

30 June 2016

## OFFTAKE AND FINANCE NEGOTIATIONS TO CONTINUE FOLLOWING SUCCESSFUL SITE VISIT

Graphex Mining Limited (ASX: GPX) ('Graphex' or the 'Company') is scheduled to commence detailed negotiations next month regarding offtake and development finance for its Chilalo Graphite Project in Tanzania following a successful five- day site visit last week by China Gold Group Investment Co. Ltd ('China Gold') and CN Docking Joint Investment and Development Co. Ltd ('CN Docking'), a subsidiary of China National Building Material Group Corporation ('CNBM').

While formal agreement cannot be reached until completion of confirmatory due diligence by these parties, detailed negotiations on such terms are expected to continue within the next month.

In addition to China Gold and CNBM, the site visit delegation included representatives from Suzhou Design & Research Institute for the Non-Metallic Minerals Industry ('Suzhou'), an independent testing authority engaged by China Gold and CNBM to conduct confirmatory due diligence on the Chilalo Graphite Project. Arrangements are now being made to deliver a 500kg representative sample of Chilalo ore to Suzhou for confirmatory metallurgical testwork to verify previous testwork conducted by China Gold and CN Docking.

Meetings were also held with various Tanzanian Government departments and officials, logistics providers and the Mtwara Port Authority. Managing Director Phil Hoskins was pleased with the meetings and the Chinese delegation was particularly encouraged by the overall support for the Chilalo Project and the significant progress made by the Company in positioning itself to readily advance development of Chilalo.

*"In sending a delegation of eight experienced technical experts on the site visit and engaging Suzhou to conduct a confirmatory testwork program as the final stages of due diligence, China Gold and CNBM have demonstrated their commitment to the project. We were very pleased with the feedback received on the site visit regarding the high quality of Chilalo graphite, the capability of management and the quality of existing infrastructure,"* Mr Hoskins said.

*"This site visit has only strengthened their interest in the project and the exceptional quality of Chilalo graphite."*

Photos of the site visit are shown below.

**Figure 1. Chinese delegation inspecting Chilalo trench**



**Figure 2. Chinese delegation at the Mtwara Port**





**PHIL HOSKINS**  
Managing Director

For further information, please contact:  
Phil Hoskins – Managing Director  
Tel: +61 8 9200 4960

Stuart McKenzie Commercial Manager and  
Company Secretary  
Tel: +61 8 9200 4960

Media  
Michael Weir & Richard Glass – Citadel-MAGNUS  
Tel: +61 8 6160 4900

