ASX ANNOUNCEMENT ASX: GPX

17 November 2016

GRAPHEX MINING LIMITED 2016 ANNUAL GENERAL MEETING

Chairman's Address and Presentation

Please find attached the Chairman's Address and presentation that will be delivered at the Graphex Mining Limited Annual General meeting in Perth today.

Yours sincerely,

STUART McKENZIE
Company Secretary

For further information, please contact:
Phil Hoskins – Managing Director
Tel: +61 8 9200 4960

Stuart McKenzie – Commercial Manager and Company Secretary
Tel: +61 8 92004960

Media:
Michael Weir/Richard Glass – Citadel-MAGNUS
Telephone: +61 8 6160 4903

Chairman's Address

Ladies and gentlemen

As shareholders are aware, the spin out of Graphex was completed in June, and in its short life since then, the Company has made significant advances across a number of fronts as we pursue our objective of becoming an important supplier of high quality graphite.

The progress we are making is evident from our announcement earlier this week of the granting of the Mining Licence in Tanzania for the Chilalo Project.

As for any graphite project today, we recognise that the key to ultimate success is a binding offtake arrangement for product.

We continue to make good progress on negotiation of offtake and financing agreements with our Project Partners, CN Docking and China Gold. The Project Partners have completed extensive product testwork that has confirmed the marketability of Chilalo graphite and their technical due diligence, which has been comprehensive and includes a feasibility study, is nearing finalisation. I have lost track of how many visits Phil, our Managing Director has made to China, and we expect he will be back in China next month to further advance commercial negotiations.

Whilst progress has been slower than originally communicated by our Project Partners, they have continued to make positive progress on all milestones and remain engaged in discussions around finalisation of a deal.

The other important announcement we made this week relates to the assays from our recent resource exploration drilling program. A new zone of mineralisation in close proximity to the existing Shimba resource has been identified, and the assays we announced on 16 November are excellent. There is no doubt Chilalo is located in a highly mineralised region, and these recent results are expected to underpin an increase in the current mineral resource for the project , and are likely to see our already favourable project economics improve even further.

Looking ahead, we expect to deliver an updated mineral resource estimate in the next month or so, and we remain very focused on securing offtake and financing agreements for the development of Chilalo.

We firmly believe that Graphex is well positioned as we seek to realise the value of our Chilalo Project.

I would like to thank Phil and his team for their efforts throughout the IPO process earlier this year and for the recent work they have been doing to ensure our Chilalo Project is an outstanding success. Finally, I would also like to thank you, our shareholders, for the confidence you have shown in us by investing in Graphex and I look forward to keeping you updated on our progress.

Thank you

Graphex

MINING

AGM Presentation

17 November 2016

Corporate Overview

Overview	
ASX Code	GPX
Issued Capital	56.4M
Share Price	$0.32
Market Capitalisation	$18.1M
Cash – 30 September 2016	$3.7M
Enterprise Value	$14.4M
Options	20.2M

Analyst Coverage	
Pulse Markets	*Chris Baker*
RM Research	*Guy Le Page*
Red Leaf Securities	*David Greenwood*

Top 5 Shareholders	
J P Morgan Nominees Australia Limited	*8.1%*
MMG Exploration Holdings	*6.3%*
One Managed Investment Funds Limited	*5.1%*
Christopher Shun	*4.2%*
BPM Commodities	*2.9%*

Board	
Stephen Dennis	*Non-executive Chairman*
Grant Davey	*Non-executive Director*
Phil Hoskins	*Managing Director*
Key Management	
Phil Hoskins	*Managing Director*
Nick Corlis	*General Manager - Technical*
Stuart McKenzie	*Company Secretary / Commercial Manager*
Chris Knee	*Chief Financial Officer*
Heavenlight Kavishe	*Country Manager, Tanzania*

GPX Share Price Movements

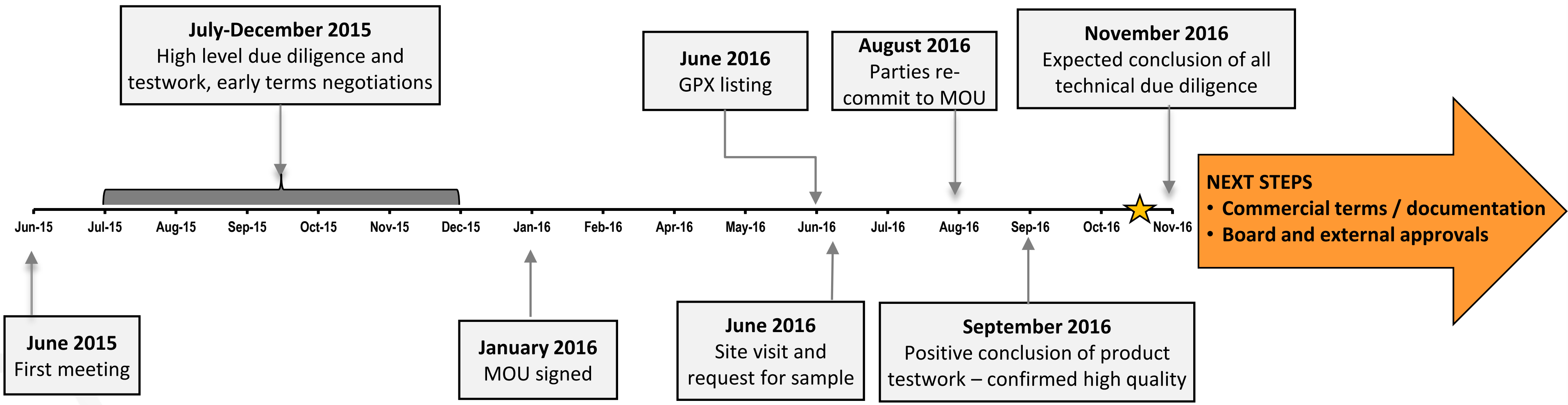
Value Proposition

Future graphite demand looks strong	• Chinese flake graphite demand will be driven by flame retardant building materials following changing regulations • Strong demand for spherical graphite in lithium-ion batteries is well documented
Market-leading product	• World-class expandability, coarse flake • Product has recently been given seal of approval from prospective offtake partners
Offtake and finance package	• Continued positive progression towards offtake and financing with strategic partners • Expected conclusion of technical due diligence in November 2016 • Final negotiation of commercial terms following completion of technical due diligence
Competitive advantage in the Chinese market	• China produces 80% of expandable graphite and 100% of uncoated spherical graphite • Graphex has historical Chinese relationships and utilises the services of a highly experienced Chinese marketing consultant
Fully permitted	• Environmental approval received • Mining Licence granted
Attractive project economics	• PFS outlines pre-tax NPV_{10} of US$200M and pre-tax IRR of 62% • Annual EBITDA of US$47M at 69,000tpa
Resource upside	• Assays from recent drilling to increase the existing high grade resource • Allows for mine life extension and increases to production

Offtake status – CNBM / China Gold

Graphex MINING

Continued positive progress has been made towards offtake and financing



Committed Partners

Strategic partners have committed significant time and money (c.US$200-300k) to due diligence and testwork so far

Ongoing Negotiations

Negotiations continue to be assisted by highly experienced Chinese marketing consultant who has a strong track record of delivery

中国黄金 China Gold

CNBM

Expandable Graphite

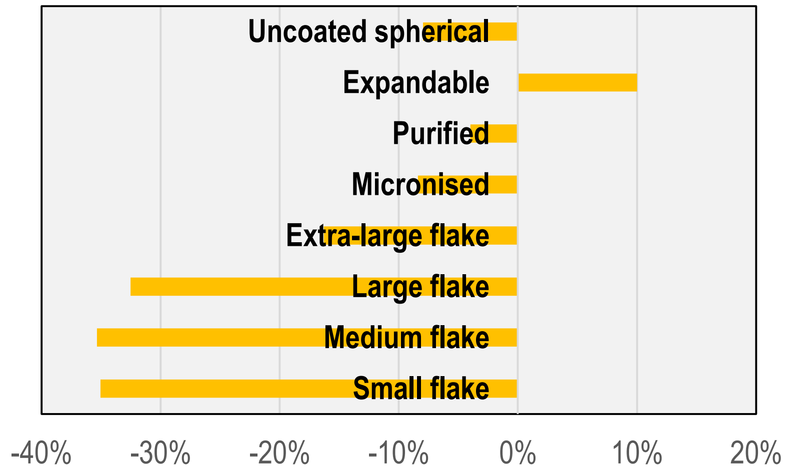
Flame retardant building materials (FRBMs) are driving substantial demand for flake graphite in China

- Chilalo is the market-leader for expandability
- China produces 80% of expandable graphite
- Chinese domestic supply unable to meet demand due to mine closures
- Graphex seeking to take advantage of dramatic supply / demand imbalance – shown by pricing chart on the right

Flame retardant building materials (FRBMs)

- Chinese building regulations now stipulate the use of FRBMs for all inner insulation and finishing of exterior walls – driving substantial flake graphite demand in China
- Current graphite demand from FRBMs is potentially larger than lithium-ion batteries (end users have indicated that the FRBM industry in China alone is 5Mtpa)
- Expandable graphite has no competitor product for FRBMs in China
- End users indicate that expandable graphite content in FRBMs varies from 5-50%
- Market size is supply-constrained – substantial demand, insufficient supply

Two-tier market: April 2014 – April 2016 Price Change



Source: Benchmark Mineral Intelligence

Installing flame retardant insulation foam

Visit www.graphexmining.com.au to view videos of the expandability of Chilalo graphite and the flame retardant properties of expandable graphite or to learn more about expandable graphite.

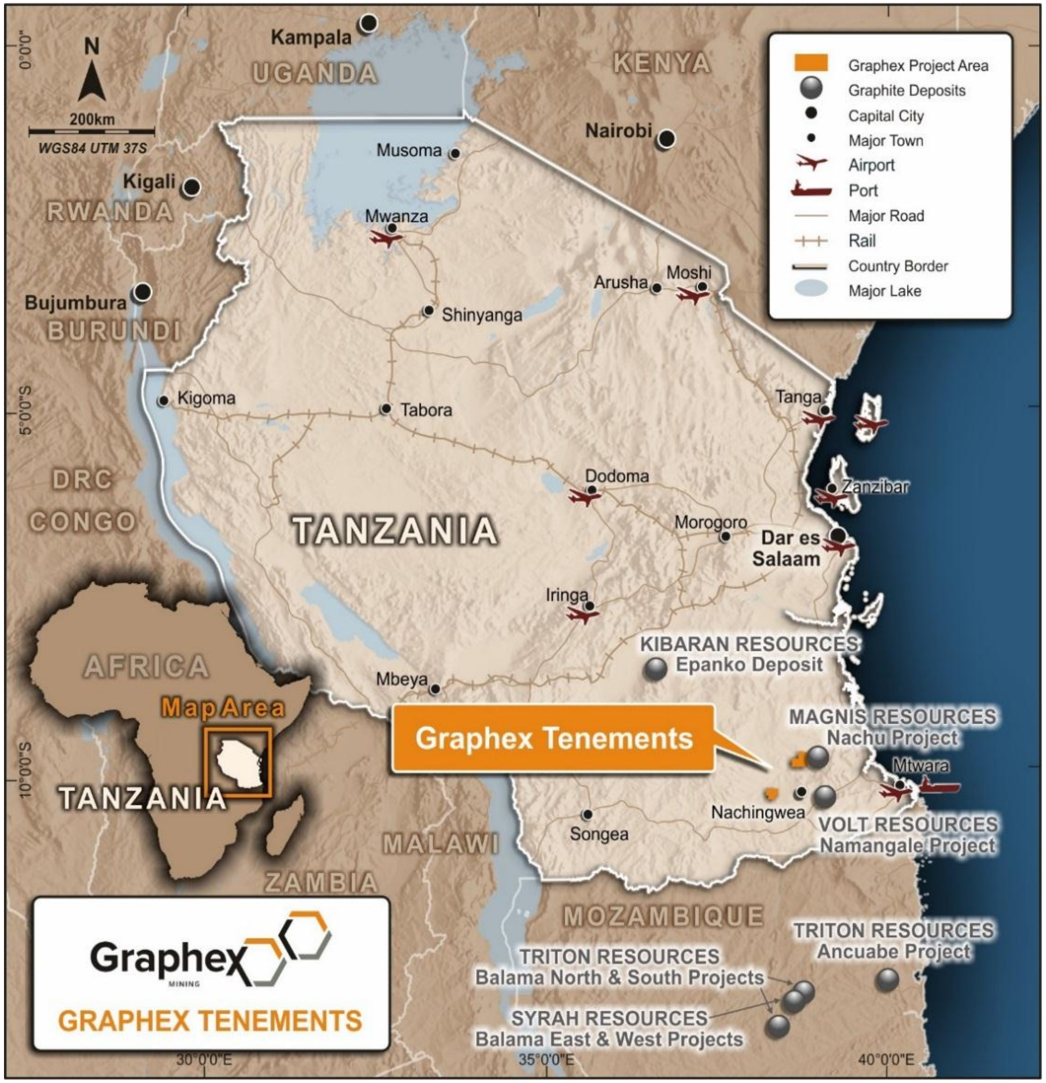
Project Location – SE Tanzania

- Tanzania proving to be the coarsest flake graphite province in the world
- Proximity to existing infrastructure
- Experienced in-country operator – over 15 years
- Board and management have recent Tanzanian project development experience

Tanzania

- Stable democratic Government
- Strong GDP growth over the past 10 years
- Established mining history (4th largest gold producer in Africa)
- Globally competitive tax and regulatory regime
- Access to skilled and educated workforce

Located within Tanzania/Mozambique Graphite Province

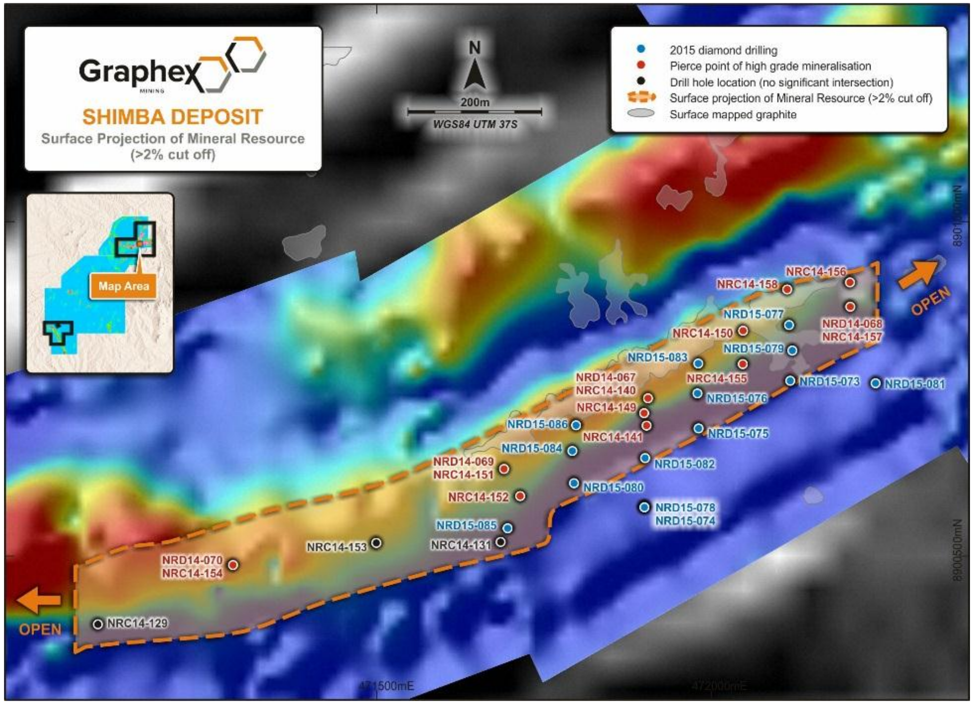


Shimba Deposit, Chilalo

10 year mine life with substantial resource upside

- High-grade Mineral Resource (Indicated and Inferred) of 9.2 Mt @ 10.7% TGC
  - 62% of the resource in Indicated category
  - Substantial resource upside confirmed by recent discovery
- Ore Reserve defined that supports 7.5 years out of assumed 10 year mine life
- Mineralisation at or near surface

Please note: Mineral Resources are inclusive of Ore Reserves



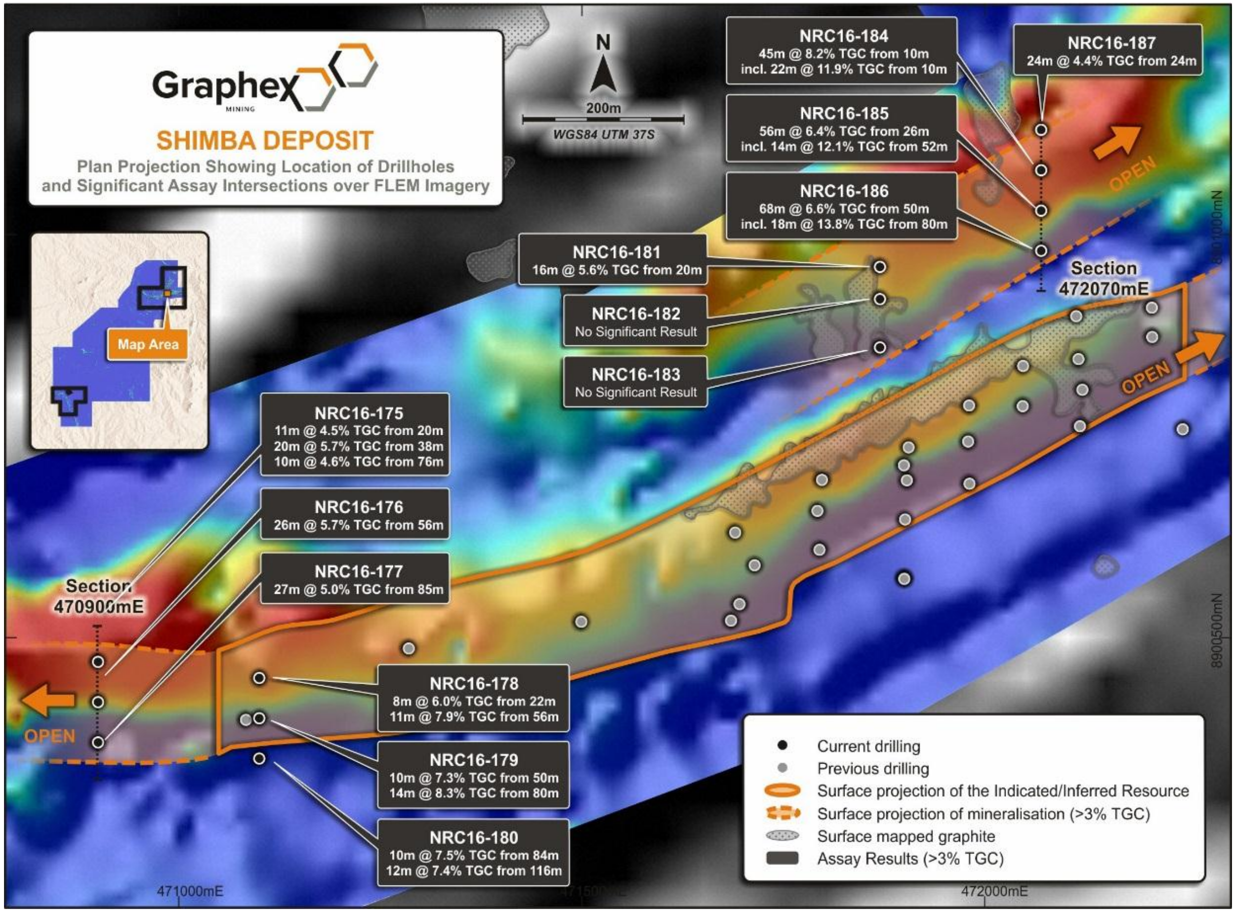
Shimba Deposit: Ore Reserves and Mineral Resources

Domain	Classification	Tonnes (Mt)	TGC%	Contained Graphite (Kt)
High-grade zone	Probable Reserve	4.7	11.0	516
Total ore reserves	**Probable Reserve**	**4.7**	**11.0**	**516**
High-grade zone	Indicated	5.1	11.9	613
High-grade zone	Inferred	4.1	9.1	370
Total high-grade resource	**Indicated and Inferred**	**9.2**	**10.7**	**984**
Low-grade zone	Inferred	15.9	3.3	523
Total resource	**Indicated and Inferred**	**25.1**	**6.0**	**1,507**

Resource Upside – Shimba

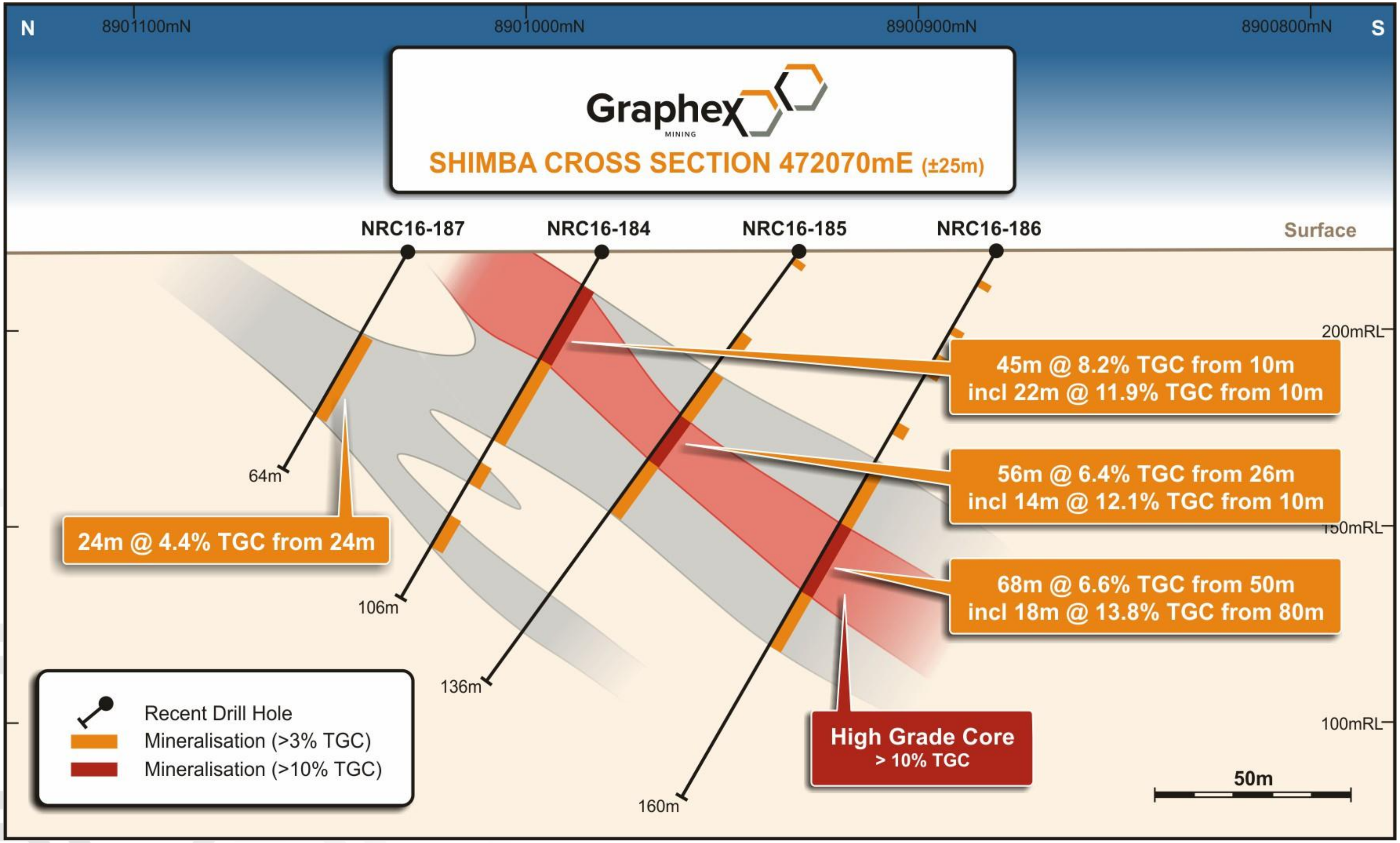
Recent drilling to increase existing resource

- 13 hole RC drilling program for 1,365m completed in September 2016
- New high-grade discovery ~200m north of Shimba
  - Open to north-east
  - Contains a high-grade core
- Significant widths of mineralisation up to 68m @ 6.6% TGC including 18m @ 13.8% TGC
- Assays confirm south-west extension of Shimba
- Results to deliver an increase in the Shimba resource – modelling under way



Resource expansion to improve project economics through longer mine life and/or production expansion

Cross section of new high-grade discovery

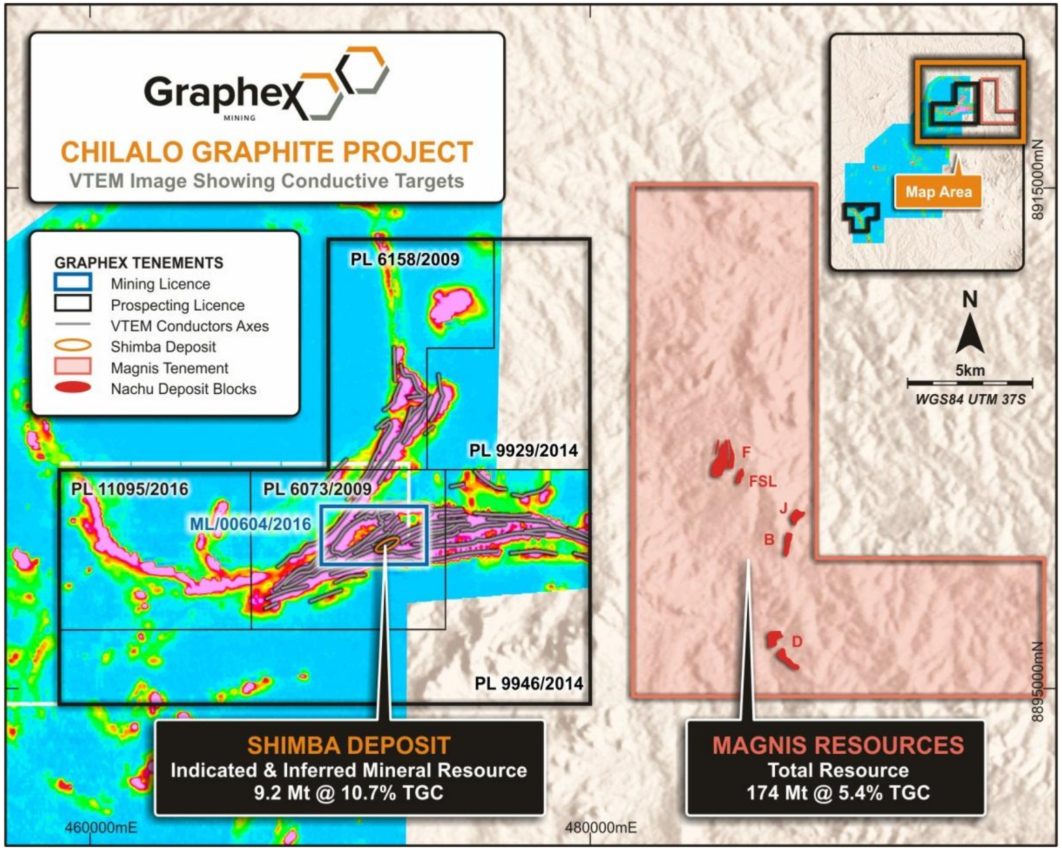


Resource Upside – Chilalo area

Large scale potential

- Potential to significantly expand resources
- VTEM has identified 54km of conductive targets – 34km with similar high conductance to Shimba resource
- 2km of the 34km drilled to date
- On the basis of the recent discovery there is a high likelihood that a significant proportion of the 34km will host additional high-grade graphite mineralisation
- Exploration target tonnage of 100-350Mt @ 3-11% TGC[1]

VTEM – 2km drilled of the 34km of high-conductance targets



1. An Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the Exploration Target, which excludes the Shimba Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource and there is no certainty that further exploration work will result in determination of mineral resources.

Market-leading Product

Chilalo product has received the seal of approval from prospective offtake partners

- Chilalo produces a high quality product
  - Coarse flake
  - Market-leading expandability
  - No deleterious elements
- Further improvements in flake size / purity expected following metallurgical optimisation
- Significant testwork carried out by independent testing authorities
- Final specifications to be guided by offtaker demand

Chilalo Product Specifications

Flake Size	Microns	Mesh	Mass Dist. %	Assay TGC %	Price (US$/t)[1]	Basket Price (US$/t)[1]	Target Market
Super Jumbo	>500	35 Mesh	1.9	95.9	2,500	47	Expandable
Jumbo	300-500	50 Mesh	24.0	95.6	2,200	528	Expandable
Large	180-300	80 Mesh	22.5	93.7	1,400	315	Expandable / Refractory
Medium	150-180	100 Mesh	6.0	93.9	950	57	Expandable / Refractory
Small	75-150	200 Mesh	20.6	94.9	700	144	Expandable / Battery-grade spherical
Fines	<75	-200 Mesh	25.0	90.0	500	125	Expandable / Battery-grade spherical
Total			**100.0**			**1,217**	

Notes:
1. PFS base case price.

Existing Infrastructure

Roads and transport

- Chilalo to Mtwara Port is ~ 220km, predominantly sealed
- Existing airport at Nachingwea ~ 47km from Chilalo

Mtwara Port

- Commercial deep water port with capacity to handle Chilalo's volumes
- Land available for concentrate storage

Power

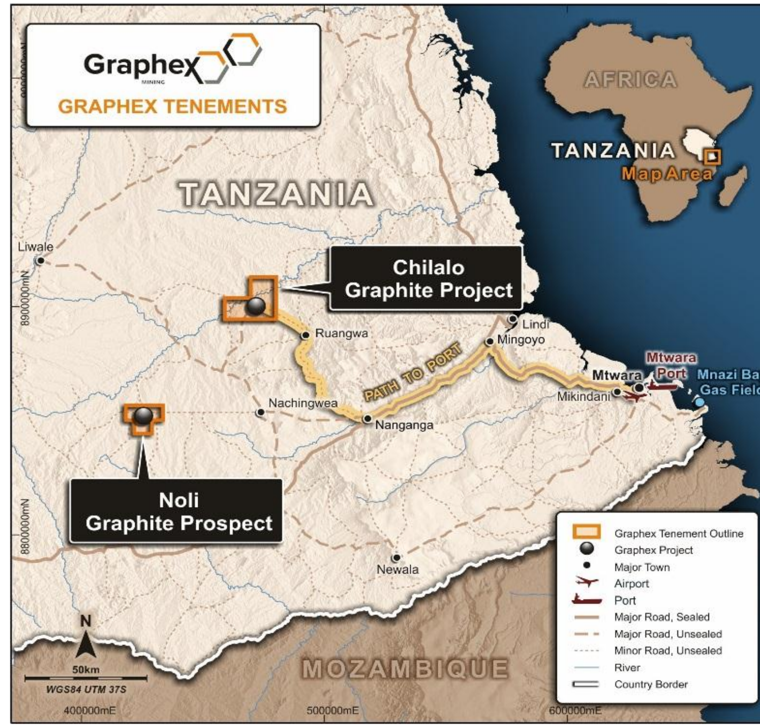
- PFS assumed 4MW diesel generated power
- Potential for grid power in SE Tanzania – scope for significant reductions in operating costs

Water

- Preliminary studies indicate that water supply is expected to be available at site from borefield

No significant capex required

Chilalo route to port



Mtwara Port

Robust project economics

Low capex, low opex and conservative pricing assumptions underpin a quality project

Operational metrics[1]		PFS – Nov 15
Life of Mine	Yrs	10
Average annual production (LOM)	tpa	69,123
Plant feed rate	tpa	630,000
Average head grade (LOM)	% TGC	10.85
Average recovery	%	94
Average concentrate grade	% TGC	94

Financial metrics[1]		PFS – Nov 15
LOM Revenue	US$M	838
LOM Pre-tax Net Cashflow	US$M	391
Average annual EBITDA	**US$M**	**47**
Basket sales price	**US$/t**	**1,217**
Operating cost per tonne of concentrate	**US$/t**	**490**
Operating margin	US$/t	727
Pre-production capital cost	**US$M**	**74**
Pre-tax payback period	**Yrs**	**1 year 7 months**
Pre-tax NPV (10% discount rate)	US$M	200
Pre-tax IRR	%	62

1. Graphex confirms that all material assumptions underpinning the production targets and forecast financial information in the PFS announced on 23 November 2015 continue to apply and have not materially changed.

Tanzanian Capability

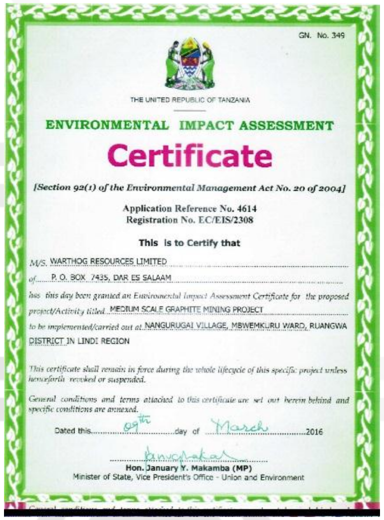
Supportive community, experienced team capable of delivery

Community

Current & historical CSR programs – Nachingwea Secondary School

Consultation with district officials and local communities

- Relocation Action Plan completed, compensation agreed



GN. No. 349

THE UNITED REPUBLIC OF TANZANIA

ENVIRONMENTAL IMPACT ASSESSMENT

Certificate

[Section 92(1) of the Environmental Management Act No. 20 of 2004]

Application Reference No. 4614
Registration No. EC/EIS/2308

This is to Certify that

M/S. WARTHOG RESOURCES LIMITED

of P. O. BOX 7435, DAR ES SALAAM

has this day been granted an Environmental Impact Assessment Certificate for the proposed project/Activity titled MEDIUM SCALE GRAPHITE MINING PROJECT

to be implemented/carried out at NANGURUGAI VILLAGE, MBWEMKURU WARD, RUANGWA DISTRICT IN LINDI REGION

This certificate shall remain in force during the whole lifecycle of this specific project unless henceforth revoked or suspended.

General conditions and terms attached to this certificate are set out herein behind and specific conditions are annexed.

Dated this 09th day of March 2016

Hon. January Y. Makamba (MP)
Minister of State, Vice President's Office - Union and Environment

Fully Permitted

- Mining Licence granted
- Environmental certificate received

In-Country Capability

Experienced Country Manager: Heavenlight Kavishe

- Holds degrees in Engineering and Business Administration
- Holds post-graduate qualifications in project management utility regulation
- Has held leadership positions with Tanzanian government agencies

Next steps

- Updated mineral resource estimate
- Offtake and financing:
  - Completion of technical DD (expected November 2016)
  - Conclude terms negotiations
  - Formal documentation
  - Chinese approvals
- Project optimisation, detailed engineering and design (~6 months)
- Construction (~9 months)

Value Proposition

- **Graphex owns the fully permitted Chilalo Graphite Project which produces a market-leading expandable graphite product**
- **Advanced negotiations with strategic industry players for project offtake and financing**
- **Assuming successful conclusion of these discussions, Graphex expects to gain first mover advantage in meeting China's supply shortfall for expandable graphite markets**
- **Potential alignment with strategic industry players combined with substantial resource upside provide the potential for long-term growth in shareholder value**

Disclaimer and Competent Persons' Statements

- This presentation (the "Presentation") has been prepared by 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. A prospectus for an initial public offering of Graphex Mining Limited is available at www.graphexmining.com and www.asx.com.au.
- 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 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.
- The information in this Presentation that relates to in situ Mineral Resources for Chilalo is based on information compiled by Mr. Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Dr Scogings consents to the inclusion of such information in this Presentation in the form and context in which it appears.
- The information in this Presentation that relates to the Ore Reserve at the Chilalo Project is based on information compiled by Mr Karl van Olden, a Competent Person, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Karl van Olden is employed by CSA Global Pty Ltd, an independent consulting company. Mr van Olden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr van Olden consents to the inclusion in this Presentation of the matters based on his information in the form and context in which it appears.
- Information in this Presentation that relates to exploration results at the Chilalo Project is based on data collected under the supervision of Mr Nick Corlis, in his capacity as Executive Director, Exploration (prior to the formation of Graphex) and in his capacity as General Manager – Technical (following the listing of Graphex). Mr Corlis, BSc (Hons) MSc, is a member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking, to qualify as a Competent Person under the JORC Code 2012. Mr Corlis has verified the data underlying the information contained in this Presentation and approves and consents to the inclusion of the data in the form and context in which it appears.

Graphex MINING

AGM Resolutions

17 November 2016

Annual General Meeting – items of business

1 **2016 Annual Report**

2 **Adoption of Remuneration Report**

3 **Election of Director – Stephen Dennis**

4 **Election of Director – Grant Davey**

5 **Approval of additional 10% capital raising capacity**

Item 1. 2016 Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Item 2. Adoption of Remuneration Report

Resolution: That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the Remuneration Report of the Company.

Voting Summary:

For	9,355,166
Against	1,358,977
Open usable	695,663
Abstain	66,349
Excluded	1,053,654

683,144 OPEN USABLE PROXY VOTES ARE AVAILABLE TO THE CHAIRMAN

Item 3. Election of director – Stephen Dennis

Resolution: That, for the purpose of Listing Rule 14.4 and for all other purposes, Stephen Dennis, a Director who was appointed by the Directors on 3 March 2016, retires, and being eligible, is elected as a Director.

Voting Summary:

For	11,766,918
Against	7,166
Open usable	735,663
Abstain	20,062
Excluded	0

723,144 OPEN USABLE PROXY VOTES ARE AVAILABLE TO THE CHAIRMAN

Item 4. Election of director – Grant Davey

Resolution: That, for the purpose of Listing Rule 14.4 and for all other purposes, Grant Davey, a Director who was appointed by the Directors on 3 March 2016, retires, and being eligible, is elected as a Director.

Voting Summary:

For	11,634,149
Against	14,935
Open usable	735,663
Abstain	145,062
Excluded	0

723,144 OPEN USABLE PROXY VOTES ARE AVAILABLE TO THE CHAIRMAN

Item 5. Approval of additional 10% capital raising capacity

Special resolution: That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the Company having the additional capacity to issue Equity Securities in an amount up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum without the need to seek further Shareholder approval.

Voting Summary:

For	9,023,373
Against	2,730,412
Open usable	735,663
Abstain	40,361
Excluded	0

723,144 OPEN USABLE PROXY VOTES ARE AVAILABLE TO THE CHAIRMAN

Suite 4
Level 1, 2 Richardson Street
West Perth, 6005 Western Australia

Telephone: +61 8 9200 4960
Facsimile: +61 8 9200 4961

Phil Hoskins
Managing Director