

Company Presentation

This week, in London, United Kingdom, the attached presentation is being utilized for showcasing the Company to insurance underwriters.

FOR FURTHER INFORMATION CONTACT:

Company Secretary
Quantum Graphite Limited
T: +61 3 8614 8414
E: info@qgraphite.com



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](https://www.qgraphite.com).



ABOUT THE QUANTUM SUNLANDS PARTNERSHIP

QSP is our joint venture with Sunlands Co. for the manufacture of coarse natural flake based thermal storage media. The flake will be sourced exclusively from the QGL's Uley mine. The manufactured media will be fitted within Sunlands Co.'s long duration energy storage cells. <https://www.sunlandscs.com/>

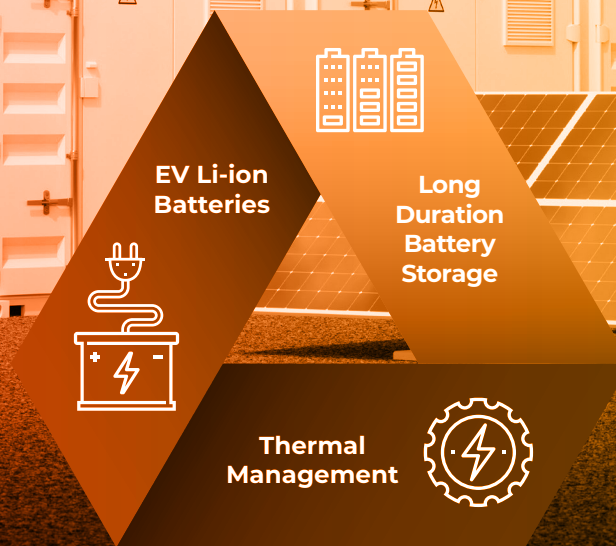
ersonal use only



THE FUTURE OF GRAPHITE

Presentation to London Insurance Markets

MARCH 2023



About Quantum Graphite Limited

Board of Directors

Bruno Ruggiero, Chairman
Sal Catalano, Managing Director
David Trimboli
Michael Wyer

Key Technical Personnel/Partners

Mine Engineer, Dr. Karen Lloyd
(Jorvik Resources)
Metallurgical
(ALS Global, Lycopodium Minerals)
Mineral Process Engineers
(Lycopodium Minerals)
Thermal Process Engineers
(ProTherm Systems)
High Temperature Research Partner
(TU Freiburg, INEMET)

Capital Structure

Shares on Issue (on a fully diluted basis) approx.
337 million.

Top 50 Shareholders >75%.

Board represents approximately >40% shareholding.

Project

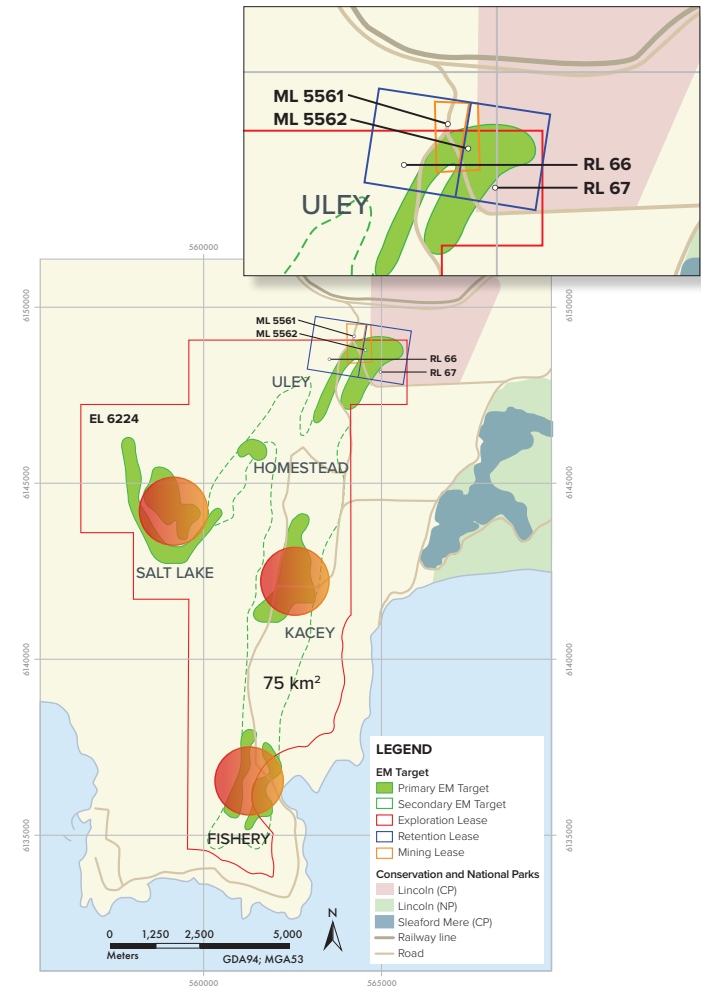
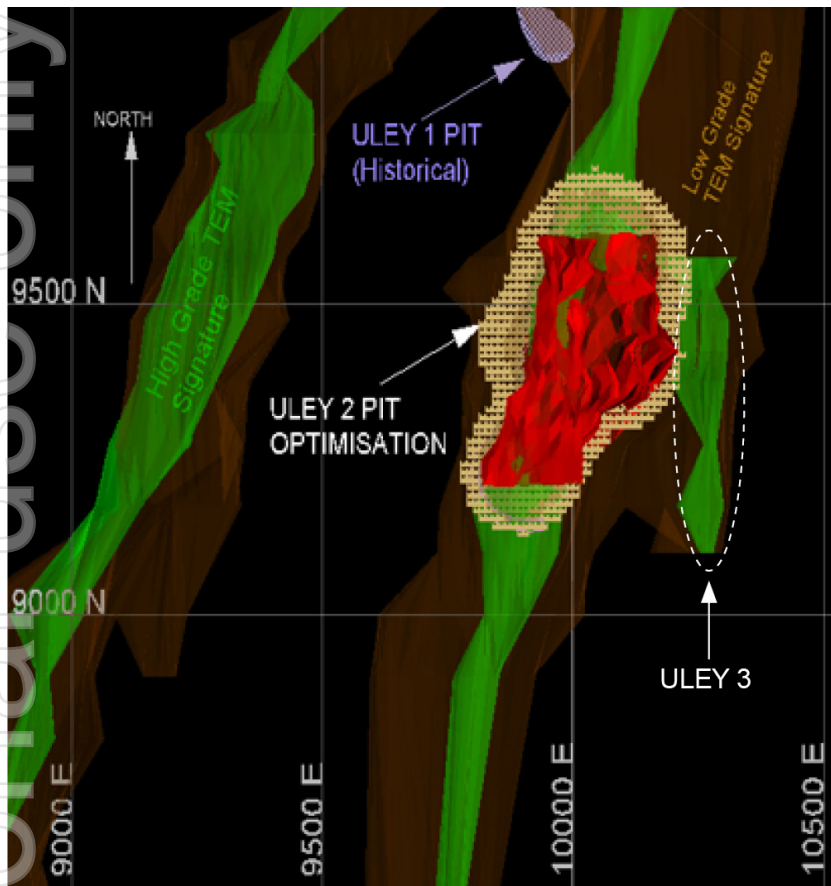
Uley 2 fully permitted - Program for Environmental
Protection and Remediation, PEPR 2014/110

Tenement	Tenement Type	Interest
ML5561	Mining Licence	100%
ML5562	Mining Licence	100%
RL66	Retention Licence	100%
RL67	Retention Licence	100%
EL6224	Exploration Licence	100%

Uley Graphite Mine

ULEY 2, PHASE 1 AT A GLANCE.

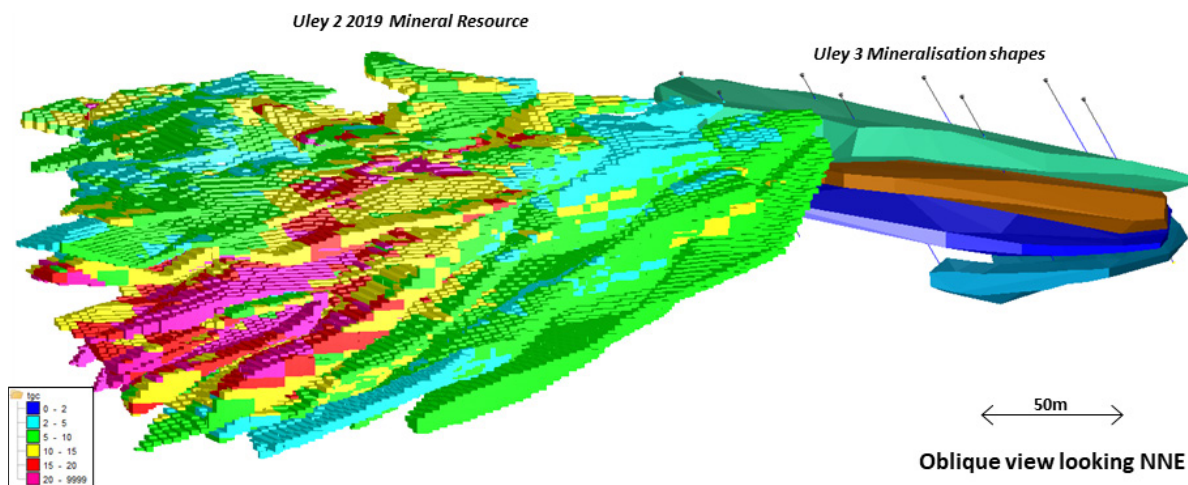
At a glance... large resource province



At a glance... JORC 2012 Mineral Resources and Reserves

Mineralisation remains open along strike to the south and north and at depth, well within the Company's Mining and Retention leases.

Resource	Classification	Tonnes (kt)	TGC (%)	Density (t/m ³)	TGC (kt)
Uley 3	Inferred	900	6.6	2.1	59
	Uley 3 Total	900	6.6	2.1	59
Uley 2	Measured	800	15.6	2.1	125
	Indicated	4,200	10.4	2.1	435
	Inferred	1,300	10.5	2.2	137
	Uley 2 Total	6,300	11.1	2.1	697
Uley Project Total	TOTAL	7,200	10.5	2.1	757



At a glance... immediate expansion options

Excluding the other mineralised envelopes (within EL 6224) the Uley 2 Project is a multi-generation project.

Priority 1 Short Term Ore Reserve extension

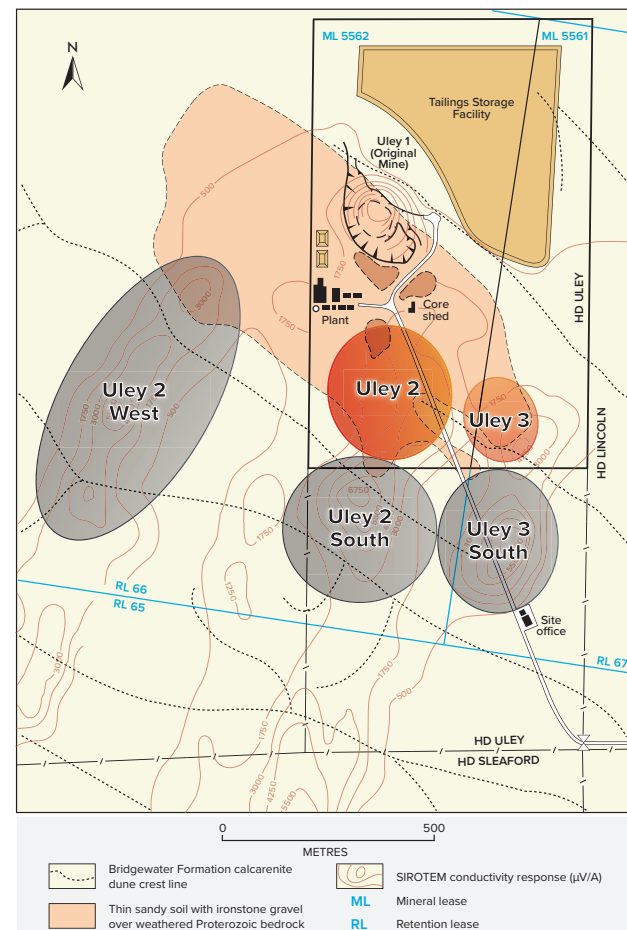
- Uley 2 South 50m
- Infill drilling at Uley 3 (area bordered by blue dotted line)

Priority 2 Medium Term Resource extension

- Uley 3 South
- Extension drilling to 50m-by-50m intervals

Priority 3 Long Term Resource extension

- Uley 2 West geophysical anomaly target
- Uley 2 South beyond Priority 1 along strike of the geophysical anomaly.



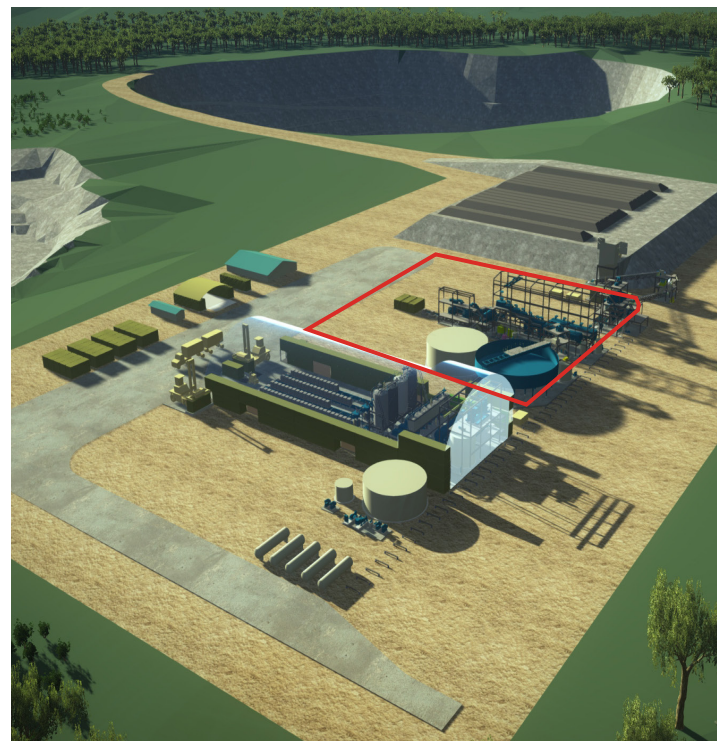
Uley 2 Ore Reserve and near-mine extension target priorities

At a glance... Uley 2 Phase 1, low cost, high spec producer

Uley 2 Mining Study and Feasibility delivers strong financial metrics

Total undiscounted cash flow	A\$310.5million*
Crusher feed	500,000 tonnes per annum
Graphitic carbon grade	11.89%
Graphitic carbon recovery	84%
Concentrate purity	>97% graphitic carbon
Capital expenditure	A\$79.98 million
Processing cost (PCAF)	A\$55.3 per tonne
Mining cost (MCAF)	A\$2.5/t milled at surface plus 5c for every 4m
Production	55,000 tonnes per annum
Product Cost (Av LOM)	US\$368 dmt
Product Price (Ex-works)	US\$919 dmt

**Includes JORC 2012 Reserves and Resources*

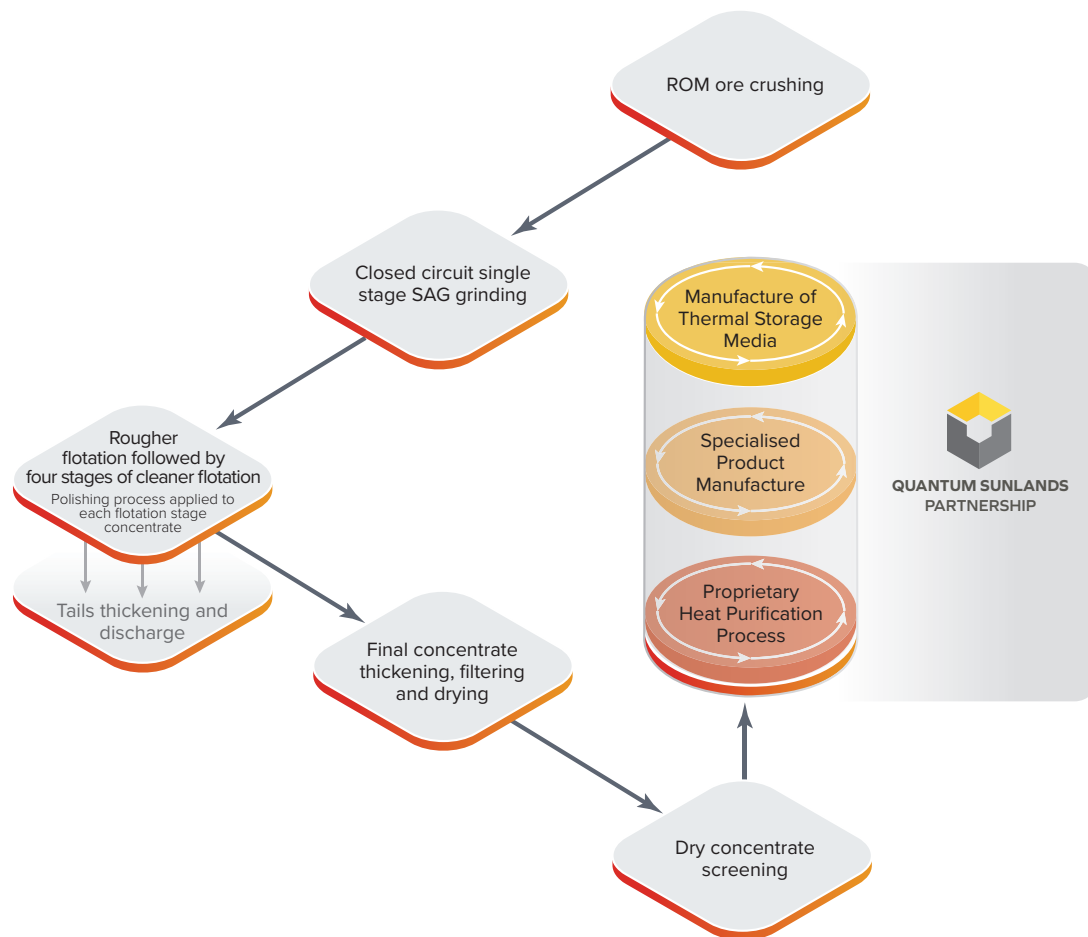


At a glance... Uley 2 Phase 1, processing and production

Comprehensive met results confirm historical high quality production mix

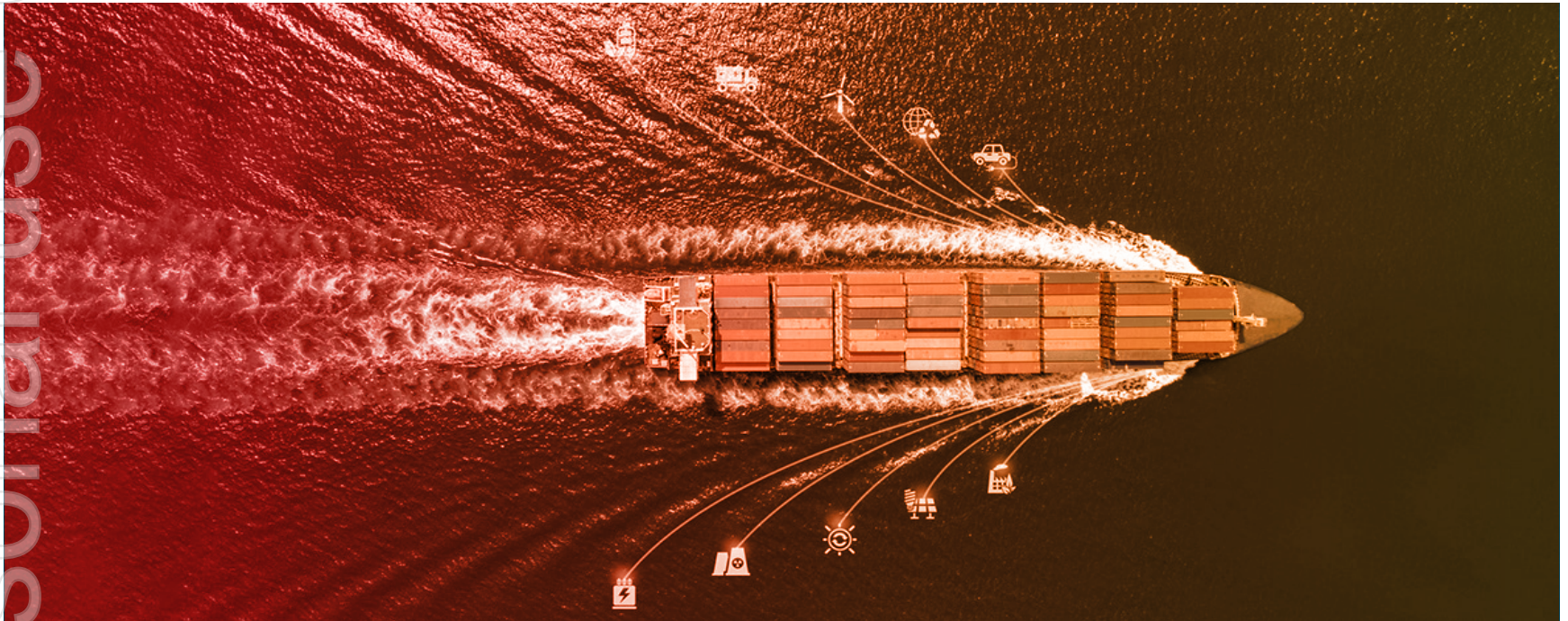
- Medium to Extra-Large Flake - **75% of overall production** of gC.
- Very clean geochemistry, no deleterious elements, remaining impurities are quartz and alumina.

Size Fraction (Mesh)	Approx. Weight Dist. (%)	Graphitic C Purity (%)
+50	10.5	97.8
-50+100	35.8	97.3
-100+200	28.7	97.2
-200	25.0	90.7



At a glance... MRI offtake for 100% of Uley 2, Stage 1

- Binding offtake with global metal and minerals trading group, MRI Trading AG delivers peer leading financial strength and unmatched commercial coverage
- Near perfect alignment with MRI markets and key customers focus, i.e., Europe, Japan, Korea
- MRI's regional freight capabilities provide excellent logistics fit and ensure access to best pricing options
- Innovative price setting methodology provides MRI with flexibility to contract strategically and the Company the opportunity to maximise prices in tight markets (see announcements for details)



THE GRAPHITE MARKET - CRYSTAL BALL GAZING

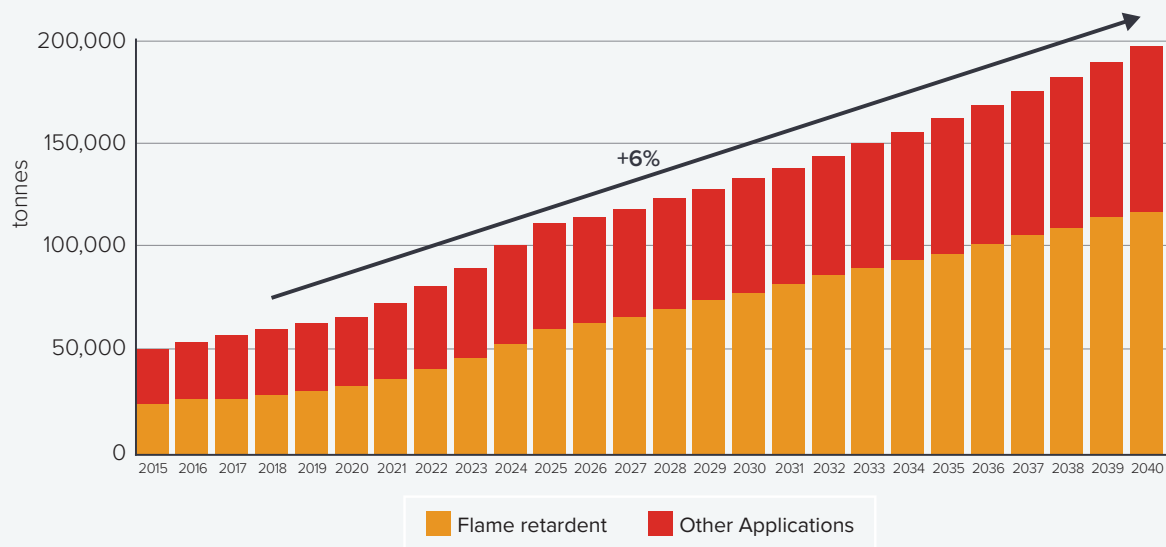
Non EV Growth Segments... refractory, expandables, foils, etc.

- Non EV long term growth of natural flake demand driven by higher end thermal management applications.
- Growth in expandables forecast at approximately 6% compared with approximately 3% for traditional refractory products.
- Specialised natural flake powders is the target market for QGL's extra large flake production.

• Does not include thermal storage media

Expandable Graphite Demand Forecast

Expandable graphite demand forecast, 2015-2040



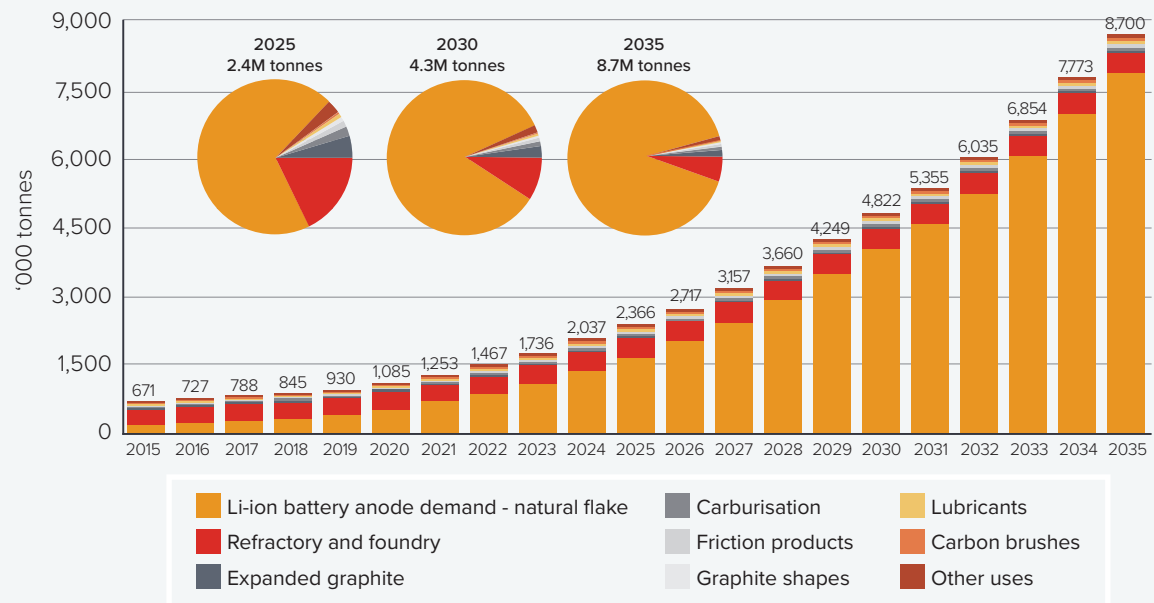
Source: Benchmark Mineral Intelligence

Benchmark Mineral Intelligence... today, seems about right

- Anode has now emerged as dominant market for natural flake.

- Overall production of natural flake must double to meet rapid transition to EV.
- Doubling of natural flake graphite every 5 years will exert significant pressure on prices at short end of price curve (eg. lithium post Jan 2021).

Flake Long Term Demand Forecast

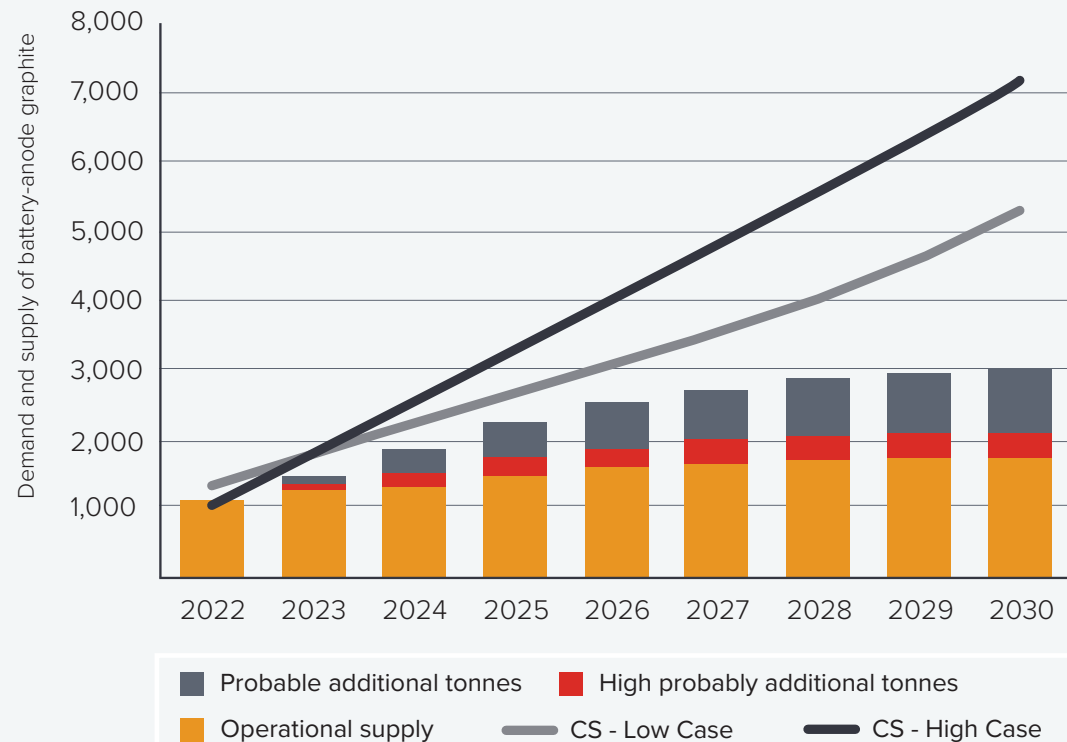


Credit Suisse... a little more bullish

- Structural deficit at least from 2025 but likely earlier.
- High probability that deficit may exceed forecasts given unreliability of historical forecasting.

• QGL remains one of the stand out options for high probability significant additional tonnage given completed permitting and brownfields status.

Demand outstrips supply in both a high and low case

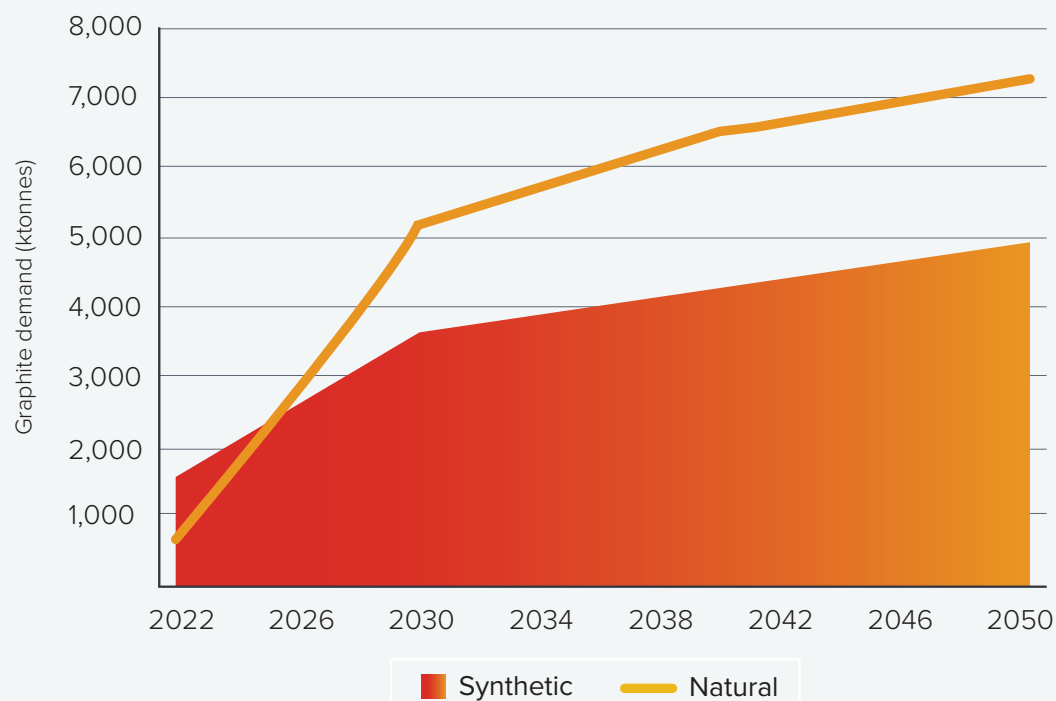


Source: Credit Suisse - Super Materials Demand Model; CS commodities

Critical metrics... these are the numbers to watch

- Anode raw material synthetic to natural flake market share currently set at 2:1.
- Over the next 12-18 months natural flake will increase from 1/3 anode market share to more than 50%.
- From 2025 onwards, natural flake dominates anode raw material.
- Dominance of natural flake coincides with structural market deficit resulting in significant price pressures.

Natural vs synthetic graphite demand - high case



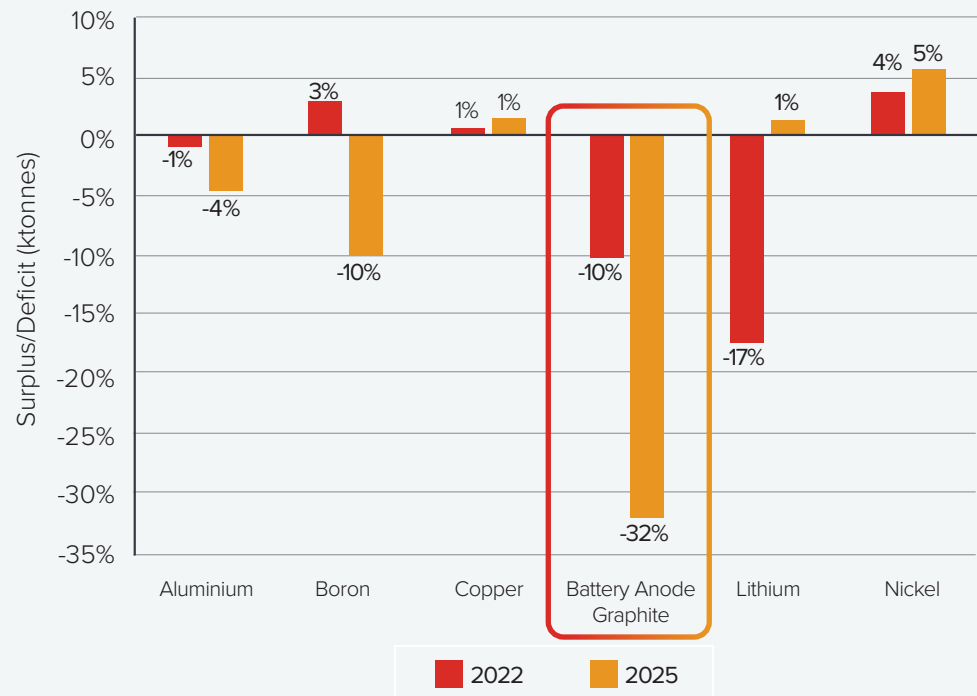
Source: Credit Suisse - Super Materials Demand Model

Short term... this is what we're facing

- 10% deficit this year largely covered by inventories, manageable impact on price.
- Significant higher prices will emerge well before forecast 2025 deficit of 32%

• QGL expansion strategy clearly aimed at providing maximum optionality to deliver increase in quality tonnage over the 2024 - 2027 period.

2022E vs 2025E forecasted surplus/deficit shows a sustained deficit for graphite used in Li-ion batteries



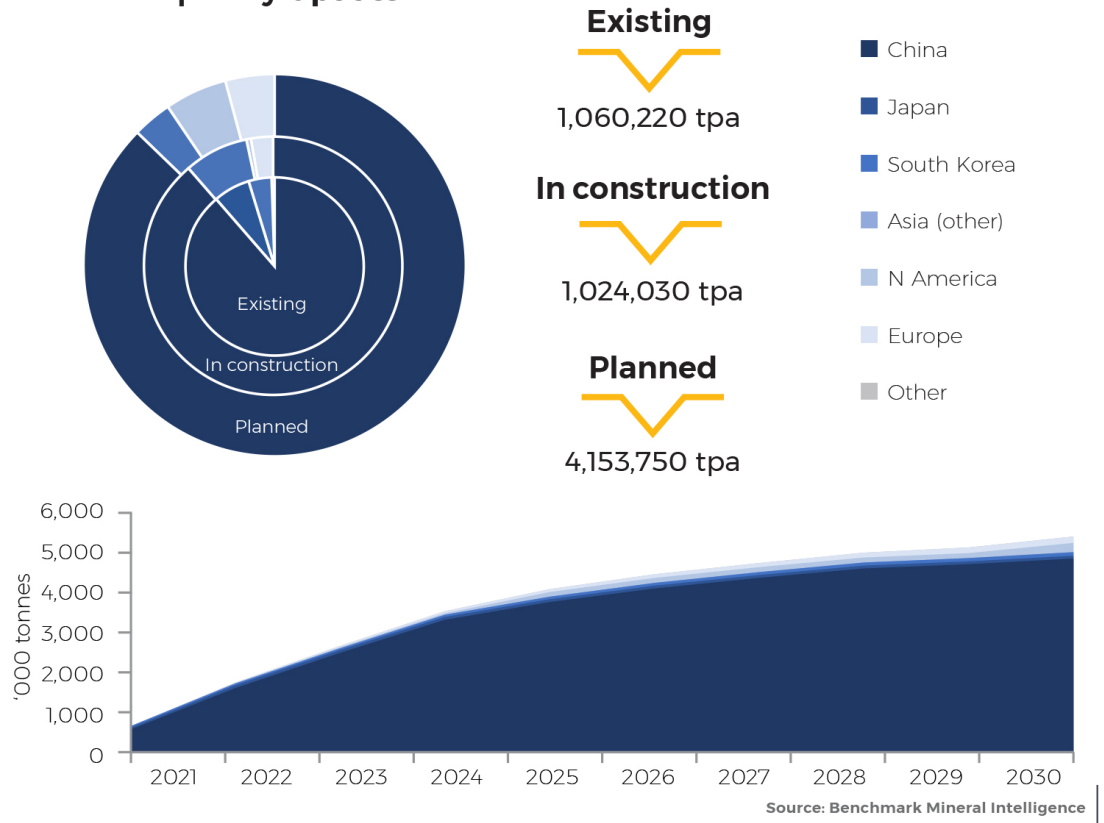
Source: Credit Suisse - Super Materials Demand Model; CS commodities

CSPG, Anode production ex China... unlikely without partnerships

- China is overwhelmingly the dominant producer.
- Current anode production estimated at 700,000 tonnes of which China represents approximately 610,000 tonnes.

- New capacity under construction will increase China's capacity by approximately 70%.
- Planned new Chinese capacity is almost 4 times capacity under construction.

Anode capacity update



QGL EV market takeaways... tread carefully downstream, choose partners wisely

- Anode market (and natural flake) is moving to structural deficit within the next 30 months
- China remains the overwhelming producer of tier 1 and tier 2 quality anode material
- China's development of additional capacity ensures it remains the dominant producer of anode
- Natural flake set to dominate anode raw material - emerging technologies ex China directed at alternatives to hydrofluoric acid treatment

What this means for QGL

- Ex China strategy remains critical to exploiting flake graphite demand growth.
- Manufacture of CSPG (or anode!) by natural flake producers is not an option
- Development of key supply relationships with ex-China OEMs is a short term priority
- Development of downstream partnerships with alternative technology owners is a medium term strategic priority
- Ensure execution readiness of mine expansion strategy



THE GRAPHITE MARKET MEETS THE ELECTRICITY MARKET - QGL'S ELEPHANT IN THE ROOM

Crisis, transition, winners and losers...

OPINION ENERGY

Why it's hard to join the dots in Australia's energy puzzle

Jennifer Hewett

Jun 20, 2022

Anthony Albanese and the Energy Security Board are determined to get the states' agreement on a capacity mechanism to provide backup power. But that requires allowing Victoria to exclude coal and gas from any payment.

Germany's decision to pass emergency laws to reopen mothballed coal mines is "bitter but essential", according to its economic minister, Robert Habeck.

That Habeck is a member of the Green Party in coalition with the Social Democrats demonstrates the political contortions in a global energy transformation suddenly desperately short of fossil fuels.

Even Australia's recent energy woes are only a mild version of the trauma threatening to cripple the German economy as Vladimir Putin further reduces supplies of Russian gas to a needy Europe. The price of Angela Merkel's deadline for shutting Germany's nuclear power and coal generation to rely on Russian gas and renewables is now stark.



The Albanese government is determined to avoid imposing such direct costs on Australian consumers and businesses despite supporting a much faster shift to more renewable energy as part of its 2030 emissions reduction target.

That balancing act is more difficult at a time of soaring global prices for coal and gas, and with no relief likely this year.

But as the past few weeks have proven, the practicalities of Australia's national energy transition and timetable are more complicated than suggested by the embrace of renewables. Energy security has become a much more important focus of public debate.

The puzzle of an emissions free grid... summing up the challenges

- Current renewables generation numbers
 - 20% of NEM load
 - 35% of generation capacity
 - 2.4 million solar PV systems delivering 10.7GW

BUT

- Continued penetration of renewables limited by:
 - Operational and regulatory hurdles due to intermittency
 - Low marginal value of despatch

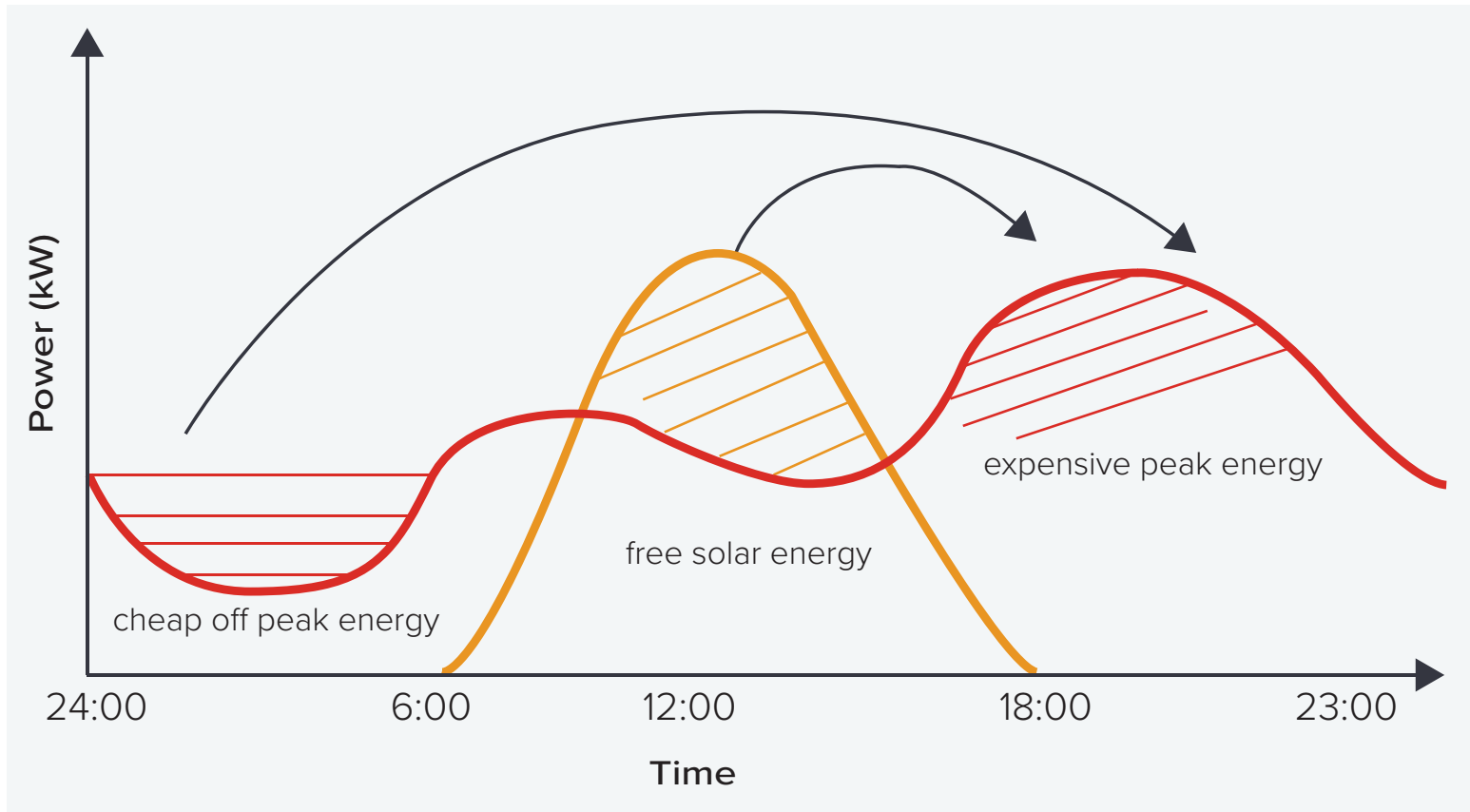
- Coal fired generators provide >40% of the NEM's base load and substantially all its inertia.

BUT

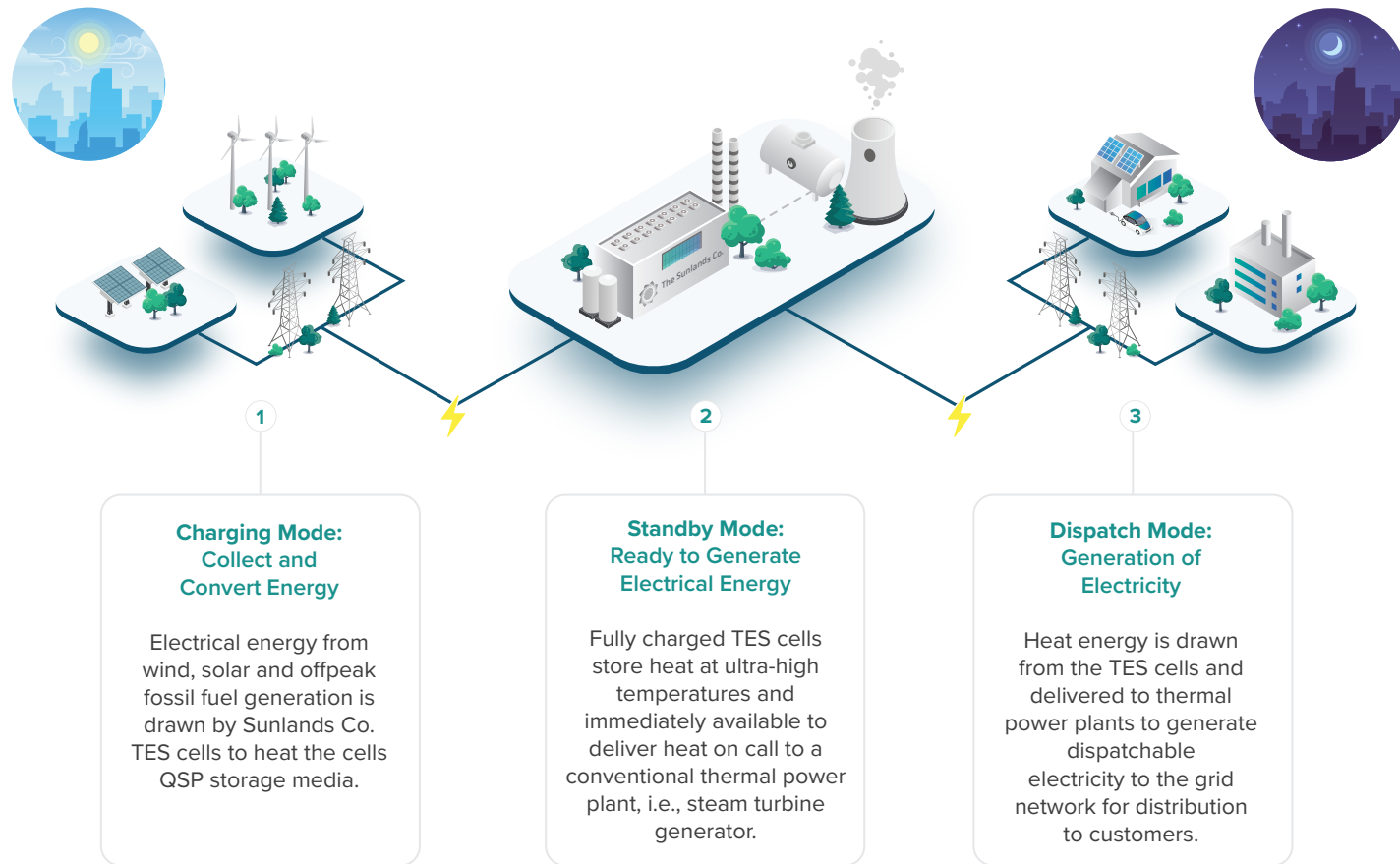
- Most of these facilities are scheduled to close within the next 7-15 years and solutions to replace the loss of inertia and dispatchability remain illusive.

The Solution... long duration storage and the magic of time shifting

- Practically this is how long duration storage works



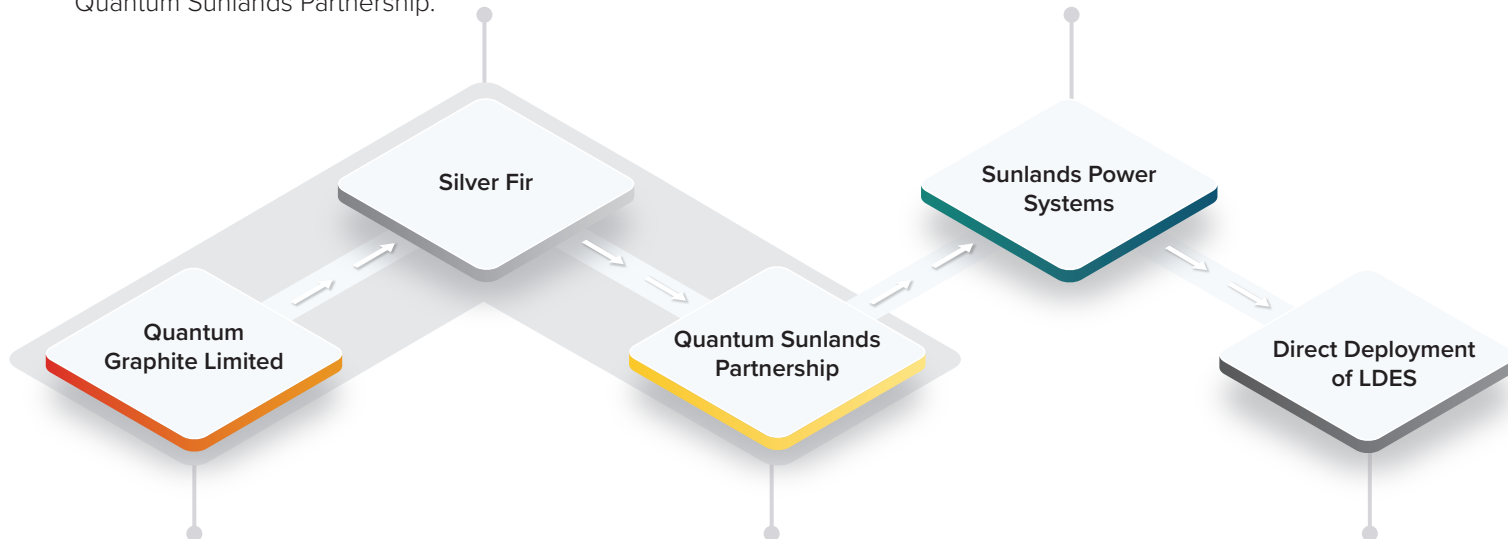
The Solution... the grid and long duration energy storage (LDES)



LDES supply chain... complete Australian solution

Silver Fir undertakes trading and commodity management services within the Chimaera Financial Group. It is responsible for the management of the flake products inventory including certification of all products and meeting the delivery schedules established by the Quantum Sunlands Partnership.

Sunlands Power Systems is responsible for the deployment and integration of TES cells within existing coal fired power plants or the complete greenfields installation of TES Generations Systems (i.e., TES cells and the thermal power plant).



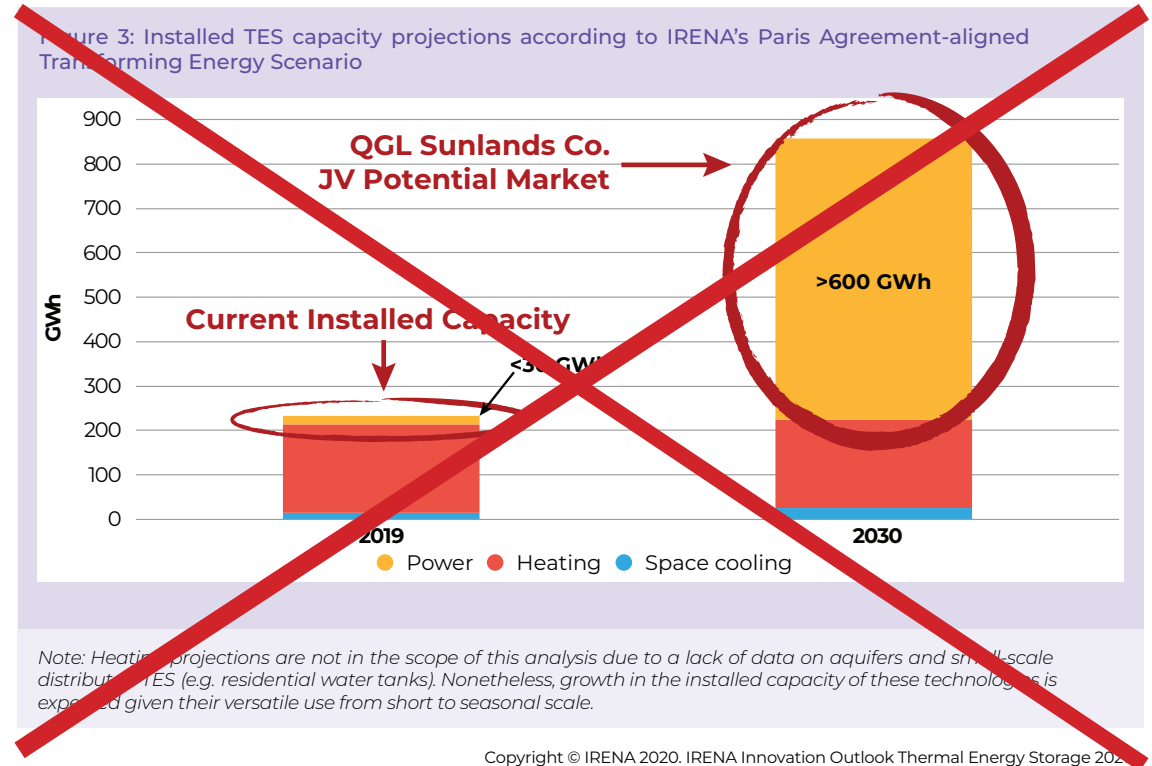
Quantum Graphite Limited is the ASX listed owner and operator of the century old Uley natural flake graphite mine. It is a specialist producer of high purity flake graphite products.

The Quantum Sunlands Partnership is the manufacturer of the Uley Media. This is the heat storage media installed within TES cells and represents the single critical component in the manufacture of TES cells. The Quantum Sunlands Partnership holds the exclusive global licence to manufacture Uley Media.

Sunlands Power Systems and key partners from government and the private sector targeting the direct displacement of coal through the retro fitting of existing coal fired power stations with Sunlands Co.'s TES cells.

Long Duration Energy Storage... size of the market is getting bigger

- IRENA estimates the market to grow 20x within the decade
- Following Glasgow (COP 26) and Sharm El-Sheikh (COP 27) this estimated growth has increased significantly
- The Quantum Sunlands Partnership independent Australian electricity market study concluded that:
 - Australia alone will require in excess of 10 GWh of storage
 - At least 100,000 tonnes (equivalent to 1 GWh) of natural flake graphite will be required annually to meet Australia's Net Zero by 2050 Plan



Quantum Sunlands Partnership... economics

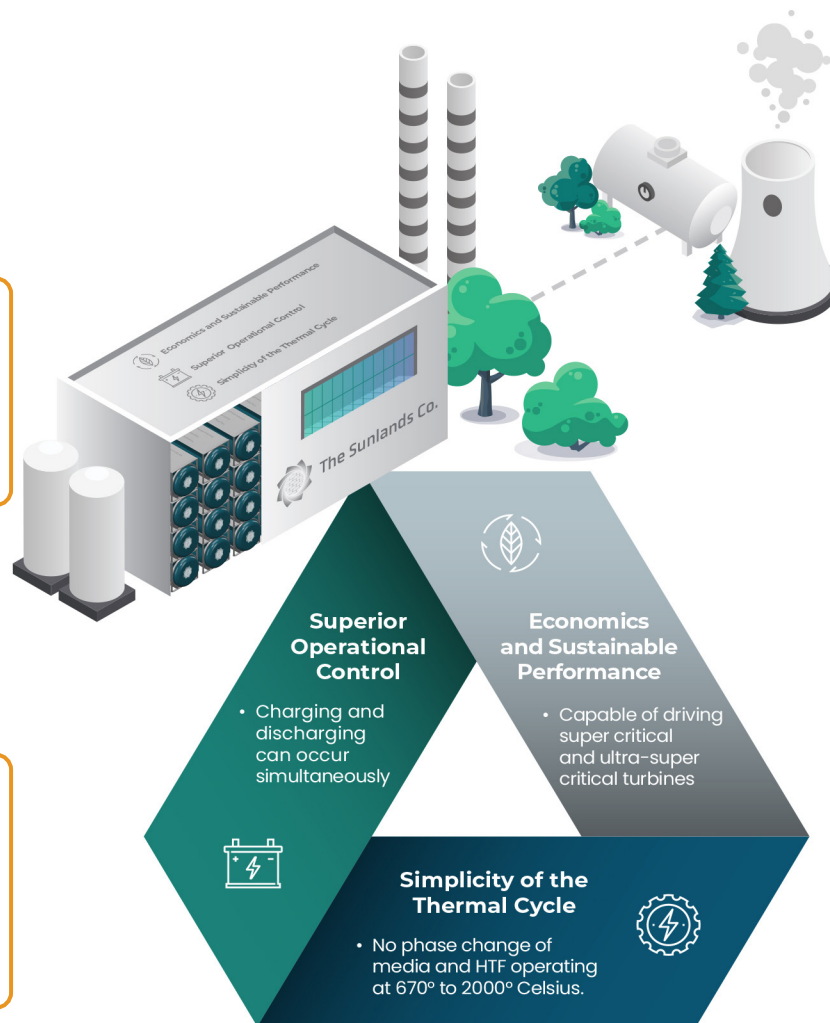
- The Quantum Sunlands Partnership (QSP) is the exclusive manufacturer of the natural flake thermal storage media required by Sunlands Co.'s energy storage cells

- This is big business – comparison of sheer tonnage requirements relative to EV

EV Anode	1.2kg per kWh
Thermal Media	5.0 kg per kWh

- QGL - QSP transfer price assumptions based on sale of natural flake at the basket price of US\$919 and sale of manufactured media at a price of US\$3,500 to US\$4,000 which represents the range of market pricing for similar media

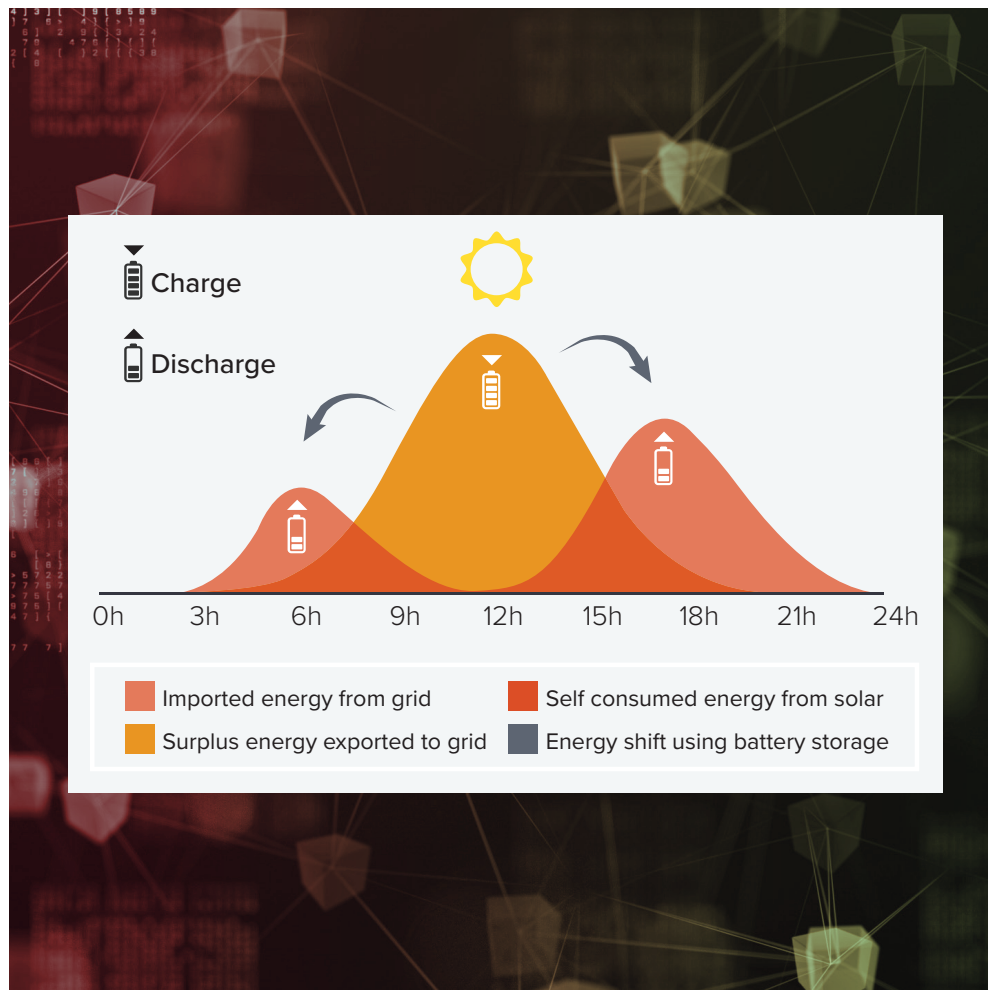
- QGL's estimated EBIT margin on every tonne sold to QSP (i.e., includes net contribution from its share of the JV) is estimated at US\$1,650 subject to completion of TU Freiburg (INEMET) final test work program



The Technology... unique capability, ticks all boxes

- LDES delivers dispatchable generation, maintains grid stability and enables the acceleration of renewables penetration within the grid
- QGL joint venture partner Sunlands Co.'s LDES technology uniquely positions it as a leading technology:
 - capable of driving utility scale steam turbines (eg. retrofitting of coal fired power stations)
 - has an effective life measured in the decades
 - can be charged and discharged simultaneously

• The key to the Sunlands Co. technology is the natural flake based storage media to be manufactured by the Quantum Sunlands Partnership



— NEXT STEPS

Where to from here...

Quantum Graphite Limited

- Complete financing of Uley 2 including funding options for near term mine expansion (In progress)
- Upgrade feasibility to encompass Phase 2 production expansion (In progress)
- Ongoing resource definition and increase in reserves Uley 3 ✓ Completed

Quantum Sunlands Partnership

- Complete TU Freiburg test work ✓ Completed
- Undertake feasibility for the construction of media storage facility ✓ Completed
- Construct energy storage cell pilot (FEED in progress)



|
QUESTIONS...

Disclaimer

This presentation includes certain statements that may be deemed forward-looking statements. All statements in these presentation materials (other than statements of historical facts) which address future production, reserve potential, exploration activities and events or developments that the Company expects, are forward-looking statements. Such forward-looking statements may include, without limitation: (i) estimates of future graphite prices, supply, demand and/or production; (ii) estimates of future cash costs; (iii) estimates of future capital expenditures; (iv) estimates regarding timing of future development, construction, production or closure activities; (v) statements regarding future exploration results; (vi) statements regarding cost structure, project economics, or competitive position, and; (vii) statements comparing the Company's properties to other mines, projects or metals.

Although the Company believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward looking statements.

This presentation does not constitute a recommendation regarding the securities of the Company, and should not be construed as legal or financial advice. It has been prepared for information purposes only and contains general summary information and does not take into account the circumstances of any Individual investor. Prospective investors in the Company are encouraged to obtain separate and independent advice with regard to any investment in the Company. By accepting the presentation materials, the recipient agrees to keep permanently confidential the information contained herein.

The Company 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 underpinning the estimates in this announcement continue to apply and have not materially changed.

Photographs, maps, charts, diagrams and schematic drawings appearing in this presentation are owned by and have been prepared by or commissioned by the Company, unless otherwise stated. Maps and diagrams used in the presentation are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this presentation. By accepting this presentation, the Recipient agrees to be bound by the foregoing statements.