

31 October 2024

## Strategic Investment in Kingsland by Quinbrook Infrastructure Partners

**First step in the development of an integrated graphite mining and downstream processing industry in the Northern Territory**

### HIGHLIGHTS

- Quinbrook Infrastructure Partners (Quinbrook), a 'value add' investment manager with a specialist focus on the energy transition, will invest \$2.56m in Kingsland via a Placement of 11.1m Kingsland shares at 23c, representing a 27% premium to the last close (\$0.18) and a 22% premium to the 30 day VWAP (\$0.188).
- The Placement will see Quinbrook emerge with a 15.3% stake in Kingsland.
- The agreement provides for Quinbrook to buy graphite concentrate produced by Kingsland's Leliyn graphite project in the Northern Territory for processing into value added products including battery component manufacturing in Australia and internationally.
- Agreement also provides for Quinbrook to provide renewable power to Leliyn.
- Leliyn hosts Australia's biggest graphite resource of 14.2Mt of contained graphite<sup>1</sup>.
- Kingsland is preparing to undertake an infill drilling program which will underpin the planned Scoping Study.
- Metallurgical tests advancing, with a bulk sample now being prepared for testing in Germany to ascertain Leliyn graphite's suitability for processing into purified spherical graphite.
- Quinbrook is investigating the feasibility of locating a downstream processing facility at the Middle Arm Sustainable Development Precinct in Darwin, NT

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<sup>1</sup> Refer to KNG ASX Announcement 'Australia's Largest Graphite Resource' released on 13 March 2024

**Kingsland Minerals Ltd (Kingsland, ASX:KNG)** is pleased to announce a strategic investment in the company by Quinbrook Infrastructure Partners. Along with the investment, Kingsland and Quinbrook have also signed agreements for off-take of graphite concentrate and an option for Quinbrook to provide renewable energy to the Leliyn Graphite Project.

Importantly, the execution of this agreement with Quinbrook has secured binding offtake arrangements for the Company and is a major milestone underpinning the Company's commercial strategy for the development of the Leliyn Graphite Project.

Quinbrook invests across the technology landscape encompassing distributed scale solar PV, onshore wind, battery storage, biomass, fugitive methane recovery, demand response, grid support and flexibility, community energy networks, EV charging and 'Virtual Power Plants'. Quinbrook has its Australian headquarters in Brisbane. Simultaneously, Quinbrook is investigating the feasibility of locating a downstream processing facility at the Middle Arm Sustainable Development Precinct.

#### **Kingsland Minerals Managing Director, Richard Maddocks said:**

*"This is an important development for the company. One of Australia's largest renewable investment managers, Quinbrook Infrastructure Partners, has recognised the potential of the Leliyn Graphite Project to supply graphite concentrate to the battery market. Quinbrook's expertise and experience in identifying and developing renewable energy projects has been well documented. The strategy to establish a vertically integrated graphite mining and processing hub is also underpinned by the provision for offtake and renewable energy supply agreements with Quinbrook. We are pleased to have Quinbrook on our register as a cornerstone investor and look forward to working with them to develop Australia's largest graphite project. I'd like to welcome Robert Johansen, Senior Director, Minerals at Private Energy Partners, Quinbrook's development affiliate, to the Kingsland board."*

#### **Quinbrook Managing Director, Regional Leader - Australia, Brian Restall said:**

*"This investment in Kingsland supports the development of a globally significant graphite resource that is intended to be used in establishing new and diverse clean energy supply chains, specifically in batteries. More than 90% of the material in a lithium battery anode is composed of graphite making this important resource a unique opportunity for value add processing of critical minerals in Australia. The location of Kingsland's resource compliments our plans for delivering mega scale renewables to the Territory via Suncable and our plans for the Middle Arm precinct."*

#### **About Quinbrook Infrastructure Partners**

Quinbrook Infrastructure Partners is a specialist investment manager focused exclusively on the infrastructure needed to drive the energy transition in the UK, US, and Australia. Quinbrook is led and managed by a senior team of power industry professionals who have collectively invested c. USD

5.6 billion of equity capital in 43.3 GW of energy infrastructure assets representing a total transaction value of USD 48.3 billion. Quinbrook has completed a diverse range of direct investments in both utility and distributed scale onshore wind and solar power, battery storage, reserve peaking capacity, biomass, fugitive methane recovery, hydro and flexible energy management solutions in the UK, US, and Australia. Quinbrook is currently developing and constructing some of the largest renewables and storage infrastructure projects in the UK, US, and Australia.

Quinbrook's critical resources strategy has an exclusive Australian focus investing in small critical minerals mining companies to advance their mineral resource investigations to a point where these companies can enter into supply agreements with down-stream refining operators. The strategy targets resources required in the production of solar panels and batteries and other assembly components of renewables equipment.

### Select Quinbrook Investments

- **Central Queensland Metals (CQM)** – CQM is a privately owned, Queensland based company focused on the exploration and potential development of the Eulogie magnetite deposit that hosts a large iron, vanadium and titanium resource, located 80 km west of the City of Gladstone supported by capital provided by Quinbrook's Critical Resources Strategy. CQM is evaluating the potential to produce a high-grade magnetite iron concentrate with vanadium and ilmenite co-products. Concentrate would then be transported to an industrial hub in Central Queensland, where Quinbrook is investigating value add processing and potential smelting to produce green iron for export to steelmakers.
- **Supernode** - Supernode is a portfolio company of Quinbrook Infrastructure Partners, investing in and developing sustainable hyperscale data centre campuses located on Australia's East Coast. Supernode sites are designed to capture fundamental cost advantages related to land, fibre access, renewable power supply, water resource and ancillary infrastructure and utilities. Quinbrook's Supernode Data Centre and Battery Energy Storage Site ('BESS') site, located adjacent to the South Pine switchyard, will host one of the largest battery storage installations in the Australian National Electricity Market. The 750 MW (2 – 4 Hour) BESS offers large power users an innovative solution to obtain stable power supply and overcome the critical stability issues facing the Queensland power grid as recently identified by AEMO (Australian Energy Market Operator).

### Adviser

Kingsland was advised by Discovery Capital Partners Pty Ltd in relation to the Strategic Investment.

## Key Terms of the Subscription Agreement

<b>Overview</b>	<p>The Company and Quinbrook have entered into a Subscription Agreement, pursuant to which Quinbrook agreed to subscribe for 11,111,111 Subscription Shares at a subscription price of \$0.23 per Subscription Share to raise \$2,555,556. On issue, the Subscription Shares will represent approximately 15.3% of the Company's fully diluted share capital.</p> <p>The Company agreed to issue 7,956,094 Subscription Options to Quinbrook at an exercise price that is equal to the VWAP of the Shares calculated over the 30 consecutive trading days on which trades in the Shares were recorded before the date that the notice of exercise was provided to the Company.</p> <p>The Subscription Options will expire on the earlier of 5:00 pm (Perth, Western Australian time) on the date that is:</p> <ul style="list-style-type: none"> <li>(a) five years after a Definitive Feasibility Study is approved by the Board; and</li> <li>(b) ten years after issue.</li> </ul> <p>The issue of the Subscription Options will be undertaken in the two tranches:</p> <ul style="list-style-type: none"> <li>(a) tranche 1, comprising the issue of 4,250,000 Tranche 1 Subscription Options under the Company's available Listing Rule 7.1 capacity; and</li> <li>(b) tranche 2, comprising the issue of 3,706,094 Tranche 2 Subscription Options, subject to Shareholder approval.</li> </ul> <p>The Shares issued upon the exercise of the Tranche 1 Subscription Options and Tranche 2 Subscription Options, together with the Subscription Shares, will not exceed one less than 20% of the Company's fully diluted share capital.</p>
<b>Director nominee</b>	<p>On and from completion of the Subscription Agreement, and for so long as Quinbrook and its related bodies corporate (or their respective nominees or custodians) hold, and continue to hold at least 10% of the Shares on issue, Quinbrook is entitled to appoint:</p> <ul style="list-style-type: none"> <li>(a) Robert Johansen; or</li> <li>(b) one representative of Quinbrook, if Quinbrook so elects, that is approved by the Board,</li> </ul> <p>to the Board as a non-executive director of the Company.</p> <p>The director nominated by Quinbrook and appointed by the Company must have the appropriate commercial and professional experience to fulfil the role and that person otherwise satisfies any Listing Rule requirements.</p>
<b>Power supply agreement</b>	<p>Quinbrook and the Company agree to negotiate in good faith and to use all reasonable endeavours to enter into, at any time after the completion date of the Subscription Agreement, a binding power supply agreement for the supply of renewable electricity to the Company at comparable market rates on industry standard terms.</p> <p>The renewable electricity is to be delivered either through new grid infrastructure and/or from a stand-alone power generation project, to be developed by Quinbrook or its related bodies corporate.</p>



## Key Terms of the Graphite Concentrate Offtake Agreement

<b>Parties</b>	Kingsland Minerals Limited (Seller); and Quinbrook Asset Management Pty Ltd as trustee for the Critical Resources Strategy (Buyer).
<b>Project</b>	Leliyn Graphite Project.
<b>Product</b>	Graphite concentrate produced from the Project.
<b>Commencement Date</b>	The obligation on the Seller to deliver Product and the Buyer to purchase Product will commence on a date nominated by the Buyer within a five-year commencement period commencing upon Kingsland achieving commercial production at the Project.
<b>Exclusivity</b>	Provided the Seller is able to meet the relevant delivery schedule (determined annually), the Buyer is required to purchase Product exclusively from the Seller.
<b>Early termination</b>	Either party may terminate the agreement if:  (c) commercial production of Product is not achieved by the Seller within ten years of the execution of the agreement; or  (d) the Commencement Date not having occurred by the last day of the five-year commencement period.
<b>Term</b>	Life of mine of the Project.
<b>Quantity</b>	The quantity of Product to be delivered will be the lesser of:  (a) the annual production of Product to be produced from the Project; or  (b) the maximum annual capacity of the graphite refinery facility to be built and operated by the Buyer (or its related entity or nominee),  which will be confirmed annually.
<b>Third Party Sales</b>	The Seller can sell Product to third parties as follows:  (a) prior to the Commencement Date;  (b) if the Product is off-spec and the parties do not agree an adjustment to the base price for the Buyer to purchase such off-spec Product;  (c) Product produced at the Project in any year that is in excess of the maximum annual capacity of the graphite refinery facility to be built and operated by the Buyer (or its related entity or nominee); and  (d) if the Buyer is in default under the agreement.
<b>Specifications</b>	Product delivered to the Buyer must fall within specifications agreed annually with respect to graphite percentage, flake size, moisture content, contaminant levels and other customary product specification requirements. Should the Product not meet the agreed specifications, it will be treated as off-spec Product and the Seller is not required to deliver and the Buyer is not required to purchase such off-spec Product, in which case the Seller will be permitted to sell such off-spec Product to another purchaser. The Buyer and Seller agree to negotiate and may agree to an adjustment to the base price in order for the Buyer to purchase such off-spec Product.

<b>Discharge location</b>	The Seller will be required to deliver Product to a location nominated by the Buyer which will be in or proximate to the city of Darwin. The Buyer will be responsible for unloading, any subsequent transport and refining or further processing.
<b>Pricing</b>	The base price for the Product will be agreed annually between the parties. If a base price cannot be agreed, the parties will submit to an expert for determination.
<b>Assignment</b>	No assignment without the consent of the other party, except: <ul style="list-style-type: none"> <li>(a) by the Buyer to a nominee who owns and operates the graphite refinery facility to be built in Australia; or</li> <li>(b) by the Seller to an assignee of the Project.</li> </ul>
<b>Other terms</b>	Other terms of the agreement are based upon a modified version of the model form mineral sales agreement, 'Example Mineral Sales Agreement - Approved version 1' together with 'Example Mineral Sales Agreement - Alternative & Optional Clauses Approved version 1' produced by the Energy and Resources Law Association (ER Law).

## Leliyn Project Update

### Infill drilling

A 3,000m RC drilling program will be completed to enable an upgrade of part of the Inferred Mineral Resource to Indicated. A significant component of Indicated Mineral Resources will allow the completion of a scoping study into the economic viability of the Leliyn Graphite Project. The drilling program will take about a month to complete and it is anticipated that the program will be completed before the onset of the wet season in November.

### Mining Lease Application

A mining lease application was submitted during August 2024. The lease application is 1,580 hectares in size and is large enough to include the current Inferred Mineral Resource of 194.6mt @ 7.3% TGC and any associated infrastructure such as processing facilities, tails storage facilities and waste dumps.<sup>2</sup>

### Metallurgical test-work

A composite sample of diamond drill core was tested and produced a flotation concentrate of 94% TGC.<sup>3</sup> Variability testing of the individual samples that made up the composite has commenced. This will indicate the variability of the graphite flotation results within the deposit.

A bulk concentrate sample of 10-15 kg is also being produced from about 150 kg of diamond drill core. This should be completed during the December 2024 quarter. This sample will be sent to a testing facility in Germany where its suitability for processing into purified spherical graphite will be assessed. The results from this test-work are expected during the June 2025 quarter.

<sup>2</sup> Refer to ASX release 'Mining Lease Application for Leliyn Graphite Project' released on 27 August 2024

<sup>3</sup> Refer to ASX release 'Outstanding Initial Metallurgical Results at Leliyn Graphite' released on 12 June 2024

## CSIRO Kick-Start Program

The CSIRO Kick-Start program is an initiative for innovative Australian start-ups and small businesses, providing funding support and access to CSIRO's research expertise and capabilities to help grow and develop their business. The program allows businesses to utilise CSIRO expertise for research activities, including developing novel products or processes and testing new ideas with commercial potential. The Kick-Start Program is a co-funded arrangement between CSIRO and Kingsland with CSIRO providing \$50,000 towards the study programs.

The Project involves a comprehensive characterization of strategically selected drill cores across various areas of the Leliyn Graphite Project. The aim is to analyse samples collected from specific diamond drill holes, with the possibility of including samples from reverse circulation (RC) holes. The selection process for drill cores and samples will be guided by existing data on graphite grades, their spatial variation, as well as the presence and extent of upper weathering zones, which likely exhibit variable graphite properties and grades. Analytical characterization will involve examining both powdered materials and solid samples from multiple sites.

An analysis of the variations in the graphite's properties and petrographical associations, from the deeper, fresh graphite bearing rocks to the oxidized upper zones will also be completed. The workflow of the best combinations of methods for the efficient and routine identification of high-quality graphite zones and alteration zones will also be assessed.

## Competent Persons Statement

*The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Richard Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Richard Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Richard Maddocks is a full time employee of Kingsland Minerals Ltd and holds securities in the company.*

*Information regarding the Mineral Resource Estimate for the Leliyn Graphite Deposit is extracted from the report 'Australia's Largest Graphite Resource' created on 13 March 2024. Information regarding metallurgical test-work on the Leliyn Graphite Project is extracted from the report 'Outstanding Initial Metallurgical Results Leliyn Graphite' released on 12 June 2024. These reports are available to view on [www.kingslandminerals.com.au](http://www.kingslandminerals.com.au) or on the ASX website [www.asx.com.au](http://www.asx.com.au) under ticker code KNG. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.*

**THIS ANNOUNCEMENT HAS BEEN AUTHORISED FOR RELEASE ON THE ASX BY THE COMPANY'S BOARD OF DIRECTORS**

## **About Kingsland Minerals Ltd**

Kingsland Minerals Ltd is an exploration company with assets in the Northern Territory and Western Australia. Kingsland's focus is exploring and developing the Leliyn Graphite Project in the Northern Territory. Leliyn is Australia's largest graphite deposit with an Inferred Mineral Resource of 194.6mt @ 7.3% Total Graphitic Carbon containing 14.2mt of graphite. In addition to Leliyn, Kingsland owns the Cleo Uranium Deposit in the Northern Territory. Kingsland drilled this out in 2022 and estimated an Inferred Mineral Resource containing 5.2 million pounds of U<sub>3</sub>O<sub>8</sub>. The Lake Johnston Project in Western Australia has historic nickel drill intersections and is also prospective for lithium mineralisation. Kingsland has a portfolio of very prospective future energy mineral commodities.

## **FOLLOW US ON TWITTER:**

<https://twitter.com/KingslandLtd>

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## **BOARD OF DIRECTORS**

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**Bruno Seneque:** Director/Company Secretary, CFO

**Nicholas Revell:** Executive Technical Director

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