

9 September 2024

TRIAL GRAPHITE MINING

Sarytogan Graphite Limited (ASX: SGA, "the Company" or "Sarytogan") is pleased to advise that a 20-tonne trial mining exercise is commencing this week to collect Ore for vendor test work and customer sample generation.

Highlights

- Trial mining of 20 tonne bulk sample from the Central Graphite Zone (CGZ) is commencing this week.
- The sample is planned to be milled at a local Kazakh laboratory to confirm the grinding assumptions of the PFS, to a Definitive Feasibility Study (DFS) standard.
- Up to one tonne of the milled sample is then planned to be shipped to Australia for generation of "Micro80C" products for machine vendor testing and customer qualification.
- Some of the Micro80C is planned for refining to "five nines purity" for battery customer qualification.



Figure 1 - Test Pitting at Sarytogan in 2022. Similar sized excavator to be used for 20t trial mine this week.

Sarytogan Managing Director, Sean Gregory commented:

"Following the positive PFS results, we now move forward with the next steps in the development of the Sarytogan Graphite Project, being customer-focused early-works. A 20-tonne trial mining exercise will provide samples for grinding and machine vendor tests to a DFS standard and most importantly, generation of samples for customer qualification."

Trial Mining

The PFS modelled that the first 60 years of the giant and exceptionally high-grade Mineral Resource would be mined as a Probable Ore Reserve of **8.6Mt @ 30% Total Graphitic Carbon (TGC)** (Table 2, refer ASX announcement 12 August 2024), consuming only 4% of the giant and exceptionally high-grade **229Mt @ 29% TGC Mineral Resource** (Table 1, refer ASX announcement 27 March 2023). The average strip ratio is modelled as only 0.2:1, i.e. 0.2 tonnes of waste for every tonne of Ore, meaning that Ore is readily available at surface.

The first half of the mine plan is exclusively from the Central Graphite Zone (CGZ) before the Northern Graphite Zone (NGZ) is mined from year 30 onwards. The trial mining exercise will therefore be representatively conducted in the CGZ (Figure 2).

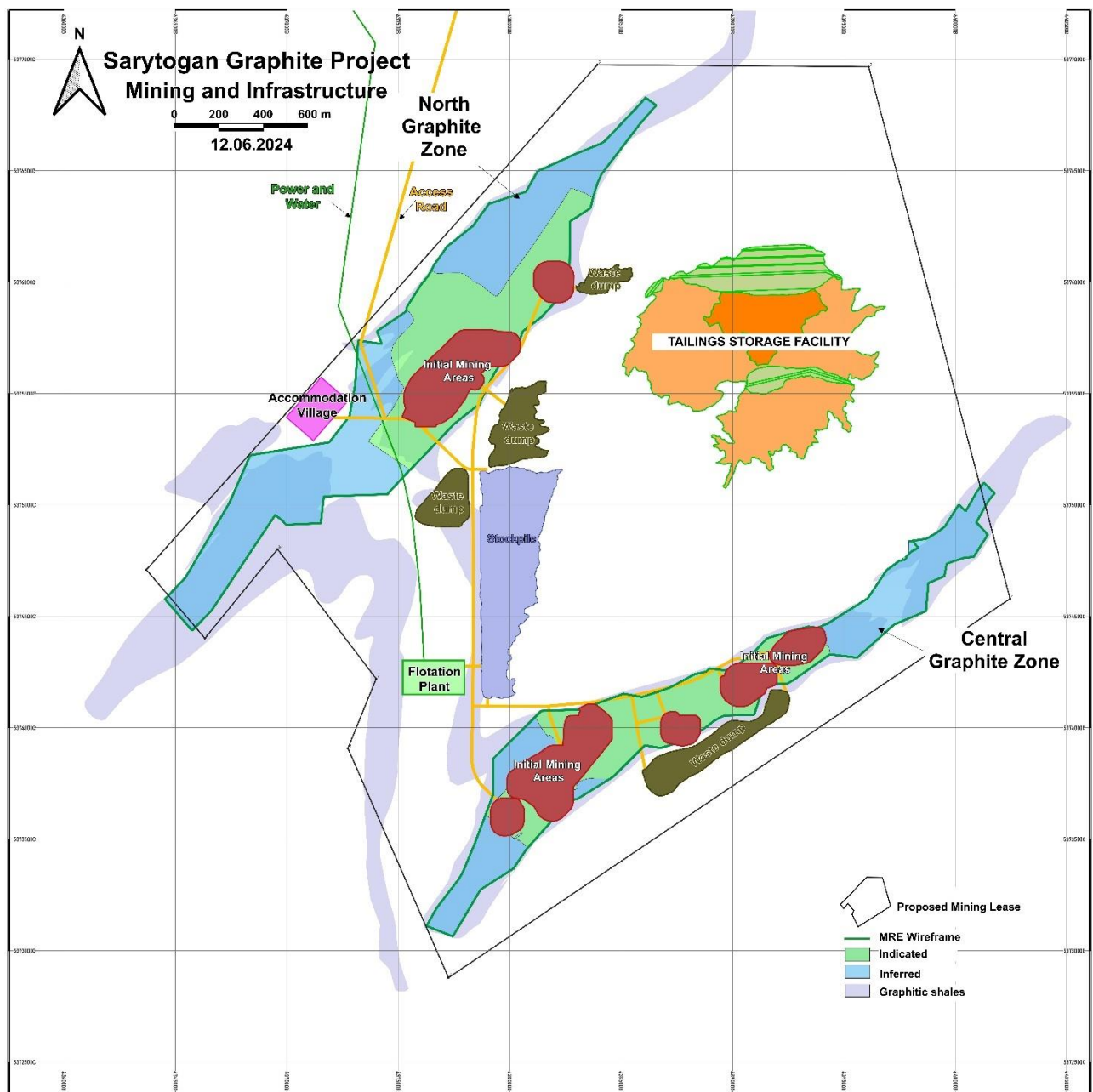


Figure 2 - Mining and infrastructure for the PFS of the Sarytogan Graphite Project

A hydraulic excavator is mobilising to site this week (Figure 1). The thin soil profile will be cast to the side, and 20t of representative graphite Ore will be mined, before the pit wall is battered back and the soil returned.

Test Work

The 20t of Ore will be trucked to Karaganda where bulk milling tests are planned to confirm the energy requirements and equipment sizing for this step at a level of detail suitable for a Definitive Feasibility Study (DFS).

Up to one tonne of the milled Ore is planned to be shipped to Australia for generation of additional bulk flotation concentrate, similar to the 20kg previously produced (refer ASX announcement 13 November 2023), except at a larger scale.

The samples will then be available firstly for vendor test-work with machines designed for thermal purification, size classification, and spheronisation.

Secondly and most importantly, the samples will be available for customer qualification.

Next Steps

Copper Exploration is continuing at Bainazar with further announcements planned shortly on soil sampling results and an aeromagnetic survey.

The Company is working through satisfying the Conditions Precedent for the completion of the A\$5M equity placement from the European Bank for Reconstruction and Development (the EBRD). This is on track for completion of Tranche 1 in October and Tranche 2 in December.

This announcement is authorised by:

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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 3).



Figure 3 - 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).

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

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

Sarytogan has produced bulk flotation concentrates at higher than **80% C** and further upgraded the concentrate up to **99.9992% C** "five nines purity" by thermal purification, without any chemical pre-treatment (refer ASX Announcement 5 March 2024). Sarytogan envisages three product types:

- Microcrystalline graphite at 80-85% C ("Micro80C") for traditional uses,
- Ultra-High Purity Fines (UHPF) for advanced industrial use including batteries, and
- Spherical Purified Graphite (USPG and CSPG) for use in lithium-ion batteries.

A Pre-Feasibility Study (PFS) was completed in August 2024 that outlined a staged development plan to match market penetration, minimise initial capital expenditure and deliver attractive financial returns.

An Ore Reserve of **8.6 Mt @ 30.0% TGC** (Table 2) was estimated using the Guidelines of the 2012 Edition JORC Code (refer ASX announcement 12 August 2024).

Table 2 - August 2024 Sarytogan Probable Ore Reserve estimate

Ore mass	TGC	Concentrate mass	Concentrate grade	TGC in conc. Mass
kt	%	kt	%	kt
8,587	30.0	2,654	81.4	2,160

Notes:

- Tonnes and grades are as processed and are dry.
- The block mass pull varies as it is dependent on the TGC grade, concentrate grade (fixed) and process recovery (fixed) resulting in a variable cut-off grade, block by block. The cut-off is approximately 20% TGC with minimal mass below 20% TGC contributing.

Compliance Statements

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. The information in this report that relates to Sarytogan Mineral Resources was first reported in ASX announcement dated 27 March 2023. The information in this report that relates to Sarytogan Ore Reserves was first reported in ASX announcement dated 12 August 2024.

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 and Ore Reserves, 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.

The Company confirms that all the material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the initial public report (12 August 2024) continue to apply and have not materially changed.