

9 August 2024

## EBRD EQUITY INVESTMENT

Sarytogan Graphite Limited (ASX: SGA, "the Company" or "Sarytogan") is pleased to announce it has entered into a share subscription agreement ("Subscription Agreement") for a placement of A\$5M to the European Bank for Reconstruction and Development ("EBRD").

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies across three continents. The Bank is owned by 73 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions competitive, inclusive, well governed, green, resilient and integrated. To date, the EBRD has invested more than €200 billion through more than 7100 projects. 80 per cent of these funds have been channelled to private-sector companies.

Sarytogan Managing Director, Sean Gregory commented:

*"Sarytogan is delighted to attract this investment from the EBRD. The investment follows extensive technical and legal due diligence by the bank and we see it as a ringing endorsement of the governance of the Company and the quality of the Sarytogan Graphite Project. We share an alignment of strategic objectives to power the green economy by developing the Sarytogan Graphite Project with the highest standards in governance and environmental performance."*

Director for Natural Resources at EBRD, Natalia Lacorzana, commented:

*"We are pleased to support the Sarytogan Graphite project, the first graphite project financed by the Bank, on its path to become a responsibly mined source of battery grade graphite for Europe and the world. EBRD is committed to supporting the global transition to a green economy, the move towards wider adoption of electric vehicles, in particular, via providing necessary funding and know-how to junior miners of critical and/or strategic raw materials."*

### Key Terms

EBRD has conducted extensive technical and legal due diligence in respect to Sarytogan and its graphite project in Kazakhstan ("Sarytogan Graphite Project") and, as part of the Subscription Agreement, Sarytogan has provided customary representations and warranties relating to the governance of the Company and its subsidiaries and the standing of the Sarytogan Graphite Project.

The investment will be split into 2 tranches:

Tranche 1 is 16,507,565 shares for 9.99% of the issued capital in Sarytogan at 16c to raise \$2,641,210. Conditions Precedent to Tranche 1 include the Company receiving consent from the Kazakh Competent Authority for the issue of the shares pursuant to the Subscription Agreement, provision of certain original and certified copies of documents and that no material adverse event occurs in respect to Company and its subsidiaries.

Tranche 2 is for the remainder of the A\$5M investment; 14,742,435 shares at 16c, giving EBRD a total shareholding of 17.36% in Sarytogan. In addition to the Tranche 1 Conditions Precedent, Tranche 2 requires the approval from the Australian Foreign Investment Board.

The shares will be issued without shareholder approval utilising the Company's existing placement capacity under ASX Listing Rule 7.1 (22,300,000) and 7.1A (8,950,000).

Subject to satisfaction of all Conditions Precedent, it is expected that the Tranche 1 shares will be issued in or about October and the Tranche 2 shares will be issued in or about December.

Sarytogan has undertaken to use the funds for the progression of the Sarytogan Graphite Project and corporate overheads. Sarytogan has also undertaken to retain control over Ushtogan LLP (which holds the Sarytogan Graphite Project) until the completion of a Definitive Feasibility Study.

The parties have also entered into a Project Support Agreement where EBRD will have the right to nominate a director to the Sarytogan Board on completion of Tranche 2. In accordance with the Project Support Agreement, Sarytogan will also be required to regularly report to EBRD on environmental and governance matters and comply with certain project related covenants.

## Next Steps

The Pre-Feasibility Study for the Sarytogan Graphite Project will be published imminently in line with the Company's long-standing goal of no later than September this year.

The EBRD funds will then be deployed on the further advancement of the Sarytogan Graphite Project, including the progression of the environmental permitting and early works on a Definitive Feasibility Study for the project such as further metallurgical test work and customer sample generation.

**This announcement is authorised by:**

**The Board of Directors**

**For Further information contact:**

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**Managing Director**

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## About Sarytogan

The Sarytogan Graphite Deposit is in the Karaganda region of Central Kazakhstan. It is 190km by highway from the industrial city of Karaganda, the 4th largest city in Kazakhstan (Figure 1).



Figure 1 - Sarytogan Graphite Deposit location.

The Sarytogan Graphite Deposit was first explored during the Soviet era in the 1980s with sampling by trenching and diamond drilling. Sarytogan's 100% owned subsidiary Ushtogan LLP resumed exploration in 2018. An Indicated and Inferred Mineral Resource has recently been estimated for the project by AMC Consultants totalling **229Mt @ 28.9% TGC** (Table 1, refer ASX Announcement 27 March 2023). Sarytogan has upgraded the mineralisation up to **99.9992% C** "five nines purity" by thermal purification, without any chemical pre-treatment (refer ASX Announcement 5 March 2024). Furthermore, spheres of graphite have been made at a high yield (refer ASX Announcement 19 December 2023) and performance lithium-ion batteries has been demonstrated (refer ASX Announcement 8 February 2024). A Pre-Feasibility Study as part of its strategy to supply high-quality anode pre-cursor material for the rapidly growing electric vehicle battery market is well advanced and scheduled for completion no later than September 2024.

Table 1 - Sarytogan Graphite Deposit Mineral Resource (> 15% TGC).

Zone	Classification (JORC Code)	In-Situ Tonnage (Mt)	Total Graphitic Carbon (TGC %)	Contained Graphite (Mt)
<b>North</b>	Indicated	87	29.1	25
	Inferred	81	29.6	24
	Total	168	29.3	49
<b>Central</b>	Indicated	39	28.1	11
	Inferred	21	26.9	6
	Total	60	27.7	17
<b>Total</b>	Indicated	126	28.8	36
	Inferred	103	29.1	30
	Total	229	28.9	66

## Competent Person's Statement

The information in this report that relates to other Exploration Results is cross referenced to the relevant announcements in the text. These reports are available at [www.asx.com.au](http://www.asx.com.au). The information in this report that relates to Sarytogan Mineral Resources was first reported in ASX announcement dated 27 March 2023.

The Company confirms that it is not aware of any new information or data that materially affects the information included in relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.