



**MARKET RELEASE**  
**For Immediate Release**  
17 December 2018

## **UNMARKETABLE PARCEL SALE FACILITY**

Further to the Company's recent announcements regarding the Non-renounceable rights issue (Rights Issue), the Company confirms that it has established an unmarketable parcel sale facility (Facility) and the attached letter together with Retention Form has been despatched to shareholders.

The Company is offering this Facility to assist shareholders of unmarketable parcels sell shares without having to use a broker or pay brokerage. The Company will pay all costs of the sale for shareholders who use this Facility, excluding tax consequences from the sale which remain the shareholder's responsibility.

The Directors have determined that an unmarketable parcel is a shareholding of less than 167,000 shares as at 14 December 2018 (Record Date).

Shareholders with unmarketable parcels are not obliged to sell their shares. However, they will need to opt out of the Facility by completing the Share Retention Form and have returned this form to the Share Registry no later than 5.00pm, 11 February 2019 (Closing Date) or their shares will be automatically sold for them. Shares will be sold on the Australian Securities Exchange (ASX) at prevailing market prices.

Alternatively, if shareholders increase their holding of Quantum Graphite shares before the Closing Date to a marketable parcel of at least 167,000 shares, the Company will not sell their shares. Shareholders may acquire additional shares by purchasing shares on the ASX or, provided shareholders are eligible to participate in the Rights Issue, acquire newly issued shares pursuant to their entitlement under the Rights Issue. An acquisition of shares under the Rights Issue does not attract brokerage or any handling costs.

If shareholders sell their Quantum Graphite shares prior to the end of the Closing Date, no further action will be taken.

The sale price paid to shareholders whose Quantum Graphite shares are sold will be the average price of every share sold on the ASX under the Facility. All holders of unmarketable parcels who participate in the Facility will receive the same sale price per share, and the payment for their holding will be the sale price multiplied by their number of shares. The sale price will be determined once all the shares under the Facility are sold.

A summary of the key dates in relation to the Facility are as follows:

---

Unmarketable parcels Record Date	7pm Melbourne time, 14 December 2018
Letter to shareholders holding unmarketable parcels	11 December 2018
Closing Date for receipt of Share Retention Form	5pm Melbourne time, 11 February 2019
Estimated unmarketable parcels payment date	15 April 2019

---

For further information contact:  
Company Secretary  
Quantum Graphite Limited  
T: +61 3 8614 8414  
e: [info@qgraphite.com](mailto:info@qgraphite.com)



11 December 2018

Dear Shareholder,

**This is an important letter concerning your shareholding in Quantum Graphite Limited.**

The Board of Directors advises that Quantum Graphite Limited (QGL) is putting in place a share sale facility for holders whose shares have a total value of less than \$500 (Unmarketable Parcel) as at 14 December (the Record Date). For the purposes of this determination the Directors have determined that a marketable parcel is 167,000 shares (Marketable Parcel).

QGL is offering this facility to assist holders of Unmarketable Parcels of shares to sell them at market value without brokerage costs or handling costs which could otherwise make the sale uneconomic or impractical. By facilitating the sale of Unmarketable Parcels, QGL will significantly reduce the costs associated with maintaining a large number of small holdings. In particular, QGL expects to reduce registry costs and the substantial costs associated with printing and mailing documentation to Shareholders.

Shareholders with Unmarketable Parcels are not obliged to sell their shares. However, they will need to opt out of the facility or acquire further shares such that their holding is at least 167,000 shares otherwise their shares will be automatically sold for them.

**To facilitate Shareholders increasing their holding to a Marketable Parcel, Shareholders may take advantage of the Non-renounceable rights issue (Rights Issue) announced by QGL on 10 December 2018. Under the Rights Issue, all Shareholders will be entitled to increase their shareholding without having to appoint a broker or pay brokerage or handling costs associated with acquiring additional shares under the Rights Issue.**

**If you do not want your shares sold you must:**

- **Advise the QGL Share Registry by 5.00pm (AEDT) on Monday, 11 February 2019 that you want to retain your shares,**
- **Or acquire further shares such that your total holding is at least 167,000 shares.**

The share sale facility is being operated in accordance with rule 5.5 of the Company's Constitution and the Australian Securities Exchange Listing Rule 15.13.

**If you want to sell your shares under the facility - you need take no further action.**

Your shares will be sold on your behalf by QGL after 11 February 2019. You will not need to appoint a broker or pay the brokerage and handling costs associated with the sale of shares under the facility. Any tax consequences from the sale of your shares will be your responsibility.

**If you want to retain your shares - you must complete and return the enclosed Share Retention Form to Link Market Services by 5.00pm (AEDT) on Monday, 11 February 2019. Link Market Services' address details are provided on the Share Retention Form. If you do not return the Share Retention Form by the Closing Date, your shares will be sold.**

**If you wish to increase your shareholding to a marketable parcel, you should consider participating in the Rights Issue announced on 10 December 2018.**

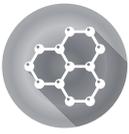
If on the Closing Date the value of your shares has increased to more than \$500 (due to an increase in the Company's share price or the number of shares you hold), your shares will not be sold.

If you have a number of holdings which you wish to consolidate to comprise a marketable parcel, please contact the Registry on 1300 847 879 (within Australia) or 1300 847 879 (outside Australia).

For further clarification, please refer to the additional information on the reverse of this letter or contact the Registry on 1300 847 879 (within Australia) or 61 1300 847 879 (outside Australia).

**If you are in any doubt, or if you require information regarding possible taxation implications from participation in the facility, please consult your legal, financial or taxation adviser.**

**Board of Directors  
Quantum Graphite Limited**



Quantum Graphite

ACN 008 101 979

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 554 474  
From outside Australia: +61 1300 554 474  
Facsimile: +61 2 9287 0303  
ASX Code: QGL  
Website: www.linkmarketservices.com.au

SRN/HIN:

Number of Shares held as at  
the Record Date, 7:00pm (AEDT)  
on 14 December 2018:

**IMPORTANT NOTICE**

Please return this slip if you do not wish your Shares in Quantum Graphite Limited to be sold and the proceeds of sale sent to you.

If you do not understand this notice you should immediately consult your financial adviser.

**SHARE RETENTION FORM**

If you wish to retain your Shareholding in Quantum Graphite Limited ("QGL") you must detach this slip and return it to QGL's Registry, so that it is received no later than 5.00pm (AEDT), on 11 February 2019. Slips may be mailed or delivered to the addresses below.

**Mailing Address**

Quantum Graphite Limited  
C/- Link Market Services Limited  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

or

**Hand Delivery**

Quantum Graphite Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
RHODES NSW 2138

*(Do not use this address for mailing purposes)*

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED  
BY NO LATER THAN 5.00PM (AEDT) ON 11 FEBRUARY 2019**

If you require further information regarding this form, please contact the Quantum Graphite Limited Information Line on 1300 847 879 (within Australia) or +61 1300 847 879 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**

*Please detach*

SRN/HIN:



Quantum Graphite  
ACN 008 101 979



**RETENTION SLIP**

I/We the Shareholder(s) described above by returning this retention slip, hereby give notice that I/we wish to retain my/our Shareholding in QGL, in accordance with rule 5.5 of the Company's Constitution.



**DO NOT SELL MY SHARES**

**CONTACT DETAILS – Telephone number**

Telephone number – after hours

Contact name