

6 March 2020

PLACEMENT AND SHARE PURCHASE PLAN TO RAISE UP TO \$1.05 MILLION

Graphex Mining Limited (ASX: GPX) ('**Graphex**' or the '**Company**') is pleased to announce that it has received commitments to raise \$0.80 million (before costs) through the placement of approximately 12.3 million shares at \$0.065 per share to professional and sophisticated investors (the '**Placement**'). The Placement includes commitments from directors for \$50,000 of shares, the issue of which will be subject to approval of Graphex shareholders at its next general meeting.

Proceeds from the Placement will be used to secure a funding solution for the Chilalo Graphite Project, for general corporate purposes and working capital.

Graphex Managing Director, Phil Hoskins commented, *"We appreciate the support of investors to have completed this capital raising in extremely challenging equity markets, in particular existing shareholders who comprise a significant portion of the Placement. We are now working to secure a funding solution that is in the best interests of all shareholders."*

The Placement was made using the Company's existing share issuance capacity under ASX Listing Rule 7.1.

The Placement price of \$0.065 per share represents a discount of 18.75% to the 5 day VWAP of \$0.08, and a 22.6% discount to the last trading price of \$0.084 (being the closing price on Tuesday 3 March 2020). The Placement was lead managed by Bridge Street Capital Partners.

Issue of shares under the Placement is expected to occur on or about Thursday 12 March 2020.

Share Purchase Plan

A Share Purchase Plan to raise up to \$250,000 is being made available to all existing eligible Graphex shareholders on the same terms as the Placement ('**SPP**'). The SPP is capped at \$250,000 (subject to rounding) and is not underwritten. Graphex may decide to scale back applications under the SPP at its absolute discretion.

Eligible Graphex shareholders on Thursday 5 March 2020 ('**Record Date**') will be able to apply for up to \$30,000 per shareholder to acquire new Graphex shares at \$0.065 per share.

New Graphex shares issued under the SPP will rank equally with existing Graphex shares. An indicative capital structure is shown in Table 1 below.

Table 1. Indicative Capital Structure – Post Placement and SPP

| Description | Shares |
|-------------------------------------|-------------|
| Existing Shares | 100,957,708 |
| Placement | 12,307,693 |
| Total Shares after the Placement | 113,265,401 |
| SPP (at total subscription amount) | 3,846,153 |
| Total Shares post Placement and SPP | 117,111,554 |

Further details of the SPP, including the terms and conditions, will be available in the SPP Offer Booklet, which is expected to be dispatched to eligible shareholders on or around 11 March 2020. Set out below is the proposed timetable for the SPP. Directors reserve the right to vary the dates and times without notice.

Table 2. Proposed SPP Timetable

| Event | Date |
|---|---------------------------------------|
| Record Date | 5:00 pm (AWST) Thursday, 5 March 2020 |
| Announcement of SPP and lodgement of Appendix 3B and SPP Cleansing Notice | Friday, 6 March 2020 |
| Dispatch of SPP Offer Booklet (Opening Date) | Wednesday, 11 March 2020 |
| Closing Date | Tuesday, 31 March 2020 |
| Announcement of results | Friday, 3 April 2020 |
| Lodge Appendix 2A, issue of new shares under the SPP | Thursday, 9 April 2020 |
| Dispatch of holding statement | Tuesday, 14 April 2020 |
| Quotation on ASX of new shares under the SPP | |

Authorised by the Board.


PHIL HOSKINS**Managing Director**

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For more information, visit www.graphexmining.com.au.

About Graphex Mining

Graphex Mining Limited (ASX:GPX) is an Australian resources company listed on the Australian Securities Exchange. Graphex owns the world-class Chilalo Graphite Project, located in south-east Tanzania (see Figure on following page).

Since the initial discovery of Chilalo in 2014, Graphex has adopted a clear and differentiated strategy of understanding end markets and seeking to partner with strategic investors to enable delivery of the Chilalo Project. Underpinned by a high proportion of large flake material with exceptional expansion characteristics, the Company has targeted the expandable graphite market, which among many applications, is ideally suited to the manufacture of high-value graphite foils and flame-retardant materials.

Graphex has strategically targeted these expandable graphite applications based on their attractive growth and value characteristics. The size and growth expectations of the expandable graphite market applications, the premium prices for large flake graphite in general and the suitability of Chilalo graphite for the production of expandable graphite applications has meant that the Company has prioritised supplying the expandable graphite market as the primary focus.

For more information, visit www.graphexmining.com.au

Chilalo Large Flake Graphite Project, Located in Tanzania

