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10 July 2024

Tirupati Graphite plc
('Tirupati', 'TG' or the 'Company')

Upstream Flake Graphite Projects Development Strategy

Tirupati Graphite plc (TGR.L), the specialist flake graphite company and the supplier of a critical mineral for the global energy transition, is pleased to announce the development strategy for its current projects to achieve its aim of reaching production capacity of c.400,000 tons per annum of flake graphite to serve c.8% of forecast global demand in the next decade, subject to ongoing and future financing requirements and market demands over the course of the next few years.

Strategic positioning of the Company

- As announced on 4 July 2024, the Company and its financial advisers are progressing funding discussions with potential strategic partners and financial institutions.
- Although there is no guarantee that funds will be raised, discussions are ongoing for near term raising of up to £3 million to streamline the current operations in Madagascar. The Company intends to raise, in due course, Project Finance of up to £80 million from Financial Institutions for expansion of the Company's Madagascan projects to a combined 54,000 tons per annum production capacity, and development of a first 50,000 tons per annum module at its Mozambican projects.
- Since 2021, the Company has developed two flake graphite projects in Madagascar into production, and acquired additional large-scale projects in Mozambique, thereby laying a solid foundation for growth.
- Unlike most peers, the Company is independent of Chinese technologies, with no Chinese sourcing requirements for its plant and equipment for the development of its projects.
- TG's Madagascan projects provide a favorable jumbo and large flake graphite product basket.
- TG's Mozambique projects are set to provide a higher proportion of small-fine flake graphite, typically used in the growing battery anode market segment.
- The mining codes of both Madagascar and Mozambique provide security of tenure and a conducive environment of investment for development and operations.
- Its global resources under JORC 2012, as contained in Annexure 1 below, provide sufficient deposits to support the Company to develop up to 400,000tpa of flake graphite production capacity. It should be noted the projects all remain open to further exploration and expanded future resource upgrades.
- As a publicly listed Company on the London Stock Exchange, the Company benefits from greater visibility and transparency for customers and investors.

Strategy for reaching 400,000 tpa annual production

- Given the Company's internal expertise in flake graphite mining and processing and its advantageous relationships with related parties, the Company has developed a plan for the further modular development of its projects to reach its objective to supply 400,000 tpa flake graphite, representing an estimated 8% of global flake graphite consumption by the turn of this decade. This strategy considers:
 - Certain variables that influence the capacity split composition that is prudent between its projects in Madagascar and Mozambique.
 - The market evolution, which may result in additional capacity creation in Madagascar on top of the envisaged development in Mozambique.

Module	Project	Capacity	Start	Completion	Aggregate capacity
Current Optimisation	Madagascar (Vatomina & Sahamamy)	36,000	Sep-24	Jan-25	36,000
Module 3	Vatomina (Madagascar)	18,000	Dec-24	Dec-25	54,000
Module 4	Montepuez (Mozambique)	50,000	Jan-25	Feb-26	104,000
Module 5	Balama Central (Mozambique)	50,000	Sep-26	Oct-27	154,000
Module 6	Montepuez (Mozambique)	100,000	Jul-27	Dec-28	254,000
Module 7	Balama Central (Mozambique)	50,000	Jul-29	Dec-30	304,000
Module 8	Montepuez (Mozambique)	100,000	Apr-29	May-30	404,000
Total Target Primary Flake Graphite Mining Capacity*					404,000

- As per plans and financial model prepared by the Company:
 - The total investment required, including fixed and working capital, for reaching production capability of 404,000 tons per annum is estimated as equating to £363 million.
 - The Company anticipates to re-invest its organic internal cashflows for the required investment beyond 2026 and is in the process of progressing strategic discussions for facilitating the first modular steps of this development strategy.

**Each part of the development plan and strategy is dependent on financing and market demands.*

Next Steps

- As previously announced, the Company, supported by its financial advisers, is in advanced stages of engagement with potential financiers for arrangements of immediate working capital finance needed for its current operations.

- The Company is also engaged with prospective financial institutions and multilateral inter-governmental bodies facilitating financial arrangements for securing critical minerals.
- The Company will fast track the final test work for the optimisation of sand removal technology in the updated flow sheet for its projects in Mozambique and progress the release of an updated resource statement for its Madagascan projects via a Competent Person's Report under preparation by SRK Consulting.
- The Company is simultaneously looking to continue evolving the composition of its board and management and it is expected that these appointments will be fast-tracked upon financing.
- The Company's board has initiated a review of its Downstream prospects and arrangements as a priority and will provide an update in the near term.
- The Company will keep the markets updated as these plans are furthered, and engagements related thereto are progressed.

Material Risks to the prospects

The key material risks identified by the Company to the ability to progress its business as per the aforementioned plans are:

- The growth and rate of growth in consumption of flake graphite is materially lower than estimates, which may result in the Company considering slowing the pace of its developments.
- The security situation in the areas of the location of the Company's projects materially deteriorates, thereby impacting the Company's ability to execute its developments.
- Financing arrangements for its current needs and further development are not achieved.
- Any significant change in the leadership team of the Company including its Board.

The Market Opportunity

- Flake graphite is classified as a critical mineral by nations around the world including but not limited to the United Kingdom, the United States of America, the European Union and India.
- Amongst energy transition materials, flake graphite constitutes the largest constituent of a lithium-ion battery by volume and is a key material in various other applications including fire safety, thermal management, hydrogen power generating fuel cells and conductive polymers.
- Various market commentators have forecast global flake graphite consumption to increase from current levels of c.1.6 million tons per annum to more than 5 million tons per annum by 2030. Links to some of these forecasts are provided below:
 - [Benchmark Minerals Intelligence Flake Graphite Global Investment Requirement](#)
 - [International Energy Agency's Global Critical Minerals Outlook 2024](#)
 - [World Bank report: Minerals for Climate Action - The Mineral Intensity of the Clean Energy Transition](#)
 - [Fastmarkets Graphite Market Outlook](#)
 - [Benchmark Minerals Intelligence 2024 Graphite Battery Landscape Map](#)
- According to Benchmark Minerals Intelligence, out of all critical minerals, flake graphite demonstrates the highest level of global supply dependence on China, with c.70% of upstream flake graphite production and >95% downstream processed flake graphite products used in the energy transition economy coming from China. This level of dependence is causing geopolitical concerns and has resulted in the following regulatory measures by various governments:
 - The Inflation Reduction Act of the United States of America, which provides incentives for domestic development of manufacturing facilities for the US battery supply chain and extends incentives to allied nations.
 - Imposition of import tariffs on graphite products of Chinese origin from 2026 by the United States of America, announced in May 2024.
 - The European Unions' Critical Raw Material Act 2023, presented in parallel to the EU's Net Zero Industry Act.
 - Multiple Critical Minerals Strategies published by countries such as the UK, Canada, Korea, India, and more.
 - Creation of a multi-lateral grouping "Mineral Security Partnership", a collaboration of 14 countries and the European Union to catalyse public and private investment in responsible critical mineral supply chains globally.
 - Imposition of graphite export restrictions by the Chinese government having taken effect from 1 December 2023.
- Based on growing consumption trends, various market commentators forecast that a potential supply deficit may start by the end of the current year. Signs of a market turn-around and graphite pricing rebound after oversupply over the past few years are becoming visible as is also recognised by independent market commentators.

Commenting on the development plans Shishir Poddar, CEO. said:

"The Company has developed a detailed strategy to execute its ambition of producing c.8% of forecast demand by the turn of the decade. Subject to current and future financing efforts, this strategy update is key for defining the path for the evolution of TG on the upstream side of the business and has been shared with interested prospective strategic partners to demonstrate how the Company plans to achieve its upstream ambition. We continue to review options for the path forward for the downstream side of the business and will keep shareholders updated.

"The appointment of Michael Lynch-Bell as Non-Executive Chairman has strengthened the Company and further management appointments are planned as the Company continues to enhance its corporate governance. We will provide further updates in due course as appropriate."

Annexure 1

TG JORC 2012 Graphite Resources - Madagascar

The Madagascar projects provide 25.5 million tonnes at c.4.5% Total Graphitic Content ('TGC'), and the projects remain open to further resource expansions. For reference, the JORC Code 2012 resources published under the 2020 Competent Persons Report ('CPR') across the Company's Vatovina and Sahamamy Projects are as below. An updated CPR to upgrade

the Madagascar resources is under preparation by SRK Consulting following a drilling since December 2021 that completed recently (see 11 March 2024 RNS).

SRK Mineral Resource Statement Vatovina Graphite Project, Madagascar, in accordance with the JORC Code (2012):

Vatovina Project 2020 CPR Mineral Resource Statement		
Resource Category	Quantity	Grade
	(Mt)	(GC%)
Measured	-	-
Indicated	3.2	4.3
Inferred	15.2	4.7
Total Mineral Resource	18.4	4.6

SRK Mineral Resource Statement Sahamamy Graphite Project, Madagascar, in accordance with the JORC Code (2012):

Sahamamy Project 2020 CPR Mineral Resource Statement		
Resource Category	Quantity	Grade
	(Mt)	(GC%)
Measured	-	-
Indicated	1.4	4.1
Inferred	5.7	4.2
Total Mineral Resource	7.1	4.2

TG JORC 2012 Graphite Resources - Mozambique

The two complementary Mozambique graphite deposits add mineral resources of over 152 million tonnes at 8.5% TGC (and remain open to further expansion with strike remaining opening) significantly increasing the Company's JORC Code (2012) mineral resource base.

Project	Deposit	Group Total JORC (2012) Mineral Resources		
		Tonnes	TGC	Cont. Graphite
		Mt	%	kt
Montepuez	Elephant	76.9	7.3	5,620
	Buffalo	42.6	9.5	4,050
Balama Central	Lenox	21.9	10.2	2,230
	Byron	11.0	10.2	1,120
Total		152.5	8.5	13,030

For further information, please visit <https://www.tirupatigraphite.co.uk/> or contact:

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About Tirupati Graphite

Tirupati Graphite Plc is a specialist Graphite producer and the supplier of a critical mineral for a decarbonised economy and the energy transition. The Company places a special emphasis on green applications including renewable energy, e-mobility, energy storage and thermal management, and is committed to ensuring its operations are sustainable.

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The Company's operations include primary mining and processing in Madagascar where the Company operates two key projects, Sahamamy and Vatovina with a combined 30,000 tpa of currently installed capacity, producing high-quality flake graphite concentrate with up to 97% purity and selling to customers globally.

The Company also holds two advanced stage, world class, natural graphite projects in Mozambique. Work has already commenced to optimise the economics for development of the Montepuez graphite project, which is permitted for 100,000tpa production and where substantial construction work has already been undertaken by the predecessor. A table of the Company's projects is provided below:

Country	Project	Stage
Madagascar	Sahamamy	in production: 18,000tpa capacity
Madagascar	Vatovina	in production: 12,000tpa capacity
Mozambique	Montepuez	100,000tpa permitted, development-initiated
Mozambique	Balama Central	58,000tpa permitted, development-ready

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