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## GRAPHEX ADVANCES FEASIBILITY STUDY, EPC AND OFFTAKE

### Highlights

- **Strong progress in recent discussions on Updated Feasibility Study and EPC arrangements**
- **Industrial trial to follow to allow for EPC performance guarantees**
- **Statement of Sales Intent signed with multiple parties for 80,000 tonnes of Chilalo graphite**
- **Binding offtake agreements expected in the near future**

Graphex Mining Limited (**ASX: GPX**) (**'Graphex'** or the **'Company'**) is pleased to announce that it has made significant progress on the updated feasibility study, EPC arrangements and offtake for the development of the Chilalo Graphite Project.

Recent meetings with the Suzhou Design and Research Institute for Non-Metallic Minerals (**'Suzhou'**) have confirmed the flow sheet for the Chilalo processing plant. The meetings were attended by the Company's Managing Director and representatives of BatteryLimits Pty Ltd (**'BatteryLimits'**). BatteryLimits has been re-engaged to update the existing feasibility study to incorporate technical work previously completed by both BatteryLimits and Suzhou (the **'Updated Feasibility Study'**).

Graphex and Suzhou have agreed to an industrial trial that will involve processing a minimum of 5 tonnes of Chilalo ore for detailed design and with a view to enabling the engineering, procurement and construction (**'EPC'**) contractor to provide performance guarantees for the targeted throughput and product specifications, including flake size, grade and recoveries. The industrial trial will produce at least 500 kilograms of product, which will be provided as sample material to all the major players in the Chinese expandable graphite market.

The Company has also signed five Statements of Sales Intent (**'SSIs'**) for the supply of flake graphite to expandable graphite producers and traders in China. The SSIs cover 80,000 tonnes per year of Chilalo graphite and the Company anticipates that further SSIs will be signed in the future, reflecting the strong demand for Chilalo graphite. The Company expects to convert the SSIs into binding offtake agreements in the near future. Details of the SSIs are shown in Appendix 1.

Owing to a serious shortage of coarse flake graphite supply in China, existing expandable graphite manufacturers are experiencing critical issues with the availability of feed stock. This tightness of supply of coarse flake graphite to expandable graphite manufacturers is highlighted by the fact that a significant portion of refractory brick manufacturers, who had traditionally used +80 to +100 mesh (150-300 microns) material, are now using -100 mesh (<150 microns) material because anything coarser than +100 mesh (150 microns) is being used for expandable graphite.

Graphex understands that the parties to the SSIs represent a large portion of the existing expandable graphite market, which gives Graphex extensive coverage of that market. The counterparties also cover the main graphite production provinces of Heilongjiang and Shandong.

Graphex Managing Director, Phil Hoskins, commented, *“We are pleased with the progress of the Updated Feasibility Study and look forward to the proposed industrial trial, which will guide detailed design and allow for performance guarantees under an EPC contract. We remain confident that the Updated Feasibility Study will produce industry-leading results.*

*“Entering into these Statements of Sales Intent is a significant and material step forward for Graphex. We now look forward to converting the SSIs into binding offtake agreements in the near future. These relationships will ultimately see high quality Chilalo graphite placed into the expandable graphite market.*

*“With the use of flame retardant building materials receiving significant policy and regulatory support from governments around the world, Chilalo is expected to form a baseload of supply of coarse flake graphite to the expandable graphite market. The flake graphite supply issue in China, driven largely by the enforcement of environmental policy that has resulted in the closure of a large number of mines, is a reality. We are confident that there is demand for Chilalo graphite that vastly exceeds the tonnages in these agreements.”*



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**About Graphex**

Graphex Mining Limited is an Australian exploration and development company, dedicated to advancing the world class Chilalo Graphite Project, located in south-east Tanzania. Chilalo is host to a high-grade mineral resource and has demonstrated an ability to produce a premium graphite concentrate with a substantial portion of coarse flake material. Chilalo graphite possesses outstanding expandability characteristics, making it ideally suited to the rapidly growing expandable graphite market.

Graphex has an experienced board and management team with specific skills and extensive experience in African based project development, exploration, mining and processing. The Company has a long and well-established presence in Tanzania.

For more information, visit [www.graphexmining.com.au](http://www.graphexmining.com.au).

**Appendix 1 – Details of Statements of Sales Intent**

<b>Company</b>	<b>Description</b>	<b>Quantity required</b>	<b>Product specifications</b>
Qingdao Banghai Carbon Product Co. Ltd	Integrated private graphite company, located in Pingdu, Qingdao. Its major business is producing and selling expandable graphite, graphite foil and other graphite products.	20ktpa	+20 mesh to +80 mesh
Yingkou Baijiatai	Located in Dalian. Graphite trading company mainly selling flame retardant materials. Annual trading volume in graphite product is 30ktpa.	25ktpa	Various specifications
Yingkou Runshuangda	Located in Yingkou. Trading company specializing in flake graphite sales to international flame retardant material manufacturers in the USA, Europe, India, and Japan. Annual sales approx. 20ktpa of flake graphite concentrate for these markets.	15ktpa	Various specifications
Jixi Xin Run Graphite Co. Ltd	Private Jixi-based graphite company producing 20ktpa flake graphite concentrate, 10ktpa of expandable graphite, 5ktpa of high-purity graphite, 1ktpa of graphite electrodes and 500tpa of graphite paper. Chilalo product required for expandable graphite production.	10ktpa	Various specifications
Jixi HuanYu New Energy Materials Co., Ltd	Private Jixi-based graphite company specialising in production of flake graphite concentrate, expandable graphite and purified graphite. Chilalo product required for expandable graphite production.	10ktpa	Various specifications
<b>Total</b>		<b>80ktpa</b>	