



RENEWAL OF SUNLANDS CO. MEMORANDUM OF UNDERSTANDING

The Company announces today the extension of the Memorandum of Understanding (MOU) with The Sunlands Company Pty Ltd (TSC) to 31 December 2021. The terms of the MOU remain unchanged save and except those provisions dealing with offtake arrangements. The parties are negotiating a formal offtake agreement and expect to conclude a binding offtake agreement by mid-September 2020.

Under the MOU as extended, the parties will continue their collaboration, specifically:

- (a) Technical - the processing path necessary to deliver natural flake graphite, firstly with the minimum specifications required by TSC and secondly the downstream advanced processing and manufacturing of flake graphite needed for final assembly of TSC battery cells;
- (b) TSC Commercialisation - The Company will support TSC in its various commercialisation activities including contributing to TSC's tender submissions and providing technical information and support to TSC and TSC systems installations.

As outlined in the Company's most recent Quarterly Activities Report, TSC has issued its Commercialisation Study which confirms the efficacy of TSC's thermal storage technology. In particular, the Independent Engineer's report verified the technology's superior economics compared to prevailing electric battery technology.

The Company will release a full summary of the Commercialisation Study over the next week together with an independent evaluation of the levelised cost of storage (LCOS) and levelised cost of energy (LCOE) of the TSC technology. The LCOS and LCOE evaluations are critical to demonstrating the technology's superior outcomes compared with electrical batteries (including lithium ion batteries) and various other energy storage technologies.

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