

EcoGraf Expands BAM Facility Development Plans

European and North American Markets Requiring Accelerated Lithium-ion BAM Production to Meet EV Demand

EcoGraf Limited (EcoGraf or the Company) (ASX: **EGR**; FSE: **FMK**; OTCQX: **ECGFF**) is pleased to advise that following multiple approaches from electric vehicle manufacturers in Europe and North America during recent months, the Company intends to scale-up plans for its EcoGraf™ Battery Anode Material (BAM) Facility.

Key Highlights

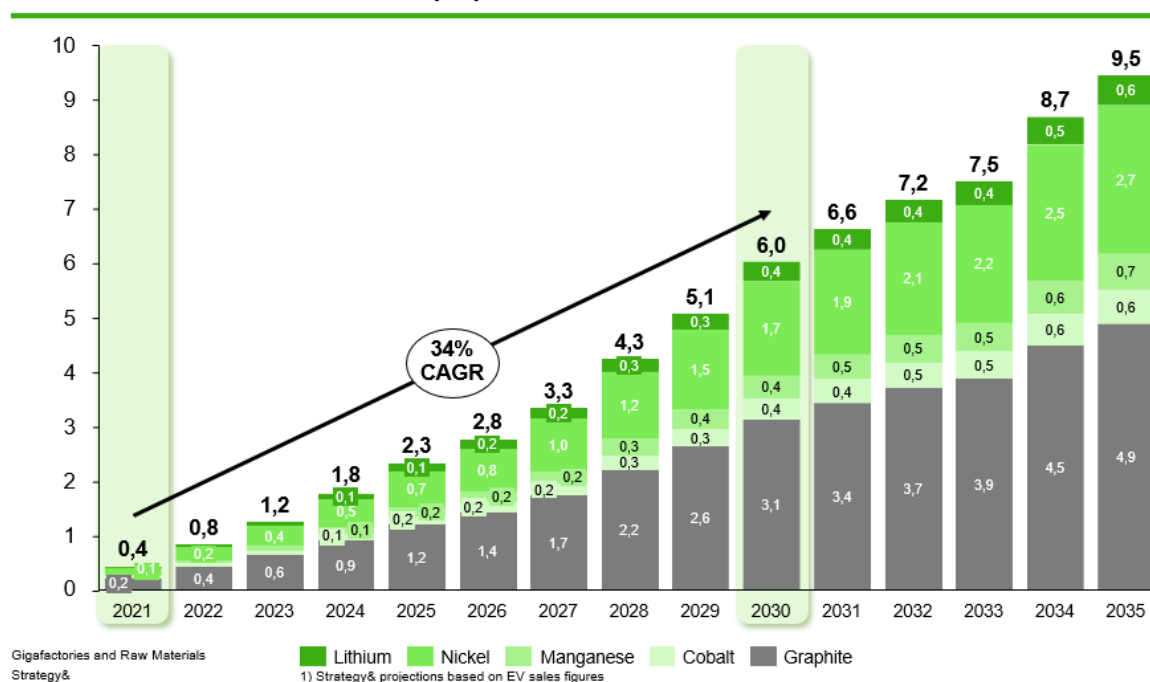
- + Increased requirement for new supply of battery anode material following US Mineral Security Partnership (June 2022) and Inflation Reduction Act (August 2022)
- + Geopolitical changes in Europe and the Pacific re-shaping trade flows, regionalised battery supply chains and pricing models, based on critical mineral security, responsible sourcing and sustainable production processes
- + Opportunity for EcoGraf's long-life, high quality Epanko Graphite Project to support increased battery anode material production levels to meet European and North American demand
- + Potential for micronizing and spheronizing operations in Tanzania to optimise supply chain efficiencies for regionalised EcoGraf™ battery anode material facilities
- + Original EcoGraf™ Battery Anode Material Facility stage 1: 5,000tpa followed by stage 2: 20,000tpa production model to be replaced by single-phase ~25,000tpa development, delivering faster ramp-up, construction schedule efficiency, economies of scale and significant market position
- + Dynamic market changes with EV manufacturers seeking significantly higher volumes, resulting in a single-phase ~25,000tpa development
- + Simplified commercial development model will be supported by a new stage 1 product qualification facility that is targeted to be in operation mid 2023
- + Larger, single-phase development to support proposed debt financing arrangements with Export Finance Australia
- + HFfree purification patent processes in progress in key battery markets
- + EcoGraf anode recycling capability strengthens value proposition in Europe and North America

In recent months EcoGraf has received multiple approaches from North American and European electric vehicle manufacturers for the supply of battery anode material products, which have focussed on the ability of the Company to scale-up production rates to meet demand requirements in those regions.

The increased interest in new, sustainable supply chains is shaped by geopolitical events and recent initiatives led by the United States, the Mineral Security Partnership to secure critical raw materials for the clean energy transition, through responsible resource development and the Inflation Reduction Act, that incentivises mass market adoption of electric vehicles.

Graphite dominates battery mineral demand by volume, with recent forecasts by PwC Strategy& in Germany that it will rapidly grow from 200,000t in 2021 to almost 5mt by 2035:

Global active material demand ramp-up¹ (million tons)



Member countries of the Mineral Security Partnership Australia, Canada, Finland, France, Germany, Japan, the Republic of Korea, Sweden, the United Kingdom, the United States and the European Commission are collaborating to mobilise investment from Governments and the private sector for strategic opportunities across the full value chain that adhere to the highest environmental, social and governance standards.

EcoGraf is in discussion with Government trade representatives in Australia, North America and Europe to support development of its vertically integrated battery minerals business under this Mineral Security Partnership.

As a result, EcoGraf believes there is a significant opportunity to scale-up its battery anode material development plans to support customers in these key lithium-ion battery growth markets, through the following:

- Development and expansion of the long-life Epanko Graphite Project, that will operate under sector leading Equator Principles environmental and social standards, producing superior quality natural graphite, with Tanzania expected to become a major international supplier of critical graphite minerals for electric vehicles.
- Establishment of a global natural graphite supply base in Tanzania, with the development of the Company's Merelani-Arusha Graphite Project and evaluation of in-country micronizing and spheronizing operations to supply regionalised EcoGraf™ battery anode material facilities.
- A faster, more efficient single-phase ~25,000tpa EcoGraf™ battery anode material facility development, matched to recent customer demand requirements and positioning EcoGraf for the development of additional production facilities in key international markets.

To support the Company's on-going product testing programs with prospective customers, EcoGraf is developing a new product qualification operation as prospective customers require lower qualification volumes, with more focus on increasing commercial production levels and time to market.

In Tanzania, the Company is finalising the Epanko Framework Agreement arrangements with the Special Presidential Government Negotiating Team to support the project financing process. EcoGraf is also recruiting personnel, preparing project development plans for construction and is evaluating future Epanko expansion options.

Discussions are also underway with the Tanzanian Government for the development of the Merelani-Arusha Graphite Project and establishment of in-country mechanical shaping facilities to process Epanko and Merelani-Arusha flake graphite into battery anode material feedstock, using Tanzania's renewable hydro-power energy and proximity to major markets to optimise EcoGraf's supply chain efficiency.

In Australia, EcoGraf is working with the West Australian Government, Export Finance Australia and its engineering consultants in relation to the accelerated, single-phase ~25,000tpa development to deliver construction schedule efficiency, economies of scale and more significant market position to support the increased production demand.

The Company expects to provide further updates on the Epanko Graphite Project and EcoGraf™ Battery Anode Material Facility shortly.

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

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About EcoGraf

EcoGraf is building a vertically integrated battery anode materials 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 a highly attractive mining and mineral processing graphite business.

In Tanzania, the Company is developing the **TanzGraphite** natural flake graphite business, commencing with the Epanko Graphite Project, to provide a long-term, scalable supply of feedstock for the EcoGraf™ battery anode material processing facilities, together with high quality large flake graphite products for industrial applications.

Using a superior, environmentally responsible EcoGraf HFfree™ purification technology, the Company plans to produce high performance battery anode material to support electric vehicle, battery and anode manufacturers in Asia, Europe and North America as the world transitions to clean, renewable energy. In addition, EcoGraf's breakthrough recovery of battery anode material using its EcoGraf™ purification process will enable battery supply chain customers to reduce their CO₂ emissions and lower battery costs.

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