



MARKET RELEASE
For Immediate Release
24 May 2021

Correction to Previous Announcement

The Company has corrected a transcription error in the prior announcement (released 21 May 2021) relating to the quote attributable to ACT Capital - see attached.

FOR FURTHER INFORMATION CONTACT:

Company Secretary

Quantum Graphite Limited

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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, qgraphite.com.

Execution of Funding Mandate

ACT Capital in Switzerland Appointed as Lead Arranger and Placement Agent

The Company is pleased to announce the appointment of ACT Capital GmbH (<https://act-capital.ch/>) as the Company's lead arranger and placement agent in connection with a bond offering for the financing of stage 1 of the Uley 2 process plant and related infrastructure.

ACT Capital was selected as the preferred partner following extensive due diligence by the Company. It offers a combination of expertise, experience and geographic coverage uniquely suited to Quantum Graphite.

Chairman, Bruno Ruggiero commented that ACT Capital met the Company's three key criteria of suitable funding structure, DCM experience/expertise and deep investor coverage in the European markets, "we are delighted to be working with the team at ACT Capital in Zurich and Luxembourg. The structured finance proposal submitted ticks all the boxes and offers significant flexibility for future plant expansion".

Head of Structured Finance at ACT Capital, Maryam Bassiri remarked, "the combination of Quantum Graphite's unique position in the market, paired with Luxembourg's attractive corporate and regulatory environment for listing bonds, has all the right ingredients to make this transaction a likely success".

The funding structure proposed is a senior secured bond to be listed on the Luxembourg Stock Exchange (LuxSE) Exchange regulated Euro MTF market. Detailed bond terms will be announced after the completion of the ratings process (see key milestones below). The security package will include the Uley 2 business and project assets. General information about the LuxSE market is available at (<https://www.bourse.lu/listing/luxse-market-or-euro-mtf>).

Chimaera Capital Markets has been retained as the Company's financial adviser and will work with ACT Capital to ensure timely completion of the key milestones outlined below:

- (a) Settling the transaction legal structure with all necessary foreign attorney opinions;
- (b) Obtaining a credit rating from Standard and Poor's credit rating agency;
- (c) Preparation of all disclosure documentation including the bond offering Memorandum;
- (d) Listing of the bonds on Luxembourg Stock Exchange Euro MTF; and
- (e) The private placement of the bonds.

The Company is well progressed in finalising the transaction's legal structure and will shortly commence the ratings process.

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About ACT Capital

ACT Capital is an independent boutique financing arranger in Switzerland with complete capital sourcing capabilities and a focus on the infrastructure markets. ACT Capital specialises in advising non-investment grade, small and mid-size companies that require private debt and alternative financing with extensive expertise in arranging asset-backed, covered and collateralized bonds with considerable experience in structured finance. ACT Capital maintains active relationships with a broad network of institutional investors, sovereign funds, investment banks, private and public debt funds, wealth managers and family offices.