



MARKET RELEASE
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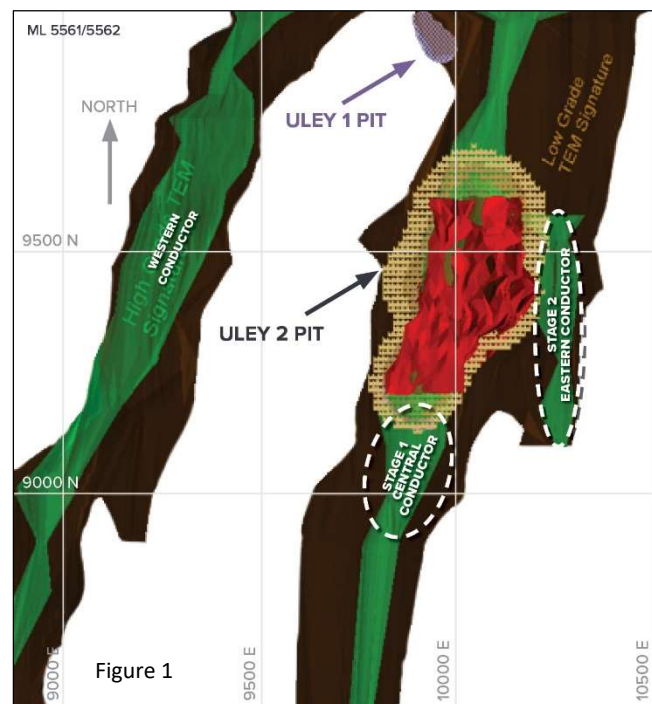
Corporate Update

Uley 2 Extension Drilling and Publication of IEA Critical Minerals Report

Scope of Uley 2 Extension Drilling

The Company recently announced the extension drilling program aimed at increasing the JORC 2012 Uley 2 Reserves and Resources and continuing the exploration activities over its extensive exploration licence EL6224.

Two Stage Drilling Program: The Company has now confirmed the scope of Uley 2 extension drilling program. This program will be divided into two stages. Stage 1 will cover the southerly extension of the existing Uley 2 pit location (i.e., the Central Conductor) and Stage 2, the Eastern Conductor, as shown in Figure 1.



The Figure 1 model has been the subject of previous announcements and is the result of the extensive geophysical surveys conducted prior to the 2014 infill diamond drilling program (the 2014 Drill Program).

About Quantum Graphite Limited

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

Geophysical Survey Data Key Indicator of Mineralisation: The precise location of drill holes is based on the Company's extensive geophysical survey data combined with the structural data generated from the 2014 Drill Program from which the existing JORC 2012 reserves and resources were derived.

Geophysical survey data have been an important indicator of mineralisation within the greater Mikkira graphite resource. Results, including the large range of conductivity findings, correlate well with the visual assessment of graphite grade.

Drill Hole Locations: In relation to Stage 1, drill hole locations will sit within the area delineated in Figure 1 and will be spaced at 50 metre intervals compared with the 25 metre intervals of the 2014 Drill Program. Consistent with of the 2014 Drill Program, the Stage 1 program will test the outer bounds of mineralised areas indicated by the geophysical model.

Similarly, for Stage 2, drill hole locations will be spaced at 50 metre intervals however drilling will be limited, at this stage, to the northern half of the Eastern Conductor, due to its ready access from the Uley 2 pit.

Further Exploration of EL 6224: The scope of the further exploration of one other of the additional high grade graphite envelopes within EL 6224 has not been finalised and will be the subject of a further announcement once the Company has concluded its work.

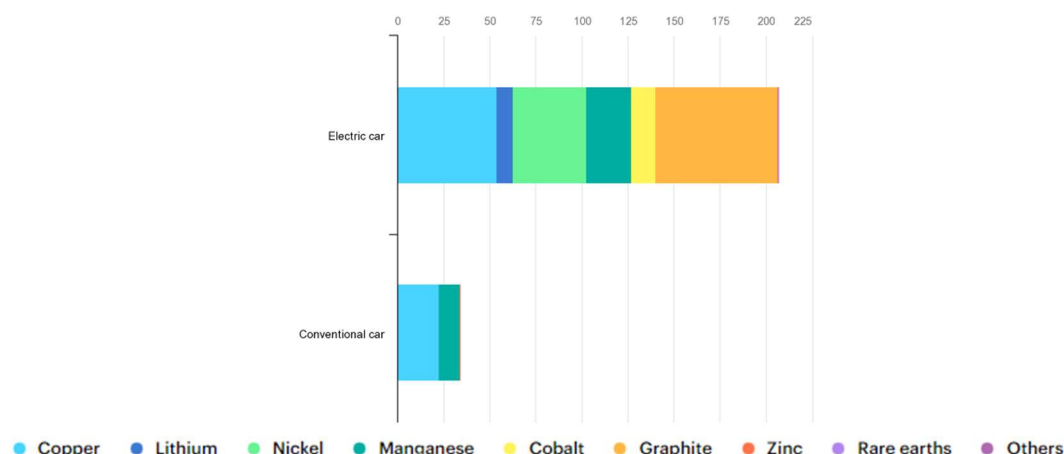
International Energy Agency Flagship Report: The Role of Critical Minerals in Clean Energy Transitions

On 5 May 2021, the IEA released its flagship report, *The Role of Critical Minerals in Clean Energy Transitions (Critical Minerals Report)*, part of its annual World Energy Outlook, the authoritative source of energy market analysis and projections. The Executive Summary of the report can be found [here](#).

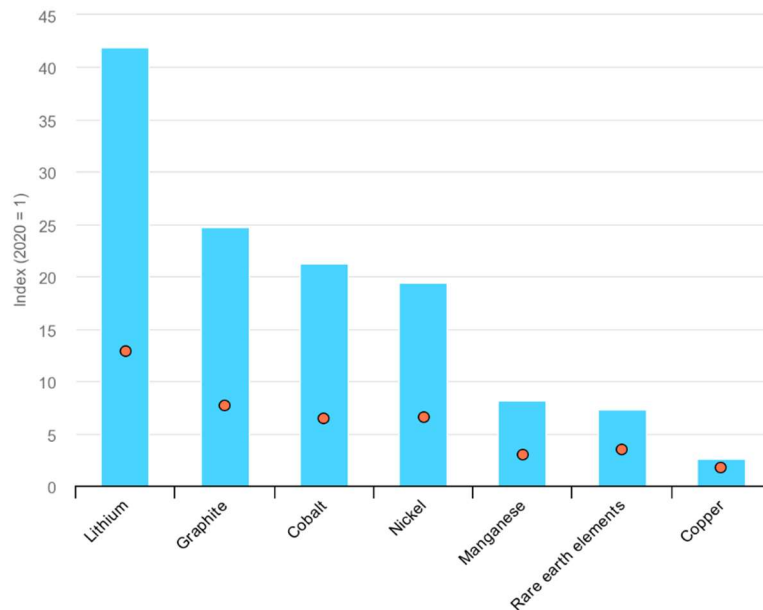
The Critical Minerals Report is a comprehensive analysis of the role of critical minerals in the transition to clean energy. This extract, from the executive summary defines the new challenges that critical minerals raise for energy security:

An energy system powered by clean energy technologies differs profoundly from one fuelled by traditional hydrocarbon resources. Solar photovoltaic (PV) plants, wind farms and electric vehicles (EVs) generally require more minerals to build than their fossil fuel-based counterparts. A typical electric car requires six times the mineral inputs of a conventional car and an onshore wind plant requires nine times more mineral resources than a gas-fired plant. Since 2010 the average amount of minerals needed for a new unit of power generation capacity has increased by 50% as the share of renewables in new investment has risen.

This is well illustrated in the Critical Minerals Report chart below comparing critical minerals used in electric cars compared to conventional cars.



The projected growth in demand for critical minerals requires a very significant increase in supply with the top two critical minerals demand growth expected to be lithium and graphite as illustrated in the Critical Minerals Report chart below.



Importantly, the first of the IEA's six key recommendations is ensuring adequate investment in diversified sources of new critical minerals supply. This reflects the Company's recent experience of significant renewed interest in the financing of development ready critical minerals projects over the last 5 months.

The full report can be found [here](#).

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Competent Persons Statement

QGL confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters relating to Mineral Resources is based on, and fairly represent, the Mineral Resources and information and supporting documentation extracted from the reports prepared by a competent person in compliance with the JORC Code (2012 edition) and released to the ASX (including under the company's previous code, VXL).