

16 July 2020

## GOLD EXPLORATION UPDATE

### Highlights

- Stage 1 drill program comprising 1,544m of diamond drilling and 1,811m of air core drilling completed at the Tabakorole Gold Project
- Results are expected to be released in August 2020 and will underpin the maiden JORC 2012 resource estimate for Tabakorole
- Tabakorole has a large historical resource with upside in grade and ounces (see Appendix 1) – historical intercepts include (ASX announcement 17 June 2020):
  - **44m @ 3.3 g/t Au from 24m**
  - **60m @ 2.9 g/t Au from 14m**
  - **16m @ 9.3 g/t Au from 80m**
- 3,500m Stage 1 drill program at Lakanfla Gold Project to be completed by Q4 2020

Graphex Mining Limited (**Graphex** or the **Company**) (**ASX: GPX**) is pleased to announce the completion of Stage 1 drilling at the Tabakorole Gold Project (**Tabakorole**) in Mali. The drilling comprised:

- 8 holes of diamond drilling for 1,544 metres; and
- 92 holes of air core drilling for 1,811 metres.

The diamond drilling program satisfies the main requirement for the Company to earn a 33% interest in Tabakorole under the recently announced joint venture with Altus Strategies plc (ASX announcement 17 June 2020). The Stage 1 drilling follows 2,042m of air core drilling and 520 line km of ground magnetics conducted in early 2020 by joint venture vendor Glomin Services Limited (**Glomin**) under the direction of Graphex Executive Director, Chris van Wijk.

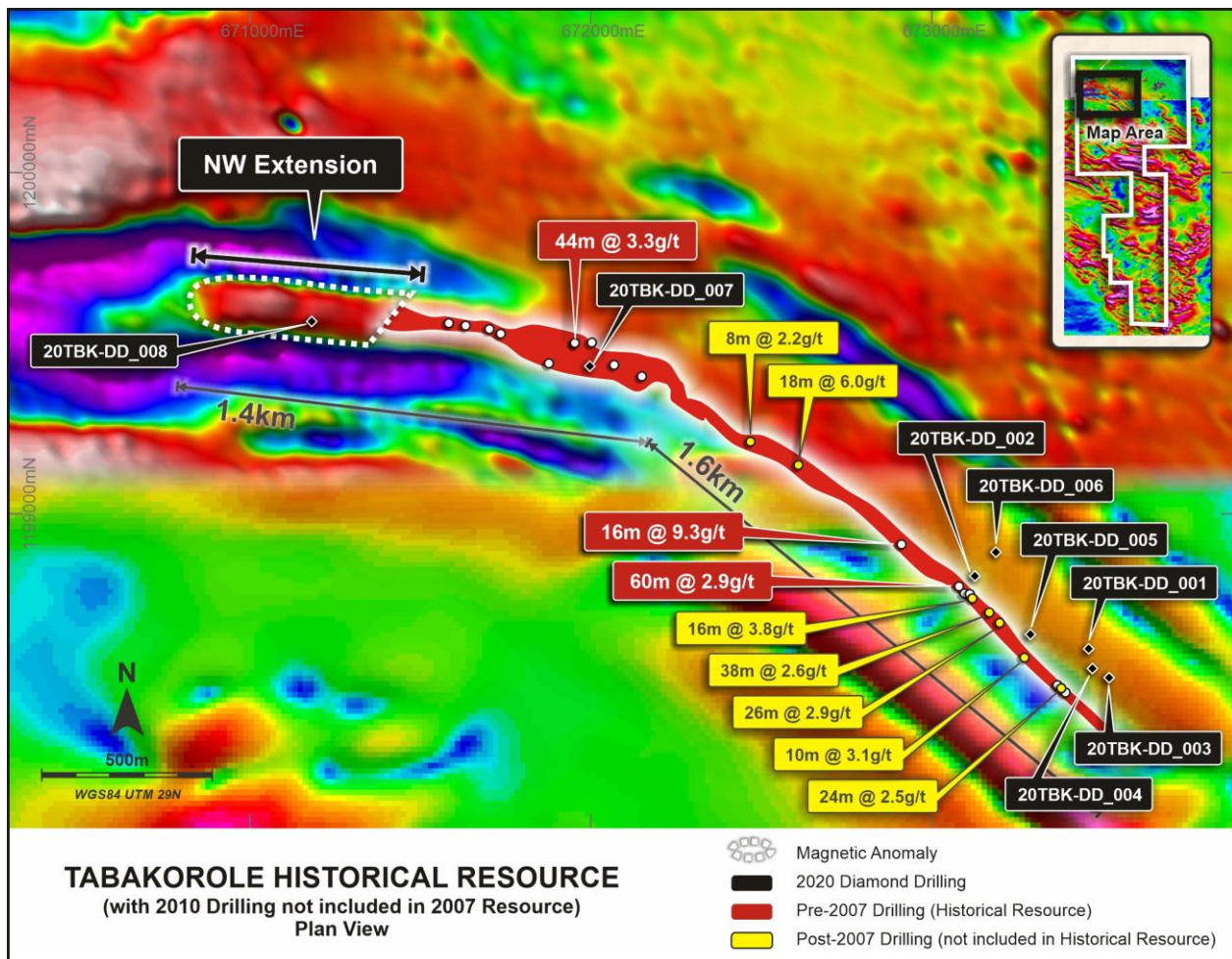
The Stage 1 drilling (see plan view in Figure 1), was designed as due diligence on the drilling and deposit model and also as a first pass test of the Company's exploration strategy, which is focused on increasing the size and grade of the mineral resource by:

- Testing interpreted high-grade plunge extensions beyond the depth of historical drilling;
- Drilling untested gaps along the 3km strike of the deposit; and
- Testing the 600m strike extension to the north-west.

In addition to the Stage 1 drilling, the Company has continued to advance its conceptual understanding of Tabakorole following detailed analysis of work carried out post-2007 (including high-grade intersections not

incorporated in the 2007 Tabakorole mineral resource estimate), on-site technical review of core and drillhole information, a review of the structural controls on mineralisation and an updated 3D model of the mineralised system.

Figure 1: Plan view showing recently completed drilling at Tabakorole<sup>1</sup>

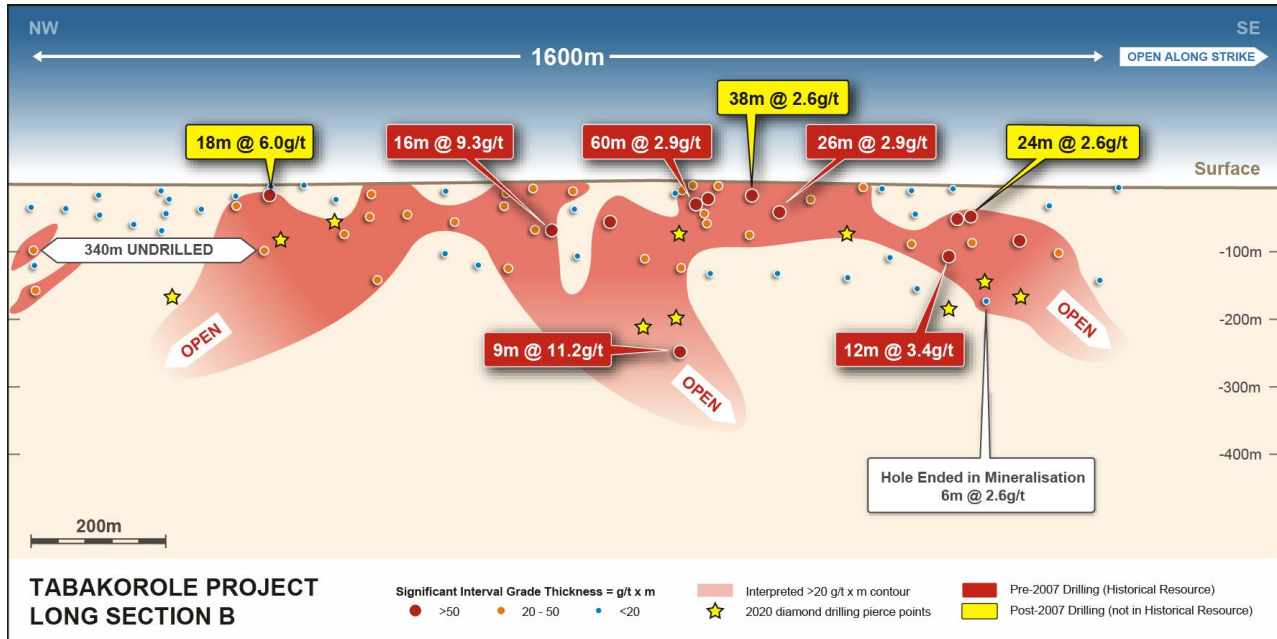


1. ASX announcement 17 June 2020

## Testing high-grade plunge extensions and drilling untested gaps

Figure 2 below shows a 1.6km trending long section of the southern half of the Tabakorole deposit. Significant intersections from historical drilling are shown along with interpreted high-grade trends (ASX announcement 17 June 2020). These trends appear to be open and will be key areas of focus for future exploration. Newly completed holes have been annotated, which either test the high-grade trends or have targeted untested gaps.

**Figure 2: Long section showing recently completed diamond drilling<sup>2</sup>**



2. ASX announcement 17 June 2020

Field validation of the collar positions in the database has also revealed that hole 06FLRC-02 was recorded some 40m to the west of its true position which resulted in subsequent drilling missing the target as well as a lack of continuity in the deposit model. Graphex targeted a single diamond hole (20TBK-DD\_004) to infill this section and follow-up an intersection down dip of 6m at 2.9g/t Au (ASX announcement 17 June 2020) which ended in mineralisation (See cross section 3 in Appendix 2 for further detail).

A selection of cross sections of the recently completed diamond holes are included in Appendix 2.

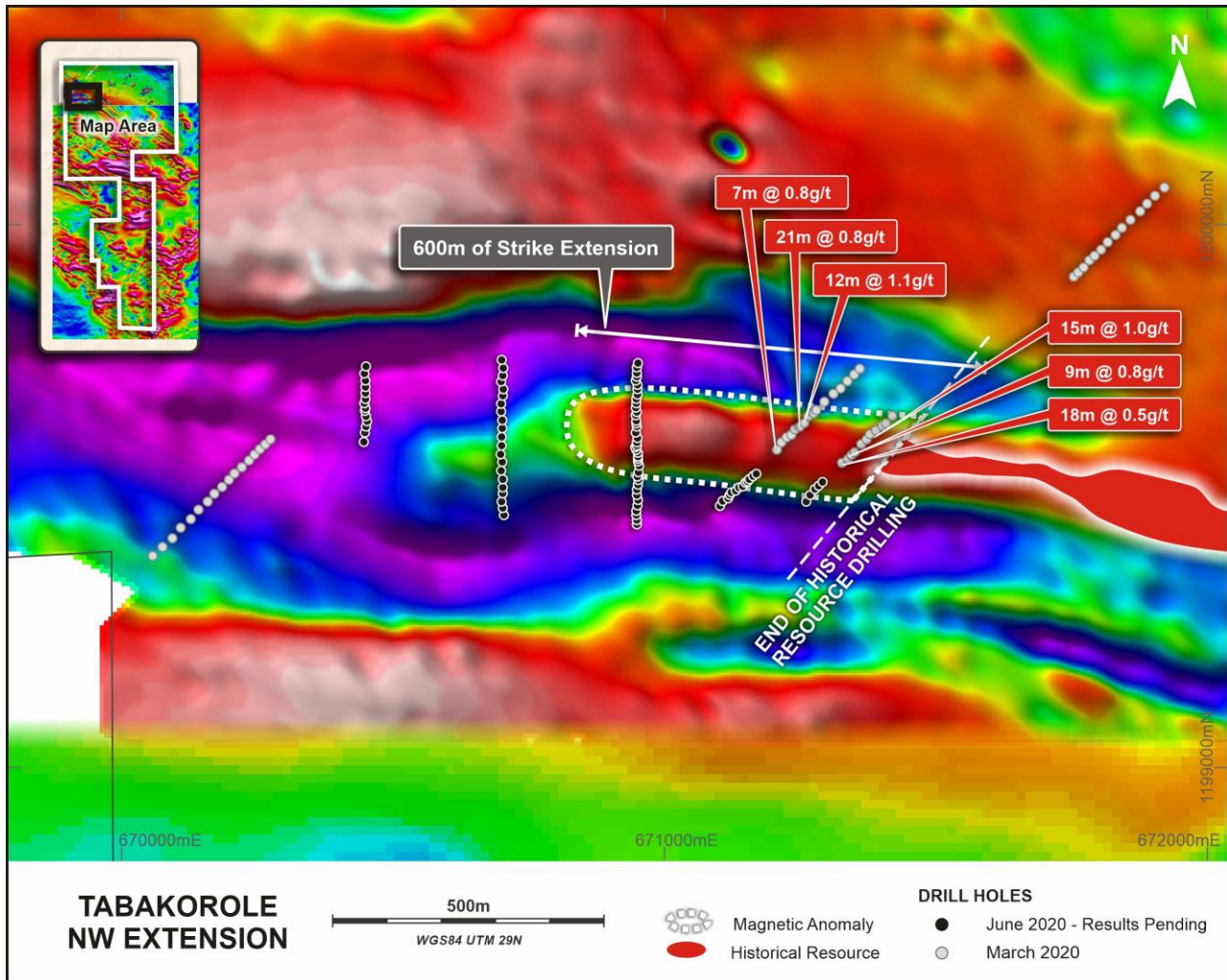
## North-west strike extension

In early 2020, Glomin (under the direction of recently appointed Graphex Executive Director Chris van Wijk) completed 520 line km of high resolution ground magnetics over the northern part of the Tabakorole licence. Air core drilling of 2,042m was also undertaken concurrently to test whether the deposit continues to the north-west. The ground magnetics have demonstrated a clearly defined magnetic anomaly indicating a strike extension of approximately 600m with encouraging air core drilling results confirming the presence of gold mineralisation in the strike extension (Figure 3).

The recently completed 1,811m air core program was undertaken to confirm the presence of gold mineralisation over the remainder of the strike extension identified by magnetics. A single diamond hole (shown in Figure 1 above) was also drilled to determine the structural setting and host rocks as well as verify the grade of the mineralisation outlined by the air core drilling on the northern contact of the deposit.



Figure 3: Tabakorole north-west strike extension - location of air core<sup>3</sup>

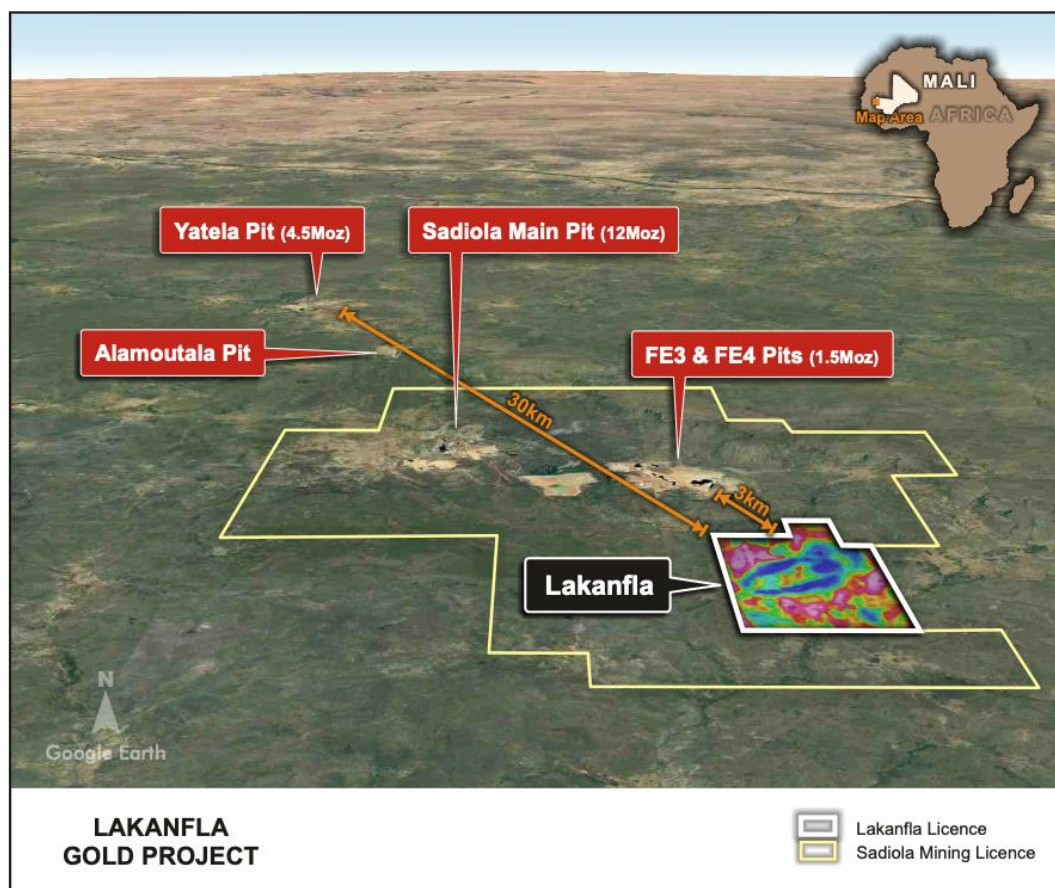


3. ASX announcement 17 June 2020

### Lakanfla exploration update

The Lakanfla Gold Project, which is located 6km to the south-east of the tier 1 Sadiola gold mine (13.5Moz production historically) and 35km SE of the Yatela gold mine (4.5Moz production historically), hosts a significant number of active and historic artisanal gold workings which are coincident with major geochemical and gravity anomalies. Significantly, there is evidence of ground collapse at surface, indicative of karst (or cave-like) voids at depth within carbonate rock units, which is geologically analogous to both the Yatela deposit and also the Sadiola FE3 and FE4 pits shown in the location map below in Figure 4.

Figure 4. Lakanfla location map



Historical drilling has returned encouraging intersections including **26m at 5.1 g/t Au from 32m (hole 04KRC-02)** and **18m at 4.31 g/t Au from 34m (hole 04KDD-06)** (ASX announcement 17 June 2020). In addition, several drillholes have intersected voids and unconsolidated sand at depths of up to 150m below surface. However, none of the priority gravity low targets have been systematically drill tested. Of the historical drilling that has been undertaken at Lakanfla, 35 holes coincide with the priority targets, however the majority of these holes were drilled no deeper than 75m vertical depth and the exploration target is expected to be below this stratigraphic level at the bedrock-weathering interface. In comparison with the nearby large scale Yatela deposit, which is a direct exploration analogue, mineralisation was encountered at depths up to 220m below surface and as such, the Company believes that a valid exploration target of this style exists at Lakanfla.

The Company is of the view that the major karst target identified by a 2014 gravity survey has not been drill tested and with the project showing geological and geophysical similarities to the Yatela deposit, an opportunity exists to carry out a structured drilling program to test these anomalies.

#### Next steps

At Lakanfla, the Company is reviewing historical geophysical data including the 2014 gravity survey results as well as magnetics and induced polarisation surveys to assess how such data can be reprocessed to further refine planned drill targets. The Company has started making plans for the upcoming Stage 1 drill program of 3,500m.

Following the success of the high-resolution ground magnetic survey at Tabakorole, the Company is planning an additional survey over the remainder of the tenement that was previously covered by airborne magnetics. Interpretation of recently acquired satellite imagery for input into a regolith model, combined with the compilation of historical geochemical data will allow us to evaluate the effectiveness of the previous regional

exploration. This data will provide input into a regional exploration program for follow up in the next field season.

Samples from the recently completed drilling at Tabakorole have been despatched, with assay results expected in August 2020. The Company intends to use these results to produce a maiden resource estimate in accordance with the 2012 JORC Code.

Some of the mineralised material from the diamond drilling will also be composited and sent to Perth for metallurgical testwork consisting of cyanide bottle rolls to establish the applicability of conventional cyanide extraction of gold.

The Company is fully funded to complete these work programs and strong news flow is expected in the coming months.



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#### **Reference to previous ASX announcements**

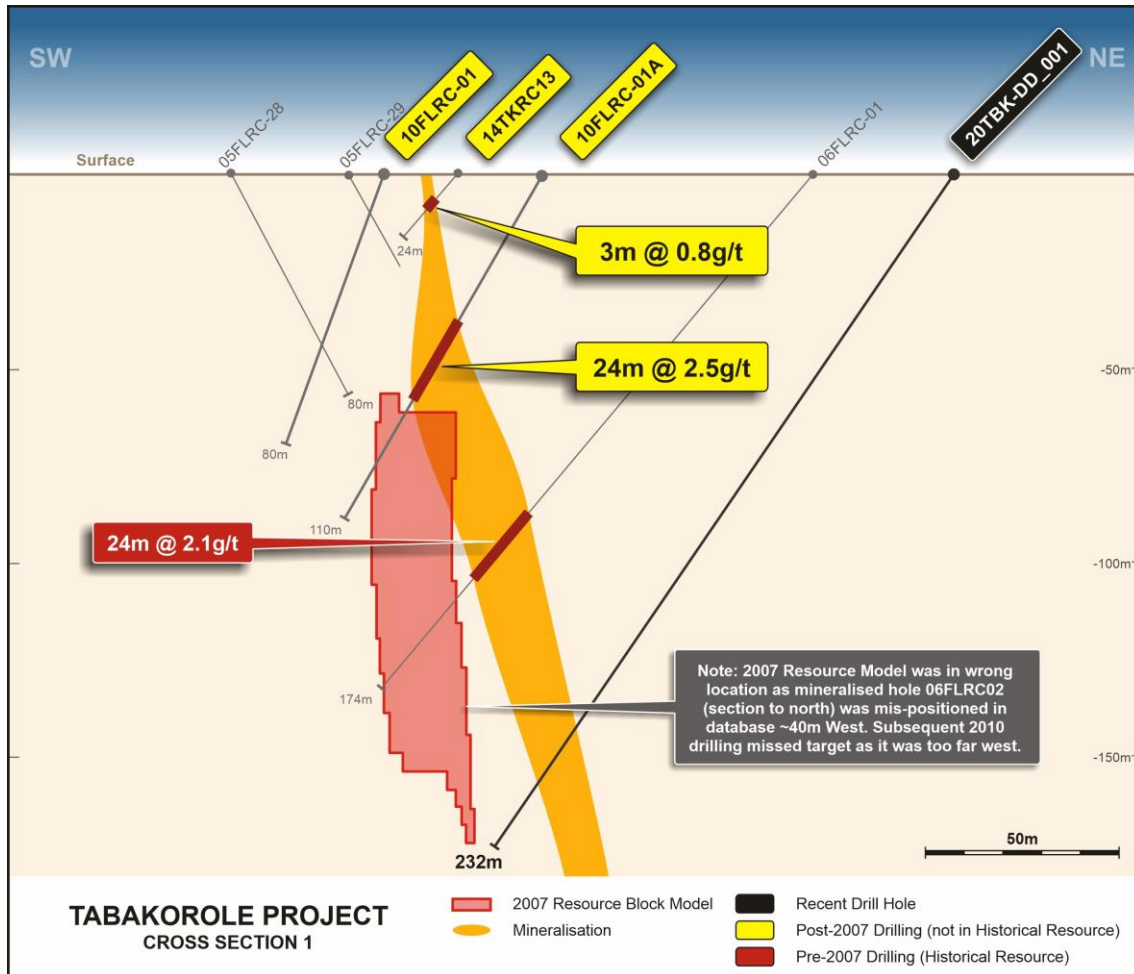
The information in this announcement that relates to exploration results at the Tabakorole Gold Project and the Lakanfla Gold Project was announced on 17 June 2020. Graphex confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

Appendix 1. 2007 Tabakorole MRE<sup>1</sup>

	Indicated Resources			Inferred Resources		
	Tonnes	Au (g/t)	Oz (Au)	Tonnes	Au (g/t)	Oz (Au)
Oxide	1,040,000	1.01	34,000	960,000	1.13	35,000
Sulphide	6,840,000	0.94	207,000	9,590,000	1.04	318,000
<b>Total</b>	<b>7,880,000</b>	<b>0.95</b>	<b>241,000</b>	<b>10,550,000</b>	<b>1.05</b>	<b>353,000</b>

1. ASX announcement 17 June 2020. The information in this announcement that relates to the historical Mineral Resource Estimate for the Tabakorole Gold Project (**Tabakorole MRE**) was announced on 17 June 2020. The Tabakorole MRE was not reported in accordance with the 2012 JORC Code; a competent person has not done sufficient work to classify the Tabakorole MRE as mineral resources in accordance with the 2012 JORC Code; and it is uncertain that following evaluation and/or further exploration work that the Tabakorole MRE will be able to be reported as mineral resources in accordance with the 2012 JORC Code. Graphex confirms that it is not in possession of any new information or data relating to the Tabakorole MRE that materially impacts on the reliability of the Tabakorole MRE or Graphex's ability to verify the Tabakorole MRE as mineral resources in accordance with Appendix 5A of the 2012 JORC Code and the supporting information provided in the announcement of 17 June 2020 continues to apply and has not materially changed.

Appendix 2 – Select cross-sections from recently completed diamond drilling<sup>4</sup>



4. ASX announcement 17 June 2020



