



**ASX Announcement**  
**15 September, 2009**

## **SER receives Uley Plant Review**

### **Highlights**

- Review looked at three alternatives, covering refurbishing existing plant, upgrading existing plant and building a new plant
- Potential output ranged from 12,000 to 32,000 tonnes per annum with approximately two thirds of the output a high grade coarse flake product
- Operating cost forecasts allow for reasonable margins based on current graphite prices for coarse flake product
- There is a recommended program of work to test the characteristics of the Uley Main Road Resource to better refine the treatment plant operation
- SER will review its development options now our Managing Director has returned from a graphite fact finding visit in China

*Based in Melbourne Victoria, Strategic Energy Resources (SER) is a versatile explorer working on a diversified portfolio of exploration assets including the world class Uley Graphite Project. The company aims to create shareholder value through the systematic exploration of our tenements with the aim of becoming a producer.*

For personal use only

Strategic Energy Resources Limited (SER) has received an initial review from the WA based GR Engineering Services Pty Ltd regarding the re-establishment of a treatment plant at the Uley Graphite Mine. SER has recently announced to the ASX the first JORC compliant resource at Uley, based on work from Coffey Mining Pty Ltd. At the same time SER commissioned a review from GR Engineering Services Pty Ltd to look at the options to re-establish the treatment facilities at Uley.

### **Scope of Review**

Three options were examined.

- Re-commission the existing facilities producing 8,000 tonnes per annum coarse graphite product, (12,000 tpa total concentrate) with refurbishment of existing equipment
- Modify the existing facility replacing obsolete or high operating cost equipment, incorporation of new processes and upgrade throughput to produce 14,000 tonnes per annum of coarse graphite product (22,000 tpa total concentrate)
- New treatment facility to produce 20,000 tonnes per annum of coarse graphite product (32,000 tpa total concentrate)

The third option would make Uley one of the top twenty operations in the world, but a new operation would have to be staged. The review was asked to look at maximising the volume of coarse graphite flake (+150 microns), as this is the product for which pricing has remained robust. The review looked at plant operations records, metallurgical tests and several historical studies. All aspects of the treatment plant were reviewed but not infrastructure, as there is three-phase power, water supplies, buildings, access roads and other infrastructure already present.

The report gives an overview of potential processing flow sheets for each option, incorporating new technology where appropriate. It also includes design criteria based on historical operating parameters, and modern day experience. Product specifications reflected current markets and designs included production of final product for dispatch.

### **Next Stages**

The report outlines a range of tests to refine the characteristics of the Uley Main Road resource and other processing tests. It also suggests that the existing plant could be used for small scale pilot testing once designs have been refined. The resource is close to surface and bulk testing should be relatively low cost. SER will now consider the next stage in the plant design process.

SER's Managing Director, Mr Mark Muzzin, has recently returned from a visit to China meeting Chinese graphite producers and gaining an insight into current market conditions. The insights gained from the meetings will help the company look at how it might optimise the development of Uley.

### **For further information:**

Mark Muzzin, Managing Director  
Strategic Energy Resources  
Telephone: (03) 9629 2330  
[www.strategicenergy.com.au](http://www.strategicenergy.com.au)

For personal use only