

Quantum Graphite

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European Investor Briefing December 2019

Quantum Graphite Limited provides the attached corporate presentation to be delivered to European Investors this week.

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“Without graphite, you could only raise sheep in Silicon Valley.”

SGL advertisement from 1995

European Investor Briefing December 2019



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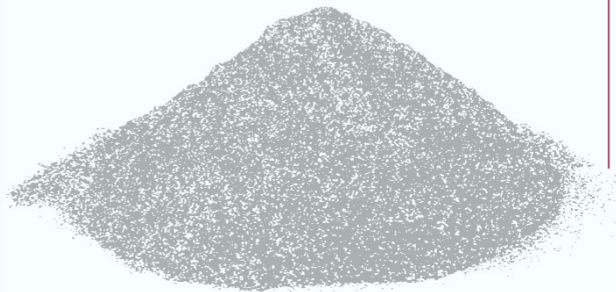
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At a Glance...



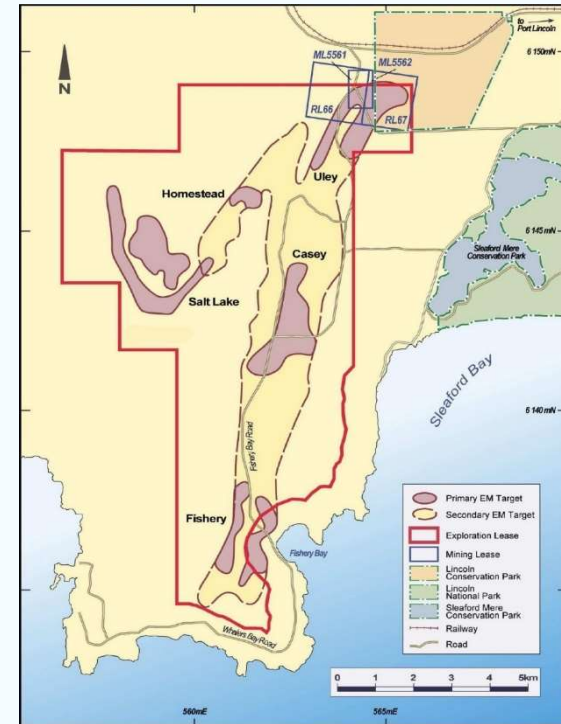
Structure

- Shares on Issue (on a fully diluted basis post consolidation) approx. 218.875million
- Top 50 Shareholders 89%
- Board Representation represents >40% shareholding
- No debt, rehab liability of \$558,369 matched by security bond of \$1.07 million with Sout Australia Department of Energy and Mining (DEM)

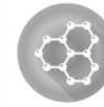


Key Assets and Uley 2 Permitting

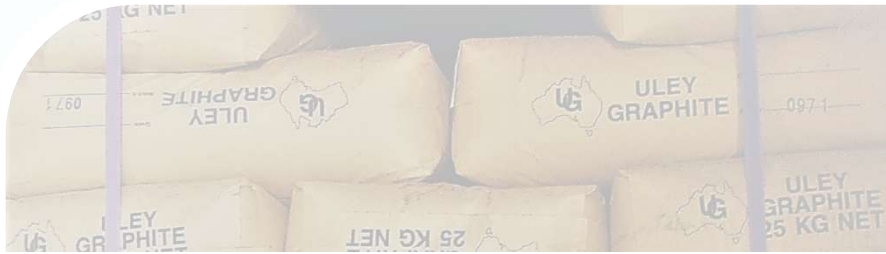
- Uley 2: JORC 2012 Mineral Resources of 6.3 million tonnes at average grade of graphitic C of 11.1%with large exploration potential
- 4.0 million tonnes @ 11.89% constitutes JORC 2012 Ore Reserves
- Uley 2: Only permitted graphite mine in Australia (PEPR issued by DEM on 24 December 2014)
- At a global level - historical producer of high value product and next major producer to enter high grade, large flake natural graphite market



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



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Strategy
People, Process, Partners



Overall approach – conservative fiscal management with strong technicals able to respond to rapidly changing market conditions.

Achieved to date, start with the numbers...

- DFS fully funded and now complete.
- Exploration commitments fully funded.
- Major efforts now directed at securing offtake arrangements and the funding of Uley 2.

Establish internal structures to deliver key commercial outcomes...

- Mining, processing, marketing - build technical capabilities across the whole value chain.
- High calibre marketing function – expertise/coverage meets needs of today's customers and maintains readiness for medium to longer term opportunities.
- Governance and stakeholder engagement – senior roles empowered to maintain strong and accountable relationships.



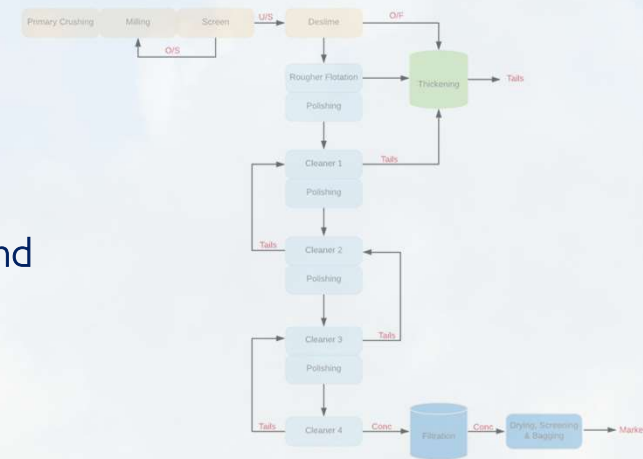
Know your process, understand the limits of the resource and maintain production standards and versatility.

Production - Quality not Quantity

- Principle focus is sustainable quality production.
- Market ready – responsive to existing customer demands and emerging technologies and industries.

Process Plant Optionality

- New process plant optionality ensures the company is prepared for the likely transformation of the graphite market within the next 2 to 5 years including
 - expected high growth for anode material to service the Li-ion battery market for Evs
 - new technologies in thermal management and storage including super capacitors, large scale thermal storage
- Value add likely to be delivered by continuous enhancements delivering incremental improvements rather than radical changes to process





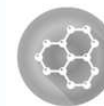
- Graphite Market – Complex, multi faceted and opaque. Regardless of the target market segment the customer is your critical Partner
- Customer Targets – Dual strategy, early focus on the old/bankable and prepare for the new/high growth opportunities

The Bankable: Refractories/Thermal Applications, exploit previous customer relationships

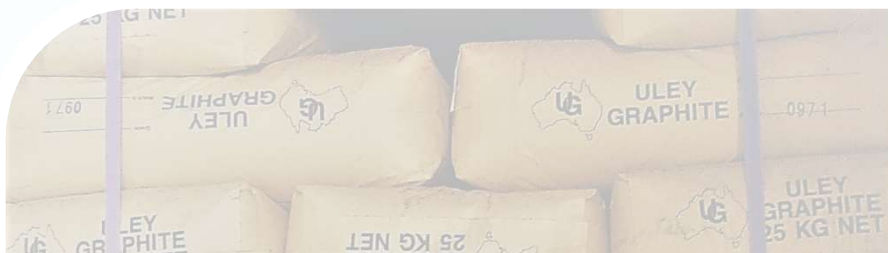
- Target early sales to established/major Western European refractory manufacturers previously supplied by the company
- Identify other major refractory manufacturers (principally Japan, Korea) requiring high grade flake graphite

Growth: Identify, develop and ensure market readiness for new/alternative markets

- Expected acceleration in growth of Li-ion batteries to service the EV market
- Thermal battery initiative with The Sunlands Co.



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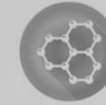


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Overview of Uley 2

Proven Superior Flake Product Mix



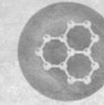
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Comprehensive met results confirm historical high quality production mix

- Medium to Extra-Large Flake - 73% of overall production of gC
- Large and Extra-Large Flake purities - 97.2%gC and 97.8%gC respectively
- Process Recoveries - > 89% gC

Size Fraction (μm)	Size Fraction (Mesh)	Approx. Weight Dist. (%)	Graphitic C Purity (%)	LOI (%)
+300	+50	10.5	97.8	0.26
-300+150	-50+100	35.4	97.2	0.34
-150+75	-100+200	27.1	96.6	0.36
-75	-200	27.0	90.7	0.73

Uley 2 Reserves and Resource



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Uley 2 first stage mine life of 8 years built entirely on Proved and Probable reserves

Ore Reserves (inclusive of mineral resources)

- 4.0 million tonnes of Proved and Probable resources

Classification	Tonnes ⁽¹⁾ (kt)	Total Graphitic Carbon (%)
Proved	811	11.66
Probable	3,191	11.95
Total	4,003	11.89

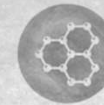
Subsequent stages of Uley 2 will draw on the total available Mineral Resources and Central and Eastern Conductors

Mineral Resources Estimate

- 79% or 5.0 million tonnes of Total Resources are classified in Measured & Indicated

Classification	Tonnes (k)	TGC (%)	Density (t/m ³)	TGC (kt)
Measured	800	15.6	2.1	125
Indicated	4,200	10.4	2.1	435
Inferred	1,300	10.5	2.2	137
Total	6,300	11.1	2.1	697

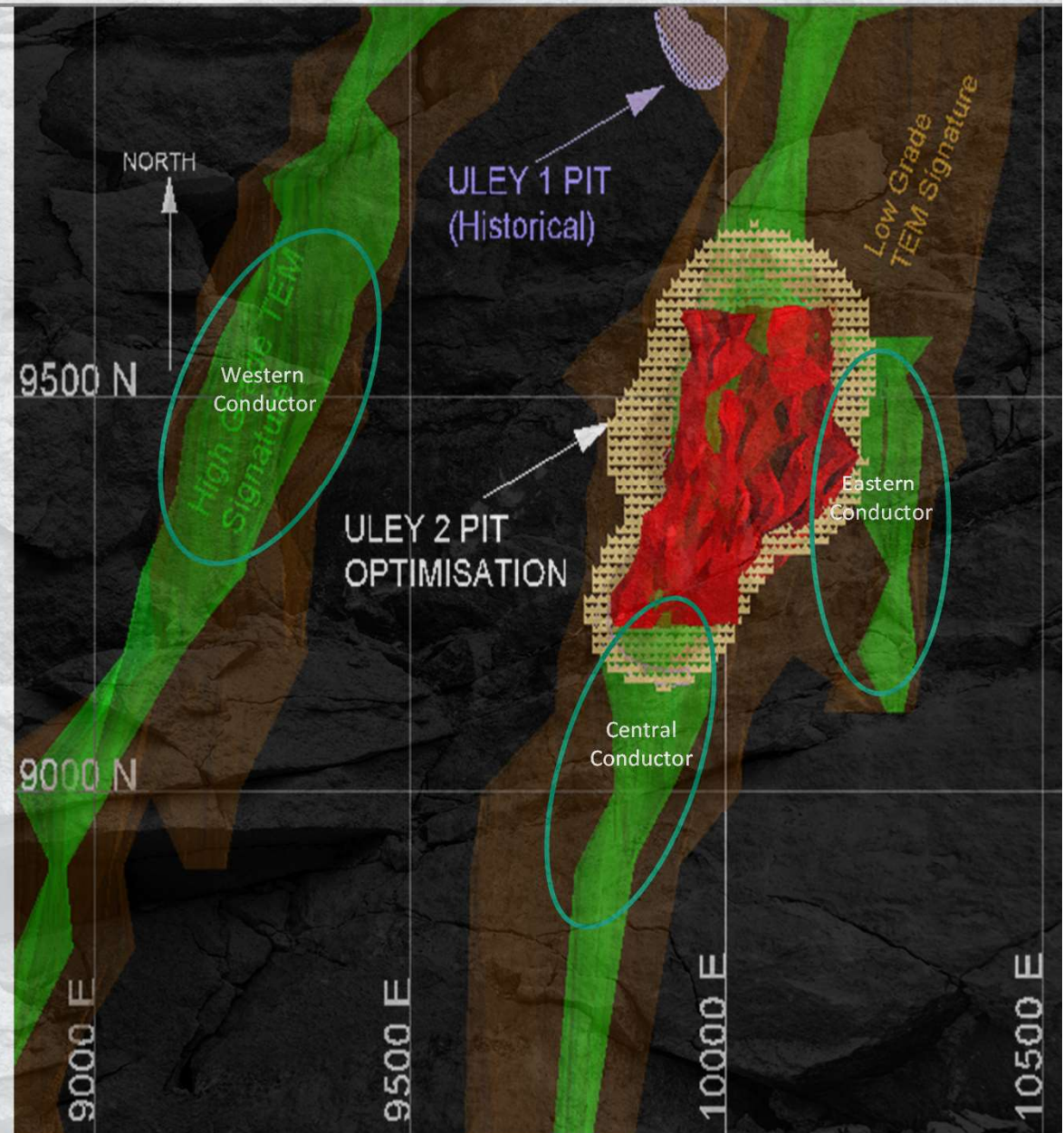
Multi-generation mine potential

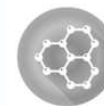


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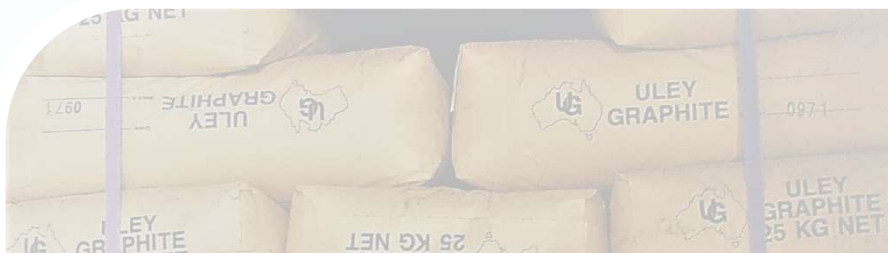
Beyond Uley 2, graphite's extraordinary conductivity means Electromagnetic Survey points the way to ongoing expansion of mine life

- Eastern Conductor is the logical immediate extension to the Uley 2 pit
- Central Conductor provides the longer term expansion of Uley 2
- Western Conductor delivers next generation Uley 3 expansion





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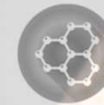


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Definitive Feasibility Update

Key Financial Metrics

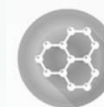


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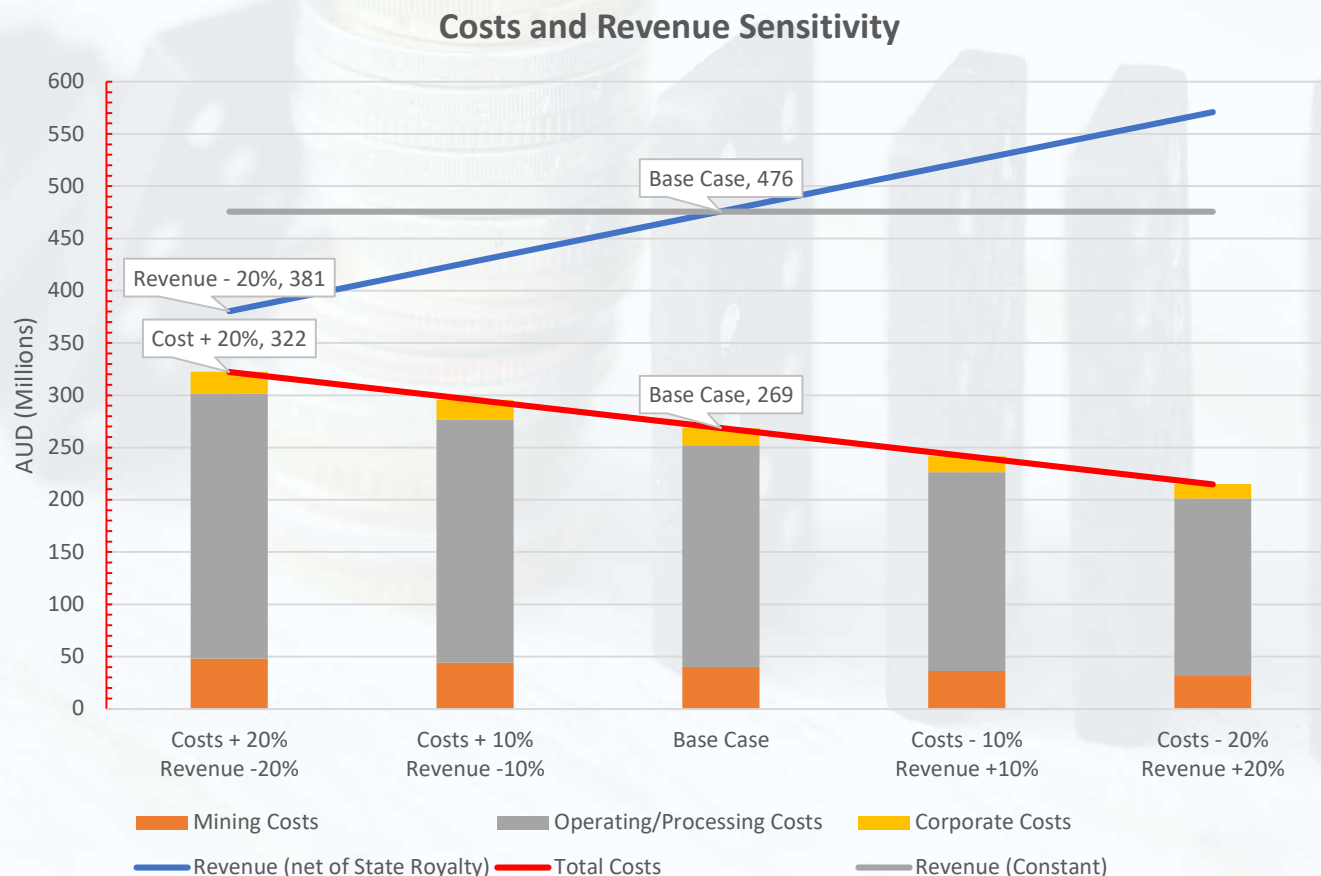
Uley 2 Mining Study based on Ore Reserve Estimate delivers strong financial metrics

Total undiscounted cash flow	A\$207million at a LOM TGC of 11.89%
Crusher feed	500,000 tonnes per annum
Graphitic carbon grade	11.89%
Graphitic carbon recovery	84%
Concentrate purity	>95% graphitic carbon
Capital expenditure	A\$79.98 million
Processing cost (PCAF)	A\$55.3 per tonne
Mining cost (MCAF)	A\$2.5/t milled at surface plus 5c for every 4m
Product Cost (Av LOM)	US\$368
Product Price (Ex-works)	US\$919 dmt

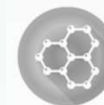
Market Sensitivities



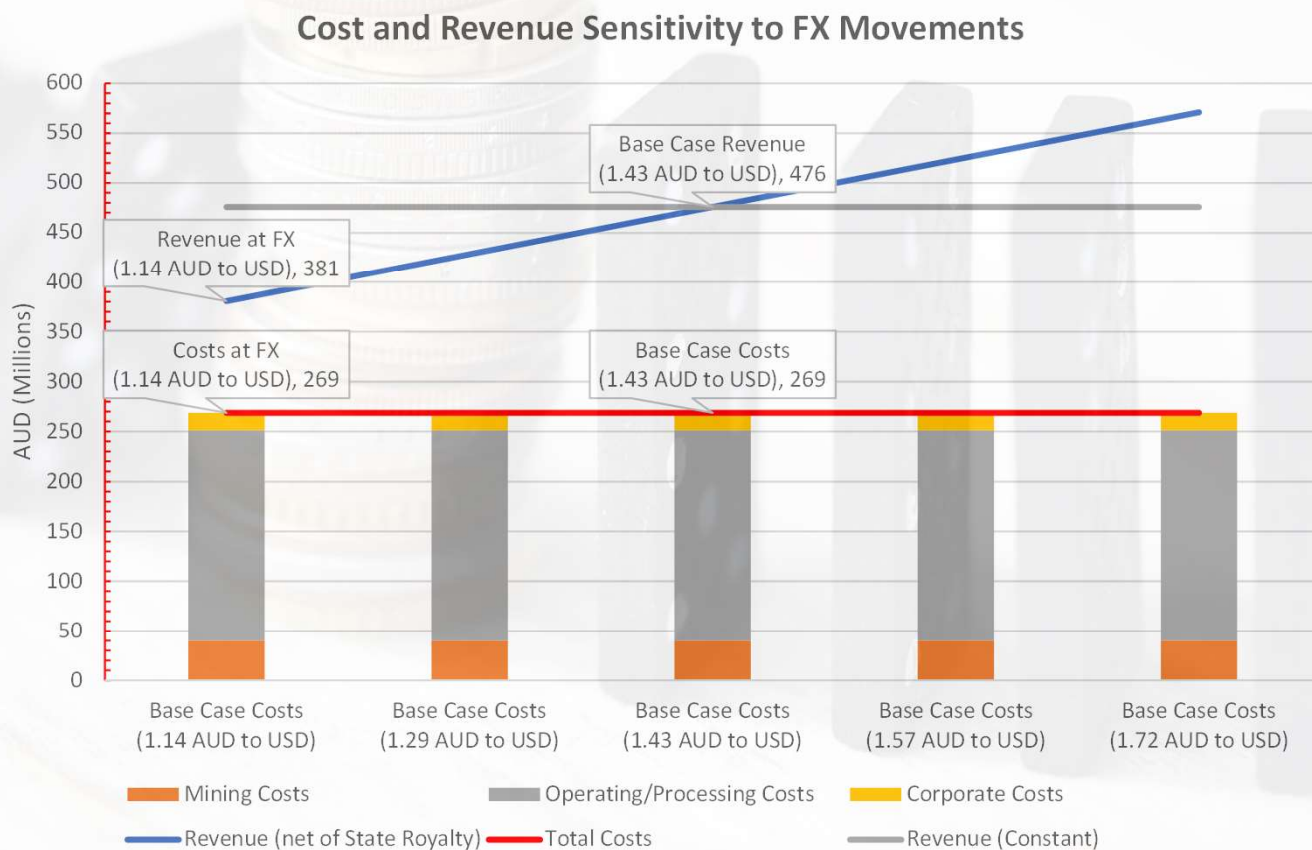
Uley 2 is robust, capable of withstanding significant cost and market pressures. A 20% increase in all costs and 20% reduction in revenues continues to deliver a positive project NPV.



FX Sensitivity



Impact of changes in FX rates is limited to revenues as substantially all costs associated with the project are denominated in Australian dollars.



Final DFS - Base Case plus Further Upside Potential



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December 2019 Mining Study and Ore Reserves have delivered

- High value flake product profile
- Long term mine expansion potential
- Sustainable, robust project economics

Final DFS will deliver

- complete Uley 2 base case scope, schedule and budget
- identify production and process opportunities beyond base case
- identify further/potential market opportunities



The new Uley 2 Process Plant layout

