMC, Intel, and Samsung chip depends on it.
- PVDF (polyvinylidene fluoride) — a fluoropolymer requiring fluorspar — is the standard binder in lithium-ion battery anodes and cathodes.
- Fluorinated gases used in semiconductor manufacturing (NF_3, WF_6) all require fluorspar feedstock.
- AI data centre buildout is driving unprecedented semiconductor demand — fluorspar sits at the base of that supply chain.

[4] *It should be noted that references to third party-owned projects in this announcement, such as the AT4 project, should be considered in light of there being no certainty that the mineralisation of those projects extends to the company's proposed tenements and that such projects are not necessarily indicative of mineralisation on the Company's proposed tenements*

[5] *pubs.usgs.gov/periodicals/mcs2026/mcs2026.pdf*

[6] *https://www.usgs.gov/centers/national-minerals-information-center/fluorspar-statistics-and-information*

[7] *pubs.usgs.gov/periodicals/mcs2026/mcs2026.pdf*

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Niobium - Supply Concentration Risk

A single Brazilian company (CBMM) controls ~75% of global niobium supply[8] — the highest single-company concentration of any critical mineral on earth. CBMM recently restricted access to strategic investors, highlighting sovereign supply risk. The U.S. has imported 100% of its niobium needs since 1959 — no domestic production in living memory[9].

Demand Drivers

- High-strength low-alloy (HSLA) steel using niobium is now mandatory in modern military vehicles, naval vessels, and aerospace frames.
- Niobium-based superalloys are used in jet engine turbine blades — F-35, F-22, and next-generation hypersonic platforms all require it.
- Niobium is emerging as a solid-state battery anode material with NioCorp and others racing to secure supply
- Global niobium demand projected to grow 6–8% CAGR through 2030 driven by EV steel, defence, and energy transition[10]

Tungsten – A Critical Defence Metal

The global tungsten market is experiencing strong growth, driven by demand for defence and military applications, cemented carbides in industrial machinery, automotive, and electronics. Tungsten's extreme hardness, high melting point, and density means it finds uses in cutting tools, armour-piercing rounds, and high-temperature industrial parts, primarily as tungsten carbide. It's also used in light bulb filaments, electronics, welding electrodes, and as weights in sporting goods and aerospace for balance.

The tungsten market is expected to grow from roughly USD 5.5–7.3 billion in 2024/2025 to over USD 11 billion by 2033–2035, growing at a compound annual growth rate CAGR) of 4.7% to 8.7% during that period driven by increasing industrial and military applications[11]. The primary driver is tungsten carbide, used extensively in cutting tools, mining, drilling equipment, and wear-resistant parts. Increasing use in electronics, aerospace components, and photovoltaic (PV) cutting wire is also driving the market.

China dominates supply (approx. 83% of production) and consumption, holding significant reserves (1.8 million metric tonnes)[12] making the market sensitive to Chinese policy, environmental regulations, and export quotas. Tightening supply and geopolitical factors are shifting market dynamics and while the Asia-Pacific is the largest market, demand for tungsten, particularly in defence and high-tech industries, is driving exploration and production in other regions, including Russia, Vietnam, and Australia. Major importers (USA, Europe) are focusing on diversifying supply chains to reduce dependence on Chinese imports.

The tungsten market is anticipated to maintain a steady growth trajectory from 2025-2035, with key future factors including advancements in tungsten-based products, such as in electronics and sustainable manufacturing technologies.

[8] *https://pmarketresearch.com/chemi/niobium-products-market/*

[9] *https://pubs.usgs.gov/periodicals/mcs2023/mcs2023-niobium.pdf*

[10] *Grand View Research – Niobium Market Analysis*

[11] *https://www.grandviewresearch.com/industry-analysis/tungsten-market-report*

[12] *https://www.usgs.gov/centers/national-minerals-information-center/tungsten-statistics-and-information*

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Acquisition Details

Conditions precedent to complete the acquisition include legal, financial and technical due diligence investigations in relation to the vendor Company and the Tenements to the Company's satisfaction, execution of a full form sale and purchase agreement and any shareholder approvals required under the ASX Listing Rules. Due diligence will include understanding the scope of two NSR agreements with previous tenement owners with an aggregate 3% NSR covering some of the Tenements.

Consideration for the acquisition comprises 6,666,667 Shares (**Consideration Shares**) valued at $0.045 each ($300,000), which will be (voluntarily) escrowed for 3 months (33.3%), 6 months (33.3%) and 9 months (33.3%). Oakley introduced the acquisition and will be paid a 10% (of the $300,000 consideration) Introduction Fee payable in Shares (**Broker Fee Shares**) at the Placement Price ($0.045. The Consideration Shares (6,666,667) and the Broker Fee Shares (666,667) will be issued using the Company's ASX Listing Rule 7.1 capacity.

An ASX Appendix 3B in relation to the Acquisition has been lodged today.

Commenting on the transaction, Chairman Tim Wall said,

"We are excited to secure these unique projects at a time when global markets are increasingly focused on the strategic importance of these seven critical minerals. In particular, this acquisition delivers QEM exposure to fluorspar, tungsten and niobium potential — these are not only essential to advanced technologies and defence, but are also characterised by fragile and highly concentrated supply chains.

The United States' strong policy support for domestic critical mineral development further enhances the strategic value of these assets. We believe this transaction has the potential to be transformational for QEM, unlocking substantial long-term upside as we advance these projects in parallel with our existing portfolio."

Placement

QEM has received firm commitments for a placement ("**Placement**") of 58,777,778 fully paid ordinary shares in the Company ("**Placement Shares**") to sophisticated investors to raise a total of $2.645 million (before costs) at an issue price of $0.045 per Share. Participants in the Placement will also be issued a total of 29,388,889 free attaching unlisted options to acquire Shares ("**Placement Options**"), on the basis of one option for every two Shares issued, subject to shareholder approval.

The Placement Share issue price represents a 13.5% discount to the last closing price ($0.052) and a 3.7% premium to the Company's 15 day VWAP ($0.04339). The Placement Shares are being issued under existing ASX Listing Rule 7.1 and 7.1A placement capacity:

- 29,127,743 Placement Shares under ASX Listing Rule 7.1 capacity; and
- 29,650,035 Placement Shares under ASX Listing Rule 7.1A capacity.

The 29,388,889 Placement Options will be exercisable at $0.08 each, expiring three (3) years after issue, and will be issued subject to shareholder approval to be sought at a general meeting to be held in May or June 2026.

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The Placement funds will be used for:

- Identification and evaluation of critical minerals projects;
- Initial exploration activities for the Idaho tungsten and fluorspar projects, subject to completion of the acquisition
- Working Capital; and
- Costs of the Offer.

The Placement was facilitated by Oakley Capital Partners Pty Limited, who will receive a 6% cash fee of total funds raised, plus one Broker Fee Share for every two dollars raised in the Placement (i.e. 1,322,500 Shares) subject to shareholder approval, plus one Option for every five Options issued to Placement investors (i.e. 5,877,778 Options) also subject to shareholder approval, some of which will be passed on to third parties, none of whom are related parties of the Company. The Company expects to issue the Placement Shares by 21 April 2026.

The Company has granted Oakley to right (for up to 20 days) to raise (up to) an additional $355,000 on the same terms as the Placement via the issue of up to an additional 7,888,888 Placement Shares and 3,944,444 Placement Options. Any additional Placement Shares will be issued under existing ASX Listing Rule 7.1 placement capacity. Any additional Placement Options, Broker Fee Shares and Broker Fee Options will be subject to shareholder approval.

An ASX Appendix 3B in relation to the Placement has been lodged today.

Oakley Capital Partners commented,

"Oakley Capital Partners is delighted to be working with QEM on this transaction and to support the Company's ongoing development. We are encouraged by the highly supportive White House policies and significant U.S. government investment towards domestic critical minerals developers, including the US$500 million Department of Defense investment into MP Materials Inc in 2025, and the recently announced US$12 billion "Project Vault" Strategic Critical Minerals Reserve program. We believe that, subject to the success of upcoming technical work QEM's new projects exhibit the right characteristics to make them a potential candidate for U.S. government interest and support, and we look forward to working closely with QEM as it advances this exciting new portfolio."

ENDS

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

For further information, please contact:

Robert Cooper
Managing Director
P: +61 7 3212 6299
E: rcooper@qldem.com.au