

ASX ANNOUNCEMENT

23 February 2016

INITIAL BENEFICIATION STUDY RESULTS**HIGHLIGHTS:**

- INDEPENDENT LEADING EUROPEAN LABORATORY PRODUCED 99.93% GRAPHITE CONCENTRATE FROM MOUNT DROMEDARY PHASE 1 DRILLING SAMPLES
- THE LABORATORY ADVISES THAT THE SAMPLES OFFER POTENTIAL TO USE THIS PRODUCT AS FEED MATERIAL FOR SPHERICAL GRAPHITE FOR BATTERIES
- OTHER COMMERCIAL APPLICATIONS OF THIS GRAPHITE WERE IDENTIFIED FROM PURIFIED GRAPHITE ACHIEVED IN INITIAL BENEFICIATION TESTING

Graphitecorp Limited (ASX: GRA) (“Graphitecorp” or “the Company”) is pleased to advise it has received the first results of beneficiation studies undertaken by a leading independent European laboratory specialising in mineral processing and purification and a leader in the graphite sector.

The independent laboratory confirmed it had produced battery grade graphite of 99.93% (carbon content) using a combination of mechanical and chemical processes from samples taken during Graphitecorp’s Phase 1 drilling program at the Mount Dromedary Flake Graphite Project in Queensland, Australia.

The laboratory advised that characteristics of the sample ore from the Mount Dromedary deposit offered advantages including the ability to use this product as feed material for the promising market of spherical graphite in battery applications.

The laboratory also suggested potential for using this graphite product from Mount Dromedary ore in the following high tech and traditional graphite applications:

- Fuel cell applications
- Additive material for plastic or rubber industries
- Lubricants and releasing agents
- Powder forging, alloy and sintering control in powder metallurgical industry
- High temperature coatings
- Other battery applications
- Conductive plastic and polymer applications.

Next Steps

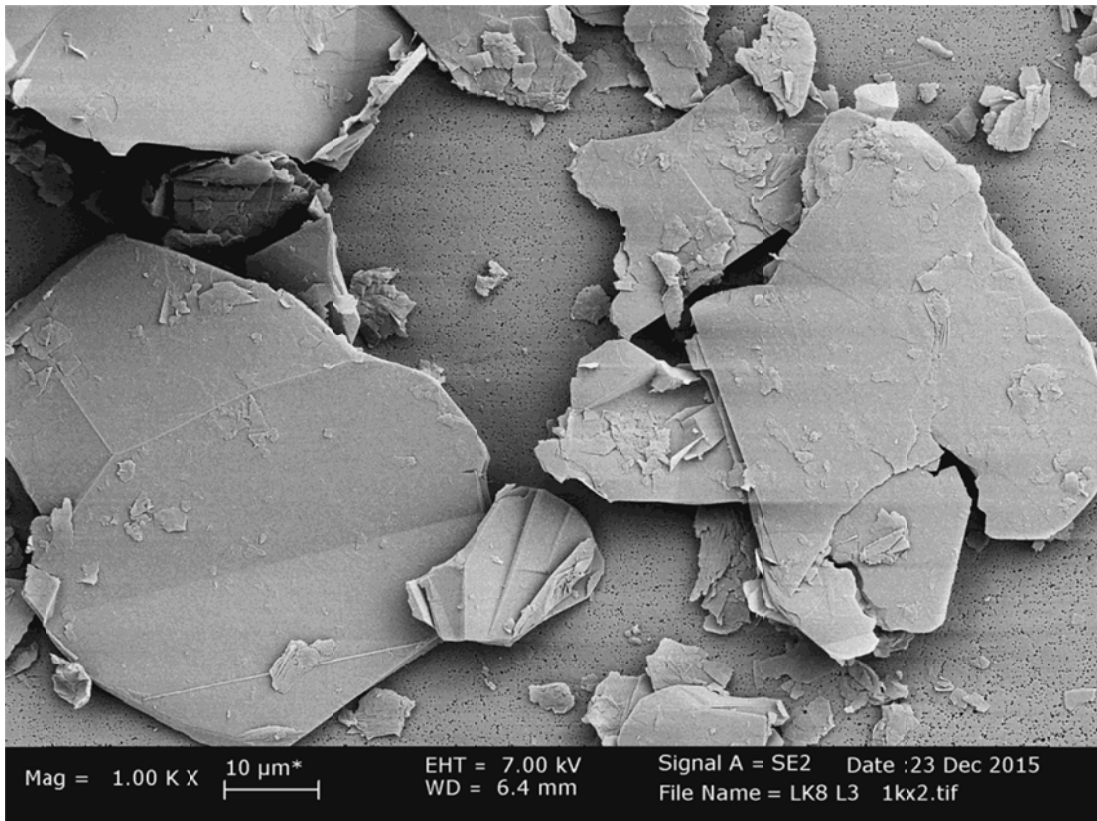
The Company intends to complete the planned assay, metallurgical and beneficiation testwork and studies on samples obtained from the Phase 2 Drilling Program completed in December last year.

Graphitecorp will also finalise and commission a second phase testwork program on purification and subsequent processing to better understand the commercial potential of the Mount Dromedary flake graphite deposit, including detailed spheroidization evaluation tests as anode material for lithium ion batteries.

The outcomes of the metallurgical and beneficiation studies will be used to progress discussions with potential graphite users in Asia and elsewhere.



Above: Photographs of graphite ore (RC chips) samples “MD 02 22-56 M” (left) and “MD 04 10-36 M” (right) from Phase 1 Drilling Program



Above: SEM micrograph of graphite flotation concentrate after conventional processing and chemical processing L3; Magnification 1.000x

FOR FURTHER INFORMATION

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ABOUT GRAPHITECORP

Graphitecorp Limited is a developer of a high grade flake graphite deposit located in Queensland and referred to as the Mount Dromedary Flake Graphite Project.

The Mount Dromedary Flake Graphite Project is well located 125 km north of Cloncurry in northwest Queensland, Australia, in an established mining province, and adjacent to a sealed highway that runs south to the mining town of Cloncurry and north to the port town of Karumba.

Graphitecorp has an 80% interest in the northern section of the Mount Dromedary graphite deposit representing approximately 90% of the mapped surface area of the deposit and has a 100% interest in the southern section of the deposit which has approximately 10% of the mapped surface area of the deposit. Graphitecorp has an effective 82% interest in the whole Mount Dromedary flake graphite deposit based on mapped surface area.

The Mount Dromedary Graphite Deposit was explored and mapped previously in the 1970s and 1990s, and more recently by Graphitecorp since 2014. With average graphite grades exceeding 15%, mineral exploration has identified and confirmed flake graphite mineralization hosted in schist and slate, outcropping over a 3,000m strike-length, with thicknesses in excess of 30m and up-to 240m.

For more information on Graphitecorp please visit our website at www.graphitecorp.com.au



Ocean Transport Possibilities:
Port of Brisbane to Potential Asian, West Coast USA & European Graphite Users