

Dear Shareholder,

Notice of Annual General Meeting

The Company's Annual General Meeting (AGM) will be held at 11:00am Melbourne time at Institute of Chartered Accountants, L18, 600 Bourke Street, Melbourne, Victoria, 3000 on 22 June 2018.

The notice of meeting (which includes the following agenda, eligibility to vote and explanatory notes) details the formal business to be dealt with at the AGM to:

- receive and consider the Annual Financial Reports for the 2017 Financial Year;
- elect directors;
- adopt the remuneration report;
- approve the grant of share-based compensation to certain Directors;
- approve the issue of shares to complete the implementation of the Deed of Company Arrangement; and
- refresh the Company's share placement capacity.

The directors recommend that shareholders vote in favour of all items of business.

If you choose to attend the meeting, please bring the enclosed proxy form with you to assist with your registration for entry to the AGM. If you do not plan to be at the meeting, you are encouraged to appoint someone to attend and vote on your behalf as your proxy.

Instructions on how to appoint a proxy are on the back of the enclosed proxy form. Please read these instructions carefully. The instructions will also assist you if you wish to appoint the Chairman as your proxy to vote on your behalf. Proxy forms must be received by 11.00am (Melbourne time) on 20 June 2018 to be valid for the meeting.

The Investor section of our website contains a link to the Company's share registry provider. You may register your details at this site, including email address, to receive all shareholder information electronically (i.e., 2017 Annual Financial Report and the Notice of Meeting).

We look forward to seeing you at the AGM

Board of Directors

AGENDA

The Explanatory Memorandum which follows the Agenda (and forms part of the Notice of Meeting) provides additional information on the matters to be considered at the Meeting.

ORDINARY BUSINESS

1. Annual Financial Report – 2017

To receive and consider the 2017 Annual Financial Report of the Company and its controlled entities and the reports of the Directors and of the Auditors for the financial year ended 30 June 2017.

The Company's auditor will be present at the Meeting to answer questions regarding the Auditor's Report.

2. 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 2017 submitted as part of the Directors' Report for the financial year ended 30 June 2017, 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.

Voting Exclusion Statement

In accordance with section 250R of the Corporations Act, a vote on this must not be cast by, or on behalf of, a member of the Company's Key Management Personnel (KMP) whose remuneration details are included in the Remuneration Report or a closely related party of a KMP, whether the votes are cast as a shareholder, proxy or in any other capacity, and the Company will disregard any such vote.

However, the Company will not disregard a vote cast by a KMP or closely related party of a KMP if:

- (a) the person is acting as proxy appointed by writing that specifies how the proxy is to vote on the resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on the resolution as described above; or*
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Company's KMP.*
- (c) if it is cast by a custodian or nominee, to the extent only that those holders (Nominee Holders) are acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of beneficiaries*

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as described above), you may commit an offence by breaching the voting restrictions that apply to you under the Corporations Act.

A closely related party of a member of the Company's KMP means any of the following:

- a spouse or child of the member;*
- a child of the member's spouse;*
- a dependant of the member or of the member's spouse;*
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;*
- a company the member controls; or*
- a person prescribed by regulations (as at the date of this Notice, no such regulations have been prescribed).*

3. Resolutions 2(a), (b) and (c): Election of Directors

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

- (a) That Mr Sal Catalano, is elected as a Director of the Company in accordance with of the Company's Constitution;
- (b) That Mr Bruno Ruggiero is elected as a Director of the Company in accordance with of the Company's Constitution;
- (c) That Mr Steven Chadwick is elected as a Director of the Company in accordance with of the Company's Constitution.

Information about each of the candidates is set out in the Explanatory Memorandum.

SPECIAL BUSINESS

4. Resolution 3: Approval of Proposed Issue of Shares to Elected Directors

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

That for the purpose of Listing Rule 10.11 and for all other purposes, and subject to:

- (a) their appointment to the board of directors by shareholders at the Meeting; and
- (b) any applicable ASX waiver,

shareholder approval is given for the Company to issue to Mr. Sal Catalano, Mr. Steven Chadwick and Mr Bruno Ruggiero (or their nominees) fully paid ordinary shares in satisfaction of directors' fees in the amount of A\$72,000 to each of them on the basis set out in the Explanatory Memorandum.

Voting Exclusion Statement: *The Company will disregard any votes cast on this resolution by Mr. Sal Catalano, Mr. Steven Chadwick and Mr. Bruno Ruggiero and any of their associates and any other person who will obtain a benefit (except a benefit solely in the capacity of a holder of securities).*

However, the Company will not disregard a vote if:

- (a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;*
- (b) *if it is cast by a custodian or nominee, to the extent only that those holders (Nominee Holders) are acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of beneficiaries who did not or will not participate in the issue*
- (c) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.*

5. Resolution 4(a): Approval for the issue of Shares and Options to the Secured Creditor Beneficiaries (excluding related parties) under the Interlocking Deeds of Company Arrangement dated 17 November 2016 as amended.

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

That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be given to the Company to issue up to a total of 4,000,000,000 to the Secured Creditor Beneficiaries as notified to the Company by the Joint and Several Deed Administrators of the Company on the terms and conditions set out in the Explanatory Memorandum provided that the maximum of the aggregate of Shares and Options issued under this resolution and Resolution 4(b) does not exceed 7,800,000,000.

Voting Exclusion Statement: *The Company will disregard any votes cast on this resolution by any person to whom Shares are proposed to be issued pursuant to this Resolution, any other person who will obtain a benefit (except a benefit solely in the capacity of a holder of securities), and any of their associates.*

However, the Company will not disregard a vote if:

- (a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;*
- (b) *if it is cast by a custodian or nominee, to the extent only that those holders (Nominee Holders) are acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of beneficiaries who did not or will not participate in the issue*
- (c) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.*

6. Resolution 4(b): Approval for the issue of Shares and Options to the Secured Creditor Beneficiaries (who are related parties) under the Interlocking Deeds of Company Arrangement dated 17 November 2016 as amended.

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

That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given to the Company to issue up to a maximum of:

- (a) 2,800,000,000 Shares; and
- (b) 1,000,000,000 Options

to the Secured Creditor Beneficiaries (who are related parties) as notified to the Company by the Joint and Several Deed Administrators of the Company on the terms and conditions set out in the Explanatory Memorandum provided that the maximum of the aggregate of Shares and Options issued under this resolution and Resolution 4(a) does not exceed 7,800,000,000.

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person to whom Shares are proposed to be issued pursuant to this Resolution, any other person who will obtain a benefit (except a benefit solely in the capacity of a holder of securities), and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;
- (b) if it is cast by a custodian or nominee, to the extent only that those holders (Nominee Holders) are acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of beneficiaries who did not or will not participate in the issue
- (c) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

7. Resolution 5: Subsequent approval under the ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1 and 7.1A in September 2017

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

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the securities issued without shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A for the 12 month period ending on the date of this Notice of Meeting, outlined in the Explanatory Memorandum accompanying this Notice of Meeting, be approved.

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who participated in the issue, any other person who will obtain a benefit (except a benefit solely in the capacity of a holder of securities), and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;
- (b) if it is cast by a custodian or nominee, to the extent only that those holders (Nominee Holders) are acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of beneficiaries who did not or will not participate in the issue
- (c) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

8. Resolution 6: Approval of Additional 10% Capacity to Issue Shares Under ASX Listing Rule 7.1A

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

That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, shareholders approve the additional capacity of the Company to issue equity securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 6 by any person to whom Shares are proposed to be issued pursuant to this Resolution, any other person who will obtain a benefit (except a benefit solely in the capacity of a holder of securities), and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;
- (b) if it is cast by a custodian or nominee, to the extent only that those holders (Nominee Holders) are acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of beneficiaries who did not or will not participate in the issue
- (c) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

EXPLANATORY MEMORANDUM

1. Introduction

1.1. General

The purpose of this Explanatory Memorandum is to provide shareholders with all information known to the Company, which is material to a decision on how to vote on the resolutions contained in the Notice. The Explanatory Memorandum forms part of the Notice.

A copy of the Notice was lodged with ASX Limited (ASX) on 11 May 2018. No responsibility is taken for the content of this Notice by ASX.

This Explanatory Memorandum should also be read in conjunction with the 2017 Annual Financial Report attached to this Notice.

Shareholders are advised to read this document carefully and in full before the Meeting is held. If you are in any doubt as to how to deal with this document, please consult your legal, financial or other professional advisor.

1.2. Purpose of Meeting

The Meeting has the following purposes:

- (i) to consider resolutions relating to the ordinary business of the Company required to be conducted at the 2017 annual general meeting of the Company, including the adoption of accounts, the approval of remuneration reports, and the election of Directors;
- (ii) to consider resolutions relating to the process to end the suspension of trading in the Company's securities on ASX and prepare it for the full resumption of operations

See Section 3 below, for further information.

1.3. Forward looking statements

This Explanatory Memorandum may contain forward looking statements. Shareholders should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the Company as well as general economic conditions and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. Neither the Company, any of its officers or any person named in the Notice or involved in the preparation of the Notice makes any representation or warranty (either express or implied) as to accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and shareholders are cautioned not to place undue reliance on those statements. To the extent that there is any forward-looking statement in this Notice, such statements reflect views held only as at the date of this Notice.

1.4. Glossary:

In this Notice of Meeting and Explanatory Statement, unless the context otherwise requires:

2017 Accounts means the Company's full-year financial reports for the year ended 30 June 2017 included within the 2017 Annual Financial Report.

Administrators means Mr Laurence Andrew Fitzgerald and Mr Michael James Humphris of William Buck.

Appendix means the appendix to this Explanatory Memorandum.

ASX means Australian Securities Exchange Limited ACN 008 624 691 or the financial market conducted by it, as applicable.

Board means the board of directors of the Company.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Current Advance means the maximum amount of \$13,500,000 advanced by the Trustee to the Company.

Deed Administrators means Mr Laurence Andrew Fitzgerald and Mr Michael James Humphris of William Buck.

Director means a director of the Company.

Director Entitlement means the amount of \$72,000 being each director's annual director's fees for the 12 month period ending 30 June 2019.

DOCA means the deed of company arrangement approved by creditors on 27 October 2016 and further amended with creditors approval on 5 October 2017 and pursuant to deeds executed between the Company, the Trustee and the Deed Administrators a summary of which is included in the Appendix to the Notice.

Elected Directors means Mr. Steven Chadwick, Mr. Sal Catalano and Mr. Bruno Ruggiero.

Further Advance means a minimum amount of \$2,500,000 and a maximum amount of \$4,500,000.

Interim Directors means Robert Mencil, David Trimboli and Robert Osmetti.

Listing Rules means the listing rules of ASX, as amended or varied from time to time.

Notice means this Notice of Meeting including the Explanatory Memorandum.

Secured Creditor Balance means the aggregate of the Current Advance and Further Advance.

Secured Creditor Beneficiaries means the members of the Trust.

Share(s) means a fully paid ordinary share(s) in the capital of the Company.

Shareholder means a person registered as a holder of Shares as at 5.30pm (AEST) on 19 June 2018.

Trust means the VXL General Liquidity Trust, the secured lender to the Company.

Trustee means Chimaera Capital Limited (ACN 074 577 647) as trustee of the Trust.

2. Background

The Company's securities have been suspended from official quotation since 17 November 2015 after entering a trading halt on 13 November 2015. Since 27 October 2016, the Company has been the subject of a significant restructure pursuant to the DOCA. Following the successful passing of the resolutions, the company will seek the reinstatement of its securities for quotation on the ASX.

3. Explanatory Notes to Resolutions

3.1. 2017 Annual Financial Report

Pursuant to the Corporations Act, the Directors of a public company that is required to hold an Annual General Meeting must table the financial statements and reports of the Company for the previous year before shareholders at that Annual General Meeting.

Shareholders have been provided with all relevant information concerning the Company's 2017 Accounts for the year ended 30 June 2017. A copy of this report has been forwarded or made available to each shareholder and may also be found online at www.quantumgraphite.com and as announced to ASX. A copy of the 2017 Annual Financial Report will also be tabled at the Meeting.

Shareholders should note that the sole purpose of tabling the 2017 Annual Financial Report at the Annual General Meeting is to provide shareholders with the opportunity to ask questions or discuss matters arising from the financial statements at the Meeting. It is not the purpose of the meeting that the financial statements be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt the Company's financial statements will be put to shareholders at the Meeting.

Shareholders will be allowed a reasonable opportunity to ask questions about, or make comments on, the management of the Company.

It is proposed that the Company's auditors will be present at the meeting. Shareholders present at the meeting will be allowed a reasonable opportunity to ask the Chairman of the Company questions about the management of the Company or ask the auditors questions relevant to:

- (i) the conduct of the audit;
- (ii) the preparation and content of the auditor's report;
- (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (iv) the independence of the auditors in relation to the conduct of the audit.

Written questions to the Chairman about the management of the Company, or to the Company's auditor about the above matters, may be submitted by no later than 5 business days before the meeting to the Company Secretary at the Company's registered office.

3.2. Resolution 1: Remuneration Report 2017

Section 300A of the Corporations Act requires that the Directors' Report must contain a Remuneration Report containing prescribed information about the Board's policy for determining the nature and amount of the remuneration of Directors and senior management. The Remuneration Report must also explain the relationship between the remuneration policy of the Board and the Company's performance. The Remuneration Report is set out in the 2017 Annual Financial Report on page 11.

The Corporations Act requires that the Remuneration Report be submitted to shareholders for adoption by a non-binding resolution.

The Remuneration Report contains information regarding such matters (among others) as:

- (i) the Board's policy for determining the nature and levels of remuneration of the Company's senior management personnel;
- (ii) the relationship between the Board's remuneration policy and the Company's performance;
- (iii) prescribed information regarding the remuneration paid to each member of the Company's key management personnel, including the amount of the remuneration paid to those personnel; and
- (iv) where any element of the remuneration of a member of the key management personnel depended on the satisfaction of a performance condition, a summary of that performance condition and an explanation of why it was adopted in relation to the relevant personnel.

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of shareholders.

Section 250R(3) of the Corporations Act provides that this resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of shareholders pass this will not require the Directors to alter any of the arrangements described in the respective Remuneration Report.

However, sections, 250U and 250Y, among others of the Corporations Act, give shareholders the opportunity to remove the Board if the Remuneration Report receives a no vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a no vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Director's Report must stand for re-election (**Spill Resolution**).

In addition, if comments are made on the Remuneration Report at the AGM, the Company's remuneration report in respect of the following financial year will be required to include an explanation of the Board's proposed action in response to those comments or, if no action is proposed, the reasons why.

The Chairman will allow a reasonable opportunity for shareholders as a whole to ask about, or make comments on, the Remuneration Reports.

The Chairman will cast all available proxies in favour of this resolution. Shareholders may also choose to direct the Chairman to vote against this resolution or to abstain from voting.

3.3. Resolution 2(a): Election of Director – Mr Sal Catalano

Mr Sal Catalano offers himself for election to the Board in accordance with the Company's Constitution.

Mr Catalano has over 25 years' experience in investment banking and the capital markets. He was a former head of the Asian Securities Financing and Derivative business for Donaldson Lufkin & Jenrette and Director of Credit Suisse's Alternative Capital Group. He is a founder and director of Chimaera Capital Limited.

Mr Catalano was appointed to the Board on 18 November 2016 and resigned from the board on 16 March 2018.

The Chairman will cast all available proxies in favour of this resolution. Shareholders may also choose to direct the Chairman to vote against this resolution or to abstain from voting. Each Director recommends that shareholders vote in favour of this resolution.

3.4. Resolution 2(b): Election of Director – Mr Bruno Ruggiero

Mr Bruno Ruggiero offers himself for election to the Board in accordance with the Company's Constitution.

Mr Ruggiero is a Mechanical Engineer with over 30 years' experience in the minerals and related industries completing numerous local and international projects.

He is a founder of Lycopodium and, with expertise in both mechanical and process design, has undertaken diverse roles within the broader Lycopodium Group. He is an executive director of Lycopodium Minerals and a non-executive director of ECG Pty Ltd, a company in which Lycopodium is a shareholder.

Mr Ruggiero is currently the Technical Director of Lycopodium Minerals, responsible for setting the technical direction and standards for the Lycopodium Group's projects worldwide.

Mr Ruggiero was appointed to the Board on 18 November 2016 and resigned from the board on 18 March 2018.

The Chairman will cast all available proxies in favour of this resolution. Shareholders may also choose to direct the Chairman to vote against this resolution or to abstain from voting. Each Director recommends that Shareholders vote in favour of this resolution.

3.5. Resolution 2(c): Election of Director – Mr Steven Chadwick

Mr Steven Chadwick offers himself for election to the Board in accordance with the Company’s Constitution.

Mr. Chadwick is a Metallurgical Graduate of the WA School of Mines with over 40 years’ experience in the mining industry, incorporating technical, operating and management roles, as well as a strong metallurgical background.

Mr. Chadwick is now a metallurgical consultant specialising in project management with a range of local and international clients. He was a founding Director of BC Iron Ltd and a former Managing Director of Coventry Resources Ltd, PacMin Mining Ltd and Northern Gold Ltd. He brings extensive industry and operating experience to the board.

Mr Chadwick was appointed to the Board on 18 November 2016 and resigned from the board on 18 March 2018. The Chairman will cast all available proxies in favour of this resolution. Shareholders may also choose to direct the Chairman to vote against this resolution or to abstain from voting. Each Director recommends that shareholders vote in favour of this resolution.

3.6. Resolution 3: Approval of Issue of Shares to Directors

This resolution of the Notice seeks shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for the issue of shares to Directors and Elected Directors.

This issue is proposed in lieu of the cash payment of directors’ fees to the Directors and the Elected Directors for their respective period of service.

In respect of the Directors, each shall receive a single issue for their respective remuneration (i.e. \$18,000) for their period of service commencing on the date of their appointment until each cease to be a director. The Company shall issue the Shares to the Directors within 30 days of shareholder approval of this resolution.

If the Elected Directors are elected pursuant to the above resolutions, Mr Robert Mencil, Mr David Trimboli and Mr Robert Osmetti have all indicated that each of them shall resign within 14 days of the Meeting.

In respect of the Elected Directors, if appointed pursuant to the above resolutions, the issue of Shares shall be completed in accordance with the Table below.

Elected Director	Foregone quarterly remuneration	Minimum Issue Price	Maximum no. of shares per Quarter¹	Maximum no. of shares for the Year
Steven Chadwick ²	\$18,000	\$0.001	18,000,000	72,000,000
Sal Catalano ²	\$18,000	\$0.001	18,000,000	72,000,000
Bruno Ruggiero ²	\$18,000	\$0.001	18,000,000	72,000,000

1. The reference to Quarter means the quarters commencing on 1 June 2018, 1 September, 1 December and 1 March 2018.
2. Subject to satisfaction of the conditions outlined above, the Company shall issue the Shares to the Elected Directors, each quarter in advance on 1 June 2018, 1 September 2018, 1 December 2018 and 1 March 2019 respectively.

Further, any issue of Shares to each of the Elected Directors in accordance with the Table above is conditional upon any applicable ASX waiver which may be required pursuant to Listing Rules 10.13.3 and 10.13.5.

The deemed issue price of the Shares is the higher of \$0.001 (0.1 cents) or the monthly VWAP for the month immediately preceding the month of issue of Shares. The Table above has been prepared on the basis of the minimum issue price of \$0.001 (0.1 cents) which represents the maximum dilution.

It is the view of Directors that the proposed issue of shares pursuant to this resolution falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by the Directors. Accordingly, shareholder approval is not being sought under section 208 of the Corporations Act, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

A voting exclusion statement is set out in the Notice of Meeting. The Chairman intends to vote available undirected proxies in favour of this resolution.

3.7. Resolution 4(a): Issue of Shares and Unlisted Options to Secured Creditor Beneficiaries

This resolution seeks the approval of the shareholders for the issue of Shares and Unlisted Options to the Secured Creditor Beneficiaries in accordance with the DOCA in the amount set out in the Appendix. The entitlements of individual Secured Creditor Beneficiaries shall be determined by the Trustee and the Deed Administrators pursuant to the terms of the Trust and the DOCA.

A Secured Creditor Beneficiary's entitlement to Shares (Shares Entitlement) and Unlisted Options (Unlisted Options Entitlement) shall be governed by the following:

- (i) Determination of General Entitlement: A Secured Creditor Beneficiary shall be attributed a General Entitlement on the basis that it is entitled exclusively to Shares;
- (ii) Determination of Shares Entitlement: If the General Entitlement of a Secured Creditor Beneficiary represents an interest in the Company of:
 - No more than 19.5%, the Secured Creditor Beneficiary's Shares Entitlement shall be the General Entitlement; or
 - If more than 19.5%, the Secured Creditor Beneficiary's Shares Entitlement shall be limited to 19.5%;
- (iii) Determination of Unlisted Options Entitlement: If the General Entitlement represents an interest in the Company of more than 19.5%, the Secured Creditor Beneficiary shall receive any entitlement above 19.5% as Unlisted Options

Pursuant to ASX Listing Rule 7.3 the shares shall be issued within 3 months of the meeting.

Upon ASX's approval of the quotation of the Shares and the recommencement of trading in the Company's Shares, the Trustee shall release and extinguish the security interests and the loan respectively under the secured loan facilities. In addition, the parties shall mutually release each other from any claims arising from the implementation of the DOCA and the secured loan facilities.

The requirement for shareholder approval for the proposed issue described in this resolution arises under ASX Listing Rule 7.1. which provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12-month period.

In effect, the rule requires that the approval of the holders of ordinary securities be obtained in respect of any proposal to issue more equity securities in any 12 month period than the number which exceeds 15% of the number of Shares on issue 12 months before the date of the issue or agreement (as determined in accordance with the formula set out in ASX Listing Rule 7.1).

By approving the issue of shares that is the subject of this resolution, the Company will maintain the ability to issue equity securities in the future up to the 15% limit without the requirement to obtain prior Shareholder approval to take advantage of opportunities which may arise to raise additional capital.

The Company provides Shareholders the following information regarding this resolution:

- (a) Resolutions 4(a) and (b) are interdependent. The DOCA will fail to be implemented if either of these resolutions is not approved;
- (b) The maximum of the aggregate of Shares and Options issued under Resolutions 4(a) and (b) must not exceed 7,800,000,000;
- (c) The Shares and Unlisted Options will be issued to the Secured Creditor Beneficiaries for and in respect of the Trustee releasing and extinguishing the security interests and the loan respectively under the secured loan facilities;
- (d) The range and total number of Shares and Unlisted Options to be issued under Resolutions 4(a) and (b) is set out in Section B of the Appendix;
- (e) The issue price of the Shares and Unlisted Options issued by the Company under this resolution will be \$0.00252 per Share and Unlisted Option respectively.
- (f) The Shares will be fully paid ordinary shares in the Company and will rank equally with all other Shares on issue in the Company.
- (g) A voting exclusion statement is included in the Notice of Meeting.
- (h) The Further Advance represents the cash made available to the Company following the implementation of this resolution and the release and extinguishment of the security interests and the loan represented by the Secured Creditor Balance.

A voting exclusion statement is set out in the Notice. The Directors unanimously recommend that shareholders vote in favour of this resolution. The Chairman intends to vote available undirected proxies in favour of this resolution.

3.8. Resolution 4(b): Issue of Shares and Unlisted Options to Secured Creditor Beneficiaries Related Parties

Shareholders are referred to paragraph 3.7 above, specifically the description of the determination of the Secured Creditor Beneficiaries Shares Entitlement and Unlisted Options Entitlement, which also applies to the proposed issue of securities under this resolution to Secured Creditor Beneficiaries who are related parties.

Certain former and current Directors (see Table below) of the Company are entitled to be issued up to the maximum number of Shares and Unlisted Options as Secured Creditor Beneficiaries set out in the Table.

These individuals' entitlement arises by virtue of their interest as members of the Trust and even though they were appointed as Directors under the specific terms of the DOCA, they (including their controlled entities) constitute related parties for the purpose of ASX Listing Rule 10.11 and approval for the issue of the Shares and Unlisted Options is thereby required under this rule.

Related Party	Ordinary Shares	Options
Sal Catalano	1,500,000,000	900,000,000
Robert Osmetti	450,000,000	
Bruno Ruggiero	500,000,000	
David Trimboli	350,000,000	

The Board considers the operation of Exception 6 of ASX Listing Rule 10.12 is likely to relieve the Company from seeking the relevant approval under ASX Listing Rule 10.11. However, the Board has concluded that it will seek this approval in the interests of shareholder disclosure.

Provided this resolution is approved by shareholders, pursuant to ASX Listing Rule 10.13, the Shares and Options shall be issued within 1 month of the meeting.

The Company provides Shareholders the following information regarding this resolution:

- (a) Resolutions 4(a) and (b) are interdependent. The DOCA will fail to be implemented if either of these resolutions is not approved;
- (b) The maximum of the aggregate of Shares and Options issued under Resolutions 4(a) and (b) must not exceed 7,800,000,000;
- (c) The Shares and Unlisted Options will be issued to the Secured Creditor Beneficiaries (who are related parties) for and in respect of the Trustee releasing and extinguishing the security interests and the loan respectively under the secured loan facilities;
- (d) The range and total number of Shares and Unlisted Options to be issued under Resolutions 4(a) and (b) is set out in Section B of the Appendix;
- (e) The issue price of the Shares and Unlisted Options issued by the Company under this resolution will be \$0.00252 per Share and Unlisted Option respectively.
- (f) The Shares will be fully paid ordinary shares in the Company and will rank equally with all other Shares on issue in the Company.
- (g) A voting exclusion statement is included in the Notice of Meeting.
- (h) The Further Advance represents the cash made available to the Company following the implementation of this resolution and the release and extinguishment of the security interests and the loan represented by the Secured Creditor Balance.

A voting exclusion statement is set out in the Notice. The Directors other than Mr. Robert Osmetti and Mr. David Trimboli, unanimously recommend that shareholders vote in favour of this resolution. The Chairman intends to vote available undirected proxies in favour of this resolution.

3.9. Resolution 5: Subsequent approval under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1

- (i) ASX Listing Rule 7.1 provides that a listed company may only issue or agree to issue up to 15% of the company's ordinary issued capital in any 12-month period, unless shareholder approval is obtained (subject to certain exceptions).
- (ii) ASX Listing Rule 7.4 allows a company in a general meeting to subsequently approve an issue of securities under ASX Listing Rule 7.1, provided the company did not breach the 15% capacity.
- (iii) This resolution seeks subsequent shareholder approval of the securities issued during the 12-month period ending on the date of this Notice of Meeting as described below, pursuant to ASX Listing Rule 7.4. These securities were issued without Shareholder approval under ASX Listing Rule 7.1. If such approval is given, the Company will be entitled under ASX Listing Rule 7.1 to issue up to 15% of its ordinary issued capital, if required, in the next 12 months without shareholder approval.
- (iv) ASX Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:
 - On 29 September 2017 - 24,877,000 Shares (ranking equally with all existing Shares) were issued at a deemed price of \$0.00252 to Mr Tony Harbrow;
 - On 29 September 2017 - 2,985,240 Shares (ranking equally with all existing Shares) were issued at a deemed price of \$0.00252 to Thornton Group (Australia) Pty Ltd;
 - On 29 September 2017 - 1,990,160 Shares (ranking equally with all existing Shares) were issued at a deemed price of \$0.00252 to Mr Robert Mencil.

The Shares issued to the shareholders above represented consideration for the provision of services to the Company during the Administration as detailed in the relevant Appendix 3B disclosure. As the Company's only source of funding is the Trustee, but for the issue of these shares, the Secured Creditor Balance would be higher and would result in greater dilution of shareholders' interests in the Company.

A voting exclusion statement is set out in the Notice. The Directors, with the exception of Robert Mencil, unanimously recommend that shareholders vote in favour of these resolutions. The Chairman intends to vote available undirected proxies in favour of these resolutions.

3.10. Resolution 6: Approval of 10% Placement Capacity under ASX Listing Rule Listing Rule 7.1A

(a) Background

ASX Listing Rule 7.1A enables certain eligible entities, including the Company, to seek shareholder approval to issue equity securities up to 10% of its issued share capital over a 12-month period after the annual general meeting at which a resolution under Listing Rule 7.1A is passed by special resolution.

If Shareholders approve this resolution, the number of Shares the Company may issue will be determined in accordance with the formula prescribed by ASX Listing Rule 7.1A.2 (as set out in paragraph 3.10(b) below) and allow the Company to issue Shares up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the annual general meeting, without:

- (i) subsequent Shareholder approval; and
- (ii) using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

This resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the meeting must be in favour of this resolution for it to be passed.

(b) General Requirements of ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (i) is not included in the S&P/ASX 300 Index; and
- (ii) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and does not have a market capitalisation of \$300 million. When the Company last traded on the ASX, its market capitalisation was less than \$30 million.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company has one class of quoted equity securities on issue, being the Shares (ASX Code: QGL).

The exact number of Shares that the Company may issue under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement to issue and the sum of: (i) the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2; (ii) the number of partly paid Shares that became fully paid in the previous 12 months; (iii) the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4 (not including an issue of Shares under the Company's 15% placement capacity without shareholder approval); reduced by the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Shares issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are

not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

(c) Disclosure of Information Required Under ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 7.3A, the following information is provided by way of additional disclosure to shareholders:

- (i) **Minimum Price** - The minimum price at which the Shares may be issued is 80% of the volume weighted average price of Shares in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
 - the date (the Agreement Date) on which the price at which the Shares are to be issued is agreed; or
 - if the Shares are not issued within 5 ASX trading days of the Agreement Date, the date on which the Shares are issued.
- (ii) **Date of Issue** - Shares may be issued on and from the date of the meeting approving the issue of Shares until the earlier of:
 - the date that is 12 months after the date of the meeting; and
 - the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company’s activities) or 11.2 (disposal of the Company’s main undertaking).

Approval granted under this resolution will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

- (iii) **Risk of Economic and Voting Dilution** - Any issue of Shares under this resolution will dilute the interests of shareholders who do not receive any Shares under this issue.

If this resolution is approved by Shareholders and the Company issues the maximum number of Shares, the economic and voting dilution of existing Shares would be as shown in the Table below.

The Table below illustrates the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the price of 1.6 cents per Share. This is the price of the issue of Shares to unsecured creditors under the DOCA as approved by shareholders at the 2016 Annual General Meeting on 18 December 2017.

In order to provide shareholders with the results of the maximum dilutionary impact if the full placement capacity under ASX Listing Rule 7.1A was utilized by the Company, the number of Shares on issue are assumed to be sum of the existing Shares on issue and the sum of the maximum number of Shares that could be issued under Resolutions 3, 4(a), 4(b) and 5.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0080 50% decrease in Issue Price	\$0.0160 Current Issue Price	\$0.0320 100% increase in Issue Price
	10% Voting Dilution	100,390,701	100,390,701	100,390,701
1,003,907,007	Funds Raised	803,125.61	1,606,251.22	3,212,502.43
Assuming Further Advance of \$2.5MM	10% Voting Dilution	611,364,701	611,364,701	611,364,701
6,113,647,007	Funds Raised	4,890,917.61	9,781,835.22	19,563,670.43
Assuming Further Advance of \$3.5MM	10% Voting Dilution	660,659,701	660,659,701	660,659,701
6,606,597,007	Funds Raised	5,285,277.61	10,570,555.22	21,141,110.43
Assuming Further Advance of \$4.5MM	10% Voting Dilution	748,700,701	748,700,701	748,700,701
7,487,007,007	Funds Raised	5,989,605.61	11,979,211.22	23,958,422.43
Maximum shares and options converted	10% Voting Dilution	780,000,000	780,000,000	780,000,000
7,800,000,000	Funds Raised	6,240,000.00	12,480,000.00	24,960,000.00

Notes

* The number of Shares on issue (or Variable A in the formula set out in paragraph 3.10(b) above) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with shareholder approval under Listing Rule 7.1.

* The following assumptions have been adopted in the preparation of the Table:

1. The current shares on issue (or Variable A in the formula set out in paragraph 3.10(b) above) are [XXXX]
2. The issue price set out above is 1.6 cents per share.
3. The 10% voting dilution reflects the total voting dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The Company issues the maximum possible number of Shares under ASX Listing Rule 7.1A.
5. The Company has not issued any Shares (in the 12 months prior to the meeting) that were not issued under an exception in ASX Listing Rule 7.2 or with shareholder approval under ASX Listing Rule 7.1.
6. The issue of Shares under this resolution consists only of Shares.
7. The calculations in the Table do not show the dilution applicable to any one particular shareholder. Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
8. This table does not include any dilution arising from Share issues pursuant to shareholder approvals under ASX Listing Rule 7.1.

If this Resolution is approved and the Company issues Shares under ASX Listing Rule 7.1A, the existing shareholders' voting power in the Company will be diluted. There is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- the ordinary shares issued under ASX Listing Rule 7.1A may be issued at a price that is at a discount (as described in paragraph 3.10(c)(i)) to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue.

(d) Purpose of Issue under this Resolution

While the Company has not formed an intention to offer any Shares under this resolution, some of the purposes for which the Company may issue ordinary shares under Listing Rule 7.1A include (but are not limited to):

- raising funds to be applied to the Company's working capital requirements;
- raising funding for the Uley Graphite Project;
- as consideration for the purchase of assets or services, e.g. paying contractors or consultants or acquiring

plant and equipment.

- as consideration for securing certain rights including product offtake rights.

If the Company elects to issue the Shares for the purpose of purchasing assets or services or securing certain rights then the Company will release to the market, prior to the issue of the Shares, a valuation of the non-cash consideration that demonstrates the issue price of the Shares in accordance with ASX Listing Rule 7.1A.3.

Details regarding the purposes for which any particular issue of Shares under this resolution Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to ASX Listing Rules 7.1A.4 and 3.10.5A at the time of the issue.

(e) Allocation of Shares under this Resolution

The allottees of the Shares to be issued under this resolution have not yet been determined. Allottees may include shareholders or new investors (or both), but the allottees cannot include any Directors, related parties or associates of a related party of the Company.

The Company will determine the allottees at the time of the issue under this resolution, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlements issue or other offer in which Shareholders may participate;
- the circumstances of the Company, including but not limited to the Company's financial position and the likely future capital requirements;
- prevailing market conditions;
- the effect of the issue of the Shares on the control of the Company; and
- advice from the Company's advisers (if applicable).

(f) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to this resolution, it will give the ASX:

- A list of the recipients of the Shares and the number of Shares issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- The information required by Listing Rule 3.10.5A for release to the market.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Shares under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this resolution.

APPENDIX

A. Summary of Key Terms of DOCA

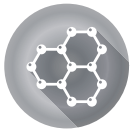
The key terms of the DOCA are as follows:

- (a) All Unsecured Creditors shall have their debts converted to ordinary shares in the Company at a price of \$0.02 per share, issued at a discount of 20%, i.e., \$0.016 per share. The share issue to give effect to the conversion was approved by shareholders at the Annual General Meeting for the 2016 year held on 18 December 2018 (2016 AGM). Pursuant to this approval the shares were subsequently issued to all Unsecured Creditors on 16 March 2018 thereby satisfying this term of the DOCA and all relevant disclosures relating to this shares issue have been made to the ASX;
- (b) Subject to paragraph (c) below, the Trustee shall convert the total amount owing to it, being the sum of the Current Advance and the Further Advance, to Shares and Unlisted Options in the Company at a price of \$0.00252 per Share and Unlisted Option respectively, such Shares and Unlisted Options to be issued directly to the Secured Creditor Beneficiaries; and
- (c) In the event that a Secured Creditor Beneficiary's entitlement (together with associates) to a relevant interest is greater than 19.5% of the issued capital of the Company, the Secured Creditor Beneficiary shall receive any entitlement above 19.5% as Unlisted Options.
- (d) At the 2016 AGM, shareholders approved the issue of Shares and Unlisted Options to the Secured Creditor Beneficiaries. A partial issue of these shares (97,500,000) was completed on 16 March 2018. The Company was not in a position to issue all the Shares and Unlisted Options due to delays it suffered as a result of proceedings at the Takeovers Panel (see http://www.takeovers.gov.au/content/DisplayDoc.aspx?doc=reasons_for_decisions/2018/001.htm&doctype=RD) which required the Company to undertake to refrain from the issue of shares pursuant to the approval granted at the 2016 AGM until 16 February 2018.
- (e) All Shares proposed to be issued pursuant to the abovementioned resolutions and all other Shares issued since the Suspension Date, must be approved by the ASX for quotation.
- (f) The Trustee shall release its security over the assets of the Company upon the issue of the Shares and Unlisted Options to the Secured Creditor Beneficiaries and the re-commencement of trading of the Company's Shares including the Shares referred to in paragraph (d) above.
- (g) The Deed also provides for all Deed Administrator, legal, accounting, audit and administrative costs as well as mining site care and maintenance costs to be covered from the Further Advance.

B. Capital structure if Resolutions 4(a) and (b) are passed and Shares and Unlisted Options are issued

The shares proposed to be issue in respect of the Secured Creditor Balance is dependent on the amount of the Further Advance which in turn will determine the respective proportion of Shares and Unlisted Options issued pursuant to Resolutions 4(a) and (b). The Further Advance will be finalised immediately prior to the date of issue under these resolutions. There is a range of possible amounts for the Further Advance. Assuming the range of values; \$2.5million, \$3.5million and \$4.5million the capital structure outcomes include:

Further Advance	\$2.5M		\$3.5M		\$4.5M	
Existing Shareholders	1,003,907,007	16.42%	1,003,907,007	15.20%	1,003,907,007	13.41%
Secured Creditor Beneficiaries (including related parties)	5,109,740,000	83.58%	5,602,690,000	84.80%	6,483,100,000	89.7%
	6,113,647,007	100.00%	6,606,597,007	100.00%	7,487,007,007	100.00%
Options	927,570,000		831,440,000		659,760,000	



Quantum Graphite


ACN 008 101 979


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Quantum Graphite Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am (AEST) on Wednesday, 20 June 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Quantum Graphite Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (*mark box*)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEST) on Friday, 22 June 2018 at Institute of Chartered Accountants, L18, 600 Bourke Street, Melbourne, Victoria (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3e Approval of Proposed Issue of Shares to Directors - Steven Chadwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2a Election of Director – Mr Sal Catalano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3f Approval of Proposed Issue of Shares to Directors - Bruno Ruggiero	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2b Election of Director – Mr Bruno Ruggiero	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4a Approval for issue of Shares to non related Secured Creditor Beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2c Election of Director – Mr Steven Chadwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4b Approval for issue of Shares and Options to related Secured Creditor Beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Approval of Proposed Issue of Shares to Directors - Robert Osmetti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5a Subsequent approval under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1 and 7.1A – Tony Harbrow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Approval of Proposed Issue of Shares to Directors - David Trimboli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5b Subsequent approval under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1 and 7.1A – Thornton Group (Australia) Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3c Approval of Proposed Issue of Shares to Directors - Robert Mencil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5c Subsequent approval under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1 and 7.1A – Robert Mencil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3d Approval of Proposed Issue of Shares to Directors Sal Catalano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Additional 10% Capacity to Issue Shares under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

