

## QUARTERLY ACTIVITIES REPORT

### ECOGRAF LODGES CONSTRUCTION APPROVALS FOR NEW 20,000TPA AUSTRALIAN HF<sup>FREE</sup> BATTERY ANODE MATERIAL FACILITY

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

#### HIGHLIGHTS

##### • EcoGraf™ Battery Anode Material Business

- + Construction approvals submitted for new Australian Battery Anode Material Facility
- + Optimised layout and design incorporates positive results from the commercial scale mechanical shaping program that demonstrated increased product yields of >60%
- + Configuration aims to minimise on-site construction schedule to achieve operational commissioning in 1H 2023 and facilitate modular expansion to increase production to 20,000 tonnes per annum
- + Plant design allows flexibility for production of both **hdBAM**™ (standard EV batteries) and **superBAM**™ (hybrid EV batteries)
- + Layout provides for future value-adding of by-products to supply **greenRECARB**™, **ecoCEM**™ and **hpFINES**™ to capitalise on new product market opportunities
- + State-of-the-art facility to use industry leading equipment and adopt the Company’s zero-waste operating strategy to sustainably produce high quality, cost-competitive HF<sup>free</sup> battery anode material products
- + EcoGraf and POSCO enter into Battery Anode Material Agreement
- + Major product development program produces first GreenRECARB products
- + Site evaluation processes continue for a future European EcoGraf™ Battery Anode Material Facility

##### • EcoGraf™ Lithium-ion Battery Recycling Business

- + Discussions with SungEel Hitech and battery manufacturers on development of a recycling pilot plant to support their battery recycling programs
- + Completion of testing on a third major battery manufacturer’s production anode scrap material and continuing evaluation of recovered anode material

##### • EcoGraf™ Natural Flake Graphite Business

- + Government continues to improve investment environment for new mining developments
- + Financial advisors issue debt financing due diligence materials to financial institutions expressing interest in participating in the proposed development
- + Appointment of project and corporate personnel in Mahenge and Dar es Salaam

##### • Corporate

- + Graphite pricing increased 25% due to increased anode demand and environmental breaches by major graphite producers in China creating fears over further production cuts in China
- + Cash at bank at end of quarter of \$50.1 million

## BUSINESS SUMMARY

EcoGraf is building a diversified battery anode material 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 advancing the **TanzGraphite** 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.



### PRODUCT DEVELOPMENT

Value enhancement of bi-product fines. Supporting the transition to clean energy and advanced manufacturing.

### NATURAL GRAPHITE

Scalable mining projects for long-term supply of natural graphite products. Epanko Stage 1 - 60,000t.

### BATTERY ANODE MATERIAL

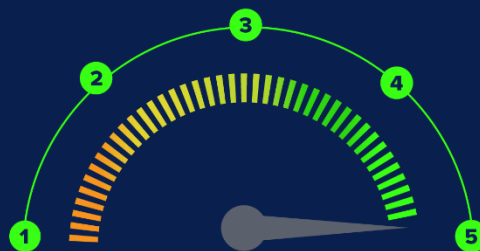
Battery anode material processing facilities. 1st Plant: Australia, 2nd Plant: Europe, Others: Asia/US/India.

### DOWNSTREAM INNOVATION OPPORTUNITIES

Enhanced Coatings.

### LITHIUM-ION BATTERY RECYCLING

Recovery of carbon anode material from lithium-ion batteries. Pilot plant scalable to demonstration plant.



**LITHIUM-ION ANODE DEMAND TO DRIVE GROWTH ACROSS 5 KEY AREAS**



## QUARTERLY ACTIVITY UPDATE

### ECOGRAF™ BATTERY ANODE MATERIAL BUSINESS

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

This new state-of-the-art development has received endorsement from both Federal and State Governments through the award of Major Project Status (refer ASX announcement *Major Project Status Approved by Australian Government* 5 March 2021) and Lead Agency status from the Western Australian Government.

EcoGraf is actively working 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 develop the new facility and support Australia's future in the global lithium-ion battery industry.

#### Construction Approvals

EcoGraf has submitted applications for Development and Works Approvals for the construction and operation of the Australian Battery Anode Material Facility. The applications have been prepared with the support of leading industry experts who have extensive experience in undertaking similar processes in the Kwinana-Rockingham Strategic Industrial Area. The area is located approximately 30km south of Western Australia's capital city Perth and has been designated as a priority zone for the development of a globally leading battery minerals processing centre.

Both submissions are supported by detailed independent studies into environmental planning (emissions, noise levels, ground water management, traffic management, flora and fauna management), together with health and safety (site access, layout and fire management), building design, site infrastructure and offsite services.

The optimised layout and design of the new EcoGraf™ facility incorporates positive results from the commercial scale mechanical shaping program that demonstrated increased product yields exceeding 60%. GR Engineering have developed the site plan to minimise the on-site construction schedule to achieve operational commissioning in 1H 2023 and facilitate modular expansion to increase production to 20,000 tonnes per annum.



Design of the plant allows flexibility for production of both **hdBAM™** (standard EV batteries) and **superBAM™** (hybrid EV batteries) in order to maximise production yields, while the layout provides for future value-adding of by-products to supply **greenRECARB™**, **ecoCEM™** and **hpFINEs™** to capitalise on new product market opportunities.

- **Plant design allows flexibility for production of both **hdBAM™** (standard EV batteries) and **superBAM™** (hybrid EV batteries)**
- **Layout provides for future value-adding of by-products to supply and to capitalise on new product market opportunities**

The assessment process for the West Australian Government Works Approval and the City of Rockingham Development Approval typically takes 3-4 months, during which EcoGraf will finalise major construction contracts, procure key processing equipment and complete detailed engineering plans.

In addition to adopting a zero-waste operating strategy that includes maximising the recycling and re-purposing of production inputs, eliminating all gaseous emissions and value-adding by-products, the new facility also adopts a low impact visual design that complements its immediate surrounds and advanced manufacturing purpose.

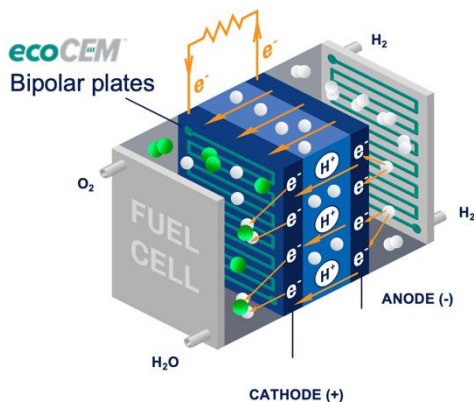


In conjunction with the permitting and approvals process, EcoGraf has been in discussion with the Government and several major operators in the Kwinana-Rockingham area to evaluate opportunities for the supply of clean, renewable energy to the operation, co-funding a regional product innovation centre and undertaking further downstream processing to produce value-added anode and cathode material products for the lithium battery and green steel markets.

The new EcoGraf™ facility is ideally located to benefit from clean hydrogen developments proposed for the Kwinana-Rockingham area by multinational energy groups Woodside and bp, which will provide an additional source of clean energy for the EcoGraf™ processing operations.



Hydrogen fuel cells use graphite to improve the charging/discharging efficiency of the bipolar plates which distribute the fuel within the cell. Development of clean hydrogen technologies in the region provides a potential additional market opportunity for EcoGraf™ HF<sub>free</sub> high purity products to support Australia's emerging hydrogen industry.



**ecoCEM** = RAW MATERIAL FOR GREEN ENERGY

Targeting large transportation equipment and high efficiency stationary energy plants



### EcoGraf and POSCO Battery Anode Material Agreement

On 25 November 2021 EcoGraf announced that it had entered into a non-binding Memorandum of Understanding with POSCO, a multinational industrial company headquartered in South Korea and a leading manufacturer of lithium-ion battery cathodes and anodes.

Under the agreement, the parties will work together in relation to EcoGraf supporting POSCO's anode production expansion plans through the supply of EcoGraf™ HF<sub>free</sub> battery anode material products from the Company's new Australian Battery Anode Material Facility and its planned facility in Europe.

EcoGraf and POSCO intend to enter into a formal offtake agreement for the proposed arrangements, containing terms and conditions customary for such contracts and they will also evaluate other opportunities for co-operation on product development, battery anode recycling and the development of EcoGraf's battery anode material business.

Further information on POSCO can be found at: <https://www.posco.co.kr>.



## Development Funding

On 28 September 2021 the Federal Government announced a A\$2 billion Critical Minerals Facility initiative to help secure the vital supplies of resources needed to drive the new energy economy and support the resources jobs of the future (<https://www.pm.gov.au/media/backing-australias-critical-minerals-sector>).

The Company plans to fund the initial phase of the development using its cash reserves and Australian Government export credit agency Export Finance Australia has issued EcoGraf with a non-binding letter of support in relation to a US\$35 million debt financing facility for the expansion phase to achieve production of 20,000 tonnes per annum. EcoGraf and its financial advisors continued to work with Export Finance Australia during the quarter in relation to the proposed financing arrangements.

The Federal Government is also supporting Australian manufacturing through a A\$1.3 billion Modern Manufacturing Initiative that provides grant funding to assist Australian manufacturers scale-up, collaborate and increase their competitiveness. The new Australian Battery Anode Material Facility aligns with the priorities identified under the Modern Manufacturing Initiative and although unsuccessful in obtaining a grant during the first round of applications in April 2021, EcoGraf has submitted another application under the second round, which was open from 13 December 2021 to 14 January 2022. Applications are currently being assessed and there can be no guarantee of a successful outcome.

## EcoGraf™ HFfree Patent and Trademarks

Since developing the proprietary EcoGraf™ HFfree purification technology in 2017, the Company has sought to protect its intellectual property assets through patents and trademarks. The patent submissions cover a range of applications relating to the manufacture of battery anode material and high purity graphite products, together with the recycling of lithium-ion battery anodes.



On 8 November 2021 the Company reported that the International Preliminary Examining Authority of the Patent Co-operation Treaty has deemed the EcoGraf™ purification process as novel and inventive. After an extensive examination, the written opinion of the Examiner at the International Preliminary Examining Authority is that all 25 of the patent claims are novel and inventive.

As a result, in December 2021 the Australian Government, through IP Australia, confirmed acceptance of the Company's patent application for its unique EcoGraf™ HFfree purification technology. The purification technology was first developed by EcoGraf in Australia and has been refined through extensive testing and analysis conducted in Europe and Asia.

The effectiveness of the EcoGraf™ HFfree process has been demonstrated using a range of different graphite feedstocks produced in Asia, Africa and South America, outperforming existing HF reference material during independent electrochemical battery testing. EcoGraf has also applied to register the following product trademarks to enhance market recognition among its global customer base.

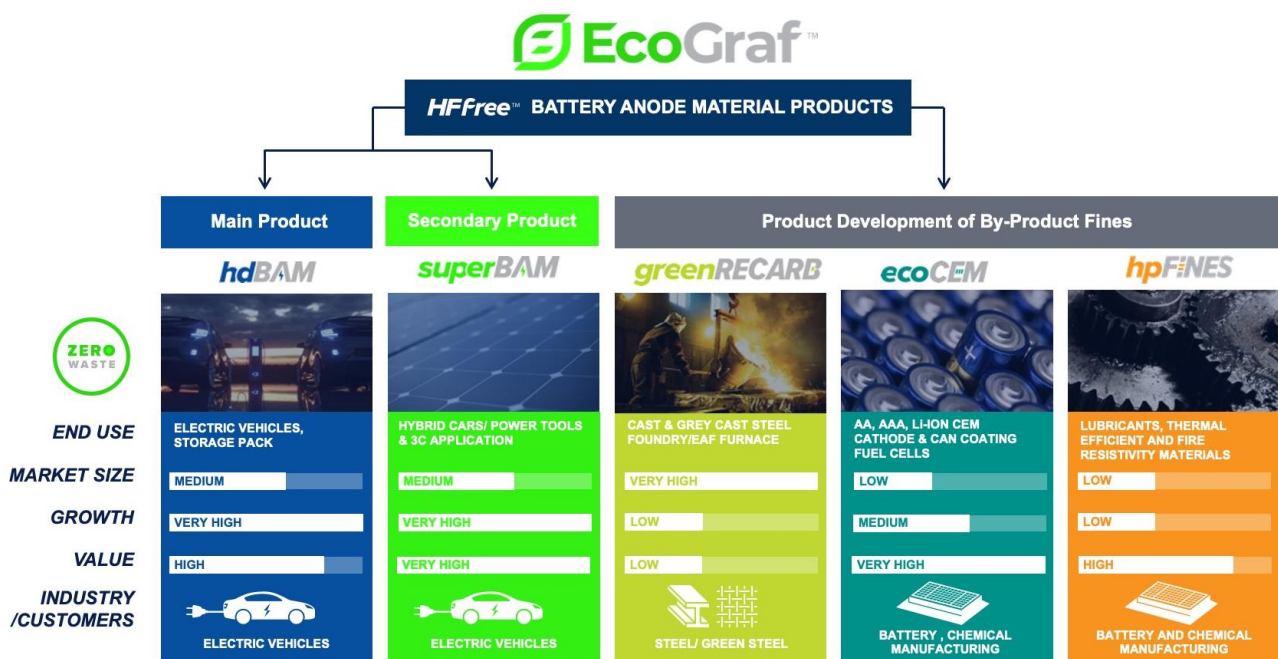


## Product Development and Sales

During the quarter the Company successfully completed a product qualification program for a major anode producer in which EcoGraf™ HFfree battery anode material outperformed reference material from existing producers in battery testing. The EcoGraf product achieved the anode producer's physical and chemical specifications and outperformed against reference materials in half-cell electrochemical testing. The results are an important milestone and confirm the effectiveness of the Company's environmentally superior EcoGraf™ processing technology to provide anode, battery and electric vehicle manufacturers with high quality, sustainably produced battery anode material.

Following announcement of the Battery Anode Material Agreement with POSCO, the Company has received an increased level of enquiry from potential customers in Asia and Europe, as electric vehicle and battery manufacturers have noticeably focussed in recent months on securing anode material supplies for their planned developments.

In parallel with the sales activities, an extensive international product development program is being undertaken to evaluate new market opportunities to value-add products from the Company's new Australian Battery Anode Material Facility.



This work includes three by-product development programs focussed on steel recarburiser, alkaline battery and specialised industrial applications.

### greenRECARB

EcoGraf™ GreenRECARB is a low emission recarburiser additive for the steel manufacturing industry. After an initial successful assessment, a major testing program is underway to develop a premium additive for the electric arc and induction furnace steel manufacturing industry. Steel makers are seeking more sustainably produced additive materials to replace the use of energy intensive, fossil fuel based calcined petroleum coke products.

Electric arc furnace steel production currently accounts for approximately 30% of the global steel market and requires a minimum of 3-4% recarburiser additive, providing a market opportunity of up to 1 million tonnes of recarburiser each year.



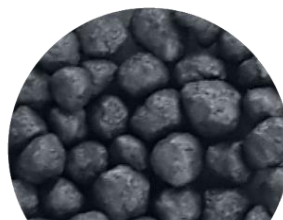
EcoGraf has completed the initial production phase of the GreenRECARB program, consisting of bench scale formulation of the optimum binding, granulation and pelletisation processes to produce a cost-effective and environmentally superior recarburiser product for steel manufacturers.

**greenRECARB**

PRODUCT BY

**EcoGraf**

**A GREEN CARBON ADDITIVE  
FOR STEEL MANUFACTURING**



Granulation



Pelletisation

The Company's GreenRECARB product will provide customers with a high purity additive, containing reduced sulfur and nitrogen content and which is manufactured using a lower emission production process compared to existing calcined petroleum coke additives, which will reduce the carbon footprint of the steel manufacturing process.

Importantly, the high carbon absorption efficiency of natural crystalline graphite additives in both electric arc and induction furnace steel manufacturing processes is expected to increase the operating efficiency of these furnaces and lower steel production costs.

Data obtained from the process flowsheet and pelletiser manufacturing route adopted for the GreenRECARB production program will be used for initial engineering design works in parallel with the customer testing program, targeting existing steel manufacturers and the rapidly emerging green steel industry.

**ecoCEM**

EcoGraf™ ecoCEM is a conductivity enhancement material (CEM) to improve the performance of cathodes and alkaline batteries. Ultra-fine sizes of this premium product used in battery coatings are priced at up to US\$30,000/tonne and the products represent a complementary extension of the Company's battery anode material production capabilities.

The alkaline battery market represents 10-15% of the total graphite market and is expected to grow at ~5% per annum, with key participants being Duracell Inc. and Energizer Holdings in the United States, Camelion Batterien in Germany and Sanyo, Sony and Panasonic in Japan.

**hpFINES**

EcoGraf™ hpFines is a product additive for use in specialised industrial applications that require its lubrication, thermal efficiency and fire-resistant properties. Initial samples of these products have been successfully qualified by two leading European industrial groups and the Company is investigating additional purified fines product market opportunities.

Successful by-product development enhances the environmental advantages of the new Australian EcoGraf™ Battery Anode Material Facility by maximising productive efficiency, reducing production waste and providing customers with high quality, sustainably produced products to support their environmental objectives.

Improving supply chain sustainability through Life Cycle Assessment (LCA) methodology is a key focus globally and as part of these product development programs, EcoGraf is working with prospective customers to optimise their LCA models.

As part of its focus on high quality, sustainably manufactured graphite products, the Company is investigating a number of coatings processes, which could provide a significant downstream processing opportunity for the new EcoGraf™ Battery Anode Material Facility, with coated battery anode material attracting prices of US\$6,000 to US\$10,000 per tonne.



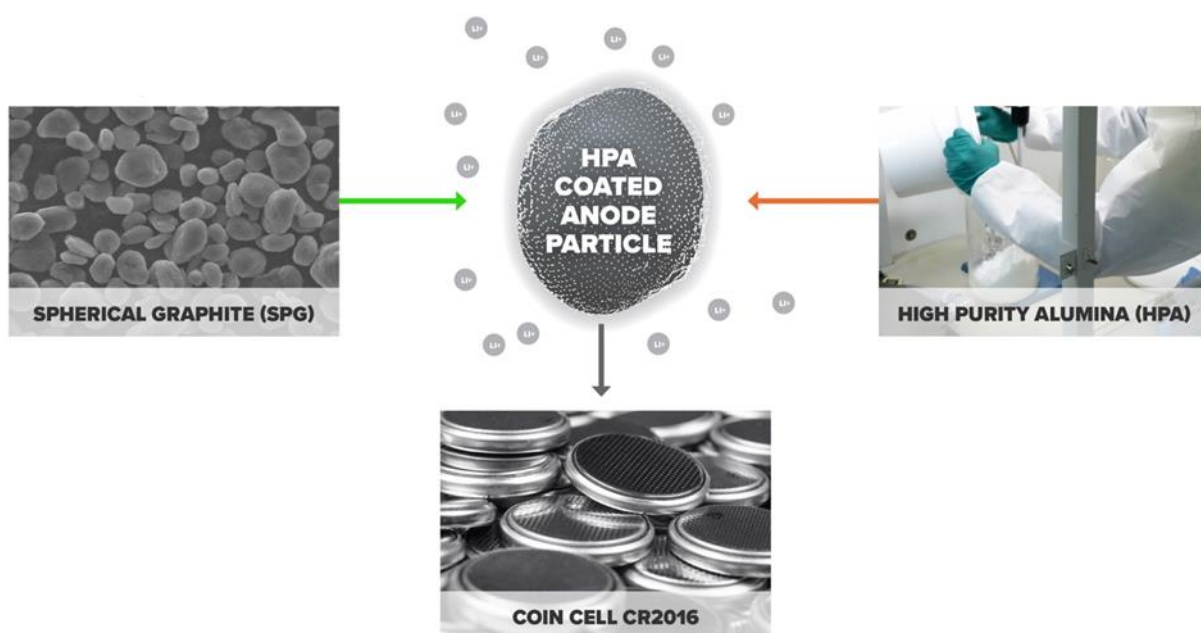


Following the signing of a non-binding Memorandum of Understanding with FYI Resources Limited (FYI), the parties have commenced a program to develop an enhanced High Purity Alumina (HPA) coatings material that will improve battery performance. The innovative technical program is being undertaken in a leading US commercial battery material research facility using EcoGraf™ HF<sub>free</sub> battery anode material and FYI high purity nanoparticle HPA material.

Independent research has demonstrated that HPA-doped carbon coatings enhance battery anode performance due to minimising first cycle losses during battery charging by improving the protective layering of the anode.

Lithium-ion battery anodes are composed of synthetic graphite, natural graphite, carbon black and silicon. HPA can be applied as a nano thickness coating on the separator sheets within a lithium-ion battery, improving its ability to withstand high rates of discharge and delivering better durability and safety.

The joint program with FYI involves an evaluation of the electrochemical performance of industry standard coated HF battery anode material versus industry standard coated EcoGraf™ HF<sub>free</sub> battery anode material and enhanced HPA coated EcoGraf™ HF<sub>free</sub> battery anode material, using CR2016 coin cells.



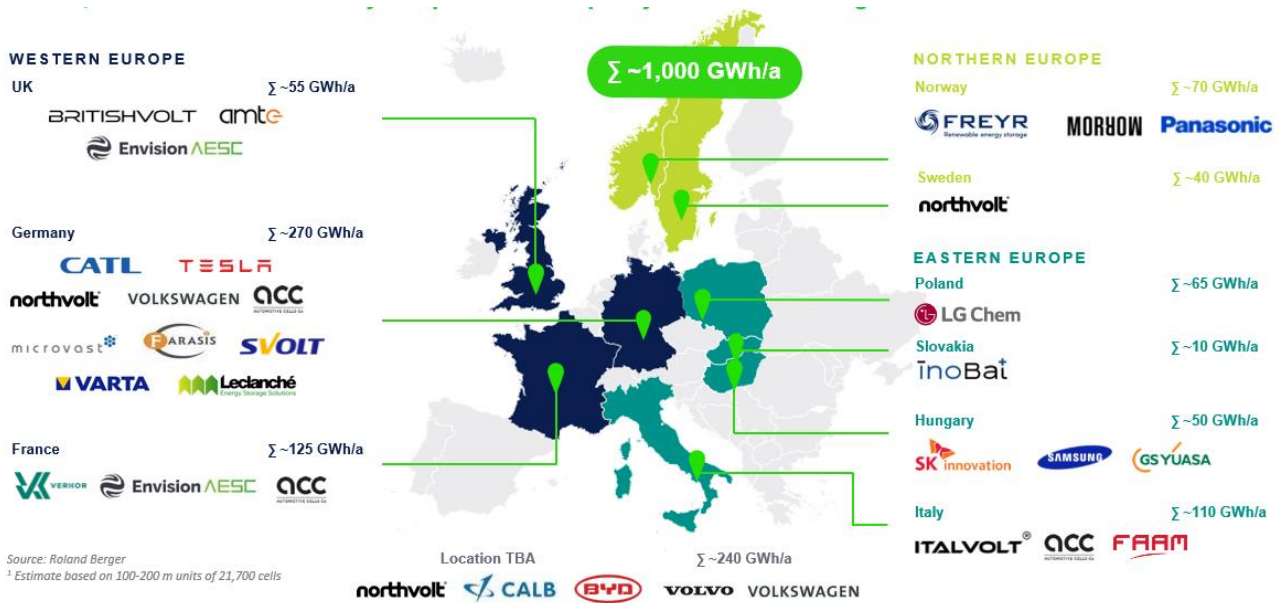
### European Battery Anode Material Facility

A key part of the Company's growth strategy is to develop additional EcoGraf™ HF<sub>free</sub> Battery Anode Material Facilities in high growth market regions that are establishing more localised, sustainably produced battery mineral supply chains.

There is presently approximately 1,000 GWh/a of new battery capacity planned across Europe, with the EU forecasting that the European battery market will be worth €250 billion per year by 2025, supported by new EU battery regulations covering responsible sourcing, CO<sub>2</sub> performance, traceability and recycling.

EcoGraf has entered into a land reservation agreement for a 65,000m<sup>2</sup> industrial site at Skellefteå in Sweden as a potential location for a future European EcoGraf™ Battery Anode Material Facility.





Skellefteå is located within the Västerbotten region and has an abundant supply of clean, renewable energy, with the lowest industrial power costs in Europe, an educated and skilled labour force and a nearby port for ready access to key battery and industrial markets across Europe.

Data generated from the GR Engineering pre-construction program and approvals studies for the Australian facility will be used to undertake a more detailed assessment of a potential new development in Skellefteå and to commence the regulatory permitting processes.

EcoGraf's environmentally superior HF-free anode material processing technology is ideally positioned to support the transition to electric energy in Europe.

### ECOGRAF™ LITHIUM-ION BATTERY RECYCLING BUSINESS

EcoGraf's recycling activities are part of the Company's diversified graphite business to provide a sustainably produced, high quality and cost competitive 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.

The Company plans to use its proprietary EcoGraf™ HF-free purification process to recover and re-use carbon anode materials, with an initial focus on production scrap from anode cell and battery manufacturing processes. Testing of a third major battery manufacturer's production anode scrap material was completed in the quarter and the evaluation of recovered anode material continues.

Discussions are continuing with SungEel Hitech and battery manufacturers in relation to the development of a recycling pilot plant to support their battery recycling programs.

	INDUSTRIAL MARKET OPPORTUNITIES FOR RECOVERED CARBON ANODE MATERIAL	NATURAL	SYNTHETIC	
	Lithium-ion batteries	RECYCLING	✓	✓
	Alkaline and zinc carbon batteries	RE-USE	✓	✓
	Friction materials	RE-USE	✓	—
	Refractories	RE-USE	✓	—
	Carbon additives	RE-USE	—	✓



## ECOGRAF™ NATURAL FLAKE GRAPHITE BUSINESS

The Company's natural flake graphite business is focussed on development of the long-life, high quality Epanko Graphite Project (Epanko) in Tanzania. Extensive work has been undertaken at Epanko to establish a development-ready new graphite mine, including:

- + Completion of a Bankable Feasibility Study (BFS) that demonstrates a highly attractive development opportunity with a forecast annual EBITDA of US\$44.5 million;
- + Government grant of mining licence and environmental approvals;
- + Comprehensive Independent Engineer's Review by SRK Consulting on behalf of lenders, confirming technical aspects of the proposed development and that the Equator Principles social and environmental planning regime satisfies International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines;
- + Flake graphite sales for key markets in Europe and Asia;
- + Target cost EPC arrangements for construction of Epanko with GR Engineering; and
- + Debt financing program with international banks and Tanzanian financial institutions.

### Government Framework Agreements

Following positive meetings with the Tanzanian Government in recent months relating to the US\$60m Epanko debt financing structure developed in conjunction with KfW IPEX-Bank, the parties propose to implement an Epanko framework agreement for the joint development of the Project.

During December, the Government entered into a number of framework agreements for diamond, gold, graphite and mineral sands mining projects and reiterated its intention to accelerate growth in the Tanzanian mineral sector to underpin the country's industrialisation goals. The framework agreements include arrangements for Government participation under the Mining Act via an incorporated joint venture structure, the related mineral tenure and key operating principles.

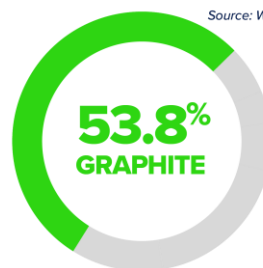
The positive Tanzanian investment environment being implemented by new President Samia Suluhu Hassan has received favourable recognition by international Governments and investors, with a recent announcement that global miner BHP Group plans to invest US\$100m in the development of the world class Kabanga Nickel Project in Tanzania.

EcoGraf and its financial advisors continue to advance the Epanko debt financing program alongside the Government discussions, supported by the positive Tanzanian investment climate and increasing demand and prices for battery graphite to support the global transition to electric energy.

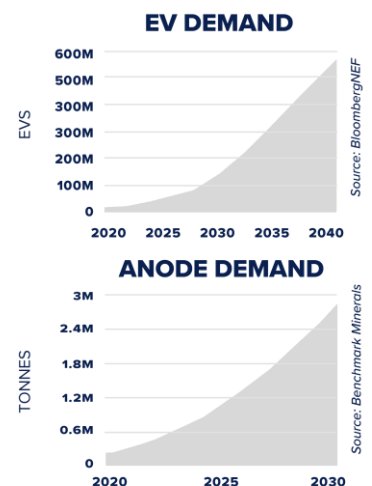


**PURE CARBON (GRAPHITE) IS THE KEY RAW MATERIAL TO DECARBONISE THE ECONOMY**

Source: World Bank



**DEMAND DRIVEN BY THE TRANSITION TO LOW CARBON EMISSION TECHNOLOGIES**



## Development Funding

After receiving positive feedback to the proposed Epanko debt funding structure, the Company appointed financial advisors in August 2021 to co-ordinate the financing program. Project information and supporting debt structuring financial modelling analysis have been provided to a range of institutions who've expressed interest in participating in the proposed financing with KfW IPEX-Bank.

The debt structuring analysis confirms that Epanko is a highly profitable, cash generative operation that can comfortably support the proposed US\$60m debt funding arrangements under a range of operating scenarios and given the improved Tanzanian investment climate, EcoGraf is confident of a successful outcome for the new development.

To support the increased activity in Tanzania, the Company has recently appointed additional project and corporate personnel in Mahenge and Dar es Salaam, with further appointments expected to be made as the Epanko pre-development program progresses towards a final investment decision.

## Positive Impact for Tanzania

EcoGraf has invested over US\$20m in Tanzania over the last 8 years to ready Epanko for construction, with a focus on local employment, procurement and community development.

Initially commencing at a production rate of 60,000 tonnes per year, Epanko is anticipated to expand over time to meet growing market demand for battery graphite and is expected to operate for 40-50 years. In the course of its operation, economic benefits of over US\$3 billion are forecast to accrue to Tanzania via 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.

## Sector Leading ESG Credentials

The Epanko bankable feasibility study social and environmental planning programs have been independently assessed by SRK (UK) to 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.

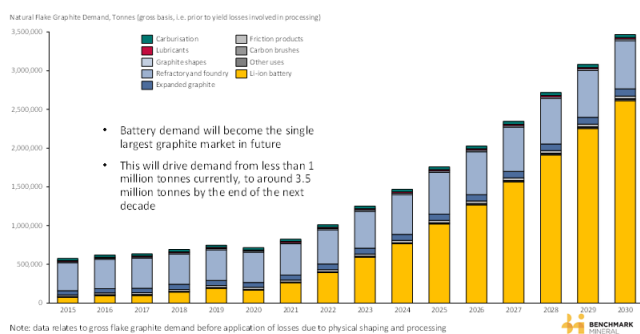
Epanko will provide inter-generational economic and social benefits for the regional community near Mahenge in Tanzania and will support Tanzania's positive industrialisation progress.

## MARKET AND PRICING OUTLOOK

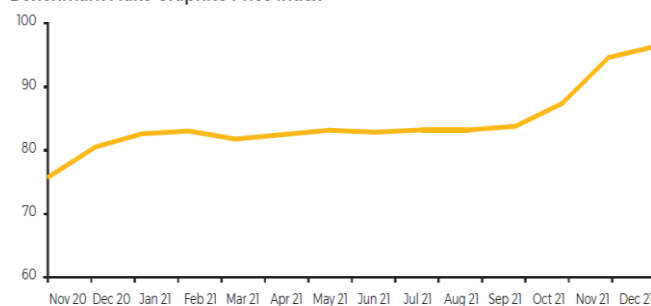
Wood Mackenzie report the average value of natural flake graphite increased 25% in the last 7 months, with a positive outlook supported by the global transition to clean energy and accelerating adoption of electric vehicles.

BMI have reported that environmental breaches by major graphite producers in China is creating fears over further production cuts in China, resulting in increasing short term pressure on supply.

### Lithium-ion Battery Demand – Driving Graphite Consumption



### Benchmark Flake Graphite Price Index



**CORPORATE**

**Investor Relations**



**STOCKHEAD**

EcoGraf interviewed by Stockhead for product GreenRECARB decarbonising the steel-making process. Read article: <https://bit.ly/3IKvGDI>



EcoGraf presented at the Nomura APAC New Energy Industrials: Small-Mid Cap Opportunities Tour



ASX Live ECOGRAF LIMITED (ASX:EGR)  
 3M Makes progress at WA battery minerals facility

EcoGraf features on The Market Herald's News Bulletin for its progress at the WA battery minerals facility.



EcoGraf features in AHK's Accelerate Magazine Read article: [https://issuu.com/german-australian-chamber/docs/accelerate\\_issue\\_4\\_q3\\_2021/60](https://issuu.com/german-australian-chamber/docs/accelerate_issue_4_q3_2021/60)



EcoGraf wishes Shareholders Season's Greetings, to acknowledge the transformational year 2021 and to thank them sincerely for their continued support. Charging ahead in 2022



EcoGraf's Andrew Spinks presents at the 2021 AGM. View video: <https://youtu.be/6LB4jHIEE5Q>



EcoGraf attended the WAGBA Anniversary Gala celebrating 35 years of business & cultural ties between Germany and WA.



EcoGraf's TanzGraphite sponsors & features at a Mahenge Exhibition Event & on Tanzanian news station, Channel Ten



## Cash

Cash at bank was \$50.1 million at the end of the quarter 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

During the quarter, the Company issued 400,000 new shares following the exercise of employee incentive performance rights.

There were 450,333,459 shares on issue and 9,091,650 unlisted incentive performance rights at the end of the quarter.

## MINERAL TENEMENTS AT QUARTER END

Licence	Area (km <sup>2</sup> )	Ownership interest	Acquired/disposed during the quarter	Location
ML 548/2015	9.62	100%	No change	Mahenge, Tanzania
PL 7907/2012	26.42	0%	Conversion in progress	Arusha, Tanzania
PL 9331/2013	2.76	100%	No change	Mahenge, Tanzania
PL 10092/2014	23.23	100%	No change	Arusha, Tanzania
PL 10388/2014	2.57	100%	No change	Mahenge, Tanzania
PL 10390/2014	2.81	100%	No change	Mahenge, Tanzania
PL 10872/2016	2.60	100%	No change	Arusha, Tanzania
PL 11081/2017	2.08	100%	No change	Arusha, Tanzania
PL 11082/2017	20.77	100%	No change	Arusha, Tanzania
PL 11143/2017	2.62	100%	No change	Arusha, Tanzania
PL 11196/2018	46.72	100%	No change	Arusha, Tanzania
PL 11386/2019	6.73	100%	No change	Arusha, Tanzania
PL 11598/2021	23.45	100%	Formerly PL 10752	Mahenge, Tanzania
PL 17823/2021	4.50	100%	Formerly PL 10972	Mahenge, Tanzania
PL 17824/2021	35.31	100%	Formerly PL 9306	Mahenge, Tanzania
PL 11600/2021	2.49	100%	Granted	Mahenge, Tanzania
PL 11667/2021	299.90	100%	Granted	Kagera, Tanzania
PL 11668/2021	229.48	100%	Granted	Kagera, Tanzania

This report is authorised for release by the Board.

**For further information, please contact:**

### INVESTORS

**Andrew Spinks**  
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](http://www.ecograf.com.au) and [www.asx.com.au](http://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](http://www.ecograf.com.au) and [www.asx.com.au](http://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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(7)	(20)
(b) development	-	-
(c) production	-	-
(d) staff costs	(205)	(327)
(e) administration and corporate costs	(365)	(609)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	504	504
1.8 Other (product marketing, financing and project development)	(1,306)	(2,139)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,365)</b>	<b>(2,577)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(28)	(69)
(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 (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(28)</b>	<b>(69)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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)	(3)
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 (repayment of share plan loans)	113	113
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>110</b>	<b>110</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	51,380	52,633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,365)	(2,577)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(69)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	110	110

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>50,097</b>	<b>50,097</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,097	1,380
5.2	Call deposits	45,000	50,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>50,097</b>	<b>51,380</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	182
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>-</b>	<b>-</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>-</b>
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.		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,365)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(28)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,393)
8.4 Cash and cash equivalents at quarter end (item 4.6)	50,097
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	50,097
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	36
<i>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.</i>	
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:	
<i>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.</i>	

**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: 31 January 2022

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.