



A\$2million Equity Capital Raising Placement to Institutional and Sophisticated Investors

The Company today announces an equity capital raising of A\$2 million by way of a placement of a new issue of shares (Placement Shares) to institutional and sophisticated investors including members of the Board of Directors. The issue of Placement Shares to persons or entities that are *related parties* for the purposes of Chapter 10 of the ASX Listing Rules is subject to shareholder approval, details of which are summarised below.

The equity capital raising is undertaken to continue the Company's research and development in respect of the advanced processing of flake graphite for thermal energy storage applications and ongoing working capital.

The Company has received firm commitments for approximately 30.77 million Placement Shares from eligible institutional and sophisticated investors at an issue price of \$0.065 comprising:

- (a) The issue of approximately 22.93 million shares to unrelated parties; and
- (b) The issue of approximately 7.84 million shares to related parties subject to shareholder approval.

The Placement Shares will rank equally with existing fully paid ordinary shares on issue and represent approximately 13.4% of QGL's existing share capital.

Issue of Placement Shares to Institutional Investors and Sophisticated Investors

The issue of approximately 22.93 million Placement Shares to institutional and sophisticated investors will utilise the Company's existing placement capacity under ASX Listing Rules 7.1. The Company confirms that the terms of issue of these Placement Shares, including the issue price of \$0.065, satisfies the requirements of Listing Rule 7.1.

The issue to institutional and sophisticated Investors is expected to settle on 24 March 2021 and commence trading on the ASX upon the cessation of the suspension in trading of the Company's securities.

Issue of Placement Shares to Related Parties and Date of Shareholder Meeting

Related parties, including members of the Board participating in the equity capital raising seek to broadly maintain their respective interest in the Company on a fully diluted basis.

The Company plans to hold the shareholder meeting for the approval of the issue of Placement Shares to related parties on 3 May 2021.

For further information contact:

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About Quantum Graphite Limited

QGL is the owner of the Uley flake graphite mineral deposits located south-west of Port Lincoln, South Australia. The company's Uley 2 project represents the next stage of development of the century old Uley mine, one of the largest high-grade natural flake deposits in the world. For further information, qgraphite.com.