

# Metallurgical Update

July 2016



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## Project Background

- Graphitecorp (**ASX: GRA**) is operator of, and exclusive marketing agent for the Mount Dromedary Graphite Project, located near Cloncurry in Queensland, Australia
- The Mount Dromedary Graphite Project consists of
  - The Mount Dromedary Joint Venture Project Area - JV between Graphitecorp (80%) and Washington H. Soul Pattinson and Company Limited (**ASX:SOL**) (20%) via its 100%-owned subsidiary Exco Resources Limited
  - The Mount Dromedary South Project Area (100%-owned by Graphitecorp)
- Graphitecorp is progressing the project towards feasibility and development and has undertaken a major testwork program on its large-scale, high-grade, graphite schist orebody

## Metallurgical Testwork Objectives

Graphitecorp engaged RungePincockMinarco (**RPM**) to prepare and supervise a comprehensive processing testwork program designed to:

- characterise the processing properties and requirements of the various ore types
- determine product quality and recoveries
- determine a suitable flowsheet
- generate engineering data for plant design, including equipment selection and sizing, as well as water and power requirements
- produce marketing samples as well as product characterisation
- establish static environmental base-line data
- support a pre-feasibility study including capital and operating costs

## Test Results (to date)

- Completed Open Circuit Cleaning Tests and Locked Cycle Tests on primary ore type
- Confirmed 95+%Cg concentrates can be produced from simple flotation
- Comminution tests confirmed a “soft” hardness with low abrasiveness
- Completed a provisional flow sheet for the project based on testwork results
- Confirmed the concentrate particle characteristics are well-suited to the battery market

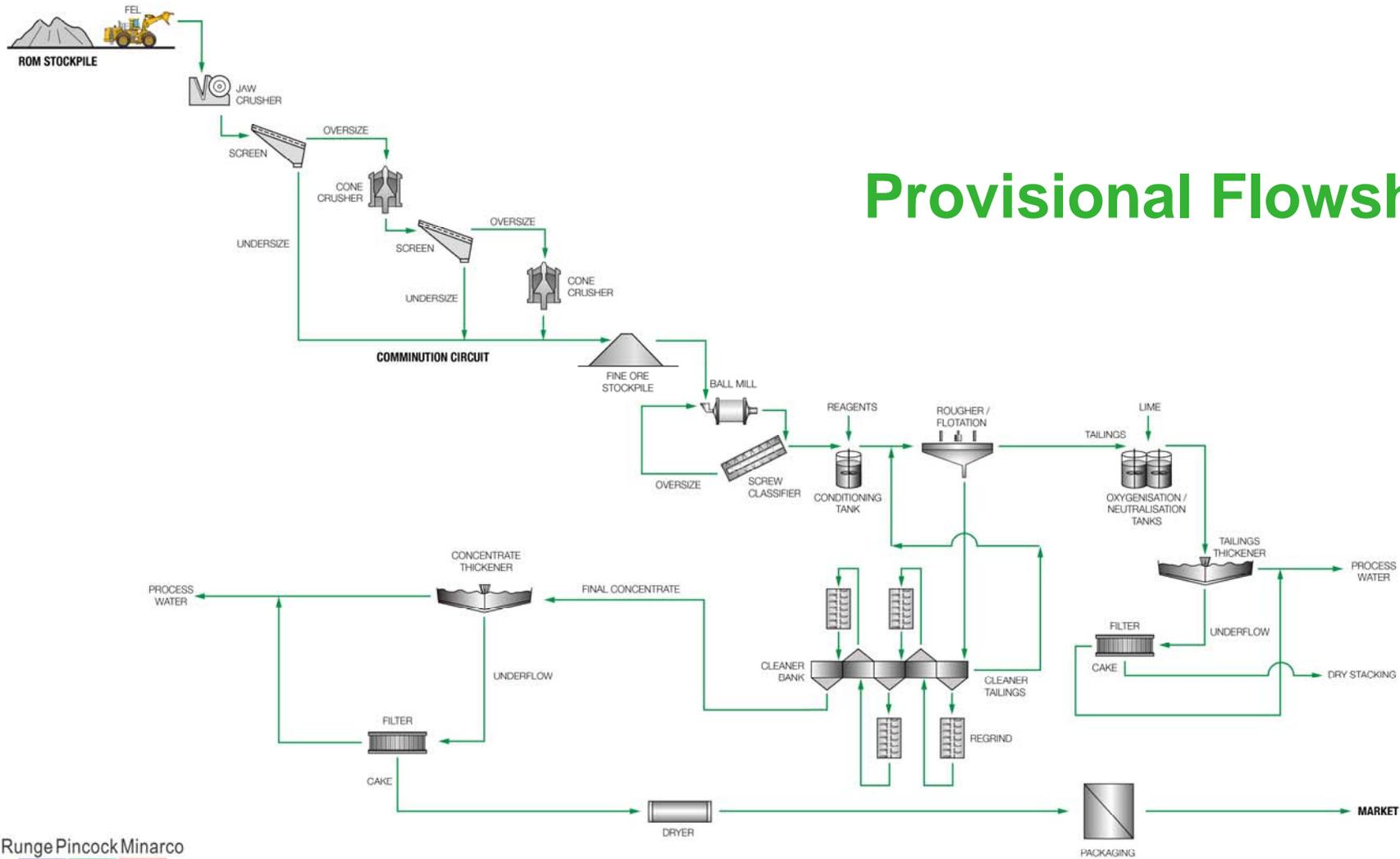
## Continuing Tests

- Preparation of customer samples
- Concentrate characterisation tests
- Completion of oxidation and flotation test
- Thickening and filtration tests for concentrate and tailings
- Variability tests covering feed grade-recovery relationship
- Static environmental tests
- Flow sheet optimisation

# Laboratory Photos – Mount Dromedary Concentrate



# Provisional Flowsheet



Runge Pincock Minarco

## Testwork Specialists

- **RungePincockMinarco (RPM) – Supervising Metallurgist**

RPM is the global leader in the provision of mining software solutions, advisory services and professional development. With 45+ years experience in the mining industry, RPM is the largest group of independent technical experts in the world, having completed over 14,000 studies, including graphite. RPM is at the forefront of delivering the next step change in mining with delivery of our Enterprise solutions. RPM are the sole provider of a technology solution that bridges the gap between production and maintenance.

**Dr. Andrew Newell - Executive Processing Consultant**

Over 36 years' of experience in managerial, operating, consulting, research, due diligence, study, testwork, design and engineering roles for a wide range of commodities and processes including flotation and graphite.

- **SGS Group – Metallurgical Laboratory**

SGS is the world's leading inspection, verification, certification and testing company in the world. SGS is also a Fortune 500 company with US\$5.85b in revenue for FY2015. SGS Minerals – Metallurgy is a leader in its field and has been a trusted partner for the testing and development of numerous mining projects including graphite projects located in Australia, Tanzania and Mozambique for clients over a number of years. SGS Minerals is the laboratory of preference for a number of mining companies.

- **JK Tech – Metallurgical Laboratory**

For over 30 years, JK Tech has delivered customer focussed , innovative solutions to meet the challenges and demands of today's mining industry. The JK Tech is backed by the world class applied research centres of the Sustainable Minerals Institute (SMI) and includes include comminution testing and simulation, mass balancing, flowsheet simulation, process audits, metal accounting and site training of process staff.

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# About Us

**Graphitecorp** (ASX: GRA) is a developer of one of the highest-grade flake graphite deposits in the world, located in Australia, and referred to as the Mount Dromedary Project.

The deposit includes a large high grade "Graphite Schist" mineralisation zone averaging 18.8% TGC (up to 35% TGC) with large flake size distribution being 43% jumbo to large flake size and outcropping over a strike-length of at least 3km with a variable width between 35m and 350m.

Graphitecorp has an 82% effective interest in the deposit, based on currently mapped surface area, with the remaining interest held by the Company's joint venture partner Washington H. Soul Pattinson and Company Limited (ASX: SOL) subsidiary Exco Resources Limited.

The project is favourably located 125km north of Cloncurry with well-developed transport and mining supply infrastructure available.

- Located in Australia with low levels of sovereign risk, ability to provide long term security of supply, alternate sourcing to China and Africa, and higher environmental and other sustainability related standards
- Large open-cut deposit located within one kilometre of a sealed all-weather bitumen highway maintained by the State Government and gazetted for use by road-trains
- Daily road-train transport to the Ports available from major freight haulage companies with large-scale backhaul capacity
- Highway networks connect the project with Queensland export ports including the Port of Brisbane which is regularly serviced by major shipping liners and has back-haul capacity to target markets; and
- Located in a well-established mining region with abundant skills, services and experience, and playing a significant role in the Queensland economy.
- Given strong project fundamentals and positive demand outlook for specialised graphite products, Graphitecorp is diligently progressing a feasibility study with its joint venture partner to assess the economic opportunity of establishing a business to mine, process, manufacture and market high quality graphite products into Asian and other global markets.