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GreenRoc Mining PLC
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GreenRoc Mining plc

("GreenRoc" or the "Company")

Statement Re: China Restricting Export of Graphite

GreenRoc Mining Plc (AIM: GROC), a company focused on the development of critical minerals projects in Greenland, notes the recent decision by the Chinese government to implement export restrictions on graphite, a critical component in electric vehicle batteries.

China's recent announcement to implement restrictions on the export of higher grade graphite, scheduled to take effect by 1 December 2023, has significant implications for the global battery industry.

Under the restrictions, Chinese companies must seek special export permits to supply this crucial raw material to international battery manufacturers. Notably, the export curbs encompass both synthetic and natural flake graphite, as well as graphite concentrate and purified graphite. It is important to emphasise that these restrictions do not extend to lower grade graphite intended for conventional applications such as in the manufacturing of steel.

China, being the dominant force in the global mineral supply chain, is the foremost graphite producer and exporter, and the primary source of over 70% of global synthetic graphite production and approximately 65% of natural flake graphite. Moreover, China also processes more than 90% of graphite which is used in electric vehicle (EV) battery anodes.

The extensive use of graphite in lithium-based EV batteries foretells a significant surge in demand, with forecasts indicating a quadrupling of requirements within the next decade. In Europe alone, the demand for battery-grade graphite is estimated to reach one million tonnes by 2030, equivalent to the entire global graphite production in the year 2020.

Stefan Bernstein, GreenRoc's CEO, commented: *"China's decision to impose export restrictions on graphite underscores the critical need to establish secure supply chains by boosting domestic, non-Chinese production capability, which is less vulnerable to market shocks and geopolitical events.*

"The targeted nature of these export restrictions, focused only on battery-grade graphite while excluding conventional low-purity graphite material, should be of concern to everyone engaged in the energy transition. This selective targeting creates a substantial risk that ongoing actions to replace internal combustion engine vehicles with EVs will be slower and more expensive given that today no EVs can be manufactured without relying on battery grade graphite from China. Moreover, this move by China will bolster the competitive advantage of Chinese electric vehicle manufacturers.

"In response, the rest of the world, including Europe and North America, must accelerate the development of their own upstream industries in the critical mineral space. This is not merely an option but a necessity in order to establish robust supply chains and release OEMs from undue reliance on China. Such a step would be pivotal in securing the swift transition to low CO_2 emission technologies.

"This development is a timely reminder that our plans at GreenRoc to bring our world-class graphite deposit at Amitsoq in South Greenland into production in the space of a few years, alongside the development of a processing plant to produce anode-ready material for EV battery manufacturers, mean that we are ideally positioned to play a critical role in Europe and North America's energy transition.

"The publication of GreenRoc's Amitsoq project's preliminary economic assessment (PEA) next week represents an important milestone in the development of Amitsoq and, in the context of China's export restrictions, could not be timelier. It also underscores GreenRoc's unwavering commitment to supporting the advance of sustainable, low-emission technology on a global scale."

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About GreenRoc

GreenRoc Mining plc is an AIM-quoted company which is developing mining projects in Greenland in critical, high-demand and high-value minerals.

About Amitsoq

Amitsoq is located in the Nanortalik region of southern Greenland and has been confirmed as one of the highest-grade flake graphite projects in the world.

GreenRoc is focused on fast-tracking the development of Amitsoq into a producing mine in the shortest possible timeframe to meet critical demand from Electric Vehicle ('EV') manufacturers in Europe and North America for new, high grade and conflict-free sources of graphite.

Key points about Amitsoq:

- *GreenRoc's primary focus at Amitsoq is on developing the Amitsoq Island Deposit, which has a total inferred, indicated and measured JORC Resource of 23.05 million tonnes (Mt) at an average grade of 20.41% Graphitic Carbon ("C(g)"), giving a total graphite content of 4.71 Mt.*
- *Deposits with compliant resources above 20% contained graphite grade are scarce, with the average global grade of graphite resources being just 8.45% (according to S&P Global).*

- *Independent micronisation and spheronisation test work has proven that Amitsoq graphite can be easily upgraded to high-grade anode-quality graphite, otherwise known as high purity spherical graphite or cSPG, a key raw material in the manufacturing of EVs.*
- *In GreenRoc's test work programmes, Amitsoq spheronised graphite has achieved higher than 99.95% purity with relatively little energy input and processing and using the milder alkaline purification method compared to the industry standard hydrofluoric acid, boding well for future production costs and sustainability commitments.*
- *Significant further upside exists at Amitsoq as the Amitsoq Island Deposit is open in at least two directions with potential for considerable further expansion via the similarly high-grade Kalaaq Mainland Deposit as well as a series of other high-grade targets on GreenRoc's licence package.*
- *The deposit was in small-scale production about 100 years ago, and there remains considerable underground mine development in place from that time, which will be of considerable benefit to GreenRoc in the mine construction phase.*
- *Following a detailed evaluation process, the European Raw Materials Alliance has expressed its support of GreenRoc and its Amitsoq graphite project, stating that "GreenRoc's graphite resource is of global importance and, together with the Company's strategy, will enable the European Union to achieve a certain level of independence for the electrical vehicle supply chain. ERMA has approved the Amitsoq Graphite project and will engage to support its development and financing to produce these critical raw materials for the benefit of the European Union goals." (see RNS dated 8 February 2023).*
- *On 9 October 2023, GreenRoc was awarded a grant of approximately £250,000 by the Automotive Transformation Fund in the UK to part-finance a feasibility study into the establishment of a graphite spheronisation processing plant in the UK to produce active anode material from graphite concentrate delivered from GreenRoc's Amitsoq Graphite Project.*

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