

For personal use only



**POISED TO BECOME
TANZANIA'S FIRST GRAPHITE MINE**

Investor Presentation July 2019



DISCLAIMER

This presentation (the “Presentation”) has been prepared by Graphex Mining Limited (“Graphex”). No party other than Graphex has authorised or caused the issue of this document, or takes responsibility for, or makes any statements, representations or undertakings in this Presentation. This Presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this Presentation nor anything contained in it shall form the basis of any contract or commitment.

This Presentation contains summary information about Graphex and its activities, which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Graphex that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth). This Presentation should be read in conjunction with Graphex’s other disclosures and announcements lodged with the ASX, which are available at www.asx.com.au.

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investment Commission) or any other law.

This presentation includes certain “forward-looking statements”. Forward-looking statements and forward-looking information are frequently characterised by words such as “plan,” “expect,” “project,” “intend,” “believe,” “anticipate,” “estimate” and other similar words, or statements that certain events or conditions “may”, “will” or “could” occur. All statements other than statements of historical fact included in this presentation are forward-looking statements or constitute forward-looking information. Although the Company believes the expectations expressed in such statements and information are based on reasonable assumptions, there can be no assurance that such information or statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such information. Important factors that could cause actual results to differ materially from those in forward-looking statements include the market price of graphite, exploitation and exploration successes, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, as well as those factors disclosed in the Company’s filed documents. Accordingly, readers should not place undue reliance on “forward looking information”. There can be no assurance that a transaction for offtake and finance will be concluded, or that development of the Chilalo Graphite Project will proceed as planned or that the resources at Chilalo can be economically exploited.

This Presentation has been prepared in good faith, but no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness, reliability or adequacy of any statements, estimates, opinions or other information, or to the reasonableness of any assumption or other statement, contained in the Presentation (any of which may change without notice). To the maximum extent permitted by law, Graphex and its professional advisers and their related bodies corporate, affiliates and each of their respective directors, officers, partners, employees, advisers and agents and any other person involved in the preparation of the Presentation disclaim all liability and responsibility (including, without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use of or reliance on anything contained in, or omitted from, this Presentation.

Mineral Resources

The information in this Presentation that relates to in situ Mineral Resources for the Chilalo Project was announced on 20 September 2018. Graphex

confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 20 September 2018 and that all material assumptions and technical parameters underpinning the estimates in the announcement of 20 September 2018 continue to apply and have not materially changed.

Ore Reserves

The information in this Presentation that relates to the Ore Reserve at the Chilalo Project was announced on 20 September 2018. Graphex confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 20 September 2018 and that all material assumptions and technical parameters underpinning the estimates in the announcement of 20 September 2018 continue to apply and have not materially changed.

Forecast financial information

The forecast financial information (and the production target on which such forecast financial information is based) in this Presentation was announced on 20 September 2018. All material assumptions underpinning the forecast financial information (and the production target on which such forecast financial information is based) in the announcement of 20 September 2018 continue to apply and have not materially changed.

Exploration Target

The information in this Presentation that relates to the Exploration Target was announced by IMX Resources Limited (now Indiana Resources Limited) on 2 September 2015. Graphex confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 2 September 2015. The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that any associated production target will be realised.

POISED FOR PRODUCTION

Funded for graphite delivery



US\$80M FUNDING PACKAGE

expected to fully fund mine construction to production¹

BFS EXPECTED Q4 2019

with draw-down of interim loan notes

UNRIVALLED GRAPHITE MARGIN

larger flake sizes attract premium prices

NPV US\$349M & 131% IRR²

fully permitted Chilalo delivers exceptional economics

TANZANIA - IMPROVED REGULATORY CERTAINTY

expected near-term resolution of all issues



¹ Subject to agreed conditions per ASX announcement dated 29 October 2018 and slide 5

² ASX Announcement dated 20 September 2018

CHILALO LARGE FLAKE GRAPHITE PROJECT

High-grade resource

FULLY PERMITTED

with Mining Licence and Environmental Approvals

16.9Mt GRAPHITE @ 10.2% TGC³

Ore Reserves 5.3Mt @ 10.9% TGC

100-350Mt @ 3-11% TGC²

multi-decade mine life potential

RESOURCE UPGRADE IMMINENT

pending BFS will extend mine life

PROGRESSING BFS

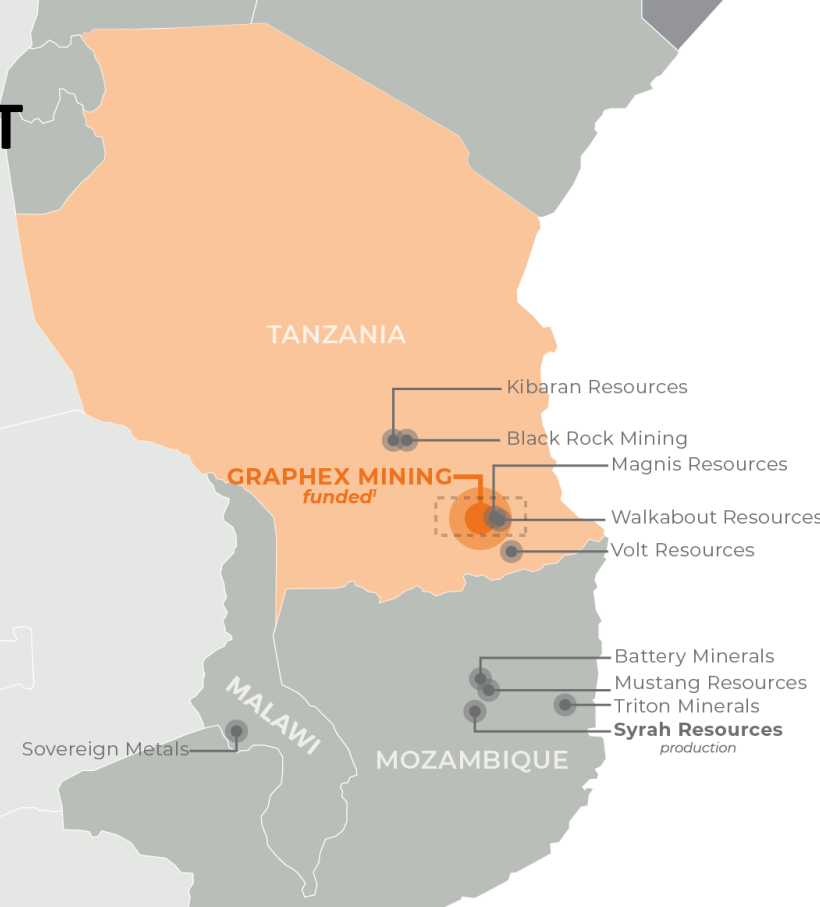
expected Q4 2019

¹ ASX Announcement of funding dated 29 October 2018

² ASX Announcement of exploration target tonnage dated 2 September 2015

³ ASX Announcement dated 20 September 2018

⁴ As at 5 July 2018 via www.asx.com.au



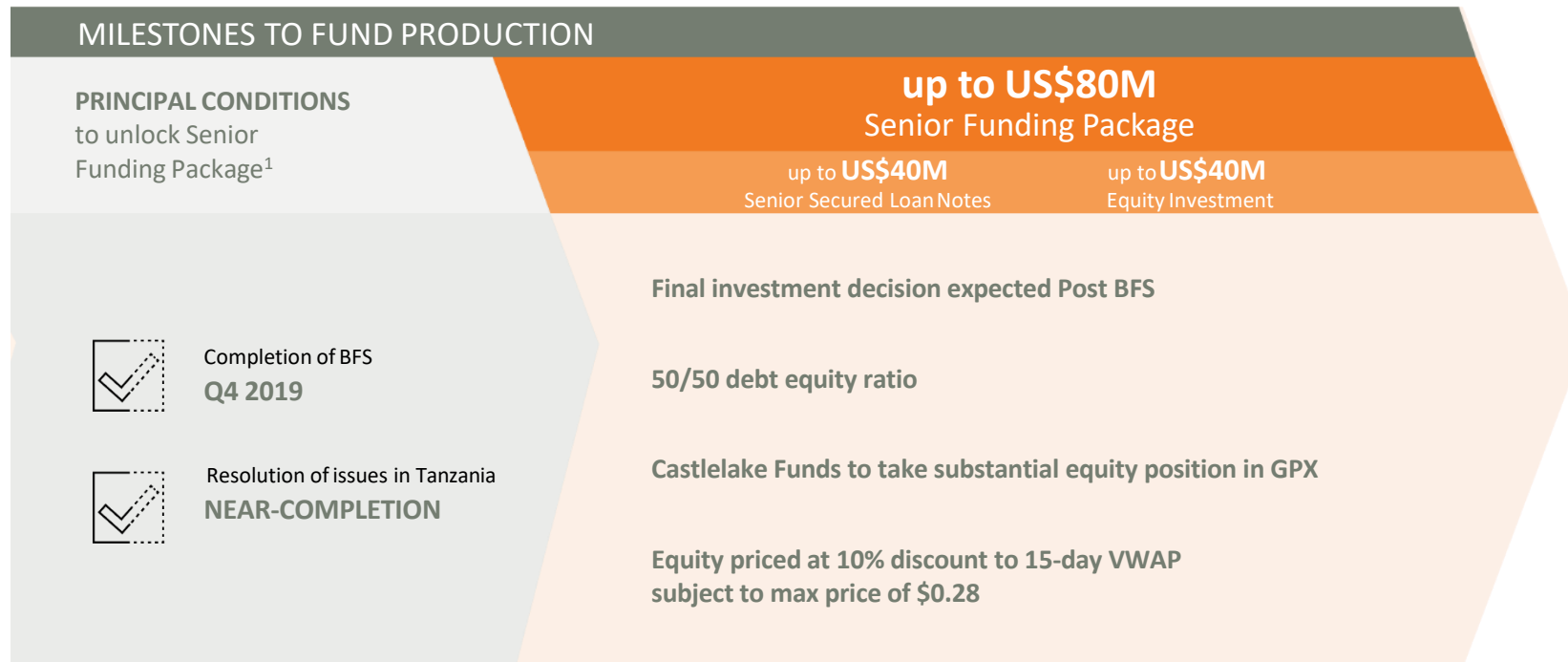
| TANZANIA'S GRAPHITE CORRIDOR | | |
|----------------------------------|-------|-------------------------|
| 20kms - 3 emerging ASX companies | | |
| Company | STAGE | MARKET CAP ⁴ |
| Graphex (GPX) | DFS* | \$21M |
| Magnis (MNS) | BFS | \$126M |
| Walkabout (WKT) | DFS | \$123M |

*expected Q4 2019

GLOBAL INVESTMENT FIRM STAKES GRAPHEX POSITION

Industry-first graphite financing independently validates

- Chilalo Project quality
- Market opportunity for large flake product



¹ Refer ASX Announcement 29 October 2018 for full list of conditions



Global Investment Firm
with US\$13.7B under management

Specialising in discovering and pursuing complex small and mid sized asset based opportunities.

For personal use only

CHILALO DEVELOPMENT PLAN

PFS highlights compelling economics¹

STAGE 1 PRODUCTION

58,000 TONNES
(YRS 1-2)

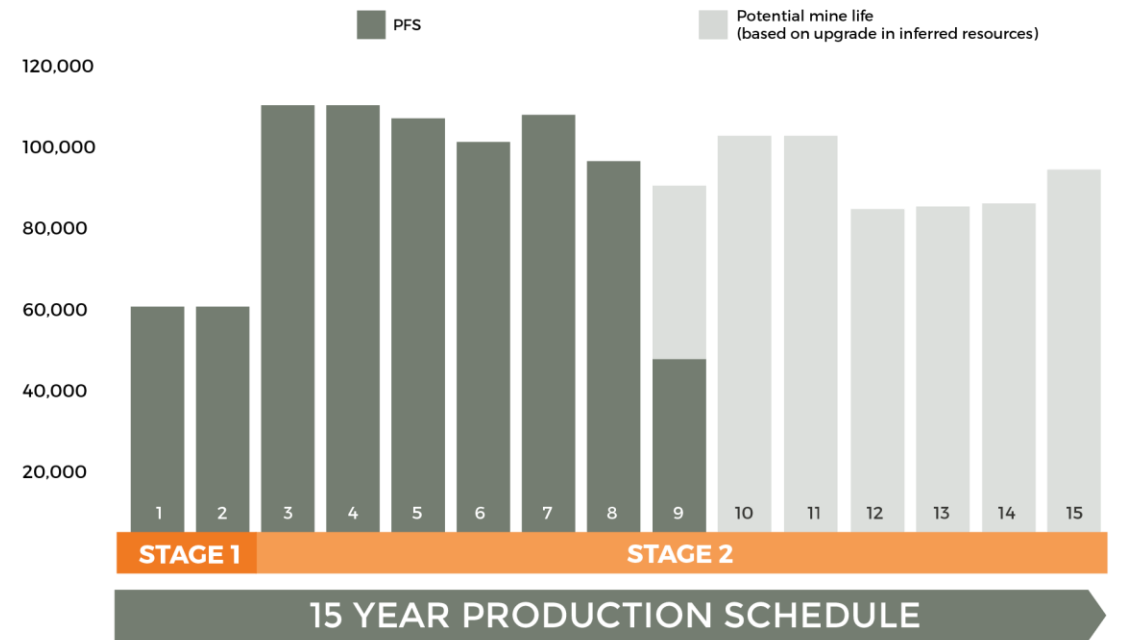
STAGE 2 PRODUCTION

100,000 TONNES
(YRS 3+)

| Item | Measure | PFS |
|---|--------------|-------------|
| Life of mine | Years | 8.5 |
| Average head grade | % TGC | 10.6% |
| Stage 1 Average EBITDA | US\$m | 67 |
| Stage 2 Average EBITDA | US\$m | 126 |
| Average sales price FOB Mtwara | US\$/t | 1,777 |
| Operating cost per tonne of production | US\$/t | 500 |
| Operating margin | US\$/t | 1,277 |
| STAGE 1 CAPITAL COST | US\$m | 43.6 |
| Stage 2 capital cost | US\$m | 32.5 |
| POST-TAX NPV (10% DISCOUNT RATE) | US\$m | 349 |
| POST-TAX INTERNAL RATE OF RETURN (IRR) | % | 131 |
| Post-tax payback period | Yrs | 0.84 |

GRAPHEX PRODUCTION SCHEDULE

GRAPHITE (TONNES)



For personal use only



¹ Refer ASX Announcement dated 20 September 2018

ROOM TO GROW

Multi-decade mine life potential

- Low-cost resource expansion using proven ground EM and field work
- Exploration target tonnage of 100-350Mt @ 3-11% TGC¹
- 34km of untested strike length with similar conductivity to high-grade resource

CHILALO GRAPHITE PROJECT

VTEM Image Showing Conductive Targets



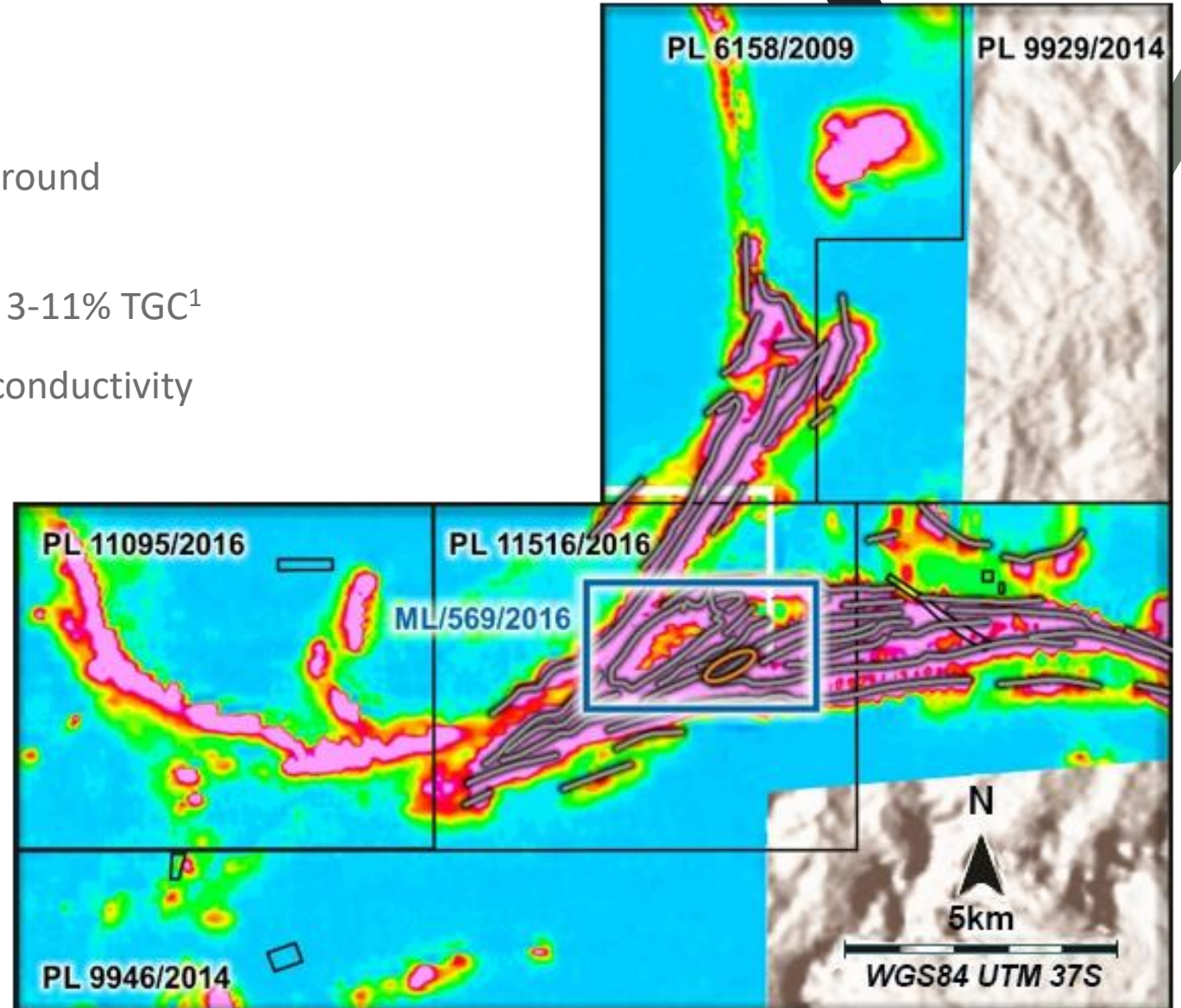
Mining Licence



Prospecting Licence



VTEM Conductor Axes



CONVERTING MICRONS TO MARGINS

Chilalo large flake price premium

US\$1,777/t¹

Basket sale price

US \$1,277/t¹

Operating Margin

57% OF GPX PRODUCT
Achieves premium price

PRICING SOURCE¹
Lower of BMI and Chinese market sources

GPX AVERAGE SALE PRICE

| Flake Size | Microns | Mass Dist. % | Grade TGC % | Price (US\$/t) | Average Sale Price (US\$/t) | | |
|--|------------------|--------------|-------------|----------------|-----------------------------|------------------------------------|-------------------|
| Above Super Jumbo | > 850 | 9 | 93.4 | \$5,150 | \$437 | FLAKE SIZE PRICE PREMIUM | |
| Super Jumbo | 500 – 850 | 24 | 90.3 | \$2,540 | \$620 | | EXPANDABLE |
| Jumbo | 300 – 500 | 24 | 88.6 | \$1,757 | \$427 | | |
| Large | 180 – 300 | 9 | 98.7 | \$974 | \$83 | EXPANDABLE | |
| Medium | 150 – 180 | 5 | 98.8 | \$779 | \$39 | LITHIUM ION BATTERIES & EXPANDABLE | |
| Small | < 150 | 29 | 97.4 | \$583 | \$171 | | |
| WEIGHTED AVERAGE SALE PRICE (FOB) | | | | | US\$1,777 | | |

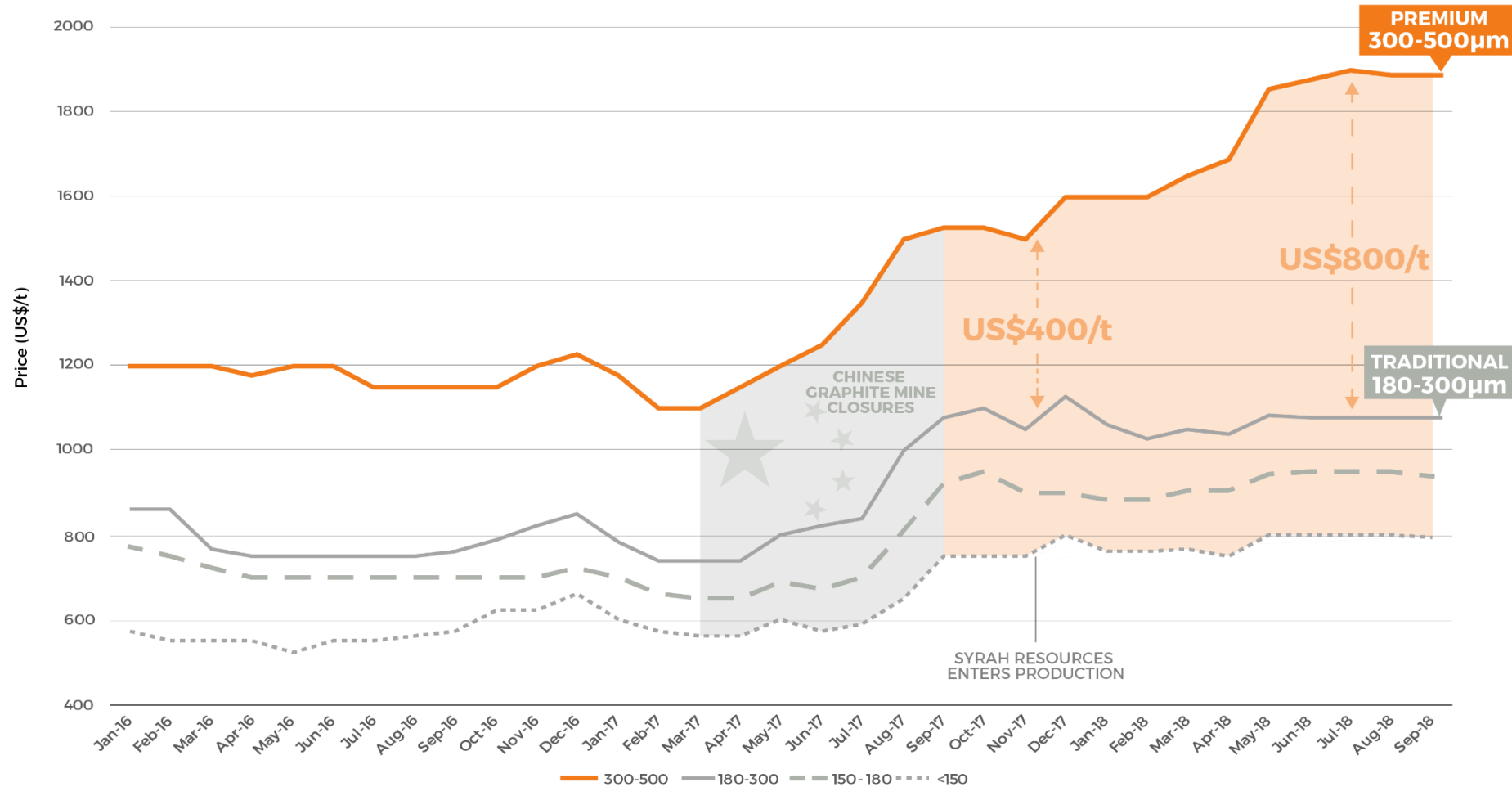
¹ The weighted average sale price is the lower of information obtained from Benchmark Mineral Intelligence and reputable Chinese industry sources, with the most conservative estimates used

MINE THE GAP

Growing price inequality between premium and traditional markets

(EXPANDABLE)

(REFRACTORY)



IMMINENT RESOLUTION OF TANZANIAN GOVERNMENT ISSUES

Clarification expected to allow mine financings to proceed

- Graphex receives official response to submission¹
- Letter from Ministry provides clarity on:
 - Ability to export graphite concentrate
 - Government free carried interest
 - Fiscal stabilisation agreements
- Final Government assurances are expected imminently

Nedbank CIB underwrites Strandline (ASZ:STA) US\$26 million project financing for the Fungoni Project, located in Tanzania



“Furthermore, the Government of Tanzania continues to show its full support for the commercialisation of Fungoni, recently granting approval for the Nedbank Facility under the amended legislation, as well as other key secondary level development approvals, including Fungoni’s product logistics and export plan.”

- Strandline ASX Announcement (17 June 2019)

STRONG CAPABILITY TO DELIVER IN AFRICA

PHIL HOSKINS

7yrs GPX/IMX

GRANT DAVEY

+10yrs Anglo Gold Ashanti & Cradle Resources

STUART MCKENZIE

+12yrs GPX/IMX & Anvil Mining

HEAVENLIGHT KAVISHE

Country Manager
(Tanzanian Government liaison)

¹ Refer ASX Announcement 6 June 2019

FLAME RETARDANT REVOLUTION

China stepping stone to the global market

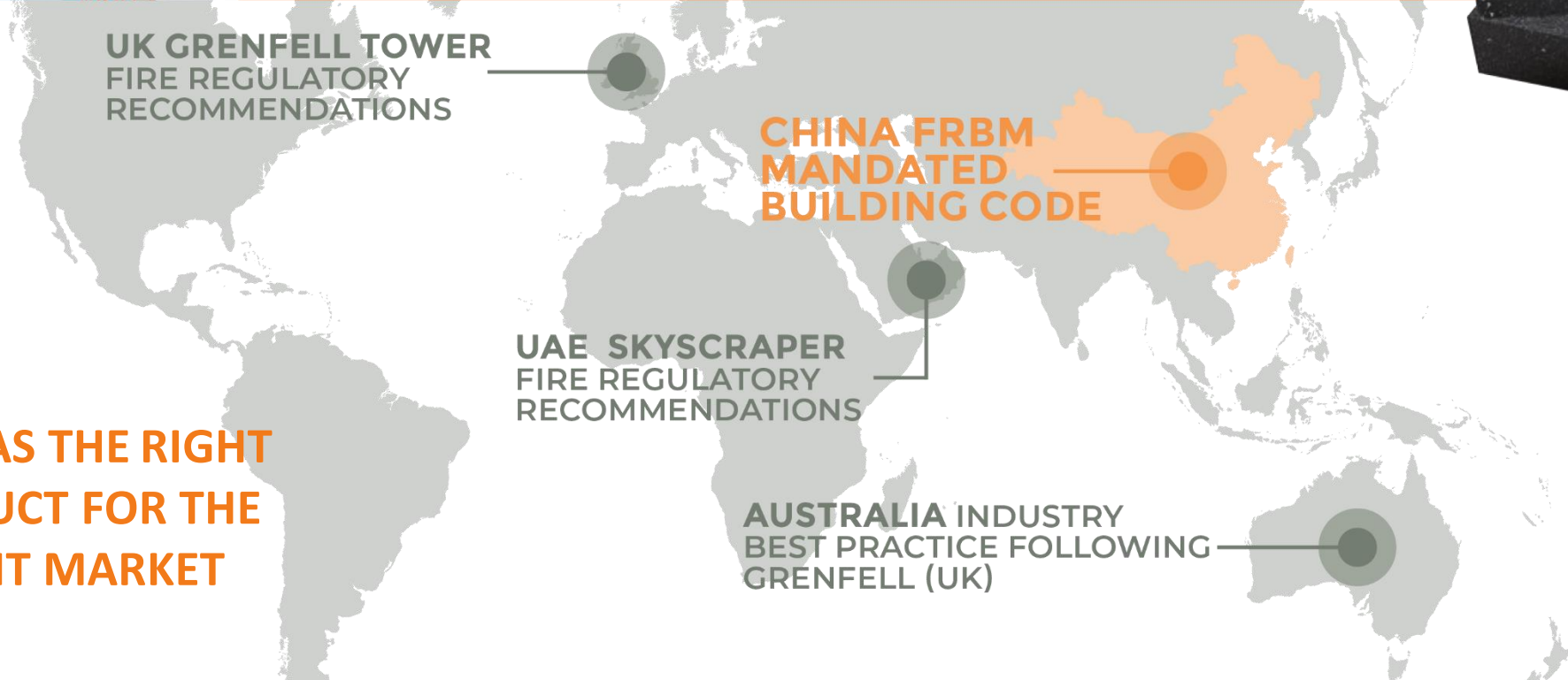
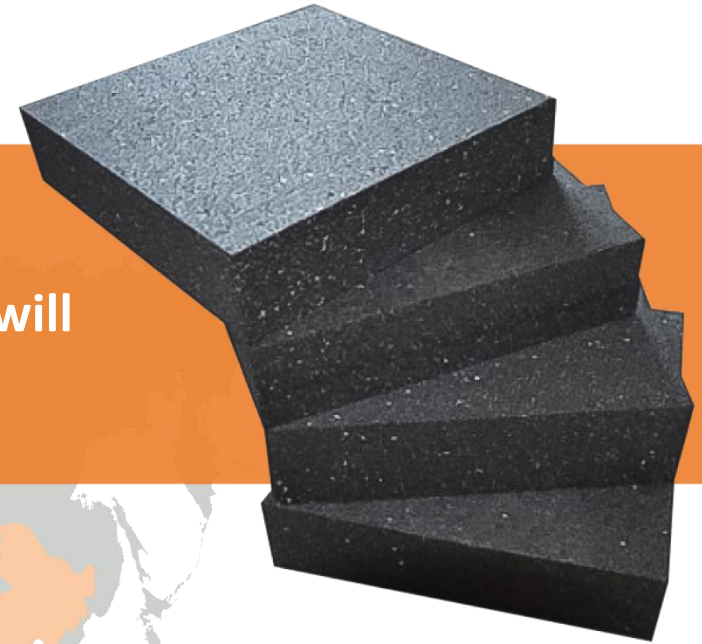
For personal use only



CHINA DRIVES GLOBAL FLAME RETARDANT BUILDING (FRBM) MATERIAL INDUSTRY

“China needs 40Mtpa of FRBM’s, which will contain 5% expandable graphite.”

Mr Jiang Yang, Group Vice President - China National Building Materials (FRBM)



GPX HAS THE RIGHT PRODUCT FOR THE RIGHT MARKET

CHINA GRAPHITE SUPPLY UNDER THREAT

Issues facing graphite production

China has historically produced **+70% OF THE WORLD'S GRAPHITE**

Chinese production of graphite is under threat due to **CHINESE GOVERNMENT ENVIRONMENTAL CRACKDOWN** causing mine closures and threatening an industry already impacted by diminished large flake graphite reserves

Structural change will see **EAST AFRICA REPLACING CHINA** as the world's leading supplier of graphite

CHINA SALES PIPELINE

Final agreements expected prior to BFS completion

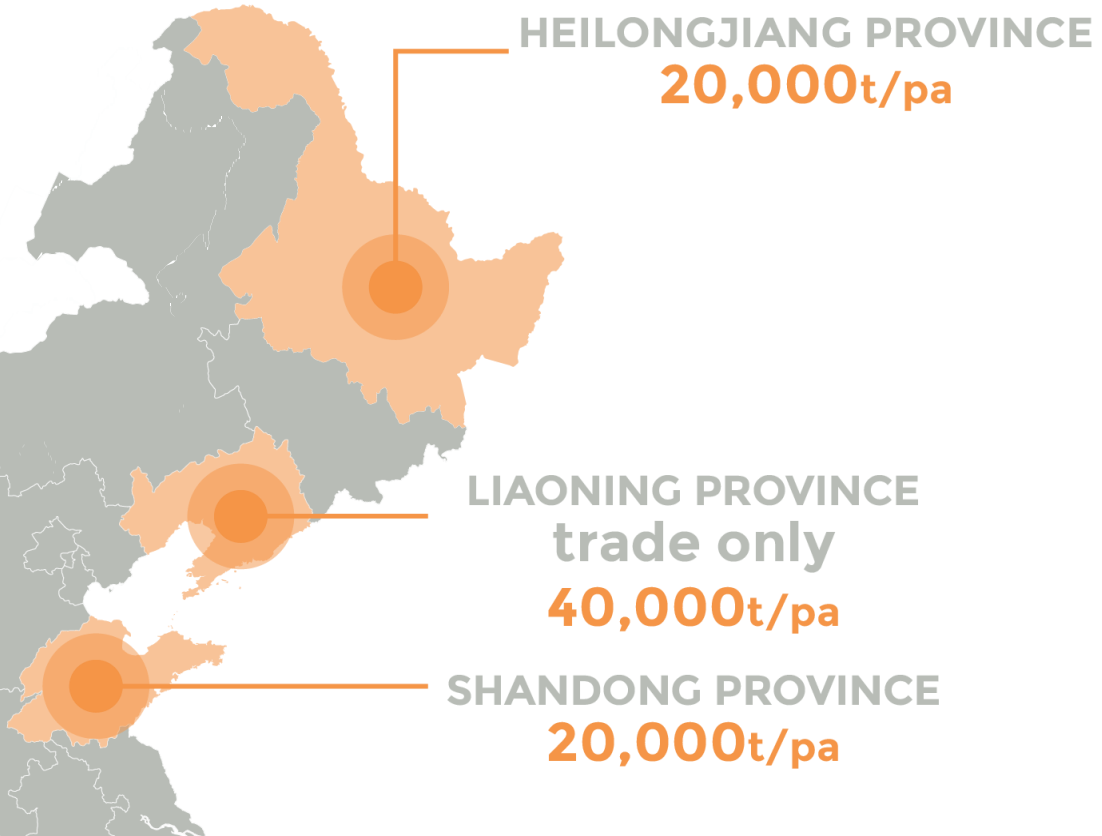
Markets-First Approach

Building customer relationships in China

- 41 potential customers or traders identified
- Numerous 'pre-qualified' customers
- Sales certainty underpinned financing
- Expandable market focus

PHIL HOSKINS | Managing Director
5 yrs in-country experience
(Regular in-China interaction with potential customers)

JUYAN FENG | Principal Consultant
Successfully negotiated over 50 Australia-China resources transactions



| | |
|---|---|
| 5 SIGNED Statements of sales intent | 80,000 TONNES Per annum of Chilalo Graphite |
| Offtake interest exceeds STAGE 1 PRODUCTION target (>58,000 tonnes) | |

For personal use only

EXPANDING OUR HORIZONS

investing in east African Graphite

TRANSFORMATIVE FUNDING ARRANGEMENT

transparent, fully funded pathway to cashflow with experienced resource investors

>500µm MICRON - COMPETITIVE OFFTAKE ADVANTAGE

highest margin producer, product tailored for expandable graphite partners

CENTURY OF GRAPHITE

two once-in-a-generation demand events

GRAPHITE: A PERFECT STORM

permanent supply disruption plus demand megatrend increasing prices and creating supply opportunities

**SIGNIFICANT THIRD-PARTY VALIDATION OF PROJECT,
PRODUCT AND STRATEGY**

For personal use only

Graphex

MINING

Level 1, Emerald House, 1202 Hay Street
West Perth WA 6005 Australia

Telephone: +61 8 9200 4960

Facsimile: +61 8 9200 4961

Email: info@graphexmining.com.au



CORPORATE OVERVIEW

CAPITAL STRUCTURE

| | |
|-----------------|-----------------|
| Market Cap | A\$21.5M |
| Shares on Issue | 88.15M |

MAJOR SHAREHOLDERS

| | |
|---|--------------|
| J P Morgan Nominees Australia Limited | 7.30% |
| Capital Drilling Limited | 6.01% |
| BNP Paribas Nominees <DRP> | 5.83% |
| BNP Paribas Nominees <IB AU Noms Retail Client DRP> | 5.00% |
| MMG Exploration Holdings | 4.02% |

BOARD & MANAGEMENT

| | |
|------------------|------------------------|
| Stephen Dennis | Non-executive Chairman |
| Grant Davey | Non-executive Director |
| Daniel Saint Don | Non-executive Director |
| Phil Hoskins | Managing Director |
| Warren King | Project Manager |

JORC TABLE

| DOMAIN | CLASSIFICATION | TONNES (MT) | TGC% | CONTAINED GRAPHTE (KT) |
|---------------------------|------------------------|-------------|------|------------------------|
| High-grade zone | Probable Reserve | 5.3 | 10.9 | 576 |
| Total ore reserves | Probable Reserve | 5.3 | 10.9 | 576 |
| High-grade zone | Indicated | 5.2 | 11.9 | 622 |
| High-grade zone | Inferred | 11.7 | 9.4 | 1,100 |
| Total high-grade resource | Indicated and Inferred | 16.9 | 10.2 | 1,722 |
| Low-grade zone | Inferred | 36.6 | 3.5 | 1,265 |
| Total resource | Indicated and Inferred | 53.5 | 5.6 | 2,987 |