

Successful Completion of Feedstock Optimisation

EcoGraf Limited (EcoGraf or the Company) (ASX: EGR) is pleased to announce that the program to assess and benchmark various global sources of flake graphite as feedstock for its proposed battery graphite manufacturing facility in Kwinana, Western Australia has been successfully completed.

The testwork program which is part of predevelopment activities has resulted in the selection of preferred graphite feedstocks. Securing final purchase agreements for supply of graphite feedstock is one of the debt financing requirements of Export Finance Australia (EFA) which the Company recently announced (refer announcement 3rd March 2020).

EFA confirmed that subject to completing a detailed assessment of the project, it will consider the provision of debt finance for the new US\$72 million development. A detailed financial model has been prepared for the Kwinana funding process that incorporates proposed terms for a US\$35 million debt funding package, representing approximately 50% of the total construction cost.

Completion of this program involved detailed evaluation of each feedstock in the Company's piloting facility in Germany. The material from each origin was micronised and subsequently spheronised with physical properties and energy consumption assessed to determine operating parameters for each sample.

Two battery products from each sample material were produced: SPG15 (with a medium particle size diameter of 15 micron) and SPG 20 (with a medium particle diameter of 20 micron).

All selected graphite feedstocks produced suitable spherical graphite with yields of 50% which is consistent with the engineering studies and the detailed funding financial model. The purification behaviour was tested for each material by applying the proprietary EcoGraf purification method. Carbon content of above 99.95% was achieved for all samples, the remaining impurities being of a very low level. The product samples meet the strict physical and chemical specification of battery manufacturers.

The successful benchmark feedstock program was completed in partnership with ProGraphite in our German piloting facility and delivered the following outcomes:

- Optimum feedstock specifications and comparative economic benefit from individual products.
- Technical database on natural flake graphite supply characteristics for production of spherical graphite with environmental and logistical aspects taken into account.

Importantly, the testwork has confirmed the economic variation between selected sources is marginal with respect to the sales margin and that suitable feedstock for the Kwinana facility is readily available in the marketplace, given the standard grade material of -100 mesh at 94% carbon, is ideally suited for the process.

The Kwinana facility will be the first of its kind to be constructed outside of China and will provide a new supply of high quality and cost competitive purified spherical graphite for the lithium-ion battery market.

This announcement is authorised for release by Andrew Spinks, Managing Director.

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About EcoGraf

Founded on a commitment to innovation and sustainability, EcoGraf is building a vertically integrated business to produce high purity graphite for the lithium-ion battery market.

The new state-of-the-art processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible purification technology to provide customers with sustainably produced, high performance battery anode graphite. In time the battery graphite production base will be expanded to include additional facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade.

To complement the battery graphite operations, EcoGraf is also developing the TanzGraphite natural flake graphite business, commencing with the Epanko Graphite Project, which will supply additional feedstock for the spherical graphite processing facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.



A video fly-through of this new facility is available online at the following link:

Fly through video

