

MEDIA RELEASE
For Immediate Release
03 April 2025

The Company provides the attached further information in respect of the release of 4 March 2025.

Details of the Sunlands Eyre Peninsula Graphite Hub are now available at the Commonwealth Department of Industry, Science and Technology, Major Projects Facilitation Agency website at: www.industry.gov.au/news/new-major-projects-will-help-achieve-net-zero-2050).



ABOUT QUANTUM GRAPHITE LIMITED

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



ABOUT SUNLANDS ENERGY CO.

Sunlands Energy Co. is the leading developer of thermal energy storage technology (TES Graphite Cells) designed to drive commercial, industrial and utility-scale steam turbine generators. The company's TES Graphite Cells are capable of restoring baseload generation, delivering critical synchronous support to grid networks and eliminating the large-scale curtailment of renewables generation. For further information, www.sunlandsco.com



ABOUT SUNLANDS PURE

Sunlands Pure is the refining technology partner of Quantum Graphite Limited, the Australian Securities Exchange listed owner and operator of the century old Uley natural flake graphite mine located on the Eyre Peninsula in South Australia. The Sunlands Pure technologies are uniquely capable of purifying natural flake graphite to a purity of 99.9% graphitic carbon and delivering this critical material to key markets including manufacturers in the Li-ion battery, isostatic graphite and thermal energy storage market segments

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AUSTRALIAN GOVERNMENT AWARDS MAJOR PROJECT STATUS

- Major Project Status granted by the Australian Government to the Quantum-Sunlands Eyre Peninsula Graphite Hub (EPG Hub)
- The Hub will support the largest, dedicated, end to end Australia – USA graphite supply chain encompassing the Company's Uley 2 project together with Sunlands Energy Co.'s associated manufacturing, logistics and inventory management facilities
- The Australian Government's endorsement recognises the construction and development of the hub as a project of national significance and aligned with Australia's
 - Critical Minerals Strategy
 - Battery Storage Strategy
 - Commitments under the Mineral Security Partnership¹
- Major Project Status now provides significant support to the group's efforts to accelerate the US EXIM Bank US\$300m financing proposal and meet the key objectives of offtaker MRI Trading AG to deliver 100ktpa of high purity graphite into the market by Q1 2027

The Company and joint venture partner, Sunlands Energy Co. (Sunlands), are pleased to announce that the EPG Hub has been granted Major Project Status (MPS) by the Australian Federal Government.

The Minister for Industry and Science, the Hon Ed Husic MP, approved the grant of Major Project Status for an initial three-year period, recognising the national significance of the hub's operations and its alignment with the Australian Government's Critical Minerals Strategy, Battery Storage Strategy and its international commitments under the MPS.

Sunlands, the owner and operator of the EPG Hub, will undertake all flake graphite processing and refining activities and manage the holding and certification of inventories for global customers. In particular the first stage of the EPG Hub activities include:

- a. processing of up to 1,000ktpa of flake graphite raw material supply mined from the Eyre Peninsula to produce 100ktpa flake graphite concentrate;
- b. production of 100ktpa of high purity graphite concentrate with a purity of 99.7%gC;
- c. inventory management and warehousing facilities; and
- d. the manufacturing facility operated by the Company's joint venture with Sunlands (i.e., Sunlands Power) for the production of long duration thermal energy storage cells.

The initial raw material supply for the EPG Hub is the Company's Uley 2 project, located on the southeastern Eyre Peninsula, South Australia comprising several high mineralisation envelopes all within a 1200m radius and includes existing JORC 2012 Mineral Resources² of 7.2Mt @ 11.10% gC (including Ore Reserves of 4.3Mt @ 11.89% gC)³ – equivalent to 15 times the annual ex-China (global) flake graphite refined production for Li-ion anode manufacture⁴. The Company has obtained all South Australian Department of Energy and Mining approvals for the development of the Uley 2 Project and is shovel ready.

Major Project Status will greatly assist the Company's efforts to accelerate the US EXIM Bank US\$300m financing proposal and meet the key objectives of offtaker MRI Trading AG to deliver 100ktpa of high purity graphite into the market by Q1 2027.

Managing Director, Mr Sal Catalano said: *"we are pleased with this acknowledgement from the Federal Government. The support from Hon Ed Husic is very encouraging and will mark a meaningful contribution towards the Eyre Peninsula becoming Australia's leading graphite region."*

"For our key stakeholders, it highlights the national significance of the Hub and the creation of a new graphite supply chain. The Hub links Uley 2, a scalable, high quality graphite resource and key infrastructure, with the US Atlantic Coast, a gateway to one of the largest global markets."

"Co-locating the Sunlands processing and manufacturing facility with this infrastructure on the Eyre Peninsula underpins Australia's global competitiveness and delivers significant long-term benefits to the community. The support from the Hon Ed Husic recognises these benefits including employment opportunities, building local technical skills and considerable royalties and taxes for the Federal and State government."



Further details of the EPG Hub are available on the Major Projects Facilitation Agency website: (www.industry.gov.au/news/new-major-projects-will-help-achieve-net-zero-2050).

FOR MORE INFORMATION PLEASE CONTACT

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¹ See www.state.gov/minerals-security-partnership. The Minerals Security Partnership's (MSP) is a major US initiative to accelerate the development of diverse critical minerals supply chains in cooperation with industry and MSP member countries to support strategic projects and encourage investment throughout the value chain by reputable mining companies.

² See ASX release of 11 December 2019, Further Mining Study and Ore Reserve Estimate and ASX release of 11 December 2023, Uley 2 DFS Financial Update – Financial Impact of Value Engineering Assessment.

³ Ibid.

⁴ See Fastmarkets Global Limited, "Fastmarkets Graphite 10-year forecast" released in Q3 2024 (www.fastmarkets.com/metals-and-mining/battery-raw-materials/long-term-forecasts/graphite/)

Uley Ore Reserve Estimate at 3.5% TGC Cut-off

Classification	Tonnes (kt)	Total Graphitic Carbon (%)
Proved	811	11.66
Probable	3,191	11.95
TOTAL	4,003	11.89

Extract from the Mining Study and Ore Reserve Estimate released on 11 December 2019

Uley Mineral Resource Estimate

Resource	Classification	Tonnes (kt)	TGC (%)
Uley 3	Inferred	900	6.6
	Uley 3 Total	900	6.6
Uley 2	Measured	800	15.6
	Indicated	4,200	10.4
	Inferred	1,300	10.5
	Uley 2 Total	6,300	11.1
Uley Project Total	TOTAL	7,200	10.5

Extract from the announcement Uley 3 Drill Program Results in a Maiden Mineral Resource Estimate released on 18 November 2021

Competent Person's Statement

The Company confirms that: (a) 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 relating to Mineral Resources (i.e., estimates of mineral resources and ore reserves) is based on, and fairly represent, the Mineral Resources and information and supporting documentation extracted from the reports prepared by a competent person in compliance with the JORC Code (2012 edition) and released to the ASX (including under the company's previous code, VXL on 17 December 2014, 5 May 2015 and 15 May 2015 respectively); (b) it is not aware of any new information or data that affects the material assumptions and technical parameters underpinning estimates relating to minerals processing production as previously released to the market; and (c) the material assumptions and technical parameters underpinning the information and estimates of Mineral Resources and minerals processing production included in this statement continue to apply and have not materially changed.

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management, that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Disclaimer

The Company confirms that all information or data that materially affects the information included in this announcement relating to the activities and operations of Sunlands Energy Co Pty Ltd (Sunlands) including:

- (a) the Sunlands Eyre Peninsula Graphite Hub; and
- (b) its downstream operations for the production of high purity flake graphite is provided by Sunlands.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the information provided by Sunlands including any forward-looking statements will actually occur. The Company does not undertake to update or revise the information provided by Sunlands except where required by the Company's obligations under applicable law.