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ASX ANNOUNCEMENT

ASX: EGR

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EcoGraf Successfully Completes A\$54.6 Million Institutional Placement to Accelerate Construction of Australian Battery Anode Material Facility

Capital raising positions EcoGraf to advance battery recycling opportunities and conduct preliminary siteworks for a 2nd battery anode material facility in Europe

Highlights

- ✓ Firm commitments received to raise A\$54.6 million, with cornerstone investments from North American, German and Australian institutional investors.
- ✓ Strong institutional investor interest highlights EcoGraf's superior, environmentally responsible purification technology, providing customers with sustainably produced battery anode materials.
- ✓ EcoGraf is now fully funded to complete phase one construction of its Australian commercial-scale battery anode material purification facility.

EcoGraf Limited (EcoGraf or the Company) (ASX: **EGR**) is pleased to announce that it has received firm commitments to raise A\$54.6 million (before costs) via a share placement to institutional, sophisticated and professional investors at A\$0.60 per share, with approximately 91 million new fully-paid ordinary shares to be issued (**Placement**).

Canaccord Genuity acted as Lead Manager and Bookrunner to the Placement.

Cornerstone investment was provided by three significant institutional investors: a New York-based ESG fund, a German-based global fund manager and a leading Australian fund manager.

Proceeds of the Placement will be used to fund the following:

- Construction and operational commissioning of the first phase of the battery anode material purification facility in Western Australia;
- Advancement of the battery anode material recycling programs;
- Finalisation of debt financing arrangements for the Epanko graphite mine;

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- Product development; and
- General working capital.

The Company is greatly appreciative of the interest received from every investor during the capital raising process. It is thankful for the support shown by its long-term shareholders and extends a warm welcome to its new shareholders, with whom it looks forward to a long and successful association.

A share purchase plan for all retail shareholders was not possible at this time, however EcoGraf recognises the loyalty shown by its many retail shareholders over a long period of time and is focussed on the creation of shareholder wealth for all investors.

West Australian Battery Anode Material Facility

As announced to the ASX on 8 February 2021, the Company has authorised GR Engineering Services Limited to undertake works for the detailed engineering design for the construction of its new battery graphite facility in Western Australia.

The processing facility will use the Company's proprietary EcoGraf™ purification technology to deliver electric vehicle, lithium-ion battery and anode manufacturers a source of high quality and sustainably produced battery anode material products.

A key advantage of the EcoGraf™ eco-friendly process is the elimination of the use of toxic hydrofluoric acid (HF), providing customers with "HF Free" battery products that support the increased focus on supply chain Environmental, Social and Governance (ESG) requirements.

The Placement will provide sufficient funding for the Company to complete the construction and commissioning of commercial operations at the new facility, based on an initial production capacity of 5,000 tonnes per annum. Once commissioned the facility will be expanded to reach 20,000 tonnes per annum.



Lithium-ion Battery Recycling

The Company will also utilise funding from the Placement to advance its battery recycling programs through the construction of a modular anode material recycling pilot plant.

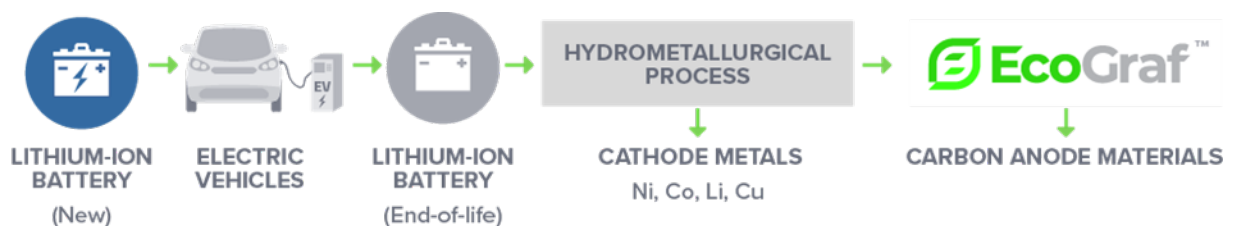
Initial results from testwork programs conducted for electric vehicle and battery manufacturers, demonstrates that the Company's proprietary EcoGraf™ "HF Free" purification process



successfully recovers battery anode material from lithium-ion battery production waste and also from end-of-life batteries.

Critically, the EcoGraf™ process is able to achieve carbon purities of +99.95% required to reuse the recycled material for battery anode production.

With the EU recently announcing plans to improve battery supply chain sustainability and increase battery recycling (https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2312) EcoGraf has received strong interest in its battery anode recycling process, that will enable electric vehicle and battery manufacturers to reduce raw material costs and achieve greater recycling outcomes.



European Battery Anode Material Facility

There is unprecedented investment underway in Europe to establish a self-sufficient and sustainable battery manufacturing supply chain to support the European electric vehicle industry. Current plans involve the construction of sufficient battery capacity for 10 million vehicles per annum, with additional development expected in coming years.

To scale-up the market efficiently, the industry is establishing localised supply chains and EcoGraf is planning to develop a 2nd battery anode material facility in Europe to support this enormous growth. Investigations into suitable industrial sites have been undertaken and the Company is planning for preliminary siteworks, permitting and engineering activities.

Work to date with GR Engineering indicates the potential for a single phase +20,000 tonne per annum 2nd facility to deliver attractive capital cost efficiencies.

Potential OTC Quotation

There is growing investor interest in North American equity markets for clean energy industries and technology, with a major shift in energy policy following the election of President Biden. To enable US-based investors to more easily invest in the Company and to promote greater liquidity in the trading of its shares, EcoGraf is evaluating a quotation on the 'Over the Counter' market (OTC) in the United States and is initially targeting a potential quotation on the OTCQX platform. Proposals from advisors are under evaluation and the planned quotation will be supported through increased investor relations programs in the US market.

Similarly, the Company benefits from the strong support of European investors through its secondary listing on the Frankfurt Stock Exchange due to its long-term sales, financing and technical collaboration relationships across the region. This remains a key market for EcoGraf and the Company intends to broaden its European investor connections as its presence in Europe expands.

EcoGraf is very pleased to have received strong interest for the Placement from a number of key North American and European institutional investors, who's support will strengthen the Company's capacity to execute on its battery anode materials development strategy.



Placement Details

The Placement will comprise the issue of approximately 91 million new fully-paid ordinary shares (“**New Shares**”) at an issue price of A\$0.60 per share, which represents:

- a 2.2% discount to the 10-day volume weighted average price (“**VWAP**”) of A\$0.6135 as at 9 February 2021; and
- a 21.6% premium to the 15-day VWAP of A\$0.4936 as at 9 February 2021.

The New Shares will be issued pursuant to the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Settlement of the Placement is expected to occur on Thursday, 18 February 2021 and the New Shares will rank equally with the Company’s existing shares on issue.

This announcement is authorised for release by Andrew Spinks, Managing Director.

For further information, please contact:

INVESTORS

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Forward looking statements

Various statements in this announcement constitute statements relating to intentions, future acts and events. Such statements are generally classified as “forward looking statements” and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

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ENGINEERING CLEAN ENERGY



About EcoGraf

Founded on a commitment to innovation and sustainability, EcoGraf is building a vertically integrated business to produce high purity graphite for the lithium-ion battery market.

The new state-of-the-art processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible purification technology to provide customers with sustainably produced, high performance battery anode graphite. In time the battery graphite production base will be expanded to include additional facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade.

In addition, the Company's breakthrough recovery of graphite from recycled batteries using its EcoGraf™ process will enable the reduction of battery waste and the use of recycled graphite to lower battery production costs and improve battery lifecycle efficiency.

To complement the battery graphite operations, EcoGraf is also developing the TanzGraphite natural flake graphite business, commencing with the Epanko Graphite Project, which will supply additional feedstock for the spherical graphite processing facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.

EcoGraf, a unique vertically integrated graphite business, positioned for the future of clean energy.



A video fly-through of the new West Australian facility is available online at the following link:

<https://www.ecograf.com.au/#home-video>

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