

29 JULY 2022

ASX ANNOUNCEMENT

ASX: EGR

## QUARTERLY ACTIVITIES REPORT

### ECOGRAF HF<sup>FREE</sup>™ BATTERY ANODE MATERIAL DEVELOPMENTS POSITIONING FOR INCREASED DEMAND

**EcoGraf Limited** (“EcoGraf” or “the Company”) (ASX: EGR) is pleased to release its activities and cash flow reports for the three months ended 30 June 2022.

#### HIGHLIGHTS

##### • **EcoGraf™ Battery Anode Material**

- West Australian HF<sup>free</sup> Battery Anode Material Facility regulatory approvals process well advanced and expected to be finalised during the current quarter
- Positive meetings with lithium-ion cell manufacturers in South Korea and Japan with increased focus on natural battery anode graphite due to environmental advantages over synthetic graphite
- Export Finance Australia completing credit approval processes for US\$40m expansion loan under Australian Government Critical Minerals Facility
- GR Engineering undertaking detailed design works for procurement of long-lead equipment
- GreenRECARB and HPA-doped coatings programs delivering encouraging results
- Cradle-to-gate EcoGraf CO<sub>2</sub> study commissioned to quantify environmental benefits of EcoGraf HF<sup>free</sup>™ process technology
- Discussions continuing with overseas battery industry participants and Government agencies in relation to developing EcoGraf HF<sup>free</sup>™ Battery Anode Material Facilities in Asia, Europe and North America, as the sector builds regionalised battery mineral supply chains

##### • **EcoGraf™ Battery Recycling**

- Collaboration with European anode recycling expert Anna Vanderbruggen to evaluate EcoGraf HF<sup>free</sup>™ purification processes for a range of lithium-ion battery anode materials
- German Research Institute confirms electrochemical performance of EcoGraf HF<sup>free</sup>™ recycled graphite matches industry benchmarks
- Testwork continuing with battery and lithium-ion cell manufacturers in Europe and Asia

##### • **EcoGraf™ Natural Flake Graphite**

- Meetings with Government of Tanzania on Epanko Framework Agreement, Epanko expansion program and Merelani-Arusha Graphite Project
- GR Engineering appointed to evaluate expansion options for Epanko
- Merelani-Arusha Graphite Project expected to provide an additional operation and diversification of supply in Tanzania
- Evaluation of in-country mechanical shaping facility to create East African supply chain hub
- Vermeer mining study completed showing a 24.6% reduction in fuel cost and carbon emissions

##### • **Corporate**

- Cash at end of quarter \$46.7 million
- Appointment of Dale Harris as Chief Operating Officer and Christer Mhingo as Director of TanzGraphite
- Innogy Limited nickel exploration advancing and IPO preparations completed

## BUSINESS SUMMARY

EcoGraf is building an integrated battery anode material business to produce high purity graphite products for the lithium-ion battery and advanced manufacturing markets. Over US\$30 million has been invested to date to create two highly attractive, development ready graphite businesses.

The first new state-of-the-art **EcoGraf** processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible HF<sub>free</sub> purification technology to provide customers with sustainably produced high performance battery anode material. Additional battery graphite processing facilities are in planning for Europe, Asia and North America to support the global transition to clean, renewable energy and the rapid growth in demand for battery materials.

In addition, the Company's breakthrough recovery of carbon anode material from recycled batteries using its EcoGraf™ HF<sub>free</sub> process assists electric vehicle and lithium-ion battery manufacturers to reduce waste and use recycled carbon anode material to achieve closed-loop operating efficiencies.

To support these battery graphite operations, the Company is arranging project funding for the development ready **TanzGraphite** natural flake graphite business in Tanzania to provide additional feedstock for the battery anode material facilities and supply industrial customers in Europe and Asia with high quality graphite products for refractories, recarburisers and lubricants.

# Vertically Integrated Battery Anode Material Business

### EXTRACT



#### TanzGraphite Natural Graphite Projects

Advanced, high quality, long life Epanko and Merelani-Arusha Graphite Projects

### UPGRADE



#### HF<sub>free</sub> Battery Anode Material Facility

Initial 20ktpa battery anode material production for the lithium-ion battery market

### RECYCLE



#### EcoGraf™ Anode Material Recycling

Proprietary EcoGraf™ purification technology with sector leading ESG credentials





## QUARTERLY ACTIVITY UPDATE

### ECOGRAF™ BATTERY ANODE MATERIAL BUSINESS

The Company's is developing a HF<sub>free</sub> Battery Anode Material Facility in Western Australia that will be the first of its kind to be constructed outside of China, providing a new supply of sustainably produced, high quality purified spherical graphite for the high growth lithium-ion battery market.

Significant endorsement and support for the new facility has been received from Australian Federal and State Governments through conditional loan funding under the A\$2 billion Critical Minerals Facility, the granting of Australian Major Project Status and award of Lead Agency status by the Western Australian Government.

EcoGraf is actively working with the Australian Critical Minerals Facilitation Office, the Major Projects Facilitation Agency, Austrade, Export Finance Australia and the Western Australian Department of Jobs, Tourism, Science and Innovation to develop the new facility and support Australia's role in the global lithium-ion battery industry.

#### Development and Construction

Assessment of the Development and Works Approvals by the City of Rockingham (CoR) and Department of Water & Environmental Regulation (DWER) is well advanced, with presentations given to the CoR and Rockingham Kwinana Chamber of Commerce.

Following feedback from the CoR review and public consultation process, EcoGraf has submitted additional information to the CoR and the evaluation process is ongoing. In parallel, DWER is completing its assessment of the proposed development under the Western Australian Environmental Protection Act 1986.

Subject to final considerations, CoR and DWER are expected to issue the approvals during the current quarter. The proposed facility is located in an established industrial precinct that's designated as a priority zone for the development of a globally leading battery minerals processing centre and is being leased to EcoGraf by State Government land agency DevelopmentWA.

Key development and construction activities during the quarter included:

- Planning and resourcing (project implementation, scheduling and recruitment);
- Optimisation of the process flowsheet, equipment testing and waste stream management;
- Commencement of detailed engineering design works for procurement of long-lead equipment; and
- Preparation for initial site works (access, earthworks, drainage, underground services).



*EcoGraf Managing Director Andrew Spinks and Chief Operating Officer Dale Harris brief Hon. Bill Johnston Minister for Mines and Petroleum, Energy, Corrective Services and Industrial Relations on the new HF<sub>free</sub> Battery Anode Material Facility.*

## Development Funding

A loan of US\$40 million has been conditionally approved by the Australian Government to support the planned expansion of the HF<sub>free</sub> Battery Anode Material Facility to 20,000tpa, as part of the A\$2 billion Australian Critical Minerals Facility, which is managed by Export Finance Australia.

Export Finance Australia is undertaking due diligence processes for the loan, which include obtaining independent market, technical, environmental, social, legal, insurance and commercial reports, finalising the base case financial model and preparing loan documentation.

During the quarter, EcoGraf submitted an application under the West Australian Government A\$180 million Investment Attraction Fund to encourage new investment that will create local jobs and contribute to a more diversified economy.

The Company has also submitted an application for funding under the Manufacturing Translation Stream - *Resources Technology and Critical Minerals Processing Priority* component of the Australian Government A\$1.3 billion Modern Manufacturing Initiative to assist Australian manufacturers scale-up, collaborate and increase their competitiveness.

EcoGraf held cash resources of \$46.7 million at 30 June 2022.



*Fly-through of the Stage 1 new EcoGraf HF<sub>free</sub>™ BAM Facility in Western Australia*

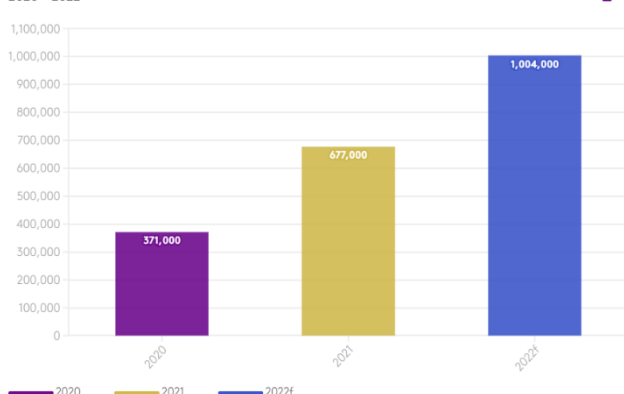
## Product Development and Sales

Managing Director Andrew Spinks completed a successful product marketing trip to Korea and Japan for discussions with anode and cell manufacturers. The visit was supported by Australian State and Federal trade agencies, with strong interest in the Company's HF<sub>free</sub> purification process and anode recycling capabilities.

EcoGraf has entered into a non-binding Memorandum of Understanding with POSCO, a leading South Korean manufacturer of lithium-ion battery cathodes and anodes. The parties are undertaking on-going product evaluation programs and discussing potential collaboration on sales, product development, battery anode recycling and the development of EcoGraf's battery anode material business.

Discussions are also on-going with battery industry participants in Asia, North America and Europe that are looking to secure battery mineral supplies and establish regionalised battery production facilities. Market conditions continue to strengthen in spite of COVID-19 impacts, with anode production volumes in China forecast to increase ~50% in 2022 and battery graphite prices expected to continue rising over coming months.

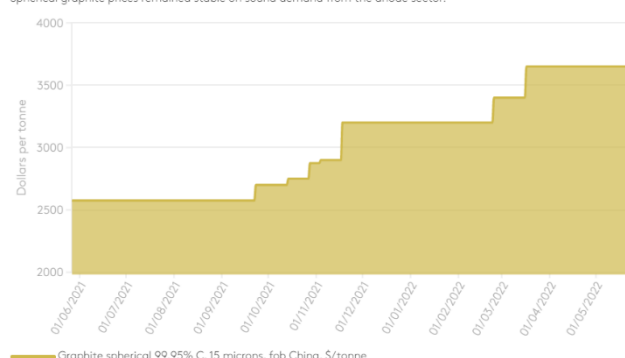
Chinese anode production (tonnes)  
2020 - 2022



Source: Fastmarkets, ICSSino

Graphite spherical 99.95% C, 15 microns, fob China, \$/tonne  
May 2021 - 2022

Spherical graphite prices remained stable on sound demand from the anode sector.



Source: Fastmarkets

Product development during the quarter was focussed on GreenRECARB by-products and the use of HPA doping techniques in coating processes for EcoGraf HF<sub>free</sub>™ battery anode material.

EcoGraf™ GreenRECARB is a low emission recarburiser additive for the steel manufacturing industry, which is looking for sustainably produced additive materials to replace energy intensive, fossil fuel based calcined petroleum coke products used by the electric arc and induction furnace steel industry.



After completing an initial bench scale program to formulate the binding, granulation and pelletisation process, EcoGraf is assessing engineering options for the GreenRECARB production flowsheet and product qualification program.

In collaboration with FYI Resources Limited, the Company is developing HPA coating techniques to improve battery performance. Testing is being undertaken in the USA, combining EcoGraf™ HFfree spherical graphite and FYI's innovative, ultrafine 4N HPA to generate HPA-doped coated spherical graphite.

Following positive initial testing (refer ASX announcement *Outstanding Result for Enhanced HPA Anode Coatings* 9 February 2022), additional testing has confirmed that electrochemical performance improves as the concentration of HPA dopant increases.

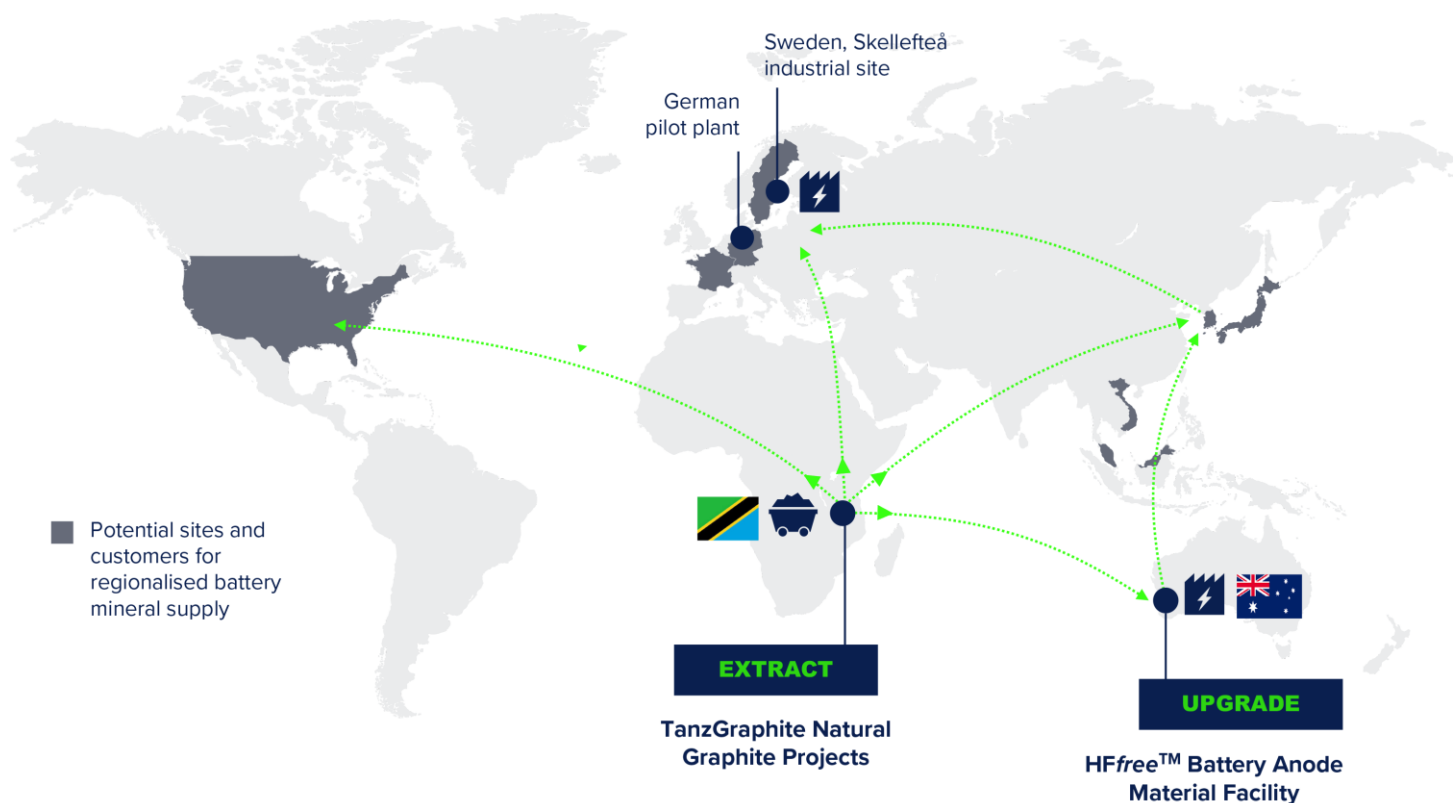
### International Expansion

Discussions are continuing with overseas battery industry participants and Government agencies in relation to developing EcoGraf HFfree™ Battery Anode Material Facilities in Asia, Europe and North America, as the sector builds regionalised battery mineral supply chains.

Establishment of regionalised battery anode supply chains is supported by an increased focus on natural battery anode graphite as an environmentally superior alternative to displace hydrocarbon (fossil fuel) generated synthetic graphite.

The Company has commissioned an independent cradle-to-gate study to assess the CO<sub>2</sub> advantages of its EcoGraf HFfree™ process technology. The ISO standard study will show the carbon emissions footprint for multiple production locations compared to the existing anode material supplies from China and synthetic graphite.

Due to recent customer interest in alternative locations, the Company has deferred its exclusivity commitment on a potential site it had reserved at Skellefteå in northern Sweden. In this regard, the Skellefteå Municipality will continue to work with EcoGraf on the site on a non-exclusive basis. In the event the site is taken up, there is availability of industrial land within the Skellefteå region, a ready supply of low cost, renewable energy, a skilled labour force and a nearby port for access to key European battery and industrial markets.



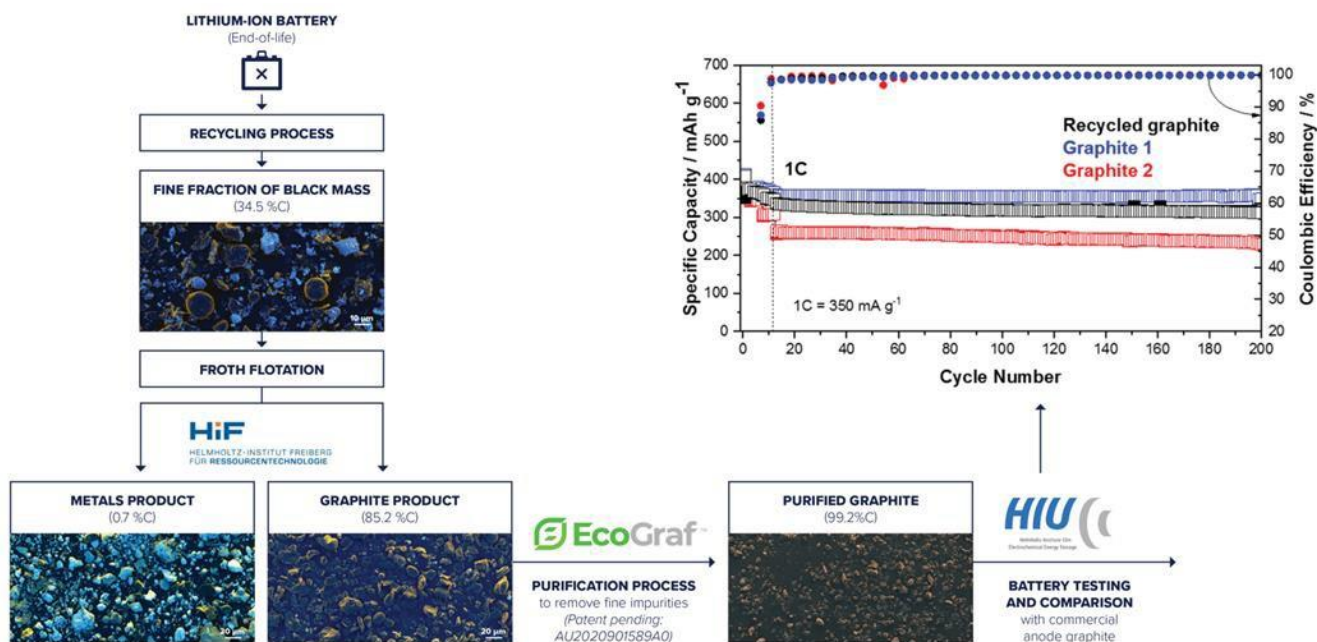


## ECOGRAF™ LITHIUM-ION BATTERY RECYCLING BUSINESS

EcoGraf is leveraging its proprietary EcoGraf HF<sup>free</sup>™ purification process to recover and re-use anode materials, with an initial focus on production scrap from anode cell and battery manufacturing processes.

The Company has engaged Anna Vanderbruggen, a leading European anode recycling specialist, to advise on refining its anode recycling process for a range of anode waste materials. During the quarter she completed an initial program at the Helmholtz Institute in Germany, comparing the electrochemical performance of graphite from end-of-life batteries recycled using the EcoGraf HF<sup>free</sup>™ purification process with commercial battery graphite benchmarks.

The testing confirmed that the electrochemical performance of the EcoGraf HF<sup>free</sup>™ recovered graphite matches that of the brand-new commercial anode graphite as summarised below.



The research program was undertaken through a collaboration between the Helmholtz Institute Freiberg for Resource Technology and the Helmholtz Institute Ulm and the results were presented by Anna at the Advanced Automotive Battery Conference (AABC Europe) on 13 June 2022.

The outcome is further validation of the effectiveness of the EcoGraf™ HF<sup>free</sup> purification process for the production of high-performance battery graphite, as well as the re-use of recycled battery anode material for anode, battery and electric vehicle customers.

EcoGraf believes this recycling capability will fundamentally change the dynamics of the battery supply chain, leading to a significant reduction in CO<sub>2</sub> emissions and lowering overall battery production costs.

Managing Director Andrew Spinks presented EcoGraf's progress in this area to the Australia-Korea: New Opportunities in Critical Minerals Supply Chains forum, organised by the Australian Trade and Investment Commission and the Korea Mine Rehabilitation and Mineral Resources Corp, on 29 April 2022.



*Anna Vanderbruggen from the Helmholtz Institute Freiberg for Resource Technology speaking at the Advanced Automotive Battery Conference (AABC Europe)*

## ECOGRAF™ NATURAL FLAKE GRAPHITE BUSINESS

The Company's natural flake graphite business is focussed on development of the long-life, high quality Epanko Graphite Project (Epanko) in Tanzania. Extensive work has been undertaken at Epanko to establish a development-ready new graphite mine, including:

- Bankable Feasibility Study (BFS) demonstrating a highly attractive development opportunity;
- Granted mining licence and environmental approvals;
- Independent Engineer's Review by SRK Consulting on behalf of lenders, confirming technical aspects of the proposed development and that the Equator Principles social and environmental planning satisfies International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines;
- Flake graphite sales for key markets in Europe and Asia;
- Target cost EPC arrangements for construction of Epanko with GR Engineering; and
- Project financing program involving international and Tanzanian financial institutions.

Extensive evaluation conducted over the last 8 years by EcoGraf with equipment suppliers and prospective customers demonstrates that the unique geology of Tanzanian graphite delivers a superior battery anode material product which outperforms other global reference materials in mechanical shaping, purification and electrochemical benchmarking analysis.

### Epanko Framework Agreement

The Company held positive meetings with the Tanzanian Government in relation to the Epanko Framework Agreement for the development and operation of the proposed new mine, with both parties working to finalise the agreement in the current quarter and a further update will be provided to the ASX once the process is completed.

EcoGraf presented its Tanzanian graphite strategy to the Government, including the future expansion of production at Epanko to support growth in battery graphite demand, the development of its Merelani-Arusha Graphite Project and an evaluation of the potential for in-country mechanical shaping facilities to create a global Tanzanian graphite supply base.

Meetings were also held with the Tanzanian Export Processing Zones Authority, the Tanzanian Revenue Authority and Government officials from Tanzania's key trading partners.

### Epanko Expansion Strategy

As a first mover in the Tanzanian graphite sector, EcoGraf identified Epanko as a highly prospective, long-life graphite project, with the bankable feasibility study satisfying rigorous due diligence by bank appointed Independent Engineer's SRK Consulting and achieving Equator Principles compliance with International Finance Corporation Performance Standards and World Bank Group Environmental, Health & Safety Guidelines.

This uniquely positions EcoGraf's integrated graphite business to support increasing demand for high purity graphite products, with flake graphite mining operations in Tanzania supplying feedstock for the Company's HF-free battery anode material facilities and large and jumbo flake graphite to be exported to high value industrial markets.

In response to increasing demand for graphite, EcoGraf has commenced an evaluation of expansion options for Epanko to identify the most efficient pathway to scale-up production significantly beyond its initial 60,000tpa capacity to supply the high growth battery graphite market.

The quality of Epanko graphite is the result of two key geological advantages, a calc silicate dominant host gangue mineral with very little deleterious elements and very high crystallinity caused by extremely high metamorphic pressure and temperature. Flake graphite crystallinity provides its physical and industrial properties, with the favourable Epanko mineralogy resulting in improved recoveries, product quality and economic efficiency.

As a result of these geological features, Epanko flake graphite is easily liberated using a low-cost, efficient flotation process to produce high quality graphite products, supported by the Company's large scale 200 tonne bulk sample program that has outperformed the Ore Reserve block model grades,



confirming the integrity of the model and demonstrating the robust nature and significant upside of the Epanko Mineral Resource Estimate undertaken by CSA Global.

A number of specialists are supporting the Company's internal team and GR Engineering in the expansion assessment, which will leverage extensive geological and mineral processing studies completed for the Epanko bankable feasibility program. The expansion options study is expected to be completed during the current quarter and will be incorporated into EcoGraf's flake graphite planning model.

### Merelani-Arusha Graphite Project

Merelani-Arusha is located in an established graphite province within Tanzania that has a history of past production, proven flow-sheet design and established export sales. Exploration and evaluation programs have identified an initial Mineral Resource Estimate (refer ASX announcement *Merelani Upgrade Paves Way for PFS* 8 September 2015) with the estimation process completed by independent consultants CSA Global.



*TanzGraphite projects, with the Merelani-Arusha project located a short distance from the Kilimanjaro International Airport.*

The Government is encouraging new development in the region and to support its future expansion plans, EcoGraf has submitted an application for a Mining Licence at Merelani-Arusha, with technical consultants in Australia, Tanzania and Germany undertaking the initial resource estimation, pit modelling, metallurgical testing, capital estimation, environmental and social studies.

Merelani-Arusha provides a potential additional flake graphite operation in Tanzania and subject to the outcomes of the expansion options study, EcoGraf will commission further studies to support product marketing and debt financing programs for the project.





## East-African Graphite Supply Chain Hub

Demand for natural graphite, led by the global lithium-ion battery market, is forecast to increase 31.5%pa this decade (Benchmark Mineral Intelligence, Graphite Market Study, September 2020), with customers requiring new sources of supply and seeking to reduce reliance on existing supply chains in China.

EcoGraf is positioned to support this high growth through its TanzGraphite flake graphite projects and environmentally superior, high purity EcoGraf HF<sup>free</sup>™ battery anode material products. The Company's extensive testing programs with prospective customers and independent consultants have repeatedly demonstrated the superior performance of Epanko Tanzanian graphite in mechanical shaping, purification and electrochemical testing and the efficiency of the EcoGraf HF<sup>free</sup>™ process.

To optimise supply chain efficiencies EcoGraf is assessing the potential to establish a future centralised mechanical shaping facility in Tanzania to process Epanko and Merelani-Arusha flake graphite into battery graphite feedstock and fines by-products. Tanzania has access to clean hydro-power and is ideally located for supplying graphite into the battery and industrial graphite markets of Asia, Europe and the USA.

Preliminary engineering studies for Tanzanian battery graphite shaping have been completed by GR Engineering and operating a mechanical shaping plant in Tanzania is expected to lower carbon emissions, provide logistics efficiencies and create a more flexible supply chain as production expands.

## Development Funding

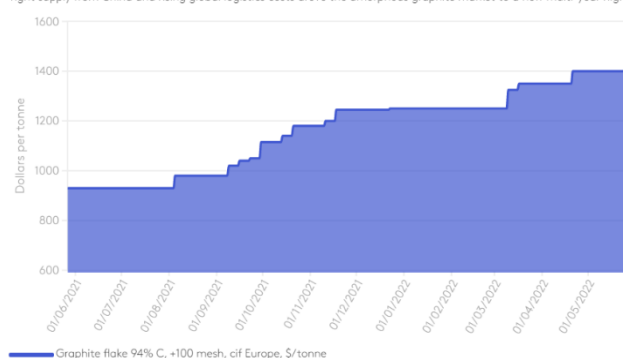
The Company and its financial advisors are engaging with a range of financial institutions globally that are expressing interest in supporting the Epanko development. An independent graphite market study is being completed, with the results to be incorporated into the feasibility study financial model, together with the outcomes of the current GR Engineering program and the agreed terms of the Epanko Framework Agreement.

Financial modelling and debt structuring confirms that Epanko is a highly profitable, cash generative operation and the funding process is benefitting from the stronger product demand and pricing environment.

### European graphite market

Graphite flake 94% C, +100 mesh, cif Europe, \$/tonne  
May 2021 - 2022

Tight supply from China and rising global logistics costs drove the amorphous graphite market to a new multi-year high.

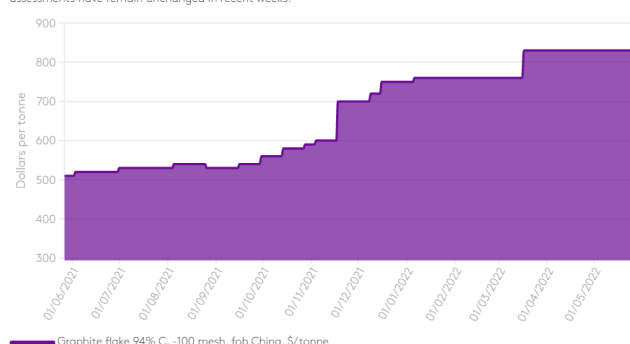


Source: Fastmarkets

### China graphite prices

Graphite flake 94% C, -100 mesh, fob China, \$/tonne  
May 2021 - 2022

Amid strong underlying fundamentals, and with offsetting supply and demand factors, Fastmarkets' graphite price assessments have remain unchanged in recent weeks.



Source: Fastmarkets



## Sector Leading ESG Credentials

The Epanko bankable feasibility study social and environmental planning programs have been independently assessed by SRK (UK) to comply with the Equator Principles, a globally recognised risk management framework adopted by leading financial institutions for assessing and managing social and environmental risks in new developments.

Achieving this standard and satisfying International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines is critical to securing international financing support for the new development and reflects EcoGraf's commitment to the ensuring the highest level of Environmental, Social and Governance operating standards.

Epanko will provide inter-generational economic and social benefits for the regional community near Mahenge in Tanzania and will support Tanzania's positive industrialisation progress. Epanko is expected to operate for 40+ years and in that time is forecast to deliver direct economic benefits of over US\$3 billion to Tanzania via employment, procurement, royalties, taxes and dividends. Over 95% of the 300 permanent staff will be Tanzanian, with an estimated 4,500 indirect jobs to be supported by the Epanko operation.

## Partnership with Vermeer to Evaluate Surface Mining

EcoGraf has entered into a non-binding Memorandum of Understanding with Vermeer South Africa to evaluate the suitability of surface mining concepts with Vermeer's surface miners, to mine, load and haul Epanko ore, with a resulting lower environmental impact and carbon footprint than conventional mining processes.

The findings of the evaluation are that surface mining will lead to a reduction in fuel use and CO<sub>2</sub> emissions of ~26%, more precise cutting and finishing of the mine floor and haul roads, a lowering of equipment load factors and emissions, elimination of drilling and blasting (avoiding exposure of ammonium nitrate to the environment), a lower risk of fluid spills and a reduction in mining and primary crushing equipment.

Vermeer is a global manufacturer of high-quality underground construction, surface mining, agricultural and environmental equipment. It was established in the USA in 1948 and has a team of over 4,000 personnel internationally.

Further details about Vermeer are available at <https://www.vermeer.com/na/surface-mining>.

## CORPORATE

### Appointment of Chief Operating Officer

Experienced executive Mr Dale Harris has joined the Company as Chief Operating Officer, with responsibility for driving the development of its integrated battery graphite businesses. Mr Harris has over 30 years' industry experience across the resources, mineral processing and engineering sectors, with a demonstrated track record in successful project delivery and operational performance.

His qualifications include:

- Bachelor of Engineering Degree from the University of Adelaide
- Master of Business Administration from the University of Western Australia
- Completion of leadership and directors' courses at the London Business School and Australian Institute of Company Directors

During a career of almost 20 years with Rio Tinto, Mr Harris held progressively more senior roles in Australia and overseas in the areas of business planning and analysis, project development, construction and commissioning, mining and mineral processing operations, business development, asset management, integrated planning, automation and business improvement.

At Rio Tinto Iron Ore he held the role of Chief Operating Officer as well as several General Manager roles where his responsibilities included the successful operation and continuous improvement of multiple mines and infrastructure networks during a period of rapid expansion. He was the inaugural General Manager of the state-of-the-art remote operations centre in Perth and was responsible for the roll-out of the Lean Six Sigma improvement program.



He was subsequently appointed Managing Director of Gindalbie Metals Limited and then Chief Executive Officer of its Karara Mining Joint Venture, successfully turning-around the ramp-up of its multibillion-dollar mid-west magnetite mining and beneficiation development. More recently, Mr Harris was a Director of global engineering group Hatch, where he was responsible for leading the Perth office during a period of significant expansion and growth. During this time Dale and the Hatch team worked with clients across multiple sectors on the development, construction, optimisation and management of complex battery minerals, bulk commodity, and base metal projects in Australia and overseas.

### **Appointment of TanzGraphite Director**

EcoGraf is pleased to report the appointment of Ms Christer Mhingo as director of TanzGraphite (TZ) Limited. Christer is a highly skilled, dynamic and motivated geologist, experienced in working with exploration and mining companies across a range of commodities in Africa and overseas.

She holds a Bachelor of Science (Geology) Degree from the University of Dar es Salaam, which included a focus on project management and development.

She has led a number of successful projects in Tanzania and has been involved with a number of ASX and LSE listed companies from grass-roots exploration to operations, holding multiple roles covering project acquisition advice, Government liaison, community and stakeholder engagement, tenement management, business permitting and compliance, business development, exploration and project development.

Christer is the Executive Director and co-founder of Azurite Management and Consultancy Limited, a business that advises mining and exploration companies from Australia, Asia, Europe, America and Africa operating in Tanzania and East Africa. As a member of the University of Dar es Salaam alumni, she has also been actively involved with mentoring programs at the University's School of Mines and Geosciences.

### **Innogy Minerals Limited**

On 15 March 2022 EcoGraf announced plans for the demerger and initial public offering (IPO) of cathode minerals subsidiary, Innogy Limited (Innogy), with the intention of maximising the opportunity for all existing EcoGraf shareholders to take-up shares in the new business.

Using its extensive database of nickel exploration opportunities in Tanzania, the Company has assembled a nickel exploration tenement package totalling 4,600km<sup>2</sup> in one of most exciting nickel regions on earth, including 140km continuous strike length in the Karagwe-Ankole Belt, which hosts the world class Kabanga Nickel Project, the largest development ready high-grade nickel sulphide deposit in the world.

Preparation for the IPO is well advanced, with approvals received from regulatory authorities, completion of the Prospectus and appointment of a Lead Manager. Separate ASX listing of Innogy will enable it to access the exploration funding and management talent required to develop the nickel interests and the IPO structure has been designed to prioritise the interests of EcoGraf shareholders who wish to directly participate in this new opportunity, while also providing a continuing indirect exposure to Innogy through a cornerstone shareholding to be retained by EcoGraf.

To ensure the value of this opportunity is maximised for EcoGraf shareholders, the directors expect to launch the IPO process at a time when there is less volatility on global equity markets and in the interim will advance exploration and evaluation activities on the tenement package.





## Investor Relations



EcoGraf features in the State Government's prospectus, outlining Western Australia as a global battery & critical minerals hub.



EcoGraf releases new fly-through video outlining Stage One of the new Lithium-ion Battery Facility.



EcoGraf features on The Market Herald's News Bulletin for its confirms recycled graphite performance in German research program.



EcoGraf's collaboration research program results were presented by Anna Vanderbruggen at the Advanced Automotive Battery Conference (AABC Europe) on Monday 13 June 2022.



EcoGraf site visit with Hon. Bill Johnston Minister for Mines and Petroleum, Energy, Corrective Services and Industrial Relations for the new HFfree Battery Anode Material Facility.



EcoGraf features on The Market Herald's News Bulletin for TanzGraphite Expansion Options to Support Market Growth.

## Cash

Cash at bank was \$46.7 million at the end of the quarter and details of cash flows during the quarter are set out in the attached Appendix 5B.

Payments made to related parties during the quarter in item 6 of Appendix 5B were for directors' remuneration. Details of directors' remuneration and fees are provided in the Remuneration Report of the Company's Annual Report.



## Share Capital

There were 450,333,459 shares on issue and 9,091,650 unlisted incentive performance rights at the end of the quarter.

## MINERAL TENEMENTS AT QUARTER END

Licence	Area (km <sup>2</sup> )	Ownership interest	Acquired/disposed during the quarter	Location
ML 548/2015	9.62	100%	No change	Mahenge, Tanzania
PL 7907/2012	26.42	0%	Conversion in progress	Arusha, Tanzania
PL 9331/2013	2.76	100%	No change	Mahenge, Tanzania
PL 10092/2014	23.23	100%	No change	Arusha, Tanzania
PL 10388/2014	2.57	100%	No change	Mahenge, Tanzania
PL 10390/2014	2.81	100%	No change	Mahenge, Tanzania
PL 10872/2016	2.60	100%	No change	Arusha, Tanzania
PL 11081/2017	2.08	100%	No change	Arusha, Tanzania
PL 11082/2017	20.77	100%	No change	Arusha, Tanzania
PL 11143/2017	2.62	100%	No change	Arusha, Tanzania
PL 11196/2018	46.72	100%	No change	Arusha, Tanzania
PL 11386/2019	6.73	100%	No change	Arusha, Tanzania
PL 11598/2021	23.45	100%	No change	Mahenge, Tanzania
PL 17823/2021	4.50	100%	Pending	Mahenge, Tanzania
PL 17824/2021	35.31	100%	Pending	Mahenge, Tanzania
PL 11600/2021	2.49	100%	No change	Mahenge, Tanzania
PL 11667/2021	299.90	100%	No change	Kagera, Tanzania
PL 11668/2021	229.48	100%	No change	Kagera, Tanzania
PL 11837/2022	297.36	100%	Granted	Kagera, Tanzania
PL 11838/2022	298.40	100%	Granted	Ulanga, Tanzania
PL 11839/2022	299.63	100%	Granted	Ulanga, Tanzania
PL 11840/2022	288.87	100%	Granted	Ulanga, Tanzania
PL 11841/2022	298.26	100%	Granted	Ulanga, Tanzania
PL 11915/2022	299.63	100%	Granted	Kagera, Tanzania

This report is authorised for release by the Board.

**For further information, please contact:**

## INVESTORS

**Andrew Spinks**  
Managing Director  
T: +61 8 6424 9002



## Forward looking statements

Various statements in this announcement constitute statements relating to intentions, future acts and events. Such statements are generally classified as “forward looking statements” and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

## Production targets and financial information

Information in relation to the feasibility study conducted on the production of battery graphite using the Company's EcoGraf technology, including production targets and forecast financial information derived from the production targets, included in this announcement is extracted from an ASX announcement dated 5 December 2017 “Battery Graphite Pilot Plant”, as updated on 17 April 2019 “EcoGraf Delivers Downstream Development” and 5 November 2020 “Completion of EcoGraf™ Processing Facility Development Report”, available at [www.ecograf.com.au](http://www.ecograf.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement released on 5 December 2017, as updated on 17 April 2019 and 5 November 2020 continue to apply and have not materially changed.

Information in this announcement relating to the Bankable Feasibility Study conducted on the Epanko Graphite Project, including production targets and forecast financial information derived from the production targets, included in this announcement is extracted from an ASX announcement dated 21 June 2017 “Updated Bankable Feasibility Study” available at [www.ecograf.com.au](http://www.ecograf.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement released on 21 June 2017 continue to apply and have not materially changed.

## Mineral resources

Information in this announcement relating to Mineral Resources at the Merelani-Arusha Graphite Project has been previously reported by the Company in accordance with the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (**JORC Code**) (refer to the ASX announcement dated 8 September 2015 “Merelani Upgrade Paves Way for PFS”), available at [www.ecograf.com.au](http://www.ecograf.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information as at the date of this announcement that materially affects the information included in the Company's previous announcement and that all material assumptions and technical parameters underpinning the estimates in the Company's previous announcement continue to apply and have not materially changed.

Information in this announcement relating to Mineral Resources at the Epanko Graphite Project has been previously reported by the Company in accordance with the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (**JORC Code**) (refer to the ASX announcement dated 31 March 2017 “Epanko Mineral Resource Upgrade”), available at [www.ecograf.com.au](http://www.ecograf.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information as at the date of this announcement that materially affects the information included in the Company's previous announcement and that all material assumptions and technical parameters underpinning the estimates in the Company's previous announcement continue to apply and have not materially changed.

Information in this announcement relating to Ore Reserves at the Epanko Graphite Project has been previously reported by the Company in accordance with the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (**JORC Code**) (refer to the ASX announcement dated 21 June 2017 “Updated Bankable Feasibility Study”), available at [www.ecograf.com.au](http://www.ecograf.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information as at the date of this announcement that materially affects the information included in the Company's previous announcement and that all material assumptions and technical parameters underpinning the estimates in the Company's previous announcement continue to apply and have not materially changed.





## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EcoGraf Limited

ABN

15 117 330 757

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(8)	(33)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(148)	(612)
	(e) administration and corporate costs	(387)	(1,325)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	214
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	504
1.8	Other (product marketing, financing and project development)	(884)	(4,622)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,410)</b>	<b>(5,874)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(33)	(166)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(33)</b>	<b>(166)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(3)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of share plan loans)	-	113
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>110</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	48,146	52,633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,410)	(5,874)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(166)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	110

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>46,703</b>	<b>46,703</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	6,703	3,146
5.2 Call deposits	40,000	45,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>46,703</b>	<b>48,146</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	136
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		



8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,410)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(33)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,443)
8.4	Cash and cash equivalents at quarter end (item 4.6)	46,703
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	46,703
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	32
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: the board

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.