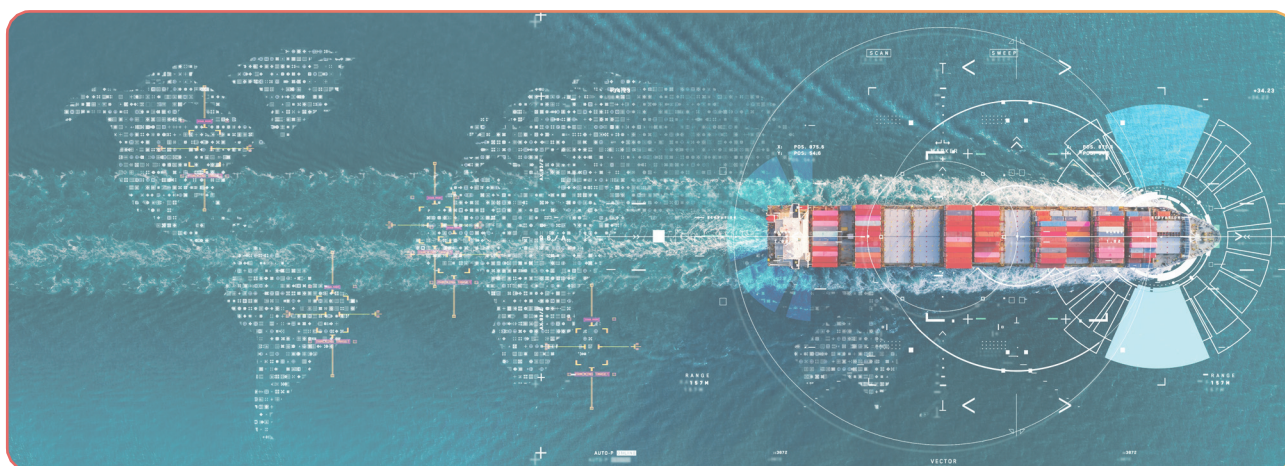


Company Update Legal Settlement

The Company is pleased to announce that the legal proceedings it issued against former auditors, Grant Thornton, for its failures in respect of the conduct of the 2020 financial year has been settled. Grant Thornton has agreed to pay an amount to the Company in consideration for its withdrawal of the action.

In 2020, Grant Thornton, the Company's auditors for more than six years, issued a disclaimer in respect of the 2020 financial statements resulting in the Company's securities being suspended from trading on 1 October 2020. The directors of the Company immediately re-affirmed the contents of the financial statements as prepared and this was confirmed by the Company's new auditors at the next reporting period. The position taken by the Company remains consistent with the approach taken by mining companies and in compliance with the accounting standards.



FOR MORE INFORMATION PLEASE CONTACT:

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ABOUT QUANTUM GRAPHITE LIMITED

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