

25 October 2019

Dear Shareholder,

**Notice of Annual General Meeting**

The Company's Annual General Meeting (**AGM**) will be held at 3.00pm (AWST) at Fraser Suites, 10 Adelaide Terrace, Perth, Western Australia, 6004, Australia on **Wednesday, 27 November 2019**.

The notice of meeting (which includes the following agenda, eligibility to vote and explanatory notes) details the formal business to be dealt with at the AGM to:

- receive and consider the Annual Financial Reports for the 2019 Financial Year;
- elect director;
- adopt the remuneration report
- reduce the number of shares on issue by consolidating the existing shares; and
- 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; and
- adopt the revised constitution.

The directors recommend that shareholders vote in favour of all items of business.

If you choose to attend the meeting, please bring the enclosed proxy form with you to assist with your registration for entry to the AGM. If you do not plan to be at the meeting, you are encouraged to appoint someone to attend and vote on your behalf as your proxy.

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 3.00pm (AWST) on 25 November 2019 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 (ie., 2019 Annual Financial Report and the Notice of Meeting).

We look forward to seeing you at the AGM.

**Board of Directors**

**QUANTUM GRAPHITE LIMITED**  
**ABN 41 008 101 979**

**NOTICE OF 2019 ANNUAL GENERAL MEETING**  
**3:00PM 27 NOVEMBER 2019**  
**Fraser Suites, 10 Adelaide Terrace, Perth, Western Australia, 6004**

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 – 2019**

To receive and consider the 2019 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 2019.

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 2019 submitted as part of the Directors' Report for the financial year ended 30 June 2019, 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.

***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 - Election of Directors

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

That Mr Bruno Ruggiero, is elected as a Director of the Company in accordance with of the Company's Constitution.

Information about each of the candidates is set out in the Explanatory Memorandum.

## RESOLUTION 3 – Share Consolidation

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

"That, for the purposes of section 254H of the Corporations Act and for all other purposes, with effect from 12 December 2019 (or such other date that is notified to the ASX by the Company) the issued share capital of the Company be consolidated on the basis that:

- (a) every 35 Shares in the capital of the Company be consolidated into 1 Share;
- (b) the Options on issue be adjusted in accordance with Listing Rule 7.22.1; and
- (c) where the number of Shares or Options held by a member of the Company as a result of the consolidation effected by paragraphs (a) and (b) of this Resolution includes a fraction of a Share or Option, the Company be authorised to round that fraction up to the nearest whole Share or Option."

## RESOLUTION 4(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 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) 38,400,000 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2019 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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.*

- (b) That for the purpose of Listing Rule 10.11 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) 38,400,000 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2019 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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:*

- (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.*

- (c) That for the purpose of Listing Rule 10.11 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) 19,200,000 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2019 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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.*

- (d) That for the purpose of Listing Rule 10.11 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) 38,400,000 fully paid ordinary shares in satisfaction of directors' fees for the period 1 September 2018 and ending on 31 December 2019 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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*
- (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.*

- (e) That for the purpose of Listing Rule 10.11 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) 19,200,000 fully paid ordinary shares in satisfaction of directors' fees for the period 1 January 2019 and ending on 31 December 2019 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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.*

**RESOLUTION 5(a), (b), (c), (d) and (e) - 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 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 18,000,000 shares per quarter for the year commencing 1 January 2020 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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.*

- (b) That for the purpose of Listing Rule 10.11 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) fully paid ordinary shares in satisfaction of directors' fees up to a maximum of 18,000,000 shares per quarter for the year commencing 1 January 2020 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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:*

- (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.*

- (c) That for the purpose of Listing Rule 10.11 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 12,000,000 shares per quarter for the year commencing 1 January 2020 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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.*

- (d) That for the purpose of Listing Rule 10.11 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 18,000,000 shares per quarter for the year commencing 1 January 2020 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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*
- (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.*

- (e) That for the purpose of Listing Rule 10.11 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 12,000,000 shares per quarter for the calendar year commencing 1 January 2020 and ending on 31 December 2020 on the terms set out in the Explanatory Memorandum.

**Voting Exclusion Statement:** *The Company will disregard any votes cast in favour on 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.*

## **RESOLUTION 6 – Adoption of Revised Constitution**

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

“That, for the purposes of sections 136(1) and 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, the existing constitution of the Company be repealed and the Company adopt the Proposed Constitution in its place, which will be initialled by the Chairman for identification purposes, with effect from the close of the Meeting.”

**QUANTUM GRAPHITE LIMITED**  
**ABN 41 008 101 979**

**EXPLANATORY MEMORANDUM**  
**NOTICE OF 2019 ANNUAL GENERAL MEETING**  
**3:00PM 27 NOVEMBER 2019**

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 25 October 2019. No responsibility is taken for the content of this Notice by ASX.

This Explanatory Memorandum should also be read in conjunction with the 2019 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 2019 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:

**2019 Accounts** means the Company's full-year financial reports for the year ended 30 June 2019 included within the 2019 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 5.30pm (AEST) on 25 November 2019.

## **2. Explanatory Notes to Resolutions**

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### **2.1. 2019 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 2019 Accounts for the year ended 30 June 2019. A copy of this report has been forwarded or made available to each shareholder and may also be found online at [www.quantumgraphite.com](http://www.quantumgraphite.com) and as announced to ASX. A copy of the 2019 Annual Financial Report will also be tabled at the Meeting.

Shareholders should note that the sole purpose of tabling the 2019 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.

## **2.2. Resolution 1 - Remuneration Report 2019**

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 2019 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.

### **2.3. Resolution 2: Election of Director – Mr Bruno Ruggiero**

Mr Bruno Ruggiero offers himself for election to the Board in accordance with the Company's Constitution.

Mr Ruggiero is a Mechanical Engineer with over 30 years' experience in the minerals and related industries completing numerous local and international projects.

He is a founder of Lycopodium and, with expertise in both mechanical and process design, has undertaken diverse roles within the broader Lycopodium Group. He is an executive director of Lycopodium Minerals and a non-executive director of ECG Pty Ltd, a company in which Lycopodium is a shareholder.

Mr Ruggiero is currently the Technical Director of Lycopodium Minerals, responsible for setting the technical direction and standards for the Lycopodium Group's projects worldwide.

Mr Ruggiero was elected to the Board on 22 June 2018.

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.

### **2.4. Resolution 3 - Consolidation of Share Capital**

#### **2.4.1 Background**

The Company proposes to consolidate its share capital through the conversion of every Thirty-Five (35) Shares into one (1) Share (Consolidation).

Section 254H of the Corporations Act permits a company to consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

The Listing Rules also require that in respect of options, the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

As the Consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, the Consolidation will have no effect on the percentage interest that each Shareholder holds in the Company.

For the avoidance of doubt, all amounts of Shares, Options and Performance Rights referred to in this Notice are stated on a pre-Consolidation basis.

At the date of this Notice, the Company has 7,660,580,941 shares on issue, which represents a relatively large number of shares. The Directors propose the Consolidation because it will result in a more appropriate, effective capital structure for the Company and a share price more appealing to a wider range of investors.

#### **2.4.2 Options**

At the date of this Notice, the Company has on issue 1,000,000,000 unlisted options (Unlisted Options).

If the Consolidation is approved, the Unlisted Options will also be reorganised in accordance with their terms and conditions and Listing Rule 7.22.1.

The number of Options will be consolidated in the same ratio as the Consolidation in relation to Shares, and the exercise price (if applicable) will be amended in inverse proportion to that ratio.

For example, if Resolution 3 is approved, a holder of 100,000 Options with an exercise price of \$0.00 will, on completion of the Consolidation, hold 2,858 Options with an exercise price of \$0.00.

### 2.4.3 Specific information required by Listing Rule 7.20

In accordance with Listing Rule 7.20, information is provided in relation to the Consolidation as follows:

The number of Shares and Options on issue will change as set out in the following table:

Type of securities	Number of securities currently on issue	Number of securities on issue (post-Consolidation)
Shares	7,660,580,941	218,874,237
Options	1,000,000,000 <sup>1</sup>	28,571,429 <sup>2</sup>

Note:

- (1) Options were to acquire Ordinary shares with an exercise price of \$0.00 and expiry date of 20 July 2023
- (2) The restated Options are to acquire Ordinary shares with an exercise price of \$0.00 and expiry date of 20 July 2023

### 2.4.5 Proposed Timetable

In accordance with Appendix 7A of the Rules the proposed timetable for the consolidation of the shares, if approved by the meeting, will be as follows:

Event	Date
Reorganisation Announced	25 October 2019
Reorganisation Approved	27 November 2019
Last date for trading in pre-organised securities	11 December 2019
Deferred settlement market ends and security holding notices dispatched	20 December 2019

Subject to the Corporations Act and ASX Listing Rules the Company reserves the right to amend this indicative timetable.

### 2.5. Resolutions 4(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 2019.

The issuance of shares and the rates of remuneration have previously been approved at the 2018 Annual General Meeting however the Company never issued 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 share price of 0.25 cents per share. This price represents the volume weighted average closing price over the period from the date of recommencing of trading to 30 August 2019 rounded up to the nearest hundredth of a cent.

Director	Period Start	Period End	Annual Remuneration Rate	Shares Issued
Bruno Ruggiero	1 October 2018	31 December 2019	\$72,000	38,400,000
Steven Chadwick	1 October 2018	31 December 2019	\$72,000	38,400,000
Sal Catalano	1 October 2018	31 December 2019	\$72,000	38,400,000
Robert Osmetti	1 January 2019	31 December 2019	\$48,000	19,200,000
David Trimboli	1 January 2019	31 December 2019	\$48,000	19,200,000

The issuance of these shares will result in a 2% dilution of the existing shareholders. These shares will be issued within 1 month of the meeting being held.

## 2.6. 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 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 5(a) to 5(e) inclusive.***

The deemed issue price of the Shares is the higher of \$0.001 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 \$0.035.

For example, for the issue of shares for the quarter commencing 1 January 2020, the shares shall be issued on, or around, 1 January 2020 and the relevant date for the purposes of the VWAP calculation is the period 1 December 2019 to 31 December 2019.

The tables below have been prepared on the basis of the minimum issue price of \$0.001 and various issue prices ranging from 0.1 cents per share to 0.3 cents per share. Each table sets out the maximum dilution that will arise on a quarterly and annual basis. At the minimum issue price of 0.1 cents the maximum quarterly dilution to shareholders is approximately 1.01%. At the higher issue price of 0.3 cents indicated below the maximum quarterly dilution to shareholders is approximately 0.34%.

Director	Quarterly remuneration (A\$)	Minimum Issue Price Cents per Share	Maximum no. of Shares per Quarter <sup>1</sup>	Maximum no. of Shares for the Year
Bruno Ruggiero	18,000	0.1	18,000,000	72,000,000
Steven Chadwick	18,000	0.1	18,000,000	72,000,000
Sal Catalano	18,000	0.1	18,000,000	72,000,000
Robert Osmetti	12,000	0.1	12,000,000	48,000,000
David Trimboli	12,000	0.1	12,000,000	48,000,000

1. Subject to satisfaction of the conditions outlined above, the Company shall issue the Shares to the Directors, quarterly in advance on 1 January 2020, 1 April 2020, 1 July 2020 and 1 October 2020. The relevant pricing months would be December 2019, March 2020, June 2020 and September 2020.

<b>Director</b>	<b>Quarterly remuneration (A\$)</b>	<b>Minimum Issue Price Cents per Share</b>	<b>Maximum no. of Shares per Quarter<sup>1</sup></b>	<b>Maximum no. of Shares for the Year</b>
Bruno Ruggiero	18,000	0.15	12,000,000	48,000,000
Steven Chadwick	18,000	0.15	12,000,000	48,000,000
Sal Catalano	18,000	0.15	12,000,000	48,000,000
Robert Osmetti	12,000	0.15	8,000,000	32,000,000
David Trimboli	12,000	0.15	8,000,000	32,000,000

<b>Director</b>	<b>Quarterly remuneration (A\$)</b>	<b>Minimum Issue Price Cents per Share</b>	<b>Maximum no. of Shares per Quarter<sup>1</sup></b>	<b>Maximum no. of Shares for the Year</b>
Bruno Ruggiero	18,000	0.2	9,000,000	36,000,000
Steven Chadwick	18,000	0.2	9,000,000	36,000,000
Sal Catalano	18,000	0.2	9,000,000	36,000,000
Robert Osmetti	12,000	0.2	6,000,000	24,000,000
David Trimboli	12,000	0.2	6,000,000	24,000,000

<b>Director</b>	<b>Quarterly remuneration (A\$)</b>	<b>Minimum Issue Price Cents per Share</b>	<b>Maximum no. of Shares per Quarter<sup>1</sup></b>	<b>Maximum no. of Shares for the Year</b>
Bruno Ruggiero	18,000	0.25	7,200,000	14,400,000
Steven Chadwick	18,000	0.25	7,200,000	14,400,000
Sal Catalano	18,000	0.25	7,200,000	14,400,000
Robert Osmetti	12,000	0.25	4,800,000	9,600,000
David Trimboli	12,000	0.25	4,800,000	9,600,000

<b>Director</b>	<b>Quarterly remuneration (A\$)</b>	<b>Minimum Issue Price Cents per Share</b>	<b>Maximum no. of Shares per Quarter<sup>1</sup></b>	<b>Maximum no. of Shares for the Year</b>
Bruno Ruggiero	18,000	0.3	6,000,000	12,000,000
Steven Chadwick	18,000	0.3	6,000,000	12,000,000
Sal Catalano	18,000	0.3	6,000,000	12,000,000
Robert Osmetti	12,000	0.3	4,000,000	8,000,000
David Trimboli	12,000	0.3	4,000,000	8,000,000

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 are proposed to 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 permit the issuance of the shares. Should the waiver not be granted the shares will not be issued and the Company will accrue the Directors' respective entitlements and remunerate them accordingly.

### 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 5(a), 5(b), 5(c), 5(d) and 5(e):

- (a) the related parties are Mr Bruno Ruggiero, Mr Steven Chadwick, 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 \$0.001) (0.1 cents) per Share) in advance for each Quarter from 1 January 2020 to 31 December 2020;
- (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 2020 to 31 December 2020 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 \$0.001 (0.1 cents));
- (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 \$312,000 for the period from 1 January 2020 to 31 December 2020; 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:

Director	Shares Currently Held	% Voting Power	Maximum No of Shares to be issued under Resolutions 5(a), 5(b), 5(c), 5(d) and 5(e)	Increase in voting power for individual dilution	% Voting Power after issuance*
Bruno Ruggiero	455,039,273	5.94%	72,000,000	0.94%	6.61%
Steven Chadwick	101,000,000	1.32%	72,000,000	0.94%	2.17%
Sal Catalano	1,421,086,321	18.55%	72,000,000	0.94%	18.73%
Robert Osmetti	331,553,268	4.33%	48,000,000	0.63%	4.76%
David Trimboli	468,738,944	6.12%	48,000,000	0.63%	6.48%

\*Note: These figures are based on the maximum number of Shares that can be issued under Resolutions 5(a), 5(b), 5(c), 5(d) and 5(e), i.e., on the assumption that the floor issue price of \$0.001 (0.1 cents) is the deemed issue price for the whole of the Directors respective entitlements. If the calculation of the issue price of the shares, as specified in this Notice is materially greater than \$0.001, the total number of Shares in aggregate to be issued over the 12 month period from 1 January 2020 to 31 December 2020 to Directors and their respective voting power may be materially less than that outlined in the table.

## 2.6 Resolution 5 – Adoption of Revised Constitution

Resolution 5 is a special resolution seeking the approval of Members to repeal the Company's existing constitution and to adopt a new constitution (**Constitution**), which is of the type required for a listed public company limited by shares updated to ensure it is consistent with, and reflects, the current provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**), ASX Listing Rules and the ASX Settlement Rules. This will incorporate amendments made to the Corporations Act and the ASX Listing Rules since the Company's existing constitution was adopted in 2014.

Rather than make a number of amendments to the Company's existing constitution, the Directors believes that it is preferable to repeal it and adopt an up-to-date replacement Constitution. Pursuant to section 136 of the Corporations Act, a company may adopt a new constitution by a special resolution passed at a general meeting of Members. A special resolution is passed where at least 75% of the votes cast by Members of the Company entitled to vote on the resolution are cast in favour of that resolution.

The proposed Constitution is broadly consistent with the provisions of the existing constitution. It has been updated to ensure it is consistent with, and reflects, the current provisions of the Corporations Act, ASX Listing Rules and the ASX Settlement Rules and market practice, particularly following its readmission to the Official List in late 2018. The Directors believe that the proposed changes to the existing constitution are not material nor will they have any significant impact on Members. A general summary of the key provisions of the Constitution, including some of the important features and rights attaching to the ordinary shares in the capital of the Company (**Shares**) are set out below. This summary is not intended to be exhaustive and is qualified by the terms of the Constitution, the Corporations Act and the ASX Listing Rules.

The Constitution is otherwise available for review by Members at its registered office, or a copy can be emailed to any Member who requests a copy.

If Resolution 5 is approved by the Members, the Constitution will take effect at the close of the AGM.

*Directors' recommendation: The Directors recommend that the Members vote in favour of Resolution 5.*

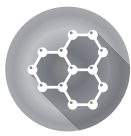
Matter	Description
<b>Shares</b>	
<i>Issue of Shares</i> (cl. 3.2)	Subject to the Corporations Act, ASX Listing Rules, ASX Settlement Rules and any rights and restrictions attached to a class of Shares, the Company Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that, the Company Board decides.
<i>Preference Shares</i> (cl. 3.3 – 3.4)	The Company may issue preference shares, including preference shares which are, or which at the option of the Company or holder may be, liable to be redeemed or converted into ordinary shares. The rights attaching to the preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.
<i>Transfer of Shares</i> (cl. 9)	Subject to the Constitution, the Corporations Act, ASX Listing Rules, ASX Settlement Rules and to any restrictions attached to a Member's Shares, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Rules, by a written instrument of transfer which complies with the Constitution, and including the certificate for the Shares to be transferred and any other evidence the Directors may

Matter	Description
	<p>require to prove the title of the transferor or its right to transfer the Shares.</p> <p>The Company Directors may refuse to register a transfer of Shares or ask ASX Settlement Pty Limited (ACN 008 504 532) to apply a holding lock in a number of situations including:</p> <ul style="list-style-type: none"> <li>• if the Company has a lien on the relevant Shares;</li> <li>• if the Company is served with a court order that restricts a Member's capacity to transfer the relevant Shares;</li> <li>• if the transfer does not comply with the terms of any employee incentive scheme of the Company (if applicable);</li> <li>• if the registration of the transfer would create a new holding of an unmarketable parcel;</li> <li>• where the transfer is not in registrable form; and</li> <li>• if the Corporations Act, a law related to stamp duty, the ASX Listing Rules or the ASX Operating Rules forbid registration or permit the refusal of registration, but only if that refusal would not contravene the ASX Listing Rules or the ASX Settlement Rules.</li> </ul>
<i>Reduction of capital (cl. 11.3)</i>	Subject to the Corporations Act and the ASX Listing Rules, the Company may reduce its capital in any manner.
<i>Share buy-backs (cl. 11.4)</i>	Subject to the Corporations Act and the ASX Listing Rules, the Company may buy back Shares in itself on any terms and conditions determined by the Directors.
<i>Variation of class rights (cl. 12)</i>	<p>As at the date of this notice of annual general meeting, the Company's only class of shares on issue is ordinary shares.</p> <p>Subject to the Corporations Act, the ASX Listing Rules and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:</p> <ul style="list-style-type: none"> <li>• with the written consent of the holders of at least 75% of the Shares issued in that class; or</li> <li>• with the approval of a special resolution passed at a meeting of holders of the Shares of that class.</li> </ul>
<i>Unmarketable parcels (cl. 14)</i>	Subject to the Corporations Act, ASX Listing Rules and ASX Settlement Rules, the Company may sell the Shares of a Member who holds less than a marketable parcel of Shares, unless such Member gives written notice to the Company that it wishes to retain its Shares.
<b>General Meetings of Members</b>	
<i>Meeting of Members (cl. 15)</i>	Each Member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Members under the Constitution, Corporations Act or ASX Listing Rules.



Matter	Description
<i>Voting at a general meeting (cl. 17)</i>	Subject to any rights or restrictions for the time being attached to any class of Shares, whether by the terms of their issue, the Constitution, the Corporations Act or the ASX Listing Rules, at a general meeting of the Company, every Member present in person or by proxy, representative or attorney or whom the Company Directors have determined can notify the Company of their vote in accordance with the Constitution has one vote on a show of hands and, on a poll, one vote for each Share held (or a fraction of a vote for each partly paid Share).
<b>Proceedings and Powers of Directors</b>	
<i>Appointment and removal of Company Directors (cl. 19 – 20)</i>	<p>Under the Constitution, the minimum number of Company Directors that may comprise the Company Board is three, but no more than ten. Company Directors are elected and removed by ordinary resolution of the Company.</p> <p>Retirement will occur on a rotational basis so that no Company Director (excluding any managing director) holds office without re-election:</p> <ul style="list-style-type: none"> <li>• beyond the third annual general meeting following the meeting at which the Company Director was last elected or re-elected; or</li> <li>• for no more than three years,</li> </ul> <p>whichever is longer.</p>
<i>Remuneration of Company Directors (cl. 21)</i>	Subject to the ASX Listing Rules, the Constitution provides that Company Directors are entitled to such remuneration which must not exceed in aggregate the maximum amount determined by the Members at a general meeting. Until a different amount is determined, the maximum amount will be \$350,000 per annum.
<i>Powers and duties of Company Directors (cl. 23)</i>	The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may pay, or cause to be paid, all expenses incurred in promoting and forming the Company and may exercise, or cause to be exercised, all powers of the Company that are not, by the Corporations Act or by this Constitution, required to be exercised by the Company in general meeting.
<i>Voting of Company Directors (cl. 25.11)</i>	Questions arising at a meeting of the Company Board will be decided by a majority of votes of the Company Directors present and entitled to vote on the resolution. In the case of an equality of votes on a resolution, the Chair of the meeting will have a second or casting vote, unless there are only two Company Directors present who are competent to vote on the question at issue.

Matter	Description
<b>Dividends</b>	
<i>Dividends (cl. 30)</i>	In accordance with the Constitution, the Company Board may from time to time resolve to pay dividends to Members and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.
<i>Dividend reinvestment plans (cl. 30.18)</i>	The Constitution contains a provision allowing Company Directors to implement a dividend reinvestment plan for cash dividends paid by the Company in relation to Shares to be reinvested by way of subscription for Shares or other securities to be issued and allotted by the Company.
<b>Winding up and Indemnities</b>	
<i>Indemnities (cl. 27)</i>	<p>The Company, to the extent permitted by the Corporations Act, indemnifies each Company Director and Company Secretary against any liability incurred by that person as an officer of the Company or as an officer of another company at the request of the Company, unless the liability:</p> <ul style="list-style-type: none"> <li>• is owing to the Company or a related body corporate;</li> <li>• is for a pecuniary penalty order or a compensation order under Part 9.4B of the Corporations Act; or</li> <li>• arises out of conduct involving a lack of good faith.</li> </ul> <p>The Company, subject to the Corporations Act and the Constitution, may pay premiums on a contract ensuring a Company Director, a Company Secretary or otherwise an officer of the Company, against any liability incurred by that person as an officer of the Company or as an officer of another company at the request of the Company.</p>
<i>Winding up (cl. 32)</i>	Subject to the Constitution, the Corporations Act, the ASX Listing Rules and any preferential rights or restrictions attaching to any class or classes of shares in the Company, if the Company is wound up, any available assets of the Company remaining after payments of debts must be distributed amongst Members to return capital paid up on their Shares, and further any surplus must be distributed amongst Members in proportion to the amount paid up on shares held by them.



Quantum Graphite

ACN 008 101 979

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Quantum Graphite Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

## LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **3:00pm (AWST) on Monday, 25 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Quantum Graphite Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm (AWST) on Wednesday, 27 November 2019 at Fraser Suites, 10 Adelaide Terrace, Perth, Western Australia, 6004, Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 4A – 4E & 5A – 5E:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4A – 4E & 5A – 5E, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5a Approval of Proposed Issue of Shares to Directors For Future Remuneration - Sal Catalano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director - Mr Bruno Ruggiero	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5b Approval of Proposed Issue of Shares to Directors For Future Remuneration - Steven Chadwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Share Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5c Approval of Proposed Issue of Shares to Directors For Future Remuneration - Robert Osmetti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a Approval of Proposed Issue of Shares to Directors For Past Remuneration - Sal Catalano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5d Approval of Proposed Issue of Shares to Directors For Future Remuneration - Bruno Ruggiero	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b Approval of Proposed Issue of Shares to Directors For Past Remuneration - Steven Chadwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5e Approval of Proposed Issue of Shares to Directors For Future Remuneration - David Trimboli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4c Approval of Proposed Issue of Shares to Directors For Past Remuneration - Robert Osmetti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Adoption of Revised Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4d Approval of Proposed Issue of Shares to Directors For Past Remuneration - Bruno Ruggiero	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4e Approval of Proposed Issue of Shares to Directors For Past Remuneration - David Trimboli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

QGL PRX1901D