

14 November 2016

GRAPHEX SECURES CHILALO MINING LICENCE

Highlights

- **ML/00604/2016 has been granted for a period of 10 years**
- **This represents completion of the key remaining regulatory approval for the development of Chilalo**
- **It also satisfies key due diligence requirement for offtake and finance agreement with Project Partners**

Graphex Mining Limited is pleased to advise that it has been notified by the Tanzania Ministry of Energy and Minerals that it has been granted a Mining Licence (ML/00604/2016) for the Chilalo Graphite Project.

The granting of the Mining Licence is a key approval required for the development of Chilalo and satisfies an important requirement in the negotiation of agreements for offtake and financing with its Project Partners, CN Docking Joint Investment & Development Co. Ltd, a subsidiary of China National Building Materials and China Gold Group Investment Co. Ltd.

Managing Director, Phil Hoskins commented, *"Securing the Mining Licence is a significant step towards our objective of commencing project development and commercial production at Chilalo. It further de-risks the project and confirms Chilalo's position as one of the most advanced graphite projects of any company listed on the ASX."*

"We continue to make progress with our Project Partners regarding offtake and finance for the development of Chilalo and the receipt of the Mining Licence, combined with the expected near-term conclusion of their technical due diligence, will allow these negotiations to move to a more advanced stage."

"I would also like to convey our appreciation of the support from the Ministry for Energy and Minerals and the efforts of officers within the Ministry in processing our Mining Licence application."

ML/00604/2016 covers an area of 10km² (see Figure 1) and has been granted for a period of 10 years. Mining Licences can be renewed following the initial 10 year period and, if an area greater than 10km² is required, additional Mining Licences can be applied for.

The Company also advises that assay results from recently completed drilling of high conductance targets at Chilalo are expected to be released shortly and these will allow for preparation of an updated mineral resource estimate.

A handwritten signature in black ink, appearing to read "PHH", followed by a horizontal line.

PHIL HOSKINS
Managing Director

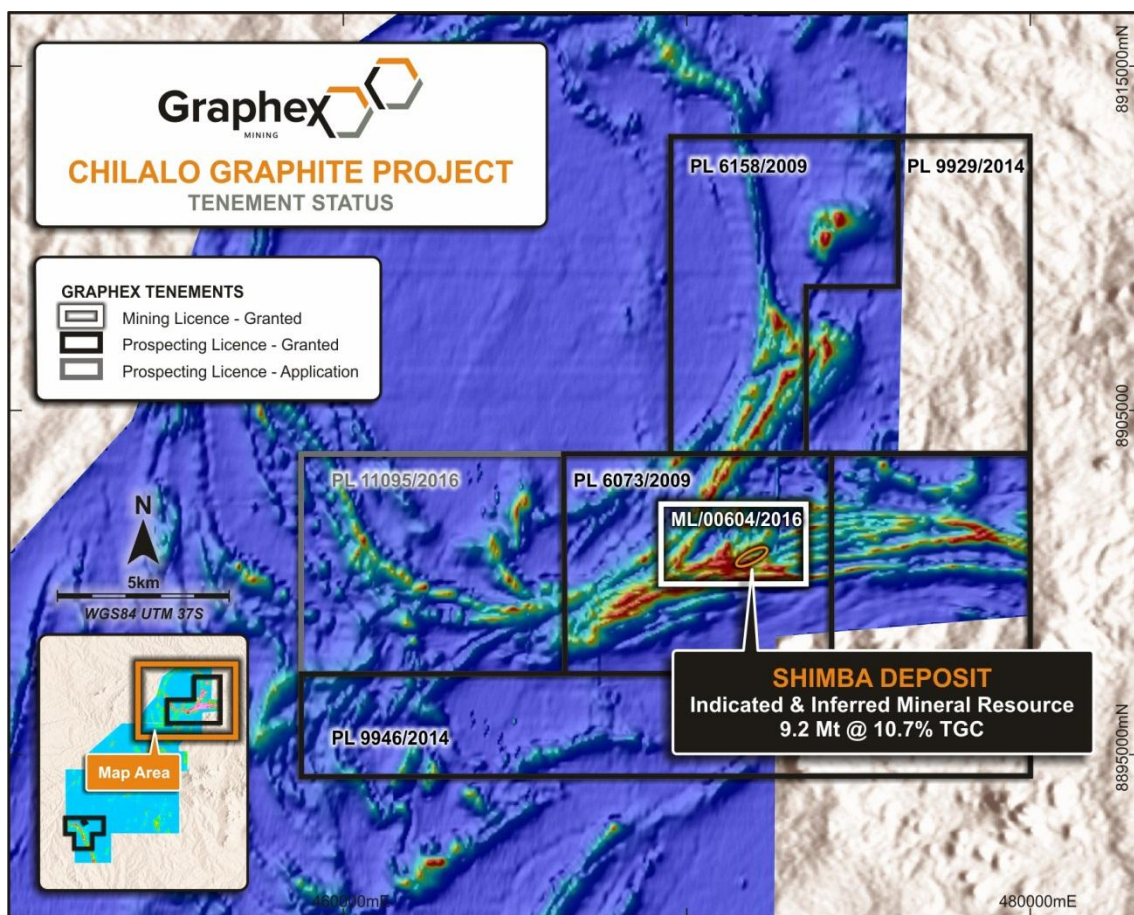
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Figure 1. Location of Chilalo Mining Licence ML/00604/2016



About Graphex

Graphex Mining Limited is an Australian exploration and development company, dedicated to advancing the world class Chilalo Graphite Project, located in south-east Tanzania. Chilalo is host to a high-grade mineral resource and has demonstrated an ability to produce a premium graphite concentrate with a substantial portion of large and jumbo flake material. Chilalo graphite possesses outstanding expandability characteristics, making it ideally suited to the rapidly growing expandable graphite market.

Graphex's current focus of effort is on securing offtake and financing agreements for the development of Chilalo. In accordance with an existing MOU, Graphex is working closely with CN Docking Joint Investment & Development Co. Ltd, a subsidiary of China National Building Materials and China Gold Group Investment Co. Ltd. on the negotiation of such agreements.

Graphex has an experienced board and management team with specific skills and extensive experience in African based project development, exploration, mining and processing. Tanzania is a stable democracy, with a globally competitive tax and regulatory regime. The Company has a long and well-established presence in Tanzania.

For more information, visit www.graphexmining.com.au.