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FURTHER MARKETS OPENED FOR CHILALO GRAPHITE

Graphex Mining Limited (**ASX: GPX**) ('**Graphex**' or the '**Company**') has opened up further market opportunities for its Chilalo Graphite Project after independent testing pointed to the potential to produce 'battery-grade' graphite.

The testing, which was carried out by the Wuhan Technology Institute in China ('**Wuhan**') using a graphite core sample from Chilalo grading 96% Total Graphite Carbon (TGC), applied standard chemical leaching to produce a grade of 99.93% TGC. Wuhan reported that it was highly likely that process enhancements would see the grade easily exceed the critical 99.95% TGC purity level that is suitable for producing 'battery grade' spherical graphite – the anode material used in lithium-ion batteries for electric vehicles and energy storage.

Prior to signing the MOU with 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 Materials, for the joint development of the Chilalo Project, China Gold and CN Docking conducted their own testwork which confirmed the suitability of Chilalo material for producing battery-grade spherical graphite and are satisfied with those results.

Notwithstanding the capability of Chilalo material to produce battery-grade spherical graphite, China Gold and CN Docking believe that the differentiating factor of Chilalo graphite is its superior expandability. This superior expandability makes Chilalo graphite ideally suited to supply the expandable graphite market, which is experiencing strong growth due to its use in products such as graphite foil, graphite paper and flame-retardant building materials. For further information on expandable graphite, please visit the Company's website at <http://www.graphexmining.com.au/wp-content/uploads/2016/06/160613-Expandable-Graphite-Presentation.pdf>.

Managing Director Phil Hoskins commented, "The Company is pleased with these results confirming that Chilalo graphite can access the exciting lithium-ion battery market. We remain firmly focused however on the expandable graphite opportunity and the strength of this opportunity is shown by the presence of a significant delegation from China Gold and CN Docking and the Suzhou Design & Research Institute for the Non-Metallic Minerals Industry visiting the Chilalo project as one of the final stages of due diligence regarding project offtake and financing."



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

