



**ASX RELEASE**

**16 August 2022**

## **EXPLORATION AND PRE-FEASIBILITY STUDY UPDATE HIGH PURITY MCINTOSH GRAPHITE PROJECT**

Following CML's announcement on 15th June 2022 of its conditional agreement to acquire Green Critical Minerals Pty Ltd (GCM) which holds earn-in rights for up to 80% of the advanced ultra-high purity McIntosh Graphite Project, CML provides an update on recent activities to progress the McIntosh Graphite project.

### **Exploration Activities**

- CML refers to its announcements on 15 June 2022 and 21 July 2022 for background on the proposed exploration program at the Marlin prospect contained in the McIntosh Graphite Project.
- GCM has appointed experienced geological consultants Apex Geoscience to prepare a comprehensive and extended exploration strategy that includes:
  - Review of geophysics templates and conduct further reinterpretation and/or reprocessing if required.
  - Design a fieldwork program that includes mapping, rock chips and ground geophysics across multiple exploration prospects which has now been expanded to other targets, not just Marlin as previously announced.
  - Review historical exploration WAMEX data and design fieldwork to confirm and improve on findings.
  - Apply for a Program of Works (PoW) and Native Title approval for primary exploration drilling targets
  - Plan an extended drilling program now across other multiple prospects including Marlin which will more than double expected metres to be drilled with a combination of RAB, RC & Diamond.
  - GCM is in the process of applying for an EIS government co-funded grant for the Marlin prospect which would contribute 50% of drilling costs up to \$220,000.
- As a result of the expanded exploration program CGM's proposed drill program is expected to take place in April 2023, rather than September 2022 as announced on 21 July 2022.



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## Updating historical Pre-Feasibility Study (PFS)

- GCM has focussed efforts (as outlined in the ASX Announcement – Chase Mining 15<sup>th</sup> June 2022) on updating the historical PFS results on the McIntosh graphite project as announced to the ASX by Hexagon Resources Ltd ((ASX:HXG) (31 May 2017).
- Important to note, **the PFS completed in 2017 was completed prior to high value coarse flake endowment being recognised at McIntosh which sells for >US\$1,300/t, instead the focus was on creating a small flake size (US\$900/t) to target the Purified Spherical Graphite (PSG) market.**
  - Flowsheet used in 2017 PFS took a high value coarse flake size and pulverized it to a lower value small flake.
  - Unnecessary pulverization resulted in:
    - Higher energy cost due to excessive crushing & grinding in circuit (OPEX)
    - Higher upfront capital due to excessive crushers in circuit (CAPEX)
- **These key issues identified now presents a significant opportunity to improve upon the recent positive NPV generated (2017) by producing a higher value coarse flake product which then enables the targeting of the higher value Advanced Battery Industry (~US\$8,000/t - US\$22,000/t) and Nuclear Industry (up to ~US\$30,000/t) resulting in:**
  - The updated PFS flowsheet will focus on coarse flake size preservation hence:
    - Lower CAPEX & OPEX due to fewer crushers in circuit
    - Higher value coarse flake being produced, allowing targeting of premium markets
- Additionally, GCM has commenced incorporating in the updated PFS the additional drilling conducted in 2018 (post the PFS) that **identified shallow mineralisation, highlighting the potential for improved open pit mining economics**
- GCM has shortlisted highly experienced engineering firms to conduct additional metallurgical test work on the significant amount of drill core available in storage.

The acquisition of GCM is conditional upon, amongst other things, approval by CML's shareholders for the purposes of Listing Rule 10.1 and section 611 item 7 of the Corporations Act. CML has engaged BDO Corporate Finance to prepare an independent expert's report, and CML expects a notice of meeting (including independent expert's report) to be sent to shareholders within the next 2 weeks and for the shareholder meeting to be held in September 2022.

This ASX announcement was authorised for release by the board of Chase Mining Corporation Limited.

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