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ROAD UPGRADES TO SUPPORT DEVELOPMENT OF CHILALO GRAPHITE PROJECT

Graphex Mining Limited (ASX: GPX) (“Graphex” or the “Company”) is pleased to announce that sealing of the 60km road from Nanganga to Ruangwa has been confirmed by the President of Tanzania during his recent tour of the Southern Regions of Tanzania. Ruangwa is an established township located approximately 26km from the Chilalo Project.

A feasibility study to upgrade the Nanganga-Ruangwa road was completed in 2017 and 6km of the road upgrade has already been completed. Preparatory work for sealing the rest of the road has been finalised and the process of sealing the road has commenced.

In the Company’s Definitive Feasibility Study, the results of which are expected to be released later this month, graphite products produced at Chilalo will be transported by truck to the international port of Dar es Salaam, a distance of approximately 640km. Following completion of the sealing of the Nanganga-Ruangwa road, all but 26km of this trip will be by sealed bitumen road, which is expected to improve transport costs.

In addition, the Government is considering upgrading the road from Ruangwa to Kiranjeranje, which would allow for Chilalo product to be trucked from site to Dar es Salaam via Kiranjeranje. This would reduce the distance from Chilalo to the Dar es Salaam Port to approximately 400km and result in material savings in both trucking time and cost. The existing and proposed road upgrades are shown below in Figure 1.

The Company had previously planned to truck Chilalo product to the Mtwara Port, from where shipping was proposed, however, having conducted a detailed investigation of the shipping alternatives, Chilalo graphite will now be trucked to, and shipped from, the Dar es Salaam Port. In 2017, Tanzania Ports Authority commenced an expansion project to increase the capacity of the port from 400,000 tonnes per annum to 750,000 tonnes per annum with the project forecast to be completed within 21 months. As of July 2019, there are no official reports as to when the expansion project will be completed and the port reopened, however it is expected to be 2020.

During 2019, all vessels have been restricted from docking at the Mtwara Port by the government however, in the event that there are enough containers requested to be collected, a container vessel may be permitted to stop there. Whilst smaller feeder vessels could be used to trans-ship through Dar es Salaam, it is more cost effective to ship directly from Dar es Salaam.

Managing Director, Phil Hoskins, commented, *“We are encouraged by the commitment of the Tanzanian Government to improving key infrastructure in south-east Tanzania. The sealing of the Nanganga-Ruangwa road and the proposed upgrade of the road from Chilalo to Kiranjeranje will not only deliver improved living standards for local Tanzanians, but also have the capacity to improve the transport costs of our Chilalo Project.”*

Figure 1. Chilalo Graphite Project: Existing and proposed road upgrades



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ABOUT GRAPHEX MINING

Graphex Mining Limited (ASX:GPX) is an Australian resources company listed on the Australian Securities Exchange. Graphex owns the world-class Chilalo Graphite Project, located in south-east Tanzania (Figure 1).

Since the initial discovery of Chilalo in 2014, Graphex has adopted a clear and differentiated strategy of understanding end markets and seeking to partner with strategic investors to enable delivery of the Chilalo Project. Underpinned by a high proportion of large flake material with exceptional expansion characteristics, the Company has targeted the expandable graphite market, which among many applications, is ideally suited to the manufacture of high-value graphite foils and flame-retardant materials.

Graphex has strategically targeted these expandable graphite applications based on their attractive growth and value characteristics. The size and growth expectations of the expandable graphite market applications, the premium prices for large flake graphite in general and the suitability of Chilalo graphite for the production of expandable graphite applications has meant that the Company has prioritised supplying the expandable graphite market as the primary focus.

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

Figure 1 – Chilalo Large Flake Graphite Project, Located in Tanzania

