

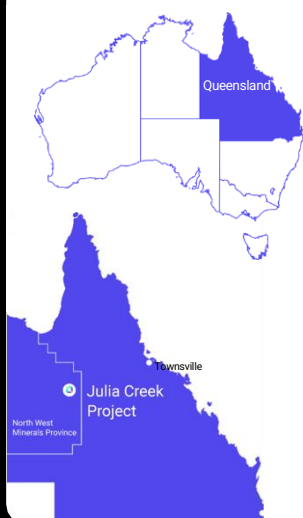
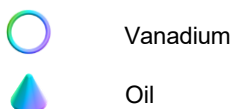


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ASX Announcement

3 August 2026

QEM to Proceed with the Acquisition of Past-Producing U.S. Tungsten, Fluorspar and Niobium Projects

Highlights:

- Acquisition of Idaho, USA tungsten, fluorspar & niobium projects to proceed
- Big It and Columbite Projects are prospective for seven U.S. critical minerals: tungsten, fluorspar, antimony, niobium, tantalum, REE, and gold – potential to address the most acute U.S. supply vulnerabilities
- 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
- 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 dependency¹
- 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

Critical minerals explorer and developer QEM Limited (ASX: QEM) ("**QEM**" or "**Company**") is pleased to announce that it will proceed with the acquisition of all of the shares in Freshwater Metals Pty Ltd ("**Freshwater**") under the terms announced in April 2026². This comes after the recent completion of detailed due diligence and the satisfaction of conditions precedent within the terms.

Freshwater is the owner of two critical minerals exploration projects (Big It and Vaught-Peck) located in Idaho, United States. Big It is a past producer of tungsten, and is also prospective for antimony and gold, while the Colombite Project hosts the Vaught-Peck prospect which is prospective for fluorspar and niobium, and other rare earth elements (REE).

The projects were introduced to the Company by Oakley Capital Partners Pty Ltd ("**Oakley**").

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

² Refer to the announcement dated 15 April 2026 titled 'Project Acquisition and Placement' for details of the Big It and Vaught-Peck Columbite projects

Commenting on the acquisition, Managing Director Robert Cooper said,

“Proceeding with 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 tungsten demand accelerating through defence and industrial applications, fluorspar facing a structural supply deficit, 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 and we are looking forward to getting on the ground as soon as possible to start our staged exploration programme on these exciting opportunities.

Project Information

In April 2026 QEM entered 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 projects located in Idaho, United States². The two projects are Big It (tungsten, antimony, gold) and Vaught-Peck Columbite (fluorspar, niobium, tantalum, rare earth elements), shown in Figure 1.

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

The previous supply of critical metals to the US Government is a potential advantage. Big It's underground mine supplied high-grade tungsten concentrates of between 67–75% WO₃ to U.S. wartime programmes, with approx. 350 metres of underground workings 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

In terms of prospectivity, the project has considerable exploration upside. It is underexplored by modern standards with little exploration having been undertaken since it was last investigated in the 1950s. The 100m-wide shear corridor remains largely undrilled with historical production coming from near-surface workings only.

A three-stage evaluation programme is being investigated:

- Stage 1 – early-stage data verification, underground mapping, sampling, ground staking, and geophysics
- Stage 2 – subject to the results of Stage 1, potential first-pass drill program beneath the existing levels
- Stage 3 – subject to the results of Stage 2, scale-up of project evaluation leading to mineral resource definition

Existing underground access is expected to dramatically reduce the capital needed to reach potential tungsten ore. Logistics for the project are relatively straightforward, with good access and reasonable regional infrastructure to support activities.

² Refer to the announcement dated 15 April 2026 titled 'Project Acquisition and Placement' for details of the Big It and Vaught-Peck Columbite projects



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There also exists the potential for toll treatment (reducing capital costs) with the proposed Sunshine Mine antimony plant³ to be located located only 11 km away⁴. The proposed Sunshine Mine antimony plant will be the only operating antimony processing facility in the United States,

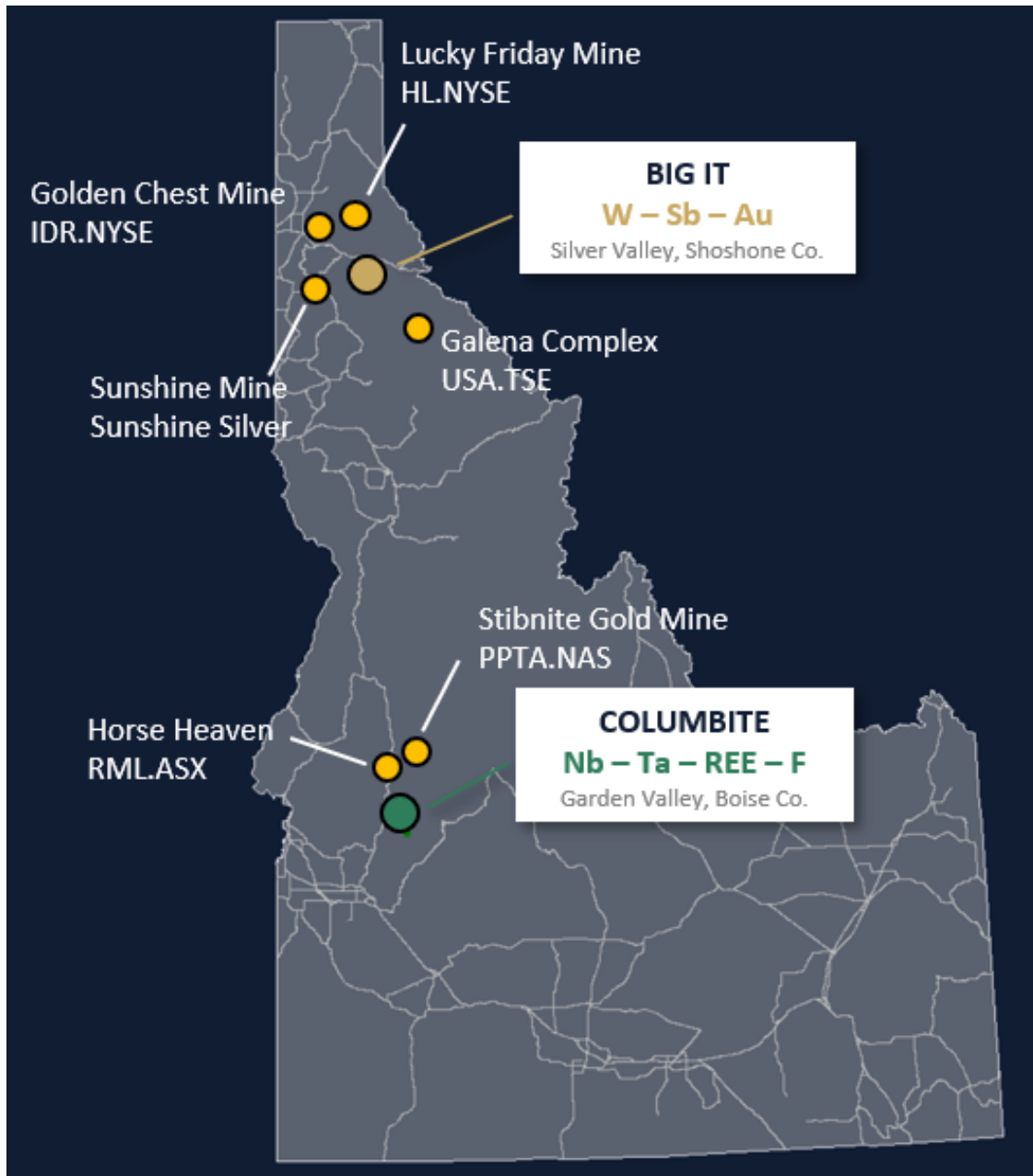


Figure 1: Location of Big It and Vaught-Peck Columbite Projects in Idaho, USA

³ <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/>

⁴ 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

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

The Columbite (Vaught-Peck) 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–tantallite, 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.

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)⁵. 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

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. The primary driver is tungsten carbide with tungsten's extreme hardness, high melting point, and density means it finds uses in cutting tools, wear-resistant parts for mining and drilling equipment, armour-piercing rounds, and high-temperature industrial parts. It's also finding increasing use in light bulb filaments, electronics, welding electrodes, and as weights in sporting goods and aerospace.

⁵ 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

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. Starting at roughly USD 5.5–7.3 billion in 2024/2025, the market is expected to grow 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 applications⁶.

China dominates supply (approx. 83% of production) and consumption, holding significant reserves (1.8 million metric tonnes)⁷ 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.

Niobium - Supply Concentration Risk

A single Brazilian company (CBMM) controls approx. 75% of global niobium supply⁸ – 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 with no domestic production in living memory⁹. Demand for niobium is being driven by:

- 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 transition¹⁰

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)¹¹.

China and Mexico control ~70% of global supply; both face increasing export restriction risks¹². The EU, Japan, Canada, and Australia all list fluorspar as critical, making it a globally recognised strategic mineral¹³.

⁶ <https://www.grandviewresearch.com/industry-analysis/tungsten-market-report>

⁷ <https://www.usgs.gov/centers/national-minerals-information-center/tungsten-statistics-and-information>

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 pubs.usgs.gov/periodicals/mcs2026/mcs2026.pdf

¹² <https://www.usgs.gov/centers/national-minerals-information-center/fluorspar-statistics-and-information>

¹³ pubs.usgs.gov/periodicals/mcs2026/mcs2026.pdf



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Acquisition Details

Conditions precedent to complete the acquisition included legal, financial and technical due diligence investigations in relation to the vendor Company and the Tenements to the Company's satisfaction, and any shareholder approvals required under the ASX Listing Rules (none identified).

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, concurrently with the transfer of the Freshwater shares and other completion activities.

An ASX Appendix 3B in relation to the Acquisition was lodged on 15 April 2026.

Commenting on the transaction, Chairman Tim Wall said,

"We are excited to finally 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 tungsten, fluorspar and niobium potential, which 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."

ENDS

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

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