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QUANTUM GRAPHITE

**MARKET RELEASE**
For Immediate Release
31 October 2025

# September 30 2025 Quarterly Report and Appendix 5B

## Highlights

- Development of Quantum-Sunlands Eyre Peninsula Graphite Hub – Shortlisted sites identified with the assistance of the Port Lincoln City Council
- Uley 2 Project financing – Development of expanded transaction terms to include totality of downstream activities, i.e., including purification/refining
- Exploration activities – Release of new Uley geological model
- Joint Venture Research and Development – Shift in emphasis of activities from scalable purification processes to thermal storage media



## Sunlands Eyre Peninsula Graphite Hub (EPG Hub)

Following the Australian Federal Government's awarding of Major Project Status in February 2025, the planning process for the hub's development has focussed on the identification of appropriate sites meeting the key criteria of:

- Minimum Area - sufficient to store and handle a minimum of 20,000 tonnes of flake concentrate, and to house a multi-function manufacturing facility for the production of Sunlands Energy Co.'s TES Graphite Cells
- Location - port facility proximity within 35km of the Company's Uley mine site
- Infrastructure - adequately serviced by power and water facilities that meet Sunlands Energy Co.'s manufacturing requirements and capable of being scaled to match the increasing throughput from other flake graphite producers

During the period, the identification of potential sites was completed following meetings in the prior period with officials from South Australia's Department of State Development, Department of Environment and Water and the Port Lincoln City Council.

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

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

A list of suitable sites has been shortlisted with the assistance of the Port Lincoln City Council. Preliminary due diligence on the relevant sites is being conducted and inspections of the sites have been scheduled for next month. This work is expected to reduce the shortlist to the viable site options for detailed due diligence.

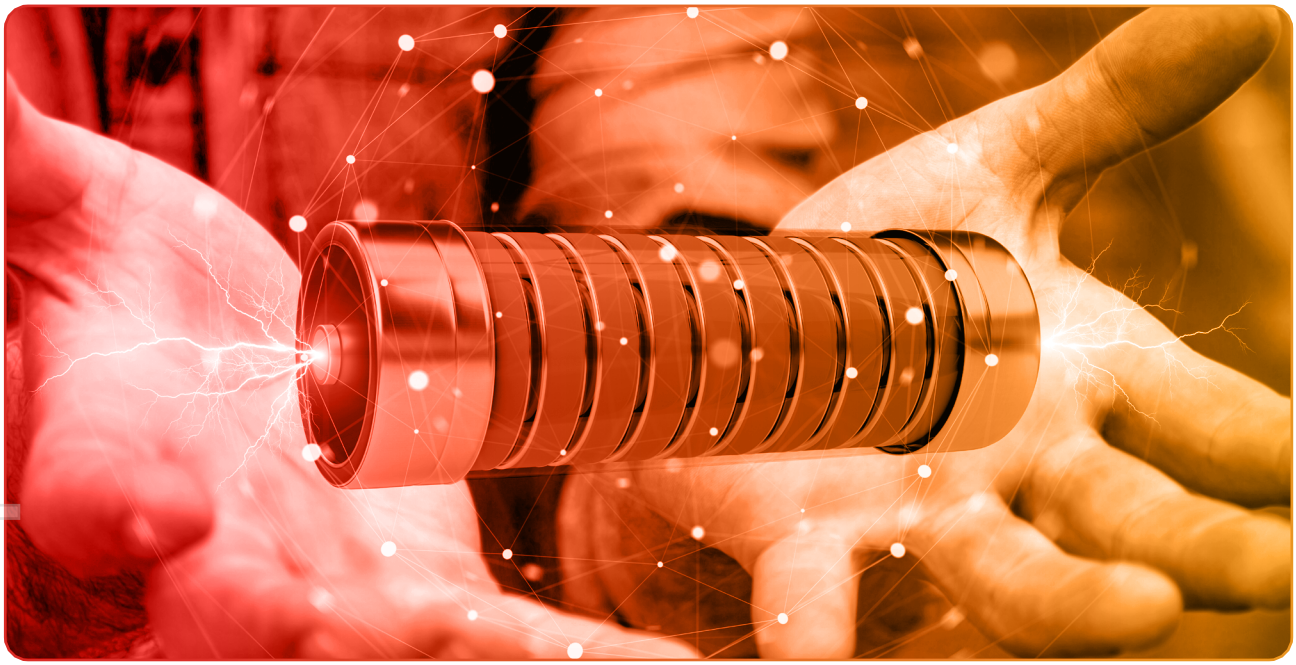
## Uley 2 Project Financing

During the period, due diligence from three prospective financiers continued and all are in the final stages of their work. Changes to the legal structure are being considered by the Company in response to a strong preference from two of the financiers to contain all processing and refining activities within a single legal group.

These changes are designed to formalise the integration of all downstream activities, maximise efficiencies and ensure a more resilient supply chain that better deals with competitive pressures, especially in respect of purified flake products. The revision to the structure represents a further refinement of the structure included within the US EXIM Bank funding application. Under this structure, integration of all downstream activities was achieved mainly by detailed contractual arrangements between the parties undertaking mining, processing and refining, i.e., the Company and its joint venture partner, Sunlands Energy Co.

The Board acknowledges that changes to the structure would create a single economic and legal enterprise that would significantly strengthen its competitive profile at two levels. The first is the capture of significant efficiencies derived from directly linking the concentrate production and refining operations. The second is the capability to credibly deliver scalable production to the refining market.

The Company expects to conclude its deliberations on this matter within the December 2025 quarter.



## Exploration Activities

The Company has previously announced its comprehensive geological exploration plan, the Uley Region and District Exploration Plan (Uley Plan), which is designed to underpin a multi-decade flake graphite supply into our integrated independent supply chain.

The Uley Plan was developed to mitigate supply mineral development risks by ensuring an orderly ongoing expansion of the Company's mineral reserves and resources within its tenements. Formulating the Uley Plan involved the in-depth review of all data especially the Company's recent drilling programs and the tenements-wide geophysical studies undertaken in 2023 and 2024. The complete data set is described in the Q4, 2025 Quarterly Report and Appendix 5B (see http://austgis.com/3X2dUVf ). Completion of this review has provided the

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necessary data to confirm the Uley geological model and thereby, enhance and accelerate mineral resources development.

In the prior period, the Company explained that the accepted view of the geological structure of the Uley region, specifically the Uley graphite lenses, is a series of upward folds or antiforms, (see Figure 3 of the Q4, 2025 Quarterly Report and Appendix 5B). During the period, the Company's geological team confirmed its preliminary review that the accepted view of the structure was inconsistent with this data and that the more likely geological structure is a layered or stratigraphic as indicated in Figure 1 below.

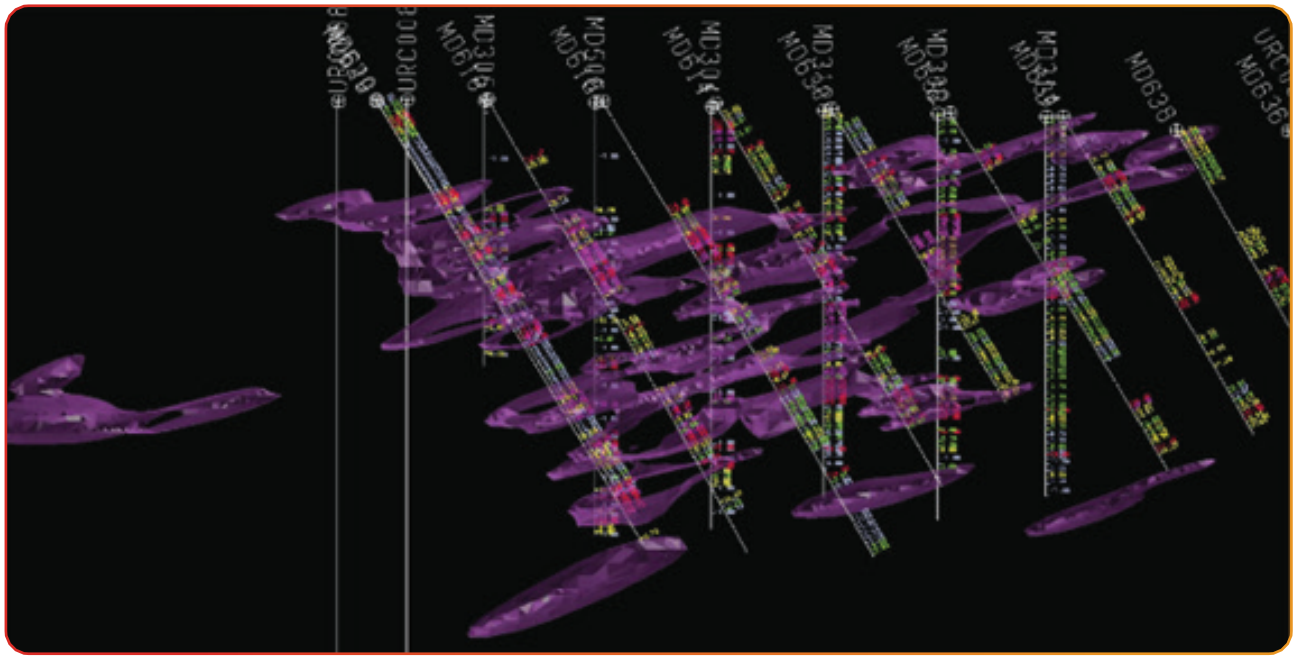



Figure 1: Oblique view looking NW of Uley 2 wireframes and drillholes and connections to Uley 3

The geology team expects that this structure will result in significantly larger exploration targets under the Uley Plan. Importantly the revised structure will better inform future drilling-based exploration.

## Joint Venture Research and Development Activities

During the period, the joint venture commenced the next stage of its R&D activities following the completion of its three-year R&D program focussed on the development of scalable purification processes for Uley flake. The program successfully completed the demonstration of three distinct processes that could be commercially scaled to produce purified flake graphite, i.e., high temperature thermal treatment, alkali roast and acid leach (utilising either $H_2SO_4$ or HCl), and hydrofluoric acid (HF) leaching. One of these processes has been adopted for the Uley 2 project, i.e., for that part of the project relating to the purification of flake graphite.

The completion of this program coincides with the end of the concession available to the joint venture from the 2023 grant of the Advance and Overseas Findings Certificate issued by Industry Innovation and Science Australia. This certificate covered the 2023, 2024 and 2025 financial years.

The next stage of R&D activities targets the further development of thermal storage media for TES Graphite Cells utilising the Sunlands Energy Co. thermal energy storage technologies. These activities fall under the joint venture's long duration energy storage project for the manufacture of thermal storage media that meets certain performance metrics.

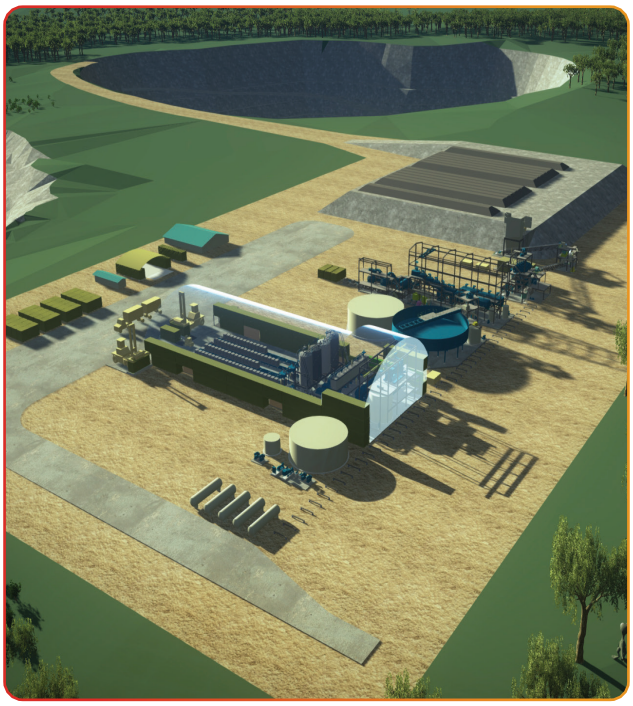
Certain parts of these R&D activities involve workstreams that can only be undertaken overseas. Consequently, the joint venture will make a new application to the Industry Innovation and Science Australia for an Advance and Overseas Finding to seek the R&D Tax Incentive for the overseas R&D.

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## Uley 2 Phase 1 Mining Study and Feasibility Summary Financial Metrics (updated)

| | |
|---|---|
| Total undiscounted cash flow | A$990.4 million[1] |
| Crusher feed | 1,200,00 tpa |
| Graphitic carbon grade | 11.89% |
| Graphitic carbon recovery | 84% |
| Concentrate purity | 94% graphitic carbon |
| Capital expenditure | A$152.7 million |
| Processing cost (PCAF) | A$236.05 per tonne (inclusive of admin) |
| Mining cost (MCAF) | A$2.5 per tonne milled at surface plus 5c for every 4m |
| Production | 100,000 dmt per annum |
| Product Cost (Av LOM) | US$401.14 dmt (inclusive of drying and bagging) |
| Product Price (Ex-works) | US$1,225 dmt |

[1] Includes JORC 2012 Reserves and Resources



## Schedule of JORC 2012 Minerals Reserves and Resources

### JORC 2102 Mining Study and Ore Reserve Statement, November 2019[2]

| | Classification | Tonnes (kt) | Total Graphitic Carbon (%) |
|---|---|---|---|
| Uley 2 | Proved | 811 | 11.66 |
| Uley 2 | Probable | 3,191 | 11.95 |
| | **Total** | **4,003** | **11.89** |

### JORC 2012 Mineral Resource Estimate, November 2021[3]

| | | | |
|---|---|---|---|
| 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** |

[2] Released to the market on 1 December 2019
[3] Released to the market on 18 November 2021

## Schedule of Tenements (ASX Listing Rule 5.3.3)

| Tenement | Tenement Type | Interest | Changes during the Quarter |
|---|---|---|---|
| ML5561[4] | Mining Licence | 100% | Nil |
| ML5562[4] | Mining Licence | 100% | Nil |
| RL66[5] | Retention Licence | 100% | Nil |
| RL67[5] | Retention Licence | 100% | Nil |
| EL6224[5] | Exploration Licence | 100% | Nil |
| EL7019[5] | Exploration Licence | 100% | Granted 10 October 2024 |

[4] Registered in the name of Quantum Graphite Operations Pty Ltd
[5] Registered in the name of Quantum Graphite Explorations Pty Ltd

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## Uley Region Location and Resource Expansion Priorities

### Priority 1 - Uley 2 Project Expansion

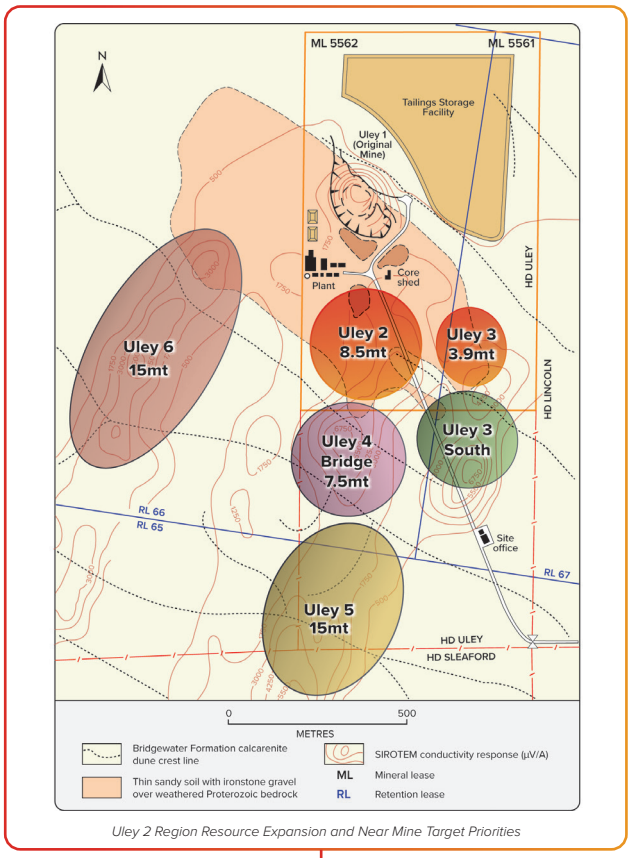
- Uley 4 Extension drilling to 50m-by-50m intervals
- Infill drilling at Uley 3

### Priority 2 - Uley 2 Project Expansion

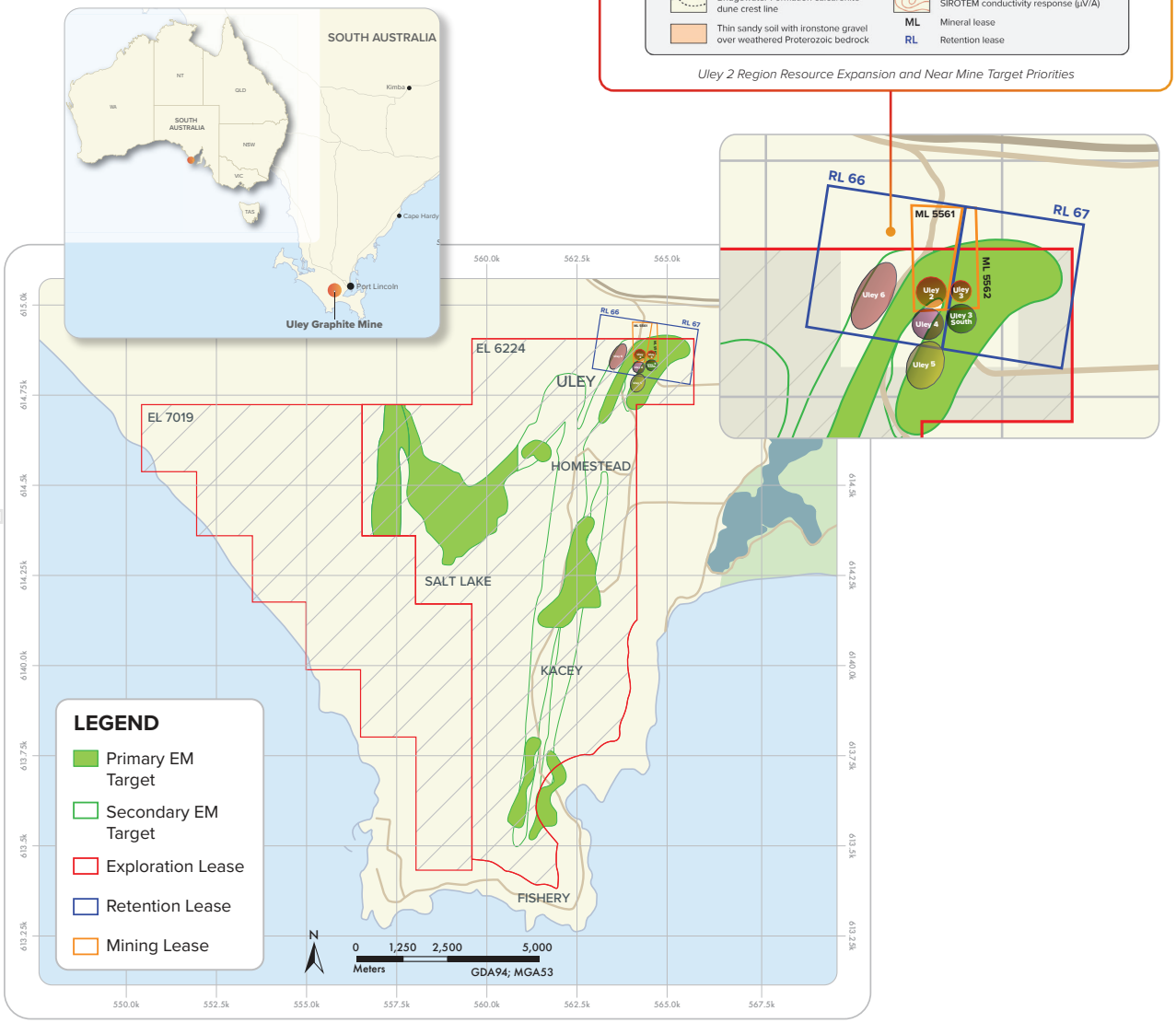
- Uley 3 South Extension drilling to 50m-by-50m intervals

### Priority 3 - Uley Region Resource Definition

- Uley 6 geophysical anomaly target
- Uley 5 beyond Uley 4 along strike of the geophysical anomaly




*Uley 2 Region Resource Expansion and Near Mine Target Priorities*




Company tenements including highlighted mineralised zones

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## Corporate Information and Announcements

As at 30 September 2025 the Company had 350,008,387 ordinary shares on issue and 1,497 shareholders. The top 20 shareholders held 61.96% of the issued ordinary shares in the Company. As at 30 September 2025 the Company held cash at bank of $772,435.45. As at 31 October 2025 the Company held cash at bank of $422,993.12. Related party payments in the amount of $429,000 were made in the period. These payments were made to SC Capital Pty Ltd ($82,500 for technical services), Chimaera Capital Limited ($280,500 for asset management services) and WyerPlanVC Pty Ltd ($66,000 for consulting services).

## Competent Person's Statement

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 relating to Mineral Resources 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).

## 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 QGL's actual results to differ materially from the results expressed or anticipated in these statements.

QGL 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. QGL does not undertake to update or revise forward- looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law.

**FOR FURTHER INFORMATION CONTACT:**
Company Secretary
Quantum Graphite Limited
**E:** info@qgraphite.com

### ABOUT EPG HUB

The EPG Hub is a regional logistics hub to be developed for the Eyre Peninsula's flake graphite producers and selected downstream industries. The centrepiece of the hub is the concentrate supply from the Company's fully permitted Uley 2 project and the manufacture of long duration thermal energy storge cells by Sunlands Energy Co. utilising its thermal energy storage technologies. The hub's location is well suited to servicing all major markets including North America, Europe and the Middle East and the emerging Li-ion battery centre in Central Java

### ABOUT SUNLANDS POWER

Sunlands Power is our joint venture with Sunlands Energy Co. for the manufacture of coarse natural flake based thermal storage media and the manufacture of TES Graphite Cells. The flake for the storage media will be sourced exclusively from the QGL's Uley mine. The manufactured media will be fitted within TES Graphite Cells and the completed cells delivered to Sunlands Co. for deployment as a grid connected long duration energy storage solution. For further information, www.sunlandsco.com

### ABOUT SUNLANDS PURE

Sunlands Pure is Quantum Graphite Limited's (QGL) purification technology partner. It was established by the Sunlands Energy Co. following agreement with QGL for the specific purpose of undertaking all downstream purification of Eastern Eyre Peninsula flake graphite concentrate

### ABOUT LDES

A scalable energy storage system that can store energy predominantly from renewable sources for more than 12 hours and deliver dispatchable, inertia restoring energy to grid networks as required especially when renewables generation is not available. LDES is the critical solution underpinning the decarbonisation of grid networks.

# Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

**Quantum Graphite Limited**

| ABN | Quarter ended ("current quarter") |
|---|---|
| 41 008 101 979 | 30 September 2025 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | (93) | (93) |
| | (c) production | - | - |
| | (d) staff costs | (75) | (75) |
| | (e) administration and corporate costs | (592) | (592) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(760)** | **(760)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (51) | (51) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

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| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **(51)** | **(51)** |

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **-** | **-** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 1,583 | 1,583 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (760) | (760) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (51) | (51) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 772 | 772 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **772** | **772** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | - | - |
| 5.2 | Call deposits | 772 | 772 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **772** | **772** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (429) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

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| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | 6,342 | 6,342 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | 6,342 | 6,342 |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The finance facility was provided by Chimaera Capital Limited at an interest rate of 11.75%, the maturity date has been extended to the earlier of 1 October 2026 or the date of any capital raising being undertaken by the Company.

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (760) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (51) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (811) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 772 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 772 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 0.95 |

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. The Company has the capacity to reduce or defer cash outflows whilst maintaining its key operating activities.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company plans to raise further capital by way of the issue of additional Equity. The Company expects to be successful in the raising of equity capital.

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| | |
|---|---|
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer: Yes. The Company's operations will continue on substantially the same basis as recent quarters subject to the ongoing review, and if necessary, reduction or deferral, of non-essential cash outflows. | |

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 OCTOBER 2025

Authorised by: ROCHELLE PATTISON - COMPANY SECRETARY
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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