

MARCH 2021 QUARTERLY REPORT

Australian Battery Anode Material Facility Advancing to Construction with \$54.6m Institutional Placement and MPS Approved by Federal Government

EcoGraf Limited (“EcoGraf” or “the Company”) (ASX: EGR) is pleased to release its activities and cash flow report for the three months ended 31 March 2021.

HIGHLIGHTS

The Company made significant progress during quarter on all key business areas.

- **Successful institutional placement to accelerate construction**
 - + Completion of successful capital raising of A\$54.6 million, with cornerstone investments from North American, German and Australian institutional investors.
 - + Capital raising fully funds the Company to complete construction and commissioning of commercial operations at the new EcoGraf™ Battery Anode Material Facility, based on an initial production of 5,000 tonnes per annum before expanding to 20,000 tonnes per annum.
- **Australian Battery Anode Material Facility**
 - + Completed due diligence documentation for debt financing process.
 - + GR Engineering Services Limited (“GR Engineering”) commenced pre-construction works for the detailed engineering design for the new 20,000 tonnes per annum facility.
 - + Major Project Status approved by Australian Government with endorsement from Government Ministers.
- **European Battery Anode Material Facility**
 - + Initial planning and site selection activities conducted on several locations in Europe for a second facility to support additional forecast demand.
 - + Australian and European facilities expected to collectively produce 40,000 tonnes of battery anode material per year.
- **Battery recycling programs advanced with battery industry participants in Australia, Asia and Europe**
 - + Anode recycling program delivers outstanding results confirming the opportunity for the EcoGraf™ proprietary purification technology to support the global expansion of lithium-ion battery recycling operations.
 - + GR Engineering initiates engineering design for recycling modular pilot plant.
 - + SungEel and EcoGraf agree to extend recycling co-operation to include a tailored EcoGraf™ recycling process in proposed new South Korean and European recycling plants.
 - + EU Commission announces sweeping legislative changes to increase battery recycling, with targets increased to 65% by 2025 and 70% by 2030.
- **Epanko debt financing and development**
 - + New Tanzanian President, Her Excellency Samia Suluhu Hassan initiating positive industry changes and a renewed focus on attracting increased foreign investment.
 - + Encouraging progress to secure Tanzanian Government approval of the US\$60 million debt financing proposal submitted for the construction of the new Epanko Graphite Mine.
 - + Enhancement program commenced to support sector leading ESG credentials.
- **Corporate**
 - + Board strengthened with Mr Howard Rae appointed as Executive Director - Finance.
 - + Completed submission for listing of EcoGraf shares on the OTC market in the United States of America.

BUSINESS SUMMARY

EcoGraf is building a vertically integrated business to produce high purity graphite products for the lithium-ion battery and advanced manufacturing markets. Over US\$30 million has been invested to date to create two highly attractive, development ready graphite businesses.

The first new state-of-the-art **EcoGraf** processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible HF-free purification technology to provide customers with sustainably produced high performance battery anode material. Subsequently, the battery graphite production base will be expanded to include additional processing facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade and the rapid growth in battery materials.

In addition, the Company's breakthrough recovery of carbon anode material from recycled batteries using its EcoGraf™ process will enable the recycling industry to reduce battery waste and use recycled carbon anode material to improve battery lifecycle efficiency.

To complement these battery graphite operations, the Company is also developing the **TanzGraphite** natural flake graphite business, with development of the Epanko Graphite Project, which will supply additional feedstock for the battery anode material facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.

EcoGraf

BATTERY ANODE MATERIALS FACILITY AUSTRALIA

- ✓ 20,000tpa Battery Graphite
- ✓ US\$35m Annual EBITDA
- ✓ 42.4% Internal Rate of Return
- ✓ US\$642m Pre-tax project NPV₈
- ✓ US\$448m Pre-tax¹ equity NPV₈
- ✓ Payback ~3.3yrs

TANZGraphite

EPANKO GRAPHITE PROJECT TANZANIA

- ✓ 60,000tpa Natural Flake Graphite
- ✓ US\$44.5m Annual EBITDA
- ✓ 38.9% Internal Rate of Return
- ✓ US\$211m Pre-tax equity NPV₁₀
- ✓ US\$3B Forecast Contribution to Tanzania



RECYCLING – RECOVERY OF BATTERY ANODE MATERIALS

- ✓ Significant results achieved
- ✓ Production waste – large market
- ✓ Lower battery cost and emissions
- ✓ Blended anode material – opportunity
- ✓ Engineering design for pilot plant commenced



QUARTERLY ACTIVITY UPDATE

SUCCESSFUL INSTITUTIONAL PLACEMENT

On 12 February 2021 the Company successfully completed a A\$54.6 million capital raising via an institutional placement (refer ASX announcement *EGR Successfully Completes A\$54.6m Institutional Placement*).

The placement fully funds the Company to complete the construction and commissioning of commercial operations at the new EcoGraf™ Battery Anode Material Facility, based on an initial production capacity of 5,000 tonnes per annum. Once commissioned, the facility will be expanded to reach 20,000 tonnes per annum.

The capital raising attracted strong institutional support, with cornerstone investment provided by three significant institutional investors: a New York-based ESG fund, a German-based global fund manager and a leading Australian fund manager. As result, two new institutional funds, Allianz Global Investors and Paradise Investment Management, became substantial shareholders of the Company.

Proceeds from the placement will fund the following:

- + Construction and operational commissioning of the first phase of the EcoGraf™ Battery Anode Material Facility in Western Australia;
- + Advancement of the battery anode material recycling programs;
- + Finalisation of debt financing arrangements for the Epanko Graphite Mine;
- + Product development; and
- + General working capital.

The Company is greatly appreciative of the interest received from every investor during the capital raising process. It is thankful for the support shown by its long-term shareholders and extends a warm welcome to its new shareholders, with whom it looks forward to a long and successful association.

AUSTRALIAN BATTERY ANODE MATERIAL FACILITY

The new EcoGraf™ Battery Anode Material Facility will be located in the Kwinana-Rockingham Strategic Industrial Zone near the capital city of Perth and will be the first of its kind to be constructed outside of China, providing a new supply of high quality and cost competitive purified spherical graphite for the lithium-ion battery market.

The new state-of-the-art processing facility will incorporate the Company's proprietary EcoGraf™ HF-free purification technology to manufacture spherical graphite for the lithium-ion battery market.

Development Funding

In parallel with the A\$54.6 million institutional placement that was completed, the Company has advanced the debt financing process for a proposed US\$35 million loan arrangement that will support the planned expansion of the new EcoGraf™ Battery Anode Material Facility to reach 20,000 tonnes per annum.

The key focus during the quarter was the completion of the remaining due diligence reports and all reports, including the commissioning of an independent technical review, have now been finalised. These reports were submitted to Export Finance Australia in March to support the Development Report, Independent Market Study, financial model, feasibility and engineering studies provided for the credit review process.

Financial modelling undertaken with external consultants has confirmed that the new Australian facility is able to generate attractive economic returns to support the proposed debt financing, with a pre-tax project NPV₈ of US\$642 million, internal rate of return of 42.4% and annual EBITDA of US\$35 million (refer ASX announcement *Investor Presentation and Business Update 12 February 2021*).



Major Project Status - Australian Government Support

The Company announced on 5 March 2021 that the Australian Government has awarded Major Project Status to EcoGraf's Battery Anode Material Facility in Western Australia (refer ASX announcement *Major Project Status Approved by Australian Government*). Major Project Status recognises the importance of the Company's development, which supports the Australian Government's Critical Minerals Strategy and Western Australia's Future Battery Industry Strategy.

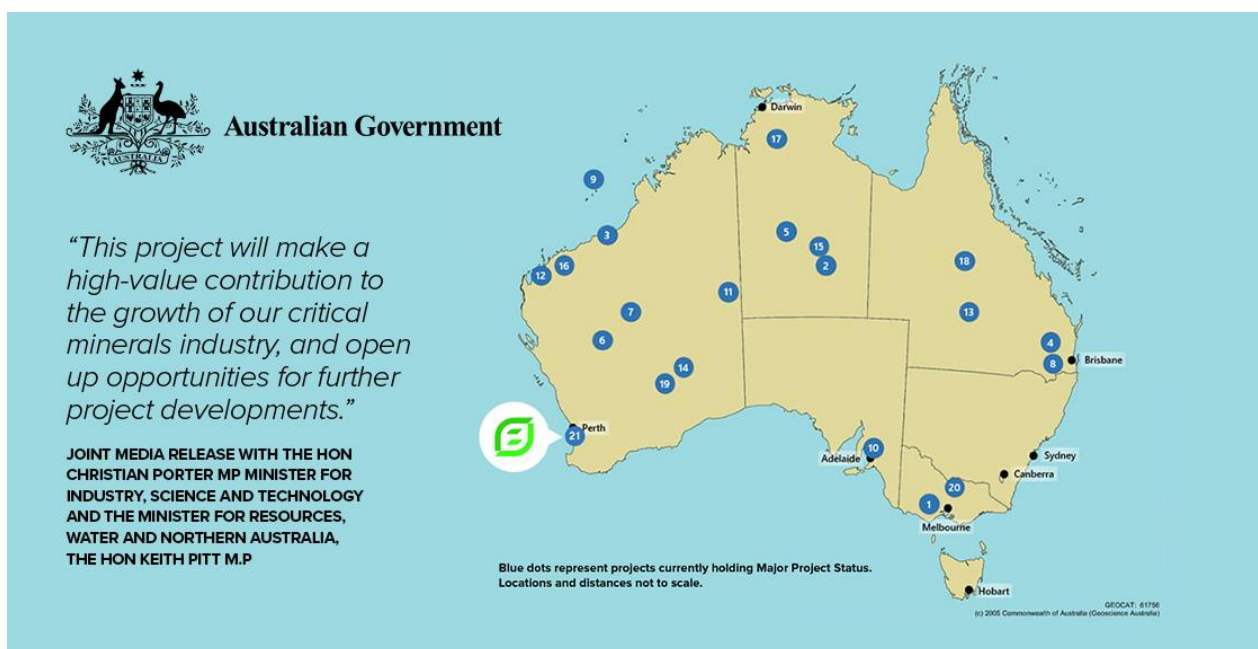
A joint media statement by the relevant Ministers was subsequently released on the 19 April 2021 which provided endorsement and recognition of the new development.

Minister for Industry, Science and Technology, Christian Porter, said "The Australian Government is committed to boosting investment in Australia's critical minerals industry to help build our sophisticated manufacturing capability and deliver new jobs across the country, and particularly to our regional areas. This project will make a high-value contribution to the growth of our critical minerals industry and open up opportunities for further project developments."

Minister for Resources, Water and Northern Australia, Keith Pitt, said "EcoGraf is an excellent example of what we want to see more of in Australia – our raw materials being downstream processed right here in Australia, adding value to our exports and creating well paid and sustainable jobs for Australian workers in the process. The project will also use EcoGraf's own purification technology that eliminates the use of hydrofluoric acid leading to a cost-effective and environmentally friendly purification process."

The full media release can be found at:

<https://www.minister.industry.gov.au/ministers/porter/media-releases/major-project-status-boost-wa-battery-industry>



The Major Project Status complements both the Lead Agency status conferred by the Western Australian Government and the Company's recent appointment to the Western Australian Future Battery Industry Ministerial Taskforce. EcoGraf continues to work with the Australian Critical Minerals Facilitation Office, the Major Projects Facilitation Agency, Austrade, Export Finance Australia and the Western Australian Department of Jobs, Tourism, Science and Innovation to advance its new facility and enhance Australia's position in the global lithium-ion battery industry.

Pre-Construction Program

On 8 February 2021, the Company announced that it has authorised GR Engineering to undertake works for the detailed engineering design for the construction of the new EcoGraf™ Battery Anode Material Facility in Western Australia (refer ASX announcement *EcoGraf Commences Engineering Works for Construction of New Processing Facility*).



Commencement of these works marks a significant milestone for the Company and coincides with rapidly increasing global investment in the transition to clean energy, that is supported by strong Government actions across all key markets, to address the effects of carbon emissions and climate change.



Managing Director of GR Engineering, Geoff Jones, said *“We are pleased to be partnering with the EcoGraf team to deliver the engineering works for the construction of this new battery graphite processing facility. This new facility will be important in meeting the growing global demand for high quality battery related products and GR Engineering is excited to be part of this new Western Australian based industry.”*

The works involve programs to finalise regulatory approvals, site infrastructure and services, process testing to provide additional data for optimisation of process design, detailed design and equipment orders, together with power, water, gas and reagent procurement arrangements. EcoGraf has also commenced the recruitment process to secure experienced graphite and project development professionals to support the construction and operational commissioning programs for the new facility.

Product Qualification Programs

Product evaluation programs have continued with prospective anode, battery and electric vehicle manufacturers, with interest in the Company’s EcoGraf™ HF-free products supported by changes to energy policy in the United States of America and more stringent European requirements for supply chain sustainability within the lithium-ion battery sector.

European Battery Anode Materials Facility

The A\$54.6 million capital raising positions EcoGraf to complete the construction and commissioning of commercial operations at its first facility in Western Australia. Its production is planned to cater to the growth in demand expected in Asia from the existing investment in battery manufacturing taking place in this region and early product development requirements in Europe.

Along with the substantial growth in Asia, unprecedented investment is currently underway in Europe to establish a self-sufficient and sustainable battery manufacturing supply chain to support the European electric vehicle industry.

Positive legislative developments and attractive incentives have been put in place by Europe to facilitate investment in the EV supply chain within the European Union. This includes a further €2.9 billion in funding support to accelerate productive investment and innovation in the battery supply



chain. As a result, and as part of its longer-term business plan, EcoGraf has been for some time evaluating the placement of a second battery graphite production facility in Europe to cater specifically to growth in demand in Europe.

It is envisaged that development work on this facility would commence following successful completion of stage one of the Australian facility and will utilise the same engineering design to produce 20,000tpa of battery graphite.

Initial planning and site selection activities continued during the quarter for this facility, including Germany, where the Company is working closely with Germany's economic development agency German Trade and Invest to review suitable sites. Based on EcoGraf's search criteria, German Trade and Invest has generated a list of 20 potential locations which have been narrowed down to 5 sites for further evaluation. Germany also offers additional attractive financial incentives to support new production, including access to development bank funding where the new investment satisfies relevant criteria (refer www.gtai.com).

The environmental credentials of the EcoGraf **HFFree™** purification process strongly aligns with the legislative policy changes in Europe that require high standards of environmental and social governance (ESG) in battery supply chains.

These leading ESG credentials and extensive product qualification programs underpin the Company's strategy to double planned production to 40,000tpa through a second battery anode facility by 2025.

The evaluation of potential locations in Europe remains on-going and the Company will provide an update to the ASX when a decision is made on the preferred site.

LITHIUM-ION BATTERY RECYCLING

Recycling programs continued with a range of battery industry participants operating in Australia, Asia and Europe.

The testwork programs are focussed on the recovery and recycling of lithium-ion battery production scrap and end-of-life lithium-ion batteries after hydrometallurgical process have recovered cathode materials.

EcoGraf's recycling activities are part of the Company's vertically integrated graphite business to provide an alternative, responsibly produced and cost effective active battery anode material through the initial EcoGraf™ Battery Anode Material Facility planned in Western Australia and the development of its long-life and low cost Epanko Graphite Project in Tanzania.



Recovered Carbon Anode Material Results

The Company continued its customer recycling programs using EcoGraf™ proprietary purification process to recover high purity battery anode material from lithium-ion battery materials.

Outstanding results of >99.95% carbon purity were achieved on material provided by an electric vehicle manufacturer during one of the recycling programs, confirming the effectiveness of the EcoGraf™ process in recovering carbon anode material to the purity required for re-use in lithium-ion batteries for electric vehicles.

These encouraging results provide further confidence for the proprietary EcoGraf™ HF-free purification process to support anode, battery and electric vehicle manufacturers to achieve more effective lithium-ion battery recycling outcomes, reduce their carbon footprint and lower raw material costs.

Modular Recycling Pilot Plant

Following this successful testwork, the Company appointed GR Engineering to complete engineering designs for a modular carbon anode recycling pilot plant that will be used to optimise the process and provide recovered carbon anode material for prospective customer product qualification processes.

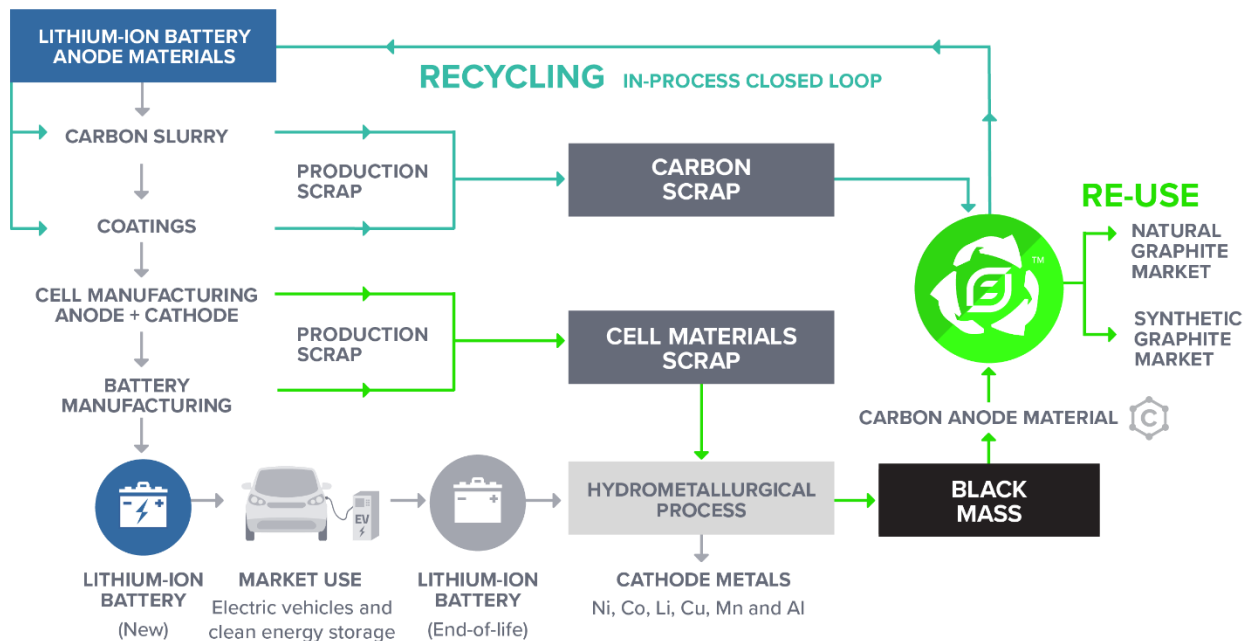
The pilot plant will evaluate the recovery of carbon anode material from a range of hydrometallurgical processes and from in-process production waste, enabling the Company to develop tailored solutions for customer needs.

The engineering design works conducted by GR Engineering will include the capital cost estimate which the Company plans to fund through its R&D programs and collaboration with potential customers.

EcoGraf's strategy to recover and re-use carbon anode materials is focussed on two feedstock material streams:

- + Production scrap or waste from anode cell and battery manufacturing processes; and
- + Residual carbon materials that remains after the metals have been extracted through hydrometallurgical processing from end-of-life batteries.

+



SungEel Hitech Agreement

Following positive progress with SungEel HiTech Co. Ltd (SungEel) to evaluate the recovery of carbon anode material from production scrap and 'black mass' from lithium-ion battery materials produced at SungEel's South Korean recycling plant, agreement was reached with SungEel to include a tailored EcoGraf™ recycling process to recover the carbon anode materials in SungEel's proposed new recycling plants in Europe and South Korea (refer ASX announcement *SungEel HiTech LiB Recycling Update* 16 March 2021).



It was also agreed that:

- + SungEel will provide black mass for the modular pilot plant for the product qualification phase and will review its co-investment in the piloting process once the initial engineering design is completed and costing estimates are completed; and
- + SungEel and EcoGraf will undertake a joint marketing and promotion process to introduce battery manufacturers to the pilot plant program to support the evaluation of the recovered carbon anode material, including EcoGraf's blended anode material, for re-use in the battery supply chain.

SungEel is a major lithium-ion battery recycling company and is well connected to the South Korean lithium-ion battery supply chain, which includes both electric vehicle and battery manufacturers. SungEel currently process 24,000 tonnes of lithium-ion battery materials per year in South Korea, with plans to increase its capacity to 56,000 tonnes per year.

The processed material contains approximately 22% carbon anode.

Given the encouraging results to date, there is an opportunity for the Company to use the EcoGraf™ **HFFree™** purification process to produce a unique blended carbon anode material product for potential customers, using a combination of manufactured spherical graphite and recycled carbon anode material as follows:



EPANKO GRAPHITE PROJECT

The Epanko Graphite Project (Epanko or the Project) is a development ready Tanzanian natural flake graphite project. Key milestones achieved to date include:

- + Bankable Feasibility Study (BFS) completed by GR Engineering;
- + Bank appointed Independent Engineer's Review completed by SRK Consulting (UK), confirming that the BFS adequately addresses all technical aspects of the proposed development and the social and environmental planning aspects satisfy IFC Performance Standards and World Bank Group Environmental, Health and Safety Guidelines;
- + Offtake commitments for the planned production secured in Asia (Sojitz Corporation) and Europe (thyssenkrupp and a large European graphite trading group);
- + Resettlement Action Plan approved by the Tanzanian Government;
- + Mining Licence granted; and
- + Letter of Intent with GR Engineering for early works program and EPC construction contract.



In mid-March, the Tanzanian Government announced the passing of HE President John Magufuli and the appointment of HE President Samia Suluhu Hassan, who was previously Vice President. Since her appointment HE President Samia Suluhu Hassan has initiated several programs to promote increased foreign investment in Tanzania which are expected to assist the Company to finalise the funding arrangements for the development of the Epanko Graphite Project.

Debt Financing

On 10 March 2021, the Company announced encouraging progress to secure Tanzanian Government approval for the US\$60 million Epanko debt financing proposal (refer ASX announcement *Positive Response to proposed US\$60m Epanko Debt Financing*).

Following discussions with the Tanzanian Ministry of Minerals, Mining Commission, Ministry of Finance and the Bank of Tanzania, a potential debt financing structure has been developed that complies with Tanzania's new mineral legislation relating to banking arrangements and which would enable development and construction of the long-life, high quality Epanko flake graphite operation.

The Tanzanian Government has recently announced plans to attract increased foreign investment in its business sector and discussions between the Government, KfW IPEX-Bank and the Company to progress the proposed funding arrangements are continuing.

Epanko Enhancement Studies

In conjunction with the financing process, EcoGraf has commenced enhancement studies to:

- + define the potential for 'fresh rock' graphite within the Epanko resource to deliver a high purity 99% carbon graphite without additional processing. Metallurgical testwork indicates that this Epanko material will provide an excellent long-term feedstock for EcoGraf™ battery anode material and is expected to lead to a reduction in purification reagents and production costs.
- + evaluate the benefits of low-impact, continuous mining methods at Epanko using proven surface mining equipment.

Sector Leading ESG Credentials

The Epanko bankable feasibility study social and environmental planning programs have been conducted in compliance with the Equator Principles, a globally recognised risk management framework adopted by leading financial institutions for assessing and managing social and environmental risks in new developments.

Achieving this standard and satisfying International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines is critical to securing international financing support for the new development and reflects EcoGraf's commitment to the ensuring the highest level of Environmental, Social and Governance operating standards.

Epanko will provide inter-generational economic and social benefits for the regional community near Mahenge in Tanzania and will support Tanzania's positive industrialisation progress.

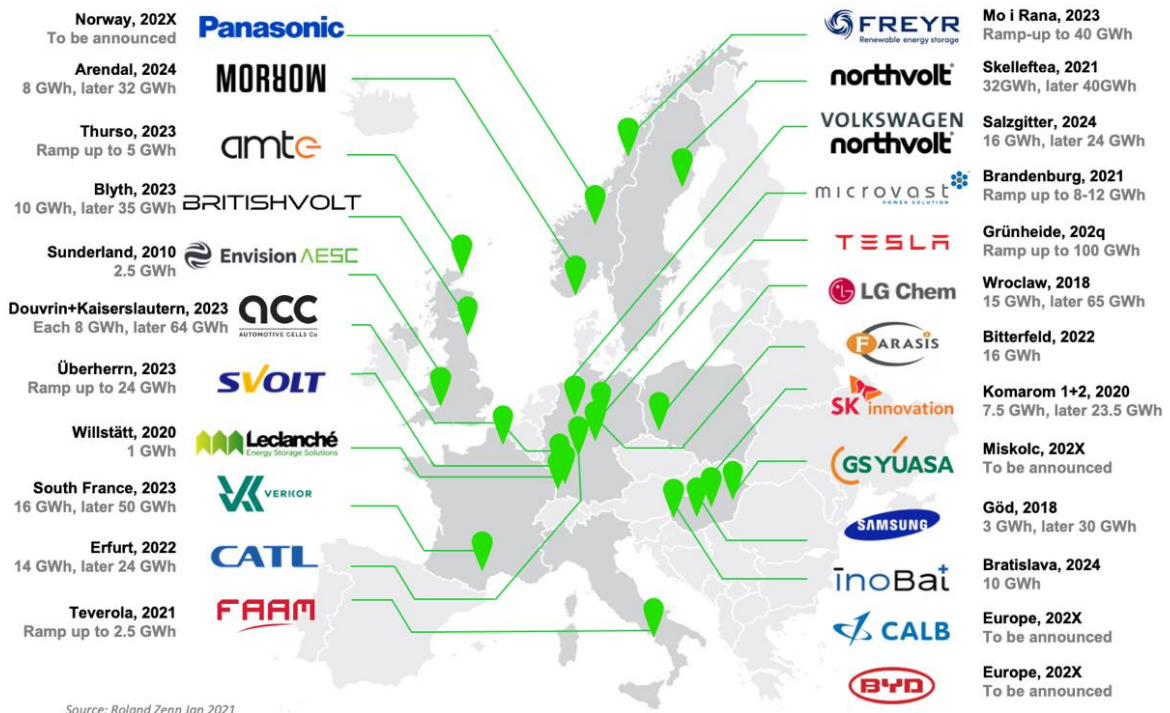
Positive Economic Impact

The Project has strong economics and in addition to generating a pre-tax NPV₁₀ of US\$211m for shareholders, will make a long-term, inter-generational contribution to economic, industrial and social development within Tanzania. It is expected to operate for over 40 years, during which time it is forecast to directly contribute over US\$3 billion to Tanzania through local employment, procurement, royalties, taxes and dividends. Over 95% of the 300 permanent staff will be Tanzanian, with an estimated 4,500 indirect jobs to be supported by the operation.

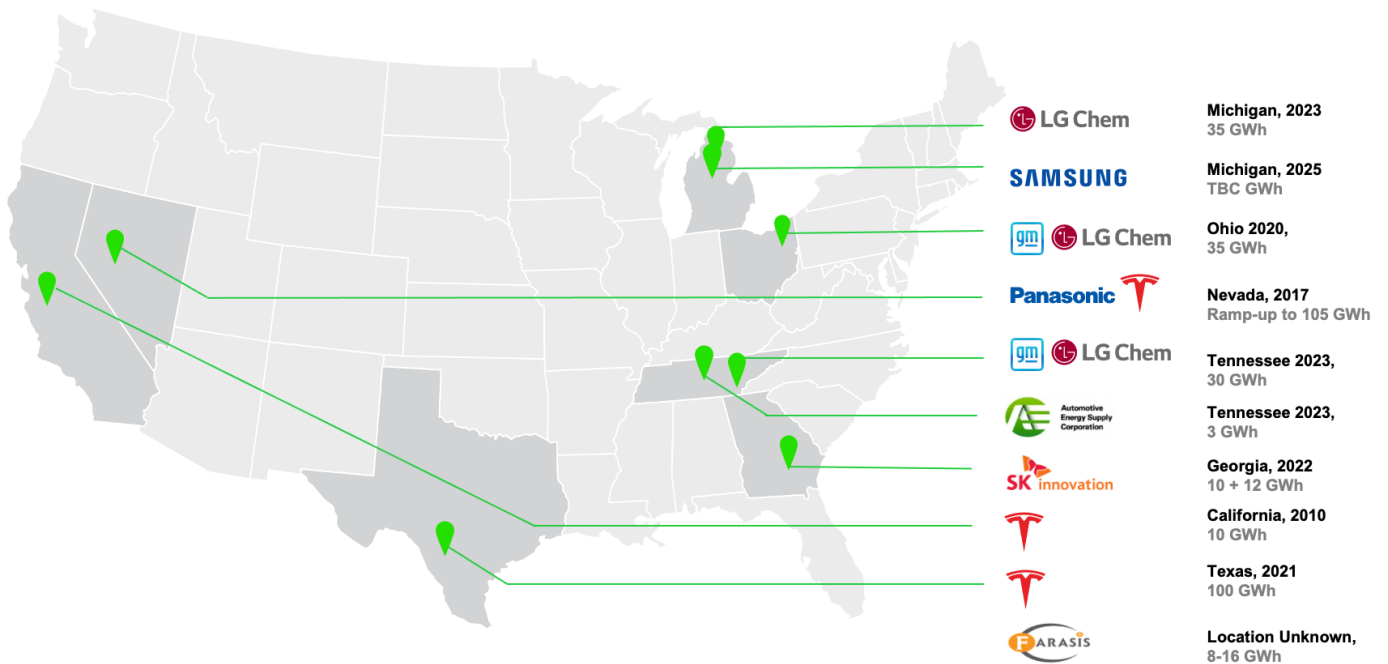


BATTERY GRAPHITE MARKET

Development intensity continued in Europe, strengthening Europe's resolve to build its own battery minerals supply chain. An updated summary of the developments is shown below.



Source: Roland Zenn Jan 2021



Other significant news supporting the transition to electric vehicles, covered in the Company's market news reports, included:

- + President Biden orders review of critical foreign supply chains.
- + LG Chem commits \$4.5 billion to expand electric vehicle battery production in the U.S.
- + Jaguar announces plans to be all-electric by 2025.
- + Ford plans to be all-electric in Europe by 2030.
- + GM announces transition to electric vehicles.
- + Volkswagen reports progress on recycling and commissioning of a battery recycling plant.

The above reports and URL links can be found on the Company's website or alternatively you can 'click' below to join the mailing list.



CORPORATE

Appointment of Director

On 2 March 2021, the Company announced the appointment to its Board of experienced finance executive and current Chief Financial Officer, Mr Howard Rae as a Director (refer ASX announcement *EcoGraf Appoints Experienced Finance Director*).

US Listing on OTC Market

EcoGraf has completed all submissions required as part of securing approvals to enable trading of the Company's shares on the 'Over the Counter' Market (OTC) in the United States of America.

This move is in response to surging investor interest in the USA for the electric vehicle sector and its supply chain, which has been recently stimulated by President Biden announcing plans to replace the US Government vehicle fleet with electric vehicles and supporting the global shift to electric vehicles.

The OTC Markets Group is one of the largest and best-known trading networks in the US. It consists of three stock exchanges: OTC Pink, OTCQB, and OTCQX. (further information is available at: <https://www.otcm Markets.com/>). The Company is seeking a dual listing on the OTCQX which is the highest quality tier, with electronic trading via registration with the Depository Trust Company (DTC).

Investor Relations

Due to the COVID-19 travel restrictions, marketing was focussed on virtual presentations, meetings and media coverage. Activities included:

- + EcoGraf and its largest shareholder First Sentier presented at the Sharecafe Hidden Gems Webinar.
- + Presented a business update and corporate overview in several online forums as released to the market, including the Informed Mineral Recycling Forum (UK) which was opened with the European Commission overview of raw materials.
- + The Company featured in several media articles during the quarter including Stockhead, MiningNews, Proactive Investors, The Herald and SNN.





EcoGraf’s Howard Rae Presents at Sharecafe’s Hidden Gems Webinar Presentation with Tim Canham from First Sentier Investors About the Clean and Green Energy Sector.



EcoGraf features on the panel of experts for Stockhead’s “V-Con: Green Energy” Watch the video below for insights, panel discussions and presentations.



EcoGraf’s Andrew Spinks presents at the Informed Mineral Recycling Forum with European Commission’s Maria Nyberg about raw materials, sustainability and closing the carbon loop in li-ion batteries.



EcoGraf’s April social media campaign via LinkedIn and Twitter – generic campaign targeting brand awareness and the OTC listing coming soon



EcoGraf features in the German Trade & Invest Presentation: Zero Carbon Mobility and Green Hydrogen – Opportunities for Europe and Western Australia

Cash

Cash at 31 March 2021 was \$52.4 million and details of cash flows during the quarter are set out in the attached Appendix 5B.

Payments made to related parties during the quarter in item 6 of Appendix 5B were for directors’ remuneration. Details of directors’ remuneration and fees are provided in the Remuneration Report of the Company’s Annual Report.



Share Capital

On 29 April 2021, the Company completed the buy-back and cancellation of 5,750,000 shares issued on 8 July 2015 and 22 December 2017 under its Employee Share Scheme. The resulting issued capital is 449,233,459 shares.

SCHEDULE OF TENEMENTS

Licence	Ownership interest	Acquired/disposed during the quarter	Area (km ²)	Location
ML 548/2015	100%	No change	9.62	Mahenge, Tanzania
PL 7907/2012	100%	No change	26.42	Merelani-Arusha, Tanzania
PL 9306/2013	100%	No change	17.53	Mahenge, Tanzania
PL 9331/2013	100%	No change	2.76	Mahenge, Tanzania
PL 10092/2014	100%	No change	23.23	Merelani-Arusha, Tanzania
PL 10388/2014	100%	No change	2.57	Mahenge, Tanzania
PL 10390/2014	100%	No change	2.81	Mahenge, Tanzania
PL 10872/2016	100%	No change	2.60	Merelani-Arusha, Tanzania
PL 10972/2016	100%	No change	3.83	Mahenge, Tanzania
PL 11081/2017	100%	No change	2.08	Merelani-Arusha, Tanzania
PL 11082/2017	100%	No change	20.77	Merelani-Arusha, Tanzania
PL 11143/2017	100%	No change	2.62	Merelani-Arusha, Tanzania
PL 11196/2018	100%	No change	46.72	Merelani-Arusha, Tanzania
PL 11386/2019	100%	No change	6.73	Merelani-Arusha, Tanzania

This report is authorised for release by the Board.

For further information, please contact:

INVESTORS

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Managing Director
T: +61 8 6424 9002



Forward looking statements

Various statements in this announcement constitute statements relating to intentions, future acts and events. Such statements are generally classified as “forward looking statements” and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

Production targets and financial information

Information in relation to the feasibility study conducted on the production of battery graphite using the Company’s EcoGraf technology, including production targets and forecast financial information derived from the production targets, included in this announcement is extracted from an ASX announcement dated 5 December 2017 “Battery Graphite Pilot Plant”, as updated on 17 April 2019 “EcoGraf Delivers Downstream Development” and 5 November 2020 “Completion of EcoGraf™ Processing Facility Development Report”, available at www.ecograf.com.au and www.asx.com.au. The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement released on 5 December 2017, as updated on 17 April 2019 and 5 November 2020 continue to apply and have not materially changed.

Information in this announcement relating to the Bankable Feasibility Study conducted on the Epanko Graphite Project, including production targets and forecast financial information derived from the production targets, included in this announcement is extracted from an ASX announcement dated 21 June 2017 “Updated Bankable Feasibility Study” available at www.ecograf.com.au and www.asx.com.au. The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement released on 21 June 2017 continue to apply and have not materially changed.

Competent persons

Any information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Spinks, who is a Member of the Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. Andrew Spinks is a director of EcoGraf Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Andrew Spinks consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to Mineral Resources is based on information compiled by Mr David Williams, a Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. David Williams is employed by CSA Global Pty Ltd, an independent consulting company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. David Williams consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves has been compiled by Mr Steve O’Grady, who is a Member of the Australasian Institute of Mining and Metallurgy. Steve O’Grady is a full-time employee of Intermine Engineering and produced the Mining Reserve estimate based on data and geological information supplied by Mr Williams. Mr O’Grady has sufficient experience which is relevant to the estimation, assessment, evaluation and economic extraction of the Ore Reserve that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves”. Steve O’Grady consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EcoGraf Limited

ABN

15 117 330 757

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(6)	(23)
(b) development	-	-
(c) production	-	-
(d) staff costs	(101)	(257)
(e) administration and corporate costs	(296)	(677)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (financing, product marketing and business development)	(403)	(825)
1.9 Net cash from / (used in) operating activities	(806)	(1,781)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(41)	(154)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	61
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(41)	(93)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	54,602	54,602
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3,082)	(3,082)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (release of cash bond)	-	-
3.10	Net cash from / (used in) financing activities	51,520	51,520
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,751	2,778
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(806)	(1,781)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(41)	(93)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	51,520	51,520

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	52,424	52,424

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,424	1,751
5.2	Call deposits	50,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	52,424	1,751

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
161
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Executive (2) and non-executive (2) directors' remuneration for the quarter.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities ¹	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
#1: The unused A\$300,000 loan facility provided to the Company by director related entities was cancelled during the quarter.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(806)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(41)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(847)
8.4 Cash and cash equivalents at quarter end (item 4.6)	52,424
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	52,424
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	61.9

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3 answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: the board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.