



ASX RELEASE

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US\$500,000 prepayment to expedite development of Kentucky production facility

- **US\$500,000 prepayment confirmed to advance development of state-of-the-art activated carbon plant in Kentucky, USA**
- **Funding will facilitate the purchase of longer lead-time items in connection with the first phase of the plant's construction**
- **Legal documentation to finalise the JV framework is progressing favourably, with final terms pending ahead of the commencement of construction**

United States focused Cleantech company **Carbonxt Group Ltd (ASX:CG1)** ("**Carbonxt**" or "**the Company**") is pleased to present the following update on the development of its state-of-the-art activated carbon production facility in Kentucky, USA.

The Company confirms that a US\$500,000 payment has been advanced for the project's development with Carbonxt's US-based JV partner, Kentucky Carbon Processing, LLC ("KCP"). The payment will become the first payment of the Company's contribution to the Joint Venture once the final documents to formalise the Joint Venture are completed in the near future.

The allocation will fund the purchase of specific items that have a longer lead time for procurement, which will play an important role in maintaining the time to operations commencement of the new facility in Kentucky.

The provision of prepayment funding is a clear indication of the commitment from both parties to advance the construction of the plant, which will significantly increase Carbonxt's production capacity and gross margins for the sale of activated carbon products in the US market (refer ASX Announcement 29 July 2022).

Legal documentation and development negotiations continue to progress, with final sign-off for the first phase of construction development expected soon.

Activated carbon ("AC") products will play a key role in water treatment and air purification processes for multiple sectors. The new production facility will consolidate Carbonxt's market position through the expanded production of AC pellets and powder.

Comment

Managing Director Warren Murphy said: *"Plans for Carbonxt's flagship, state-of-the-art activated carbon production facility continue to progress, and we are pleased to announce the allocation of the prepayment with our JV partner, KCP. The funding will facilitate the timely procurement of specific items where a longer lead-time is required. With negotiations now moving into the advanced stages prior to the commencement of construction, we look forward to providing more updates on the Kentucky plant in the weeks and months ahead, as the Company executes on its strategy to build a major presence in the US market for activated carbon products."*

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This announcement has been authorised for release to ASX by the Board of Directors of Carbonxt Group Limited.

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About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops, and markets specialised Activated Carbon products, focused on the capture of contaminants in industrial processes that emit substantial amounts of harmful pollutants. The Company produces and manufactures Powdered Activated Carbon and Activated Carbon pellets for use in industrial air purification, wastewater treatment and other liquid and gas phase markets.

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