



**VALENCE  
INDUSTRIES**

ASIA PACIFIC | EUROPE | NORTH AMERICA

## ASX ANNOUNCEMENT

**ASX: VXL & VXLO**

16 March 2015

### **VALENCE SIGNS 6 NEW GRAPHITE SALES CONTRACTS**

- 6 new customer sales contracts signed
- 100% of year 1 production is now under contract
- 9 new customer qualifications completed in Q1 2015

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#### **New Sales Contracts**

Valence Industries Limited (the 'Company') is pleased to announce it has signed 6 new sales contracts for the supply of more than 8,000 tonnes of flake graphite.

Signed sales contracts are for graphite concentrate across all sizes (+35 to -300 Mesh) and purities (90% to 95%), and are in line with the Company's sales strategy to manufacture and sell graphite to the required specifications of customers. The contracts are consistent with Valence Industries' current and forward production profile. Contract pricing is structured based on grade and quality and is consistent with the Company's expectations.

Valence Industries' customers are purchasing Uley Graphite™ for applications from heavy industry (*refractories, foundries and lubricants*) through to advanced technologies (*batteries and electronics*) and even for bio-medical applications. Due to the confidential nature of the contracts, further customer information cannot be disclosed.

With volumes equivalent to 100% of year one production allocated, these new sales support the strong growth path set for the next 18 months to deliver increased volumes and value-added advanced manufacturing.

Full commissioning of the Uley Phase I plant is scheduled to be completed by September quarter 2015. Valence Industries expects first export shipments of graphite to commence later this month.

#### **New Customer Qualifications**

In the first quarter of 2015 Valence Industries has qualified 9 new customers.

Customers for flake graphite require samples from actual production facilities in order to qualify the specific grade and quality of graphite for their own production requirements. Test samples from lab scale or test scale plants are not sufficient.

Valence Industries continues to receive positive feedback from customers in relation to the quality of the Company's graphite product and importantly, the low level of impurities. These 9 new customers will receive flake graphite concentrate from production during 2015 and are also positioned to receive flake graphite from Valence Industries' increased output in 2016.

A further 6 customers have received production samples of Valence Industries' flake graphite and are in the process of completing their internal qualification processes.



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**Forward Looking Statements**

*All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Valence Industries Limited (Valence Industries) are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Valence Industries, that could cause Valence Industries' actual results to differ materially from the results expressed or anticipated in these statements.*

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