



# Quantum Graphite Annual General Meeting

19 November 2021

A wide-angle photograph of a renewable energy facility. In the foreground, several solar panels are angled towards the sun. In the background, several wind turbines stand tall against a sky transitioning from orange to blue. A white shipping container with the "The Sunlands Co." logo is positioned on a slight incline. The overall scene conveys a sense of sustainable energy and innovation.

quantumgraphite.com

# Annual General Meeting 2021

## **Introduction**

Good afternoon ladies and gentlemen and welcome to this Annual General Meeting of Shareholders of Quantum Graphite Limited for 2021.

## **Company Participants**

My name is Sal Catalano and I will chair today's meeting. I am joined today by my fellow directors, Bruno Ruggiero, Robert Osmetti and David Trimboli, Company Secretary, Rochelle Pattison and Chief Technical Consultant, Vanessa O'Toole.

## **Auditor Introduction**

I note the presence of RSM Partners audit partner, Mr Jason Croall and thank him for attending.

# Annual General Meeting 2021

## Quorum

I am informed by the Company Secretary that a quorum is present and accordingly, I declare this meeting open.

## Notice of Meeting and Proxy Information

The Notice of Meeting has been available to shareholders electronically on the ASX platform since 18 October 2021. The meeting is held in accordance with the modifications to the Corporations Act enacted last year by the Federal Treasurer permitting the holding of virtual meetings.

I shall take the Notice as read. At today's meeting we have 8 items of business and 16 resolutions to consider which will be decided by way of a poll.

I also draw your attention to the Company's announcement on 12 November 2021 notifying of the withdrawal of resolutions 2(c) and 7(c).

The total number of valid proxy votes received, and the manner in which the proxies will be directed, will be displayed with each resolution considered.

## Shareholder Address and Formalities

On behalf of the Board, David Trimboli and I will provide an overview of the past year's operations and achievements. This will be followed by our Chief Technical Consultant, Vanessa O'Toole's presentation of the key Uley project technical highlights. This will include the recent Uley 3 drill program. Meeting formalities will follow Vanessa's presentation.

# Corporate

## Achieved in 2020/21

Completion of two equity capital raisings at substantial premium to the last traded price of the Company's shares.

Execution of funding mandate with ACT Capital for the funding of Uley 2 (Stage 1) and negotiation of indicative terms and structure.

Planning the extension of the Uley 2 Project DFS with a focus on:

- Research and development activities associated with increased coarse flake purity
- Increase in Uley 2 production capacity and associated expansion of the Company's mineral reserves and resources (eg. Uley 3 MRE)

Joint venture with Sunlands Co, concluded and technology collaboration expanded:

- Equity interest and key commercial terms settled
- Application submitted for grant funding under Federal Government Modern Manufacturing Initiative - Translation Scheme Initiative

All Mining/Retention Leases and Exploration Licences fully maintained and Exploration Commitments fully funded.

All environmental permits renewed

## Commercial strategy focused on supporting Uley 2 project financing

The Sunlands Joint Venture delivers a massive captive opportunity and the driver of the expansion of Uley 2 production capacity

Refractory/thermal application customers driving the need for increased coarse flake purity

Overall market growth underpinned by expected acceleration in growth of Li-ion batteries (EV)

# Priorities

## **Requotation of the Company's Securities**

Significant progress made with ASX. The Board has received draft conditions from the ASX for requotation. Subject to any material changes to these conditions, the Board expects to satisfy the conditions within the next 2 weeks.

## **European Bond Financing**

ACT Capital and the Company are progressing key materials/documentation to obtain a rating for the proposed issue. Timing of funding remains dependent upon ratings agency approval of this documentation and the issue of a rating. The listing of the bonds on the LuxSE presents an additional layer of complexity but greatly enhances potential investor base.

## **Mineral Reserves and Resource Expansion, Key R&D Programs**

Planning for mineral reserves and resource expansion within the broader EL6224 exploration lease underpins significant extension to Uley LOM.

Acceleration of R&D programs by increasing working relationships with our overseas partners. This overcomes two major limitations - continuous COVID-19 interruption and limited available of high temperature laboratory test working environments in Australia.

# Sunlands Co. Joint Venture – Direct Participation in the New Energy Markets

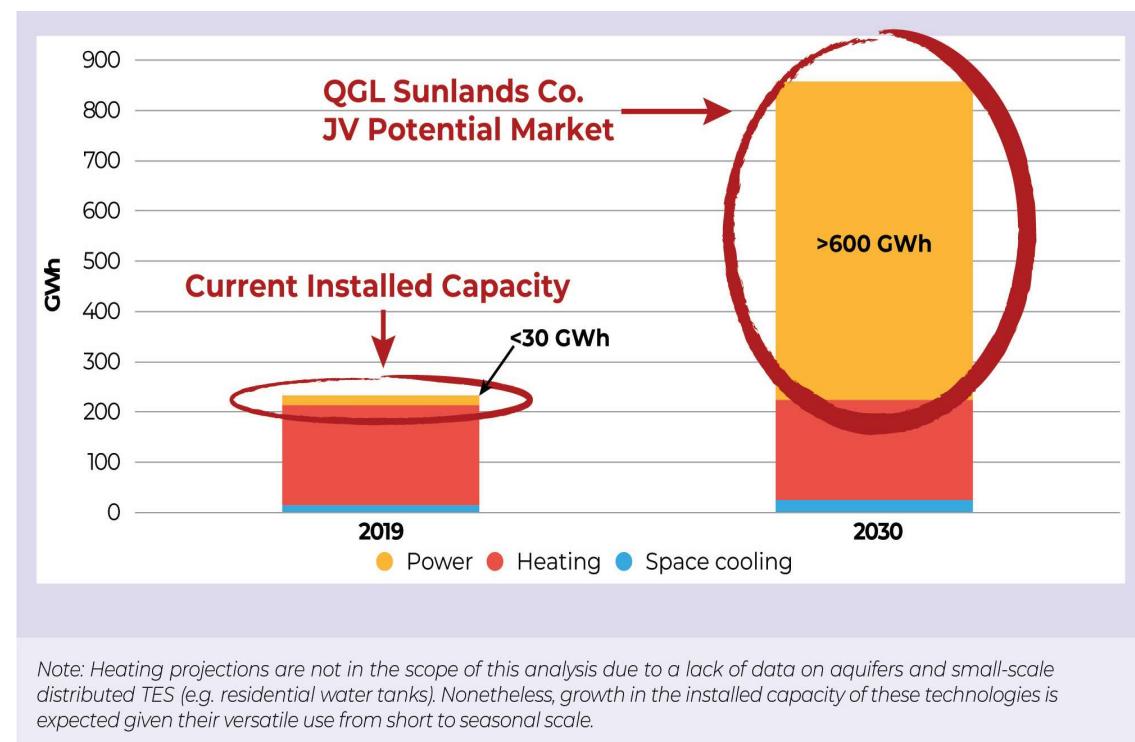
## Joint Venture Rationale

Like all thermal energy storage technologies, the thermal storage media is critical to the technology's efficacy and ultimate commercial deployment.

QGL recognises the importance of moving beyond the supply of raw material to high value downstream activities.

The transformation to manufacturer of the graphite based storage media required by Sunlands Co. thermal energy storage (TES) cells fulfils this strategy.

This is far superior to an offtake arrangement and cements the Company's position as a participant in the new energy market.



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# Sunlands Co. Joint Venture – Direct Participation in the New Energy Markets

## What is the Potential Demand for Uley Flake?

Sunlands Co. estimates that 5 tonnes of flake graphite is required for 1MWh of storage. Subject to local conditions and making allowances for reserve capacity and recharging cycles, up to four times this tonnage may be required for a commercial installation.

Sunlands Co. estimates it will require approximately 40% of the Company's production to deliver 150MW of dispatchable storage for a continuous 8 hour period.

As someone with significant experience in the thermal coal trading markets, retro-fitting existing coal fired power stations is a potential application of this technology that demonstrates this enormous impact on the demand for Uley flake.

There is significant pressure on western coal fired power stations to be phased out of the grid energy mix. Outside of carbon capture and storage, there are few options for the continued use of the extensive infrastructure associated with these facilities.

Retro-fitting a Sunlands Co. TES system to existing coal fired power station makes use of existing boilers and turbines and more importantly would enable the continued use of valuable transmission infrastructure and avoid the need for its replacement.



# Uley Project Resources and Uley 3 Exploration

## Uley 2 Recap

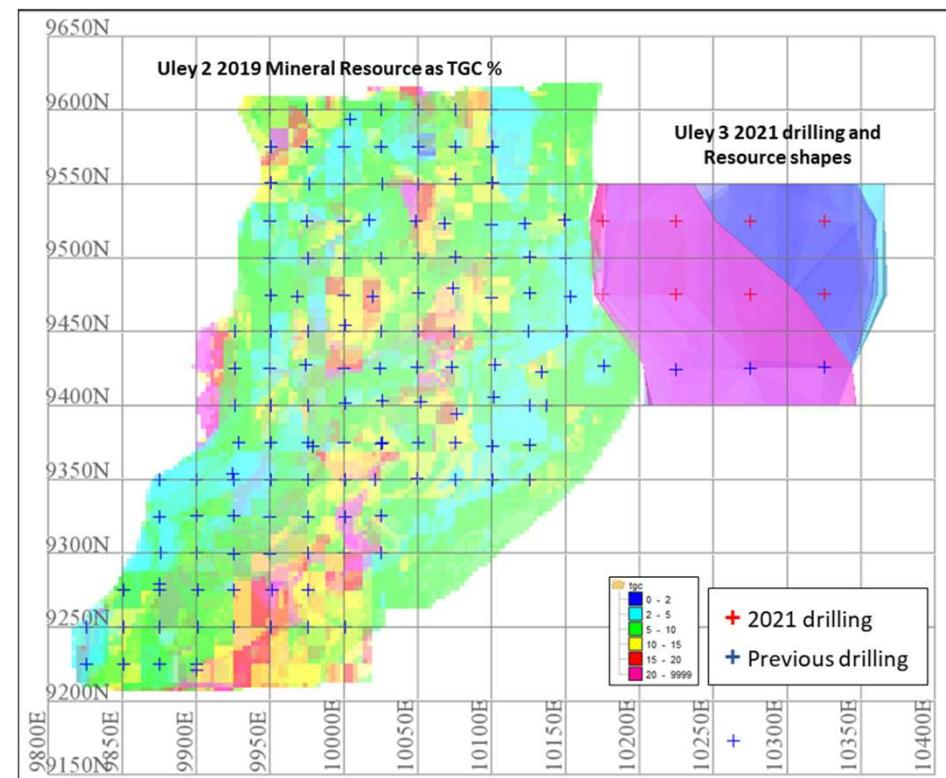
Brief overview of Uley 2 structure.

## Design of the Uley 3 drill program

Confirm the presence of graphite - First pass drilling of the Uley 3 geophysical anomaly totaling 8 holes on two 50m spaced E-W drill sections to (drill lines 9,475mN and 9,525mN local grid.

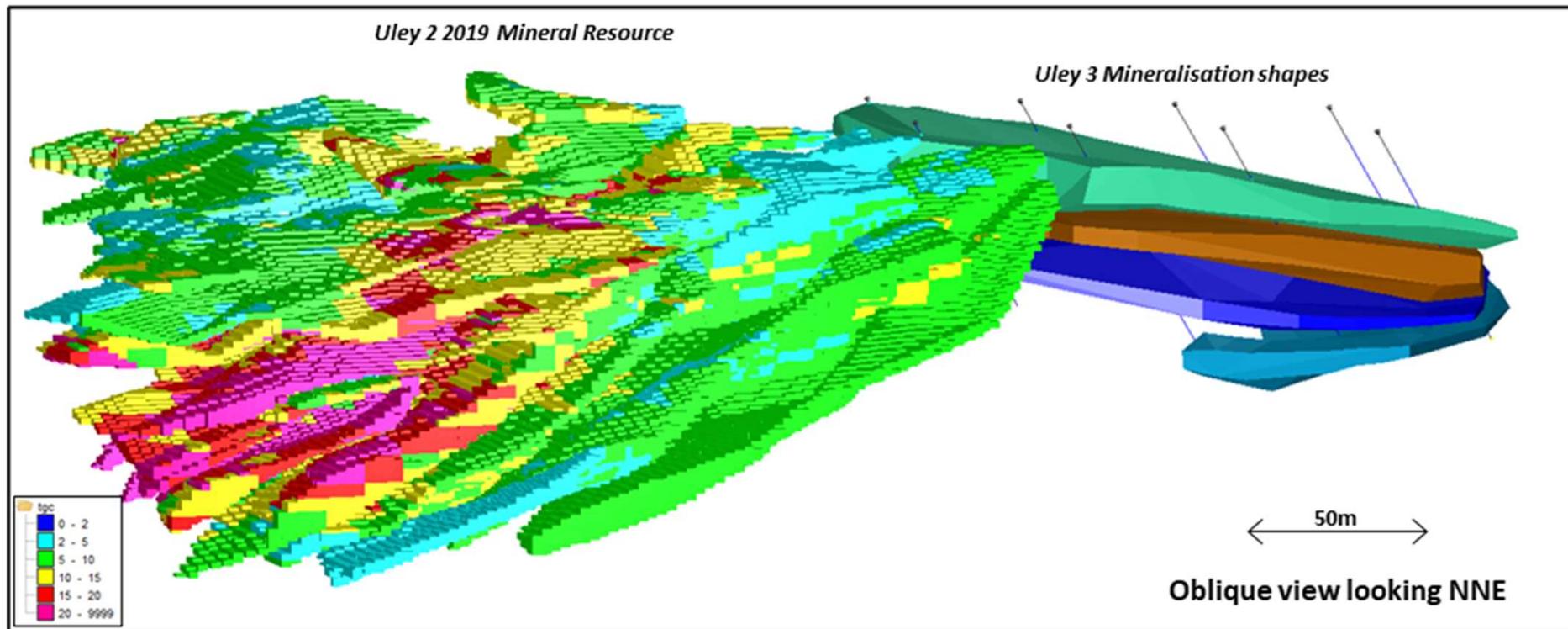
Relationship between Uley 2 and Uley 3 - Determine nature and scope of variations in the controls on graphite distribution, flake size and grade between Uley 2 and Uley 3.

Build technical knowledge base - Gain further understanding of the local structural characteristics to enable a project-wide model and understanding of the graphite distribution and future feed replacements.



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## Relationship between Uley 2 and Uley 3



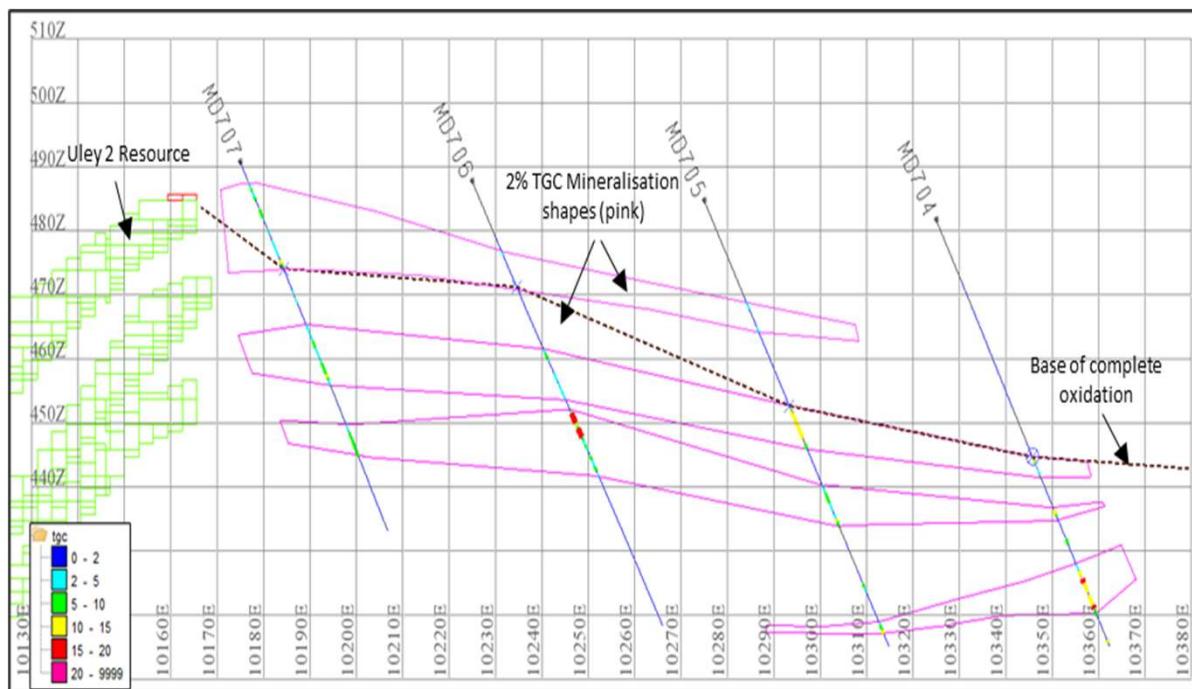
# Uley 3 2021 MRE Results

## Uley 3 Mineralisation characteristics

4 distinct, mostly sub-parallel graphitic bands structurally related to Uley 2

Elevated grade and increased flake sizes are likely associated with zones of structural deformation and pegmatite present

Resource	Classification	Tonnes (kt)	TGC (%)	Density (t/m³)	TGC (kt)
Uley 3	Inferred	900	6.6	2.1	59
	Uley 3 Total	900	6.6	2.1	59
Uley 2	Measured	800	15.6	2.1	125
	Indicated	4,200	10.4	2.1	435
	Inferred	1,300	10.5	2.2	137
	Uley 2 Total	6,300	11.1	2.1	697
Uley Project Total	TOTAL	7,200	10.5	2.1	757



# Future Exploration Targets

## Continued exploration of EL6224 critical to Extension of the Uley LOM

The QGO technical team is currently assessing and interpreting the geological and structural model for the Uley Project as a whole.

## Reserves and Resources Growth

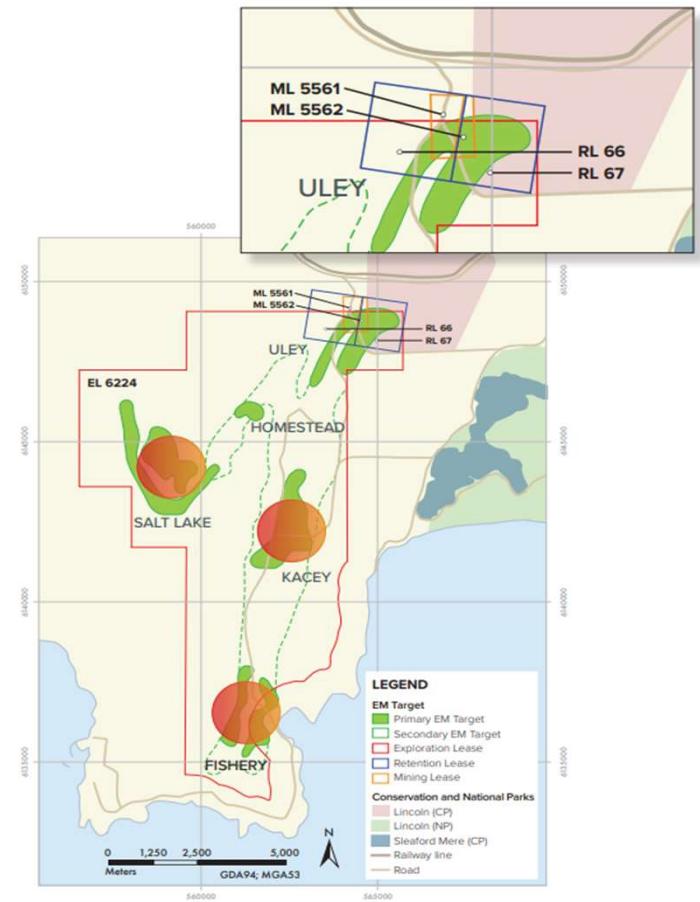
Infill and extensional drilling at Uley 3 (currently Inferred)

Extensional drilling at Uley 2 (South)

## Multi-deposit Exploration Potential

Localised geophysical ground surveys at Homestead, Salt Lake, Kacey and Fishery

Broadly spaced drilling based on geophysical surveys.



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# Annual General Meeting 2021

## Conduct of the meeting

As stipulated in the Treasurer's Determination, all resolutions will be decided by poll.

The persons entitled to vote on the poll, including shareholders, proxyholders and corporate representatives of shareholders, will have been issued with the relevant admission card when registering for the meeting.

We will call for a poll on each resolution, with the poll to be conducted on all resolutions once all business has been dealt with.

I will outline the process for the polls on the resolutions at the conclusion of the formal items of business.

## Questions from Shareholders

Shareholders wanting to ask a question with respect to any of the resolutions will be given the opportunity to put these questions to the Board. All questions in the first instance should be directed to the Chair and they will direct them as appropriate.

When asking a question, could you please advise your name and whether you are a shareholder or proxy holder.

I will now move to the meeting's items of business.

# Formal Business

## Resolution 1 - Remuneration Report

To consider and, if thought fit, pass the following resolution:

To adopt the Remuneration Report for the year ended 30 June 2021 submitted as part of the Directors' Report for the financial year ended 30 June 2021, pursuant to sections 250R(2) and 250R(3) of the Corporations Act 2001 (Corporations Act).

Please note that the vote on this item is advisory only and does not bind the Directors of the Company or the Company.

### Resolution 1

Remuneration Report

For  
**14,222,977**

Against  
**388,024**

Abstain  
**88,639**

Open  
**755,982**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

# Formal Business

## Resolution 2(a) - Election of Directors

To consider and, if thought fit, pass the following resolutions, each as an ordinary resolution:

That Mr. Sal Catalano is elected as a Director of the Company in accordance with of the Company's Constitution.

### Resolution 2(a)

Election of Directors – Sal Catalano

For  
**44,580,442**

Against  
**194,608**

Abstain  
**54,001**

Open  
**173,620**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

# Formal Business

## Resolution 2(b) - Election of Directors

To consider and, if thought fit, pass the following resolutions, each as an ordinary resolution:

That Mr. Robert Osmetti is elected as a Director of the Company in accordance with of the Company's Constitution.

### Resolution 2(b)

Election of Directors – Robert Osmetti

For  
**108,136,867**

Against  
**194,536**

Abstain  
**4,358,453**

Open  
**173,620**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

# **Formal Business**

**Resolution 2(c) - Withdrawn**

# Formal Business

## Resolution 2(d) - Election of Directors

To consider and, if thought fit, pass the following resolutions, each as an ordinary resolution:

That Mr. David Trimboli is elected as a Director of the Company in accordance with of the Company's Constitution.

### Resolution 2(d)

Election of Directors – David Trimboli

For  
**44,368,572**

Against  
**406,478**

Abstain  
**54,001**

Open  
**173,620**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 3 – Ratification of prior issue of 4,721,147 Placement Shares and 1,000,000 Contractor shares (issued under ASX Listing Rule 7.1)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,721,147 Shares at an issue price of \$0.09 per Share issued in accordance with ASX Listing Rule 7.1 on 28 June 2021, to institutional, professional and/or sophisticated investors and on the terms and conditions set out in the Explanatory Memorandum.

#### Resolution 3

Ratification of Prior Issue of Shares

For

38,545,235

Against

216,707

Abstain

84,986,322

Open

173,563

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

# Formal Business

## Resolution 4 - Approval of Proposed Issue of Shares to Service Providers

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,000,000 fully paid ordinary shares on the terms and conditions set out in the Explanatory Memorandum.

### Resolution 4

Issue of Shares to Service Providers

For  
**44,346,774**

Against  
**377,059**

Abstain  
**79,024,431**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 5 - Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

In accordance with ASX Listing Rule 7.1A, and for all other purposes, the issue of Shares of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Memorandum.

#### Resolution 5

##### Additional Share Issue Capacity

For

118,938,264

Against

433,119

Abstain

4,376,881

Open

173,563

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 6(a) - Approval of Proposed Issue of Shares to Directors For Past Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to Sal Catalano (or his nominee) 1,029,864 fully paid ordinary shares in satisfaction of directors' fees for the period 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory Memorandum.

### Resolution 6(a)

Issue of Shares for Past Remuneration  
– Sal Catalano

For  
**44,320,182**

Against  
**431,424**

Abstain  
**77,502**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 6(b) - Approval of Proposed Issue of Shares to Directors For Past Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to Robert Osmetti (or his nominee) 686,575 fully paid ordinary shares in satisfaction of directors' fees for the period 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory Memorandum.

### Resolution 6(b)

Issue of Shares for Past Remuneration  
– Robert Osmetti

For  
**107,876,375**

Against  
**431,584**

Abstain  
**4,381,954**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 6(c) - Approval of Proposed Issue of Shares to Directors For Past Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to Bruno Ruggiero (or his nominee) 1,029,864 fully paid ordinary shares in satisfaction of directors' fees for the period 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory Memorandum.

### Resolution 6(c)

Issue of Shares for Past Remuneration  
– Bruno Ruggiero

For  
**106,447,889**

Against  
**431,584**

Abstain  
**4,381,954**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 6(d) - Approval of Proposed Issue of Shares to Directors For Past Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to David Trimboli (or his nominee) 686,575 fully paid ordinary shares in satisfaction of directors' fees for the period 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory Memorandum.

### Resolution 6(d)

Issue of Shares for Past Remuneration  
– David Trimboli

For  
**44,320,022**

Against  
**431,584**

Abstain  
**77,502**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 7(a) - Approval of Proposed Issue of Shares to Directors for Future Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to Sal Catalano (or his nominee) fully paid ordinary shares in satisfaction of directors' fees up to a maximum of 200,000 shares per quarter for the year commencing 1 January 2022 and ending on 31 December 2022 on the terms set out in the Explanatory Memorandum.

#### Resolution 7(a)

Issue of Shares for Future Remuneration – Sal Catalano

For  
**44,140,935**

Against  
**639,242**

Abstain  
**48,931**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### **Resolution 7(b) - Approval of Proposed Issue of Shares to Directors for Future Remuneration**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to Robert Osmetti (or his nominee) fully paid ordinary shares in satisfaction of directors' fees up to a maximum of 133,333 shares per quarter for the year commencing 1 January 2022 and ending on 31 December 2022 on the terms set out in the Explanatory Memorandum.

### **Resolution 7(b)**

Issue of Shares for Future Remuneration – Robert Osmetti

For  
**107,697,288**

Against  
**639,242**

Abstain  
**4,353,383**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

# **Formal Business**

**Resolution 7(c) - Withdrawn**

## Formal Business

### Resolution 7(d) - Approval of Proposed Issue of Shares to Directors for Future Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to Bruno Ruggiero (or his nominee) fully paid ordinary shares in satisfaction of directors' fees up to a maximum of 200,000 shares per quarter for the year commencing 1 January 2022 and ending on 31 December 2022 on the terms set out in the Explanatory Memorandum.

#### Resolution 7(d)

Issue of Shares for Future Remuneration – Bruno Ruggiero

For  
**106,268,802**

Against  
**639,242**

Abstain  
**4,353,383**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### Resolution 7(e) - Approval of Proposed Issue of Shares to Directors for Future Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and 10.13.2 and for all other purposes, and subject to any applicable ASX waiver, shareholder approval is given for the Company to issue to David Trimboli (or his nominee) fully paid ordinary shares in satisfaction of directors' fees up to a maximum of 133,333 shares per quarter for the year commencing 1 January 2022 and ending on 31 December 2022 on the terms set out in the Explanatory Memorandum.

#### Resolution 7(e)

Issue of Shares for Future Remuneration – David Trimboli

For  
**43,940,935**

Against  
**839,242**

Abstain  
**48,931**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

## Formal Business

### **Resolution 8 - Approval of Proposed Issue of Shares to Markets Nominees Pty Ltd for the provision of capital market services**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 24,001,000 Shares to Markets Nominees Pty Ltd on the terms and conditions set out in the Explanatory Memorandum.

#### **Resolution 8**

Issue of Shares to Markets Nominees Pty Ltd

For  
**60,017,164**

Against  
**594,559**

Abstain  
**63,163,541**

Open  
**173,563**

The Chairman, intends to vote all open/undirected proxies in favour of the relevant resolution(s).

# The Uley Project at glance...

## Structure

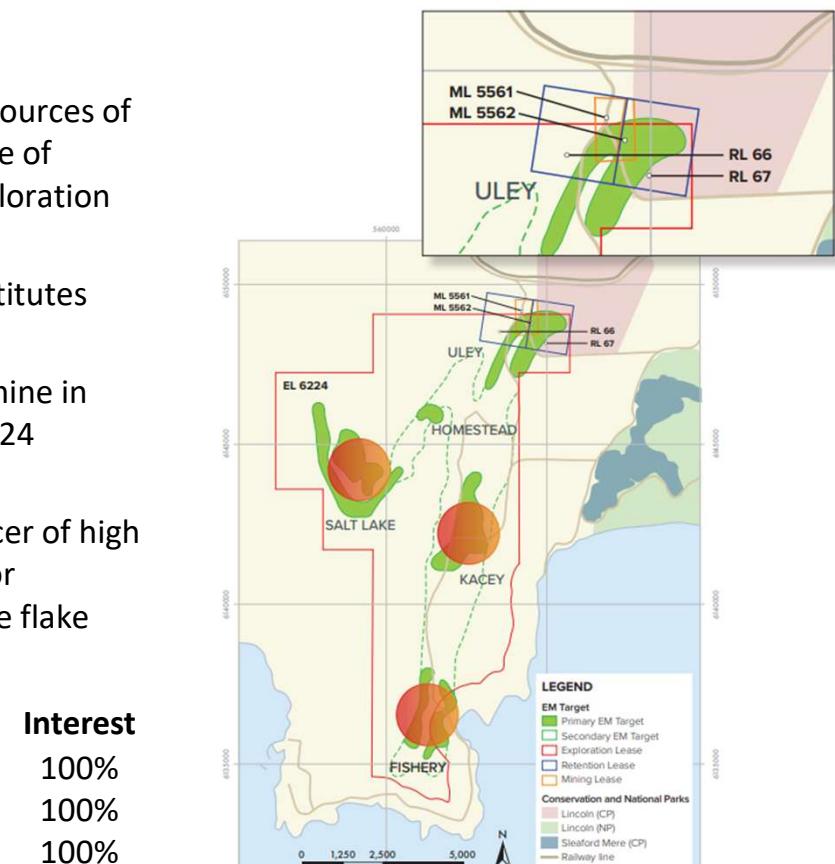
- Shares on Issue (on a fully diluted basis post consolidation) approx. 281.835 million.
- Top 50 Shareholders 85%.
- Board Representation represents approximately >40% shareholding.
- Clean balance sheet – as at 30 June 2021 - net assets of \$17.5 million, no term debt, rehab liability of \$0.56 million matched by security bond of \$1.07 million with South Australia Department of Energy and Mining (DEM).

## Key Assets and Uley Permitting

- Uley 2&3 - JORC 2012 Mineral Resources of 7.2 million tonnes at average grade of graphitic C of 10.5%with large exploration potential
- 4.0 million tonnes @ 11.89% constitutes JORC 2012 Ore Reserves
- Uley 2 - Only permitted graphite mine in Australia (PEPR issued by DEM on 24 December 2014)
- At a global level - historical producer of high value product and next likely major producer to enter high grade, large flake natural graphite market

## Tenements

Tenements	Interest
Mining Leases 5561 and 5562	100%
Retention Leases 66 and 67	100%
Exploration Lease 6224 (75km <sup>2</sup> )	100%



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## **Close of Meeting**

Thank you, meeting closed.

#### **Disclaimer**

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