

14 November 2018

RESOURCE DRILLING COMPLETED

Graphex Mining Limited (**ASX: GPX**) ('**Graphex**' or the '**Company**') is pleased to announce that resource drilling at its Chilalo Graphite Project in south-east Tanzania has been completed.

The resource drilling comprised 22 holes for 2,083 metres, targeting zones of potential upgrade of the existing Inferred Mineral Resources through both infill drilling and an extension of the Shimba North resource to the north-east (see Figure 1).

This drilling was part of a diamond drilling program of up to 3,000m, one of the purposes of which was to upgrade the Mineral Resource classification and increase the Ore Reserve. The Company expects that the recently completed drilling will enable this upgrade to progress, given the historically favourable conversion rate of Inferred Mineral Resources to Indicated Mineral Resources (see *ASX announcement 20 September 2018*).

The drilling results will underpin an updated Mineral Resource Estimate providing the platform for completion of a bankable feasibility study ('**BFS**'). Completion of the BFS is one of the conditions required to unlock the recently announced senior financing package of up to US\$80 million which, if finalised, will see the Chilalo project fully funded to production (see *ASX announcement 29 October 2018*).

Graphex Managing Director, Phil Hoskins, commented, "*Completion of this drilling program is another step towards the satisfaction of our financing milestones. We expect this will lead to an increase in the Chilalo Ore Reserve and therefore mine life, providing a boost to the Chilalo Project's already exceptional economics.*"

The cost of the drilling is to be met by the issue of shares to the drilling contractor (see *ASX announcement 13 June 2018*), and as a result there is minimal impact on the Company's cash reserves.

A handwritten signature in black ink, appearing to read "Phil Hoskins".

PHIL HOSKINS
Managing Director

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Figure 1. Location of drilling at Chilalo

