



NOTICE OF 2020 ANNUAL GENERAL MEETING

30 October 2020

Dear Quantum Graphite Shareholder,

Notice is given that Quantum Graphite Limited ("QGL" or "the Company") will hold its Annual General Meeting (AGM) as a virtual meeting at 11:00am (AWST) on Monday, 30 November 2020 online at <https://agmlive.link/QGL20>.

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter <https://agmlive.link/QGL20> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Proxy Form; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 24 hours prior to the Meeting.

Further details on how to participate in the AGM online are set out in the Notice of Meeting and in the Online Platform Guide. The Online Platform Guide provides details about how to ensure your browser is compatible with the online platform, as well as a step by step guide to successfully log in and navigate the site. The Online Platform Guide will be released to the ASX and is also available on our website at <http://quantumgraphite.com/>.

If you are unable to attend the meeting, you are encouraged to complete and return the enclosed proxy form which allows you to lodge your vote directly or appoint a proxy to vote on your behalf. You may also lodge your proxy online at www.linkmarketservices.com.au. The completed proxy form must be received by Link Market Services no later than 11:00am (AWST) on 28 November 2020.

At the AGM, the following items of business will be considered:

- receive and consider the Annual Financial Reports for the 2020 Financial Year
- adopt the remuneration report
- appoint auditors to the Company
- approve the issue of shares to service providers to the Company
- approve the placement of shares up to 10% of the issued capital of the Company (at the time of issue)
- approve the grant of share-based compensation to the Directors for past remuneration
- approve the grant of share-based compensation to the Directors for future remuneration.

Details of the items of business are set out in the following pages which also include the Explanatory Memorandum and the Board's voting recommendations.

Mr. Steve Chadwick will retire as a Director of QGL at the conclusion of the 2020 AGM. On behalf of the Board, I thank Steve for his commitment and contribution since joining the Board in 2017. Steve was an important member of the Board that successfully concluded our restructure in 2018. His expertise and judgement in connection with the Company's feasibility studies was invaluable and the success of these studies evident from the excellent results published was due in no small part to his leadership, professionalism and diligence. Steve will be available to the Company on a consulting basis as required, to ensure continuity as the Company progresses the development of the Uley 2 project.

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 WAST (2.00pm AEDSTon 28 November 2020 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 including the 2020 Annual Financial Report and the Notice of Meeting.

We look forward to your participation at the AGM.

**Release of market announcement authorised by
Board of Directors
Quantum Graphite Limited**

QUANTUM GRAPHITE LIMITED

ABN 41 008 101 979

NOTICE OF 2020 ANNUAL GENERAL MEETING

11:00AM WAST (VIA [HTTPS://AGMLIVE.LINK/QGL20](https://agmlive.link/qgl20)) ON MONDAY, 30 NOVEMBER 2020

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

Annual Financial Report – 2020

To receive and consider the 2020 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 2020.

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

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 2020 submitted as part of the Directors' Report for the financial year ended 30 June 2020, 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 2 – Change of Company Auditor

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

That subject to the consent of the Australian Securities & Investments Commission to the current auditor resigning, to appoint RSM Australia Pty Ltd, having consented in writing and been duly nominated in accordance with Section 328B(1) of the Corporations Act 2001 (Cwth), as Auditor of the Company.

Information about this resolution is set out in the Explanatory Memorandum.

RESOLUTION 3 – 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.

Information about these resolutions including the applicable Voting Exclusion Statement are set out in the Explanatory Memorandum.

RESOLUTION 4 - Approval of 10% Placement Capacity

To consider and, if thought fit, pass, the following resolution with or without amendment, as a special 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.

Information about these resolutions including the applicable Voting Exclusion Statement are set out in the Explanatory Memorandum.

RESOLUTION 5(a), (b), (c), (d) and (e) - Approval of Proposed Issue of Shares to Directors For Past Remuneration

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

- (a) 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) 3,166,673 shares for the period 1 September 2018 to 31 December 2020 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.
- (b) 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 Steven Chadwick (or his nominee) 3,166,673 shares for the period 1 September 2018 to 31 December 2020 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.
- (c) 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) 1,928,257 shares for the period 1 September 2018 to 31 December 2020 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.
- (d) 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) 3,166,673 shares for the period 1 September 2018 to 31 December 2020 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.
- (e) 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) 1,928,257 shares for the period 1 September 2018 to 31 December 2020 fully paid ordinary shares in satisfaction of directors' fees for the period 1 January 2019 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.

Information about these resolutions including the applicable Voting Exclusion Statement are set out in the Explanatory Memorandum.

RESOLUTIONS 6(a), (b), (c) and (d) - Approval of Proposed Issue of Shares to Directors for Future Remuneration

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

- (a) 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 600,000 shares per quarter for the year commencing 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory Memorandum.
- (b) 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 400,000 shares per quarter for the year commencing 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory Memorandum.
- (c) 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 400,000 shares per quarter for the year commencing 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory

Memorandum.

- (d) 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 600,000 shares per quarter for the year commencing 1 January 2021 and ending on 31 December 2021 on the terms set out in the Explanatory Memorandum.

Information about these resolutions including the applicable Voting Exclusion Statement are set out in the Explanatory Memorandum.

ENTITLEMENT TO ATTEND AND VOTE

IN ACCORDANCE WITH REG 7.11.37 OF THE CORPORATIONS REGULATIONS 2001 (CTH), THE BOARD HAS DETERMINED THAT PERSONS WHO ARE REGISTERED HOLDERS OF SHARES IN THE COMPANY AS AT 7:00PM (AEDT) ON 27 NOVEMBER 2020 WILL BE ENTITLED TO ATTEND AND VOTE AT THE AGM AS A SHAREHOLDER.

IF MORE THAN ONE JOINT HOLDER OF SHARES IS PRESENT AT THE AGM (WHETHER PERSONALLY, BY PROXY, OR BY ATTORNEY, OR BY REPRESENTATIVE) AND TENDERS A VOTE, ONLY THE VOTE OF THE JOINT HOLDER WHOSE NAME APPEARS FIRST ON THE REGISTER OF SHAREHOLDERS WILL BE COUNTED.

ATTENDING THE AGM AND LIVE VOTING ONLINE

SHAREHOLDERS CAN PARTICIPATE IN THE ANNUAL GENERAL MEETING VIRTUALLY VIA COMPUTER OR A MOBILE DEVICE – BY ENTERING THE FOLLOWING URL IN YOUR BROWSER [HTTPS://AGMLIVE.LINK/QGL20](https://agmlive.link/QGL20). THE MEETING WILL BE VIEWABLE FROM DESKTOPS, LAPTOPS, TABLETS AND MOBILE DEVICES.

TO PARTICIPATE AND VOTE ONLINE YOU WILL NEED YOUR SHAREHOLDER REFERENCE NUMBER (SRN) OR HOLDER IDENTIFICATION NUMBER (HIN) PRINTED AT THE TOP OF THE PROXY FORM AND POSTCODE. PROXYHOLDERS WILL NEED THEIR PROXY CODE WHICH LINK MARKET SERVICES WILL PROVIDE VIA EMAIL NO LATER THAN 24 HOURS PRIOR TO THE MEETING. ONLINE PARTICIPANTS SHOULD REGISTER AT LEAST 15 MINUTES BEFORE THE AGM.

YOU WILL BE ABLE TO LIVE VOTE DURING THE MEETING WHEN INVITED BY THE CHAIR. YOU WILL BE ABLE TO VOTE FOR, AGAINST OR ABSTAIN ON EACH ITEM THROUGH THE ONLINE PLATFORM.

FURTHER DETAILS ON HOW TO PARTICIPATE IN THE AGM ONLINE ARE SET OUT IN THE ATTACHED NOTICE OF MEETING AND IN THE ONLINE PLATFORM GUIDE. THE ONLINE PLATFORM GUIDE PROVIDES DETAILS ABOUT HOW TO ENSURE YOUR BROWSER IS COMPATIBLE WITH THE ONLINE PLATFORM, AS WELL AS A STEP BY STEP GUIDE TO SUCCESSFULLY LOG IN AND NAVIGATE THE SITE. THE ONLINE PLATFORM GUIDE WILL BE RELEASED TO THE ASX AND IS ALSO AVAILABLE ON OUR WEBSITE AT [HTTP://QUANTUMGRAPHITE.COM/](http://quantumgraphite.com/).

TECHNICAL DIFFICULTIES

TECHNICAL DIFFICULTIES MAY ARISE DURING THE COURSE OF THE ANNUAL GENERAL MEETING. THE CHAIR HAS DISCRETION AS TO WHETHER AND HOW THE MEETING SHOULD PROCEED IN THE EVENT THAT A TECHNICAL DIFFICULTY ARISES. IN EXERCISING HIS DISCRETION, THE CHAIR WILL HAVE REGARD TO THE NUMBER OF SHAREHOLDERS IMPACTED AND THE EXTENT TO WHICH PARTICIPATION IN THE BUSINESS OF THE MEETING IS AFFECTED. WHERE HE CONSIDERS IT APPROPRIATE, THE CHAIR MAY CONTINUE TO HOLD THE MEETING AND TRANSACT BUSINESS, INCLUDING CONDUCTING A POLL AND VOTING IN ACCORDANCE WITH VALID PROXY INSTRUCTIONS. FOR THIS REASON, SHAREHOLDERS ARE ENCOURAGED TO LODGE A PROXY BY 11:00AM (AWST) ON 28 NOVEMBER 2020 EVEN IF THEY PLAN TO ATTEND THE MEETING ONLINE.

QUANTUM GRAPHITE LIMITED
ABN 41 008 101 979
EXPLANATORY MEMORANDUM
NOTICE OF 2020 ANNUAL GENERAL MEETING

11:00AM WAST (VIA <https://agmlive.link/QGL20>) ON MONDAY, 30 NOVEMBER 2020

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 23 October 2020. No responsibility is taken for the content of this Notice by ASX.

This Explanatory Memorandum should also be read in conjunction with the 2020 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 2020 annual general meeting of the Company, including the adoption of accounts, the approval of remuneration reports and the election of Directors;
- (ii) to elect Bruno Ruggiero as a Director as a company;
- (iii) a consolidation of the share capital;
- (iv) to consider resolutions relating to the remuneration of Directors; and
- (v) to adopt a revised constitution.

See Section 2 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:

2020 Accounts means the Company's full-year financial reports for the year ended 30 June 2020 included within the 2020 Annual Financial Report.

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).

Director means a director of the Company.

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.

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 7.00pm (AEST) on 27 November 2020.

2. Explanatory Notes to Resolutions

2020 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 2020 Accounts for the year ended 30 June 2020. A copy of this report has been forwarded or made available to each shareholder and may also be found online at quantumgraphite.com and as announced to ASX. A copy of the 2020 Annual Financial Report will also be tabled at the Meeting.

Shareholders should note that the sole purpose of tabling the 2020 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.

Resolution 1 - Remuneration Report 2020

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 2020 Annual Financial Report on page 9.

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.

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).

Resolution 2 - Change of Company Auditor

The Company is seeking Shareholder approval for the appointment of RSM Australia Pty Ltd as the Company's auditors in accordance with section 327B(1)(b) of the Corporations Act 2001 (Cwth) subject to the consent of ASIC to the resignation of the Company's existing auditors.

The Company has received:

- (a) RSM Australia Pty Ltd's consent to act which has not been withdrawn; and
- (b) written notice from Ms Rochelle Pattison in her capacity as a member of the Company, nominating RSM Australia Pty Ltd for appointment as auditor in accordance with section 328B of the Corporations Act 2001 (Cwth), a copy of which is annexed to this notice of meeting as Attachment.

If the Resolution is passed, the appointment of RSM Australia Pty Ltd as the Company's auditor will take effect at the close of this annual general meeting.

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.

Resolution 3 – Approval of Proposed Issue of Shares to Service Providers

The Company is seeking shareholder approval for the issue of up to 5,000,000 Shares to service providers including advisers and technical consultants that may be retained by the Company in connection with the advancement of its projects.

The Directors believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour. In particular, the ability of the Company to issue new Shares as an additional incentive to advisers better positions the Company to pursue its interests in the prevailing market conditions.

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.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (a) a person or attorney as a proxy for a person who is entitled to vote, in accordance with the directions given to the

proxy or attorney to vote on the resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 - Approval of 10% Placement Capacity

The Company is seeking Shareholder approval to issue an additional 10% of its issued Shares (10% Placement Capacity) over a 12-month period under Listing Rule 7.1A. The formula for the 10% Placement Capacity is set out in Listing Rule 7.1A.2 and the approval period to which it relates (generally no more than 12 months) is set out in Listing Rule 7.1A.1 and detailed below.

There are a number of other conditions applicable to the approval and issue of Shares under Listing Rule 7.1A, including:

- (a) That any new Shares issued under the 10% Placement Capacity must be in the same class as the existing quoted class of Shares of the Company; and
- (b) A limitation on the discount to prevailing market price at which they may be issued.

If this resolution is passed, the Company will be able to issue Shares up to the combined 25% limit specified in Listing Rules 7.1 and 7.1A without shareholder approval.

If this resolution is not passed, the Company will not be able to access the 10% Placement Capacity provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Shares without the shareholder approval required by Listing Rule 7.1.

Maximum Number of Shares that may be Issued

As at the date of the Notice, the Company has 218,874,240 Shares on issue. If this resolution is approved by shareholders, the Company, could issue up to a further 21,887,424 Shares under Listing Rule 7.1A. The actual number of Shares that the Company can issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A.2

Minimum Issue Price of Shares Issued

The minimum issue price of Shares under Listing Rule 7.1A will be calculated at the date of the issue of the Shares in accordance with the prescribed formula, i.e., the issue price of Shares must not be less than 75% of the VWAP of the Shares calculated over the 15 Trading Days during which trades in the Company's shares were recorded immediately before:

- (a) The agreed date on which the price at which the Shares are to be issued is agreed; or
- (b) If the Shares are not issued within five Trading Days of the referred to in (i) above, the date on which the Shares are issued.

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (b) the date of the approval by shareholders of a transaction under Listing Rule 11.1.1 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

Technical Information

The numerical information in this part is correct as at the date of this Notice of Meeting.

- (a) Pursuant to Listing Rule 7.3A, the following additional information is provided in relation to the approval of the 10% Placement Facility. There is a risk that:
- the market price for the Company's Shares may be significantly lower on the date of the issue of the Shares than on the date of the Meeting; and
 - the Shares may be issued at a price that is at a discount to the Shares in the same class on the issue date, which may have an effect on the amount of funds raised by the issue of the Shares.
- (b) The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of Shares and the current number of S accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require shareholder approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of shares on issue (Variable 'A' in ASX Listing Rule 7.1A2)		50% decrease in issue price \$0.0255	Current Price Issue price \$0.051	100% increase in issue price \$0.102
Variable A = 218,874,240	Shares Issued	21,887,424	21,887,424	21,887,424
	Funds Raised	\$558,129.31	\$1,116,258.62	\$2,232,517.25
Variable A = 328,311,360	Shares Issued	32,831,136	32,831,136	32,831,136
	Funds Raised	\$837,193.97	\$1,674,387.94	\$3,348,775.87
Variable A = 437,748,480	Shares Issued	43,774,848	43,774,848	43,774,848
	Funds Raised	\$1,116,258.62	\$2,232,517.25	\$4,465,034.5

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Shares available under the 10% Placement Facility.
 - Options on issue not included.
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements pursuant to the date of the Meeting.
 - The table shows only the effect of issues of Shares under Listing Rule 7.1A and no other issues of Equity Securities.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - The issue price is \$0.051, being the closing price of the Shares on the ASX on 18 September 2020 (the last quoted price).
- (c) The Company may seek to issue the Shares for the following purposes:
- Consideration for the acquisition of services, assets or investments (including expenses associated with such acquisition) required for the development of the Company's projects; and/or
 - Raise funds for the general working capital needs of the Company.
- (d) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Shares.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Shares and the number of Shares allotted to each will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which the existing security holders can participate;
 - the effect of the issue of the Shares on the control of the Company;
 - the financial situation and solvency of the Company; and
 - advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

(f) The Company has not previously obtained approval under ASX Listing Rule 7.1A.

Formula for Calculating the 10% Placement

The number of Shares which the Company may issue pursuant to this item 9 in accordance with ASX Listing Rule 7.1A.2 may be calculated in accordance with the following formula:

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

Where:

A is the number of shares on issue at the commencement of the Relevant Period (the 12-month period immediately preceding the date of issue or agreement):

- i. plus the number of fully paid ordinary shares issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9 or 17;
- ii. plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or ASX Listing Rule 7.4
- iii. plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing rule 7.1 or ASX Listing Rule 7.4
- iv. plus the number of partly paid shares that became fully paid in the relevant period;
- v. less the number of fully paid ordinary shares cancelled in the relevant period;

D is 10%

E is the number of Shares issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under ASX Listing Rules 7.1 or 7.4.

Board Recommendation

The Directors believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour. In particular, the ability of the Company to issue new Shares under the 10% Placement Capacity will enable the Company to issue Shares in circumstances where it might otherwise be subjected to the cost, delay and uncertainty of reverting to Shareholders for approval. The additional flexibility and speed to conduct capital raising will better position the Company to pursue its interests in the prevailing market conditions.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of any person who is expected to participate in an issue of Shares under the 10% Placement Capacity or any person who may obtain a material benefit as a result of an issue of Shares under the 10% Placement Capacity (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney on the resolution in that way;
- (b) it is cast by the chair of the meeting as proxy or attorney for a person who is entitled to vote, in accordance with the direction given to the to vote on the resolution as the chair decides; or
- (c) it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that they are not excluded from voting, on the resolution; and
- the holder votes on the resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 5(a), (b), (c), (d), (e): 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. This issue is proposed in lieu of the cash payment of directors' fees for the period 1 September 2018 to 31 December 2020.

The issuance of shares and the rates of remuneration have previously been approved at the 2019 Annual General Meeting however the Company did not issue the approved shares. These resolutions will authorise the Company to now issue the shares.

For the purposes of calculating the number of shares issued the Company has utilised a range of share prices. At the 2019 AGM a fixed number of shares were approved for the period 1 September 2018 to 31 December 2019 using the equivalent of 8.75 cents per share. For the period 1 January 2020 to 31 December 2020 the company has used a rate of 3.48 cents per share (being the average of volume weighted average closing price for the months of December 2019, March 2020, June 2020 and September 2020 rounded up to the nearest hundredth of a cent).

Director	Period Start	Period End	Annual Remuneration Rate	Shares to be Issued
Bruno Ruggiero	1 September 2018	31 December 2020	\$72,000	3,166,673
Steven Chadwick	1 September 2018	31 December 2020	\$72,000	3,166,673
Sal Catalano	1 September 2018	31 December 2020	\$72,000	3,166,673
Robert Osmetti	1 September 2018	31 December 2020	\$48,000	1,928,257
David Trimboli	1 September 2018	31 December 2020	\$48,000	1,928,257

The issuance of these shares will result in a 5.78% dilution of the existing shareholders

These shares will be issued within 1 month of the meeting being held.

Resolution 5(a) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Sal Catalano and any of his 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:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;
- 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
- 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.

Resolution 5(b) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Steven Chadwick and any of his 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:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;
- 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.

Resolution 5(c) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Robert Osmetti and any of his 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.

Resolution 5(d) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Bruno Ruggiero and any of his 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 on the Proxy Form to vote as the proxy decides.
- (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.

Resolution 5(e) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by David Trimboli and any of his 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.

Resolutions 6(a), (b), (c), (d): 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. This issue is proposed in lieu of the cash payment of quarterly directors' fees as set out in the table below.

Further, any issue of Shares to each of the Directors in accordance with the Table below is conditional upon any applicable ASX waiver which may be required pursuant to Listing Rules 10.13.3 and 10.13.5. In the event that the applicable ASX waiver is not granted, the Directors will not be entitled to any issue of shares pursuant to resolutions 6(a) to 6(e) inclusive.

The deemed issue price of the Shares is the higher of \$0.03 or the monthly VWAP for the calendar month immediately preceding the month of issue of Shares. NOTE that the tables set out the maximum number of shares to be issued based on the current number of shares, if the share consolidation proposed in resolution 3 is passed than the minimum share price would be adjusted to \$0.03.

For example, for the issue of shares for the quarter commencing 1 January 2021, the shares shall be issued on, or around, 1 January 2021 and the relevant date for the purposes of the VWAP calculation is the period 1 December 2020 to 31 December 2020.

The tables below have been prepared on the basis of the minimum issue price of \$0.03 and various issue prices up to \$0.07 per share. Each table sets out the maximum dilution that will arise on a quarterly and annual basis. At the minimum issue price of \$0.03, the maximum quarterly dilution to shareholders is approximately 0.9%. At the higher issue price of \$0.07 indicated below the maximum quarterly dilution to shareholders is approximately 0.4%.

Director	Quarterly remuneration (A\$)	Minimum Issue Price Cents per Share	Maximum no. of Shares per Quarter ¹	Maximum no. of Shares for the Year
David Trimboli	18,000	3.0	600,000	2,400,000
Sal Catalano	18,000	3.0	600,000	2,400,000
Robert Osmetti	12,000	3.0	400,000	1,600,000
Bruno Ruggiero	12,000	3.0	400,000	1,600,000

1. Subject to satisfaction of the conditions outlined above, the Company shall issue the Shares to the Directors, quarterly in advance on 1 January 2021, 1 April 2021, 1 July 2021 and 1 October 2021. The relevant pricing months would be December 2020, March 2021, June 2021 and September 2021.

Director	Quarterly remuneration (A\$)	Minimum Issue Price Cents per Share	Maximum no. of Shares per Quarter ¹	Maximum no. of Shares for the Year
David Trimboli	18,000	4.0	450,000	1,800,000
Sal Catalano	18,000	4.0	450,000	1,800,000
Robert Osmetti	12,000	4.0	300,000	1,200,000
Bruno Ruggiero	12,000	4.0	300,000	1,200,000

Director	Quarterly remuneration (A\$)	Minimum Issue Price Cents per Share	Maximum no. of Shares per Quarter ¹	Maximum no. of Shares for the Year
David Trimboli	18,000	5.0	360,000	1,440,000
Sal Catalano	18,000	5.0	360,000	1,440,000
Robert Osmetti	12,000	5.0	240,000	960,000
Bruno Ruggiero	12,000	5.0	240,000	960,000

Director	Quarterly remuneration (A\$)	Minimum Issue Price Cents per Share	Maximum no. of Shares per Quarter ¹	Maximum no. of Shares for the Year
David Trimboli	18,000	6.0	300,000	1,200,000
Sal Catalano	18,000	6.0	300,000	1,200,000
Robert Osmetti	12,000	6.0	200,000	800,000
Bruno Ruggiero	12,000	6.0	200,000	800,000

Director	Quarterly remuneration (A\$)	Minimum Issue Price Cents per Share	Maximum no. of Shares per Quarter ¹	Maximum no. of Shares for the Year
David Trimboli	18,000	7.0	257,143	1,028,571
Sal Catalano	18,000	7.0	257,143	1,028,571
Robert Osmetti	12,000	7.0	171,429	685,714
Bruno Ruggiero	12,000	7.0	171,429	685,714

It is the view of Directors that the proposed issue of shares pursuant to these resolutions fall 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 for each of the resolutions is set out in the Notice of Meeting. The Chairman intends to vote available undirected proxies in favour of all resolutions.

Shares associated with Future Remuneration be issued more than 1 month after the Annual General Meeting, accordingly, the Company will seek a waiver from Listing Rule 10.13.3 and Listing Rule 10.13.3 to allow the issuance of the shares. Should the waiver not be granted the Company shall accrued the Directors entitlements and the shares will not be issued.

Note regarding ASX Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to the Directors as approval is being obtained under Listing Rule 10.11.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 6(a), 6(b), 6(c), 6(d) and 6(e):

- (a) the related parties are Mr Bruno Ruggiero, Mr Sal Catalano, Mr Robert Osmetti and Mr David Trimboli and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Shares to be issued by the Company will be determined by dividing the quarterly directors' fees payable by the prior months VWAP (subject to a floor price of \$0.03) in advance for each Quarter from 1 January 2021 to 31 December 2021;
- (c) the Company will request an ASX waiver from the requirement that the Shares be issued within one month after the date of the AGM and, should the request be successful, allotment will occur on a quarterly basis within 10 business days of the start of each quarter;
- (d) any fractions of Shares resulting from the calculation will be rounded down to the nearest whole number;
- (e) the Shares will be issued within ten days of the commencement of each quarter from 1 January 2021 to 31 December 2021 for 100% of the Directors' fees for that quarter up to a maximum of \$18,000 (per quarter) at a deemed issue price calculated as the VWAP of the prior months trading (subject to a floor price of \$0.03);
- (f) there will not be any funds raised through the issue of securities, but the Company will be able to reduce its liabilities by up to \$240,000 for the period from 1 January 2021 to 31 December 2021; and
- (g) A voting exclusion statement is included in the Notice of Meeting of which this Explanatory Statement forms part.

The Company's Annual Report for any period during which the shares are issued to Mr Bruno Ruggiero, Mr Steven Chadwick, Mr Sal Catalano, Mr Robert Osmetti and Mr David Trimboli (or their nominees) shall disclose the details of the number of Shares that were issued to them, including the percentage of the Company's issued capital represented by those Shares.

The relevant interests of the related parties in Shares of the Company and the potential future voting power of each Director based on the issues of Shares in lieu of Directors fees are set out below:

	Shares Currently Held	% Voting Power	Maximum No of Shares to be issued under Resolutions 6(a), 6(b), 6(c), 6(d) and 6(e)	Increase in voting power for individual dilution	% Voting Power after issuance*
Bruno Ruggiero	13,001,123	5.94%	1,600,000	0.71%	6.44%
Sal Catalano	41,116,753	18.79%	2,400,000	1.06%	19.18%
Robert Osmetti	9,472,951	4.33%	1,600,000	0.71%	4.88%
David Trimboli	13,392,542	6.12%	2,400,000	1.06%	6.96%

*These figures are based on the maximum number of Shares that will be issued under Resolutions 6(a), 6(b), 6(c), 6(d) and 6(e) as it has been assumed that the floor issue price of \$0.03 (3.0 cents) is the deemed issue price. In certain circumstances whereby, the preceding calendar months VWAP traded on the ASX is materially greater than \$0.03 the absolute cumulative number of Shares in aggregate to be issued over the 12 month period from 1 January 2020 to 31 December 2020 and their corresponding voting power may be materially less than that outlined in the table.

Resolution 6(a) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Sal Catalano and any of his 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.

Resolution 6(b) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Robert Osmetti and any of his 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.

Resolution 6(c) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Bruno Ruggiero and any of his 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

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- (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.

Resolution 6(d) Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by David Trimboli and any of his 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.

Rochelle Pattison
101 Rowena Parade
Richmond VIC 3121
e: rpattison@echimaeracapital.com

28 October 2020

Mr Bruno Ruggiero
Chairman
Quantum Graphite Limited
GPO Box 214
Melbourne Victoria 3001

e: bruggiero@quantumgraphite.com

Dear Sir,

Nomination of Company Auditor

I, Rochelle Pattison, being a member of Quantum Graphite Limited (the Company), hereby nominate Jason Croall, Partner of RSM Australia Pty Ltd, Level 21, 55 Collins Street Melbourne VIC 3000 pursuant to section 328B of the Corporations Act 2001 (Cth) for appointment as the Company's auditor at the Annual General Meeting to be held on 27 November 2020 (or any adjournment of that meeting).

Yours sincerely,

Rochelle Pattison