



Iron Road Cape Hardy Port Development Memorandum of Understanding

Quantum Graphite Limited (**QGL, the Company**) is pleased to announce that it has entered into a Memorandum of Understanding (**MOU**) with Iron Road Limited (**IRD**) in connection with the company's interest in the utilisation of the proposed Cape Hardy port facility as a logistics solution for the export of its natural flake graphite production from its Uley 2 mine.

At a minimum, the company recognises the substantial increase in value delivered to its business by adding the capability to transfer its products directly from Cape Hardy to the Port Adelaide Outer Harbour via container barge.

Chairman, Bruno Ruggiero explained, "the advantages of large vehicles avoiding the long and expensive intermodal movement from Port Lincoln, around the gulf, to the Port Adelaide Outer Harbour are obvious. This is a low cost option that delivers on road safety with tangible environmental benefits."

In the longer term, adding the company's increasing export throughput to the broader commercial export/import activities of the Eyre Peninsula, raises the potential of direct export from Cape Hardy. Cape Hardy will be South Australia's first deep water port and incorporate shallow draft off-loading facilities, which will facilitate movement of cargo to and from the port. The company and IRD recognise the enormous strategic benefits to the Eyre Peninsula of the Cape Hardy port facility. IRD CEO Larry Ingle said, 'this is a good example of one of the benefits Cape Hardy offers businesses on the Eyre Peninsula. We are delighted to work with QGL on making this a reality'.

The company will work with IRD to develop a working proposal that meets its immediate requirements of low cost, efficient, direct access to Port Adelaide Outer Harbour.

The MOU will have an initial term of two years and may be terminated earlier by the parties with notice. The MOU is non-binding except to the extent of the provisions dealing with term and termination, confidentiality and intellectual property created under the MOU and the administration of, and the procedures governing the collaboration procedures.

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