

13 June 2018

PLACEMENT OF SHARES FOR COMPLETION OF DRILLING PROGRAM

Graphex Mining Limited (**ASX: GPX**) ('**Graphex**' or the '**Company**') is pleased to announce that it has today reached agreement with Capital Drilling ('**Capital**') on an arrangement under which Capital will receive Graphex shares in consideration for carrying out a drilling program at the Company's Chilalo Graphite Project.

Pursuant to that agreement, Graphex has agreed to place approximately 3,800,000 shares to Capital upon completion of the agreed drilling program ('**Placement**'), the final number of shares dependent upon the actual number of metres drilled.

The drilling program is expected to comprise 2,960 metres to 3,600 metres of diamond drilling and includes geotechnical drilling of the pit, geotechnical and sterilisation drilling at the locations proposed for the waste dump, tailings storage facility and processing plant, and resource drilling to both upgrade the Mineral Resource classification and increase the Ore Reserve. The drilling is expected to commence in early July.

The Company is undertaking the drilling program in support of ongoing funding initiatives regarding development of the Chilalo Graphite Project.

The Placement will be made at \$0.28 per share using the Company's existing share issuance capacity under ASX Listing Rules 7.1 and 7.1A.

A handwritten signature in black ink, appearing to read "PHIL HOSKINS".

PHIL HOSKINS
Managing Director

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About Graphex

Graphex Mining Limited is an Australian exploration and development company, dedicated to advancing the world class Chilalo Graphite Project, located in south-east Tanzania. Chilalo is host to a high-grade mineral resource and has demonstrated an ability to produce a premium graphite concentrate with a substantial portion of coarse flake material. Chilalo graphite possesses outstanding expandability characteristics, making it ideally suited to the rapidly growing expandable graphite market.

Graphex has an experienced board and management team with specific skills and extensive experience in African based project development, exploration, mining and processing. The Company has a long and well-established presence in Tanzania.

For more information, visit www.graphexmining.com.au.

