

EcoGraf signs GR Engineering for WA Battery Graphite Manufacturing Facility

EcoGraf (Australia) Limited (EcoGraf or the Company) (ASX: EGR) is pleased to announce it has signed a letter of intent (LOI) with GR Engineering Services Limited (ASX: GNG) (**GR Engineering**) for an engineering, procurement and construction contract for the development of a 20,000tpa battery graphite facility in Western Australia.

EcoGraf and GR Engineering expect to enter into a formal contract for the new, state-of-the-art manufacturing facility. The parties have been working to complete pre-development activities for the project and the Company is finalising its arrangements with the Western Australian Government's land development agency over a proposed 6.7ha site in Kwinana.

The proposed development has a pre-tax net present value of US\$141m, generating an internal rate of return of 36.6% and annual EBITDA of US\$35m based on an upfront capital cost of US\$22.8m for an initial 5,000tpa, followed by a further US\$49.2m to expand production to 20,000tpa of battery graphite (refer announcement dated 11 June 2019).

The project's forecast economic contribution to Western Australia is significant on both an economic and strategic front, directly employing more than 250 workers during construction and supporting Government plans to position Australia as a global leader in the environmentally, ethically and socially responsible manufacture of battery materials.

Global demand for battery graphite is expected to increase by over 700% as significant investment continues in Europe to transition towards clean renewable energy for vehicle and industrial applications (refer: **Ecograf Latest Market News Issue #5**).

The Company has received strong interest from prospective customers and is making excellent progress towards product sales and offtakes.



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

Fly through video

For personal use only

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

For further information, please contact:

INVESTORS

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About GR Engineering

GR Engineering is an ASX listed engineering design and construction contractor specialising in fixed price engineering design and construction services to the resources and mineral processing industry.

GR Engineering has successfully completed the engineering design and construction of projects for a diverse range of clients, including global mining houses, mid-tier miners and junior developers undertaking their first project.

As a group, GR Engineering employs more than 400 professional and support staff throughout Australia and internationally, in addition to a direct construction workforce and subcontracted personnel.

About EcoGraf

Founded on a commitment to innovation and sustainability, **EcoGraf** Limited (ASX: EGR) is building a vertically integrated business to produce high purity graphite for the lithium-ion battery market.

Our 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 we plan to expand our battery graphite production base to include additional facilities in Europe and North America to support the global transition to renewable energy in the coming decade.

To complement and strengthen our battery graphite operations, we are also developing a multi-project TanzGraphite natural flake graphite business, led by the construction-ready Epanko Graphite Project, which will provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.

Combined, the EcoGraf battery and natural flake graphite businesses present a compelling opportunity for us to partner customers and stakeholders across a range of graphite markets through a relentless focus on engineered innovation, performance and sustainability.

