

25 July 2022

DRILLING WELL ADVANCED AT LARGE HIGH-GRADE GRAPHITE DEPOSIT

Sarytogan Graphite Limited (ASX:SGA, the Company, Sarytogan) is pleased to advise that diamond drilling is well advanced at the Sarytogan Graphite Deposit in Central Kazakhstan.

Highlights

- Established JORC Inferred Mineral Resource of **209Mt @ 28.5% total graphitic carbon (TGC) for 60Mt contained graphite.**
- Sub-soil usage contract extended for 3 years.
- 4,000m of HQ Diamond Drilling well advanced with the following objectives:
 - Provide drilling coverage across the Central Graphite Zone
 - Test zones extending outside of the current Mineral Resource
 - Provide further samples for metallurgical testing
 - Upgrade Mineral Resource upgrade to Indicated classification
- As of 22 July 2022, 11 holes for 1,019m have been completed.
- First assay results expected later in the current quarter.



Figure 1 - First Drill Core from the 2022 Program, April 2022

Sarytogan Managing Director, Sean Gregory commented: “Sarytogan has hit the boards running as a newly listed ASX company. Our established in-country team is already 2 months into the 2022 drilling campaign. The drilling will advance our understanding of the giant Sarytogan Graphite Deposit which is already the highest-grade and second-largest graphite deposit amongst all globally listed companies.”

Location and Sub-Soil Contract Extension

The Sarytogan Graphite Deposit is located in the Karaganda region of Central Kazakhstan. It is 190km by highway from the industrial city of Karaganda, the 4th largest city in Kazakhstan (Figure 2). The 2018 Sub-soil usage contract with Kazakhstan’s Ministry for Infrastructure, Industry and Resources grants Sarytogan’s 100% owned subsidiary Ushtogan LLP exploration rights over the 70km² project area. This was recently extended in June 2022 for a further 3 years to June 2025.

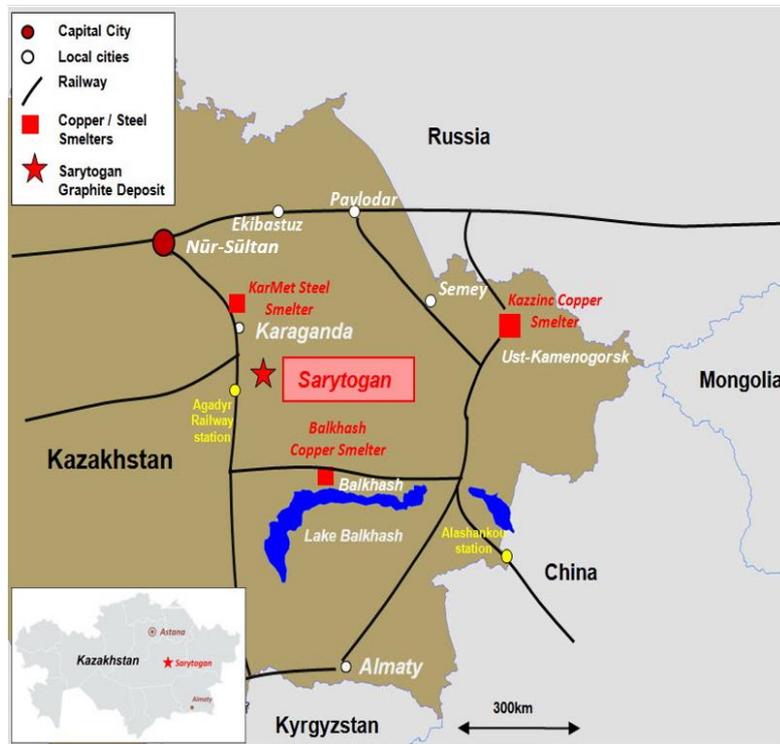


Figure 2 - Sarytogan Graphite Deposit location

Previous Exploration

The Sarytogan Graphite Deposit was first explored during Soviet times in the 1980s with sampling by trenching and diamond drilling. Metallurgical testwork at that time successfully produced graphite concentrate using two separate potential processing options. Firstly, sintering of raw ore followed by leaching with 5% sulphuric acid yielding graphite with 91.3% carbon at 90.5% recovery. A secondary method utilised flotation, then sintering and leaching with 5% sulphuric acid yielding graphite with 98.6% carbon (reported in the 23 February 2022 Prospectus). Further testing is planned and underway to validate these historical results.

Diamond drilling and surface sampling resumed after a 30-year hiatus in 2019 to bring the total drilling at that time to 29 diamond drill holes and enable the estimation of an Inferred Mineral Resource of **209Mt @ 28.5% TGC for 60Mt contained graphite** by CSA Global (Table 1).

Table 1 - Sarytogan Graphite Deposit Inferred Mineral Resource (cut-off grade of 15%). Refer to Prospectus dated 23 February 2022 for full details of the Mineral Resource Estimate.

Zone	JORC Classification	In-Situ Tonnage (Mt)	Total Graphitic Carbon (TGC %)	Contained Graphite (Mt)
North	Inferred	159	28.8	46
Central	Inferred	49	27.5	14
Total	Inferred	209	28.5	60

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An additional 18 diamond drill holes for 3,792m were drilled in 2021, within the Mineral Resource extent (Figure 3), which have not yet been included in the Mineral Resource estimate (Table 2).

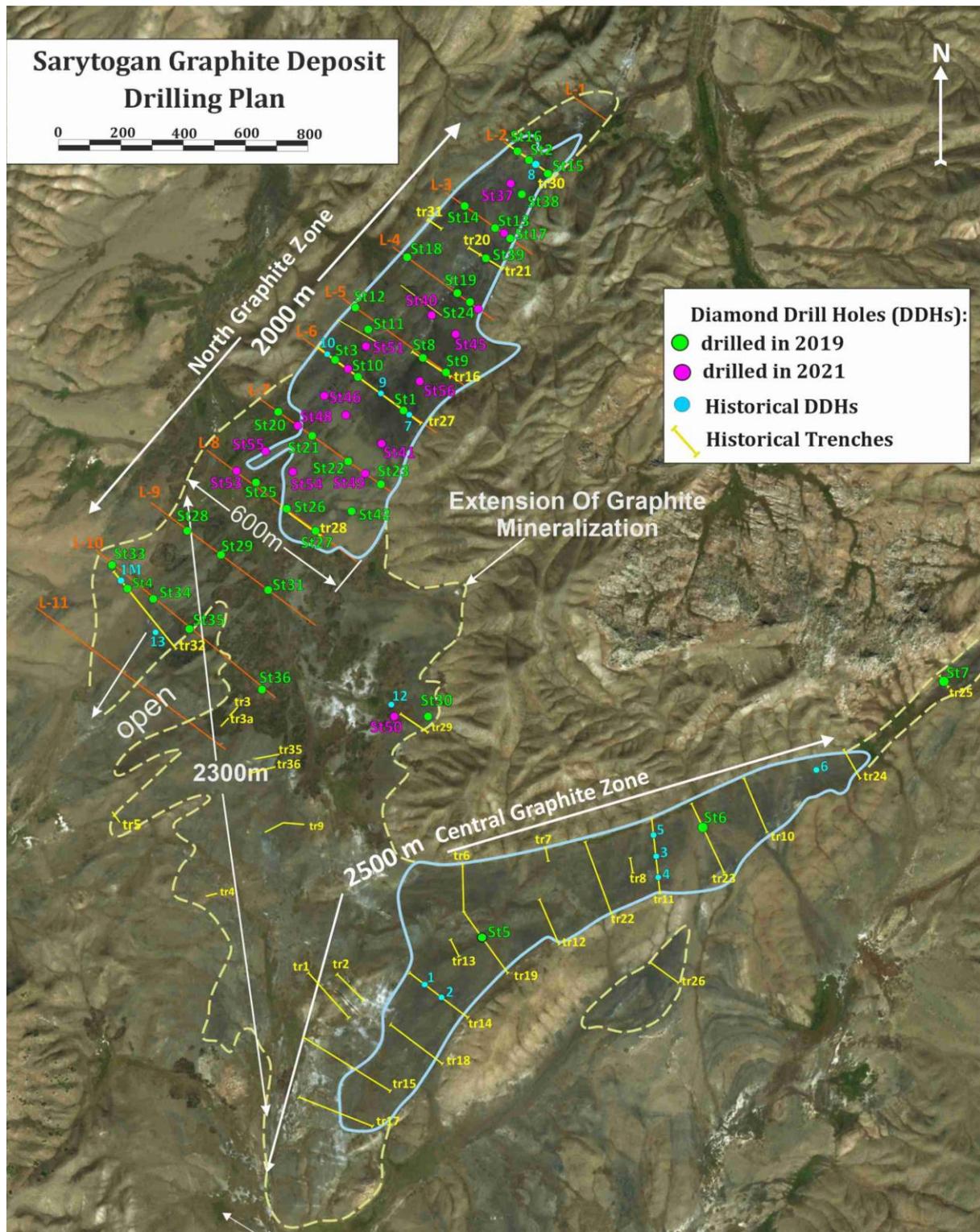


Figure 3 – Drilling Completed in the Northern and Central Graphite Zones.

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Table 2 - 2021 Drilling Highlights (not yet included in Mineral Resource). Refer to Prospectus dated 23 February 2022 for full details of the Exploration Results.

2021 Drilling Highlights
DDH-ST-46: 52.2m @ 31.0% TGC from 3.0m and 72m @ 31.4% TGC from 92.9m and 24.9m @ 22.6% TGC from 174.3m
DDH-ST-47: 10.7m @ 30.5% TGC from 25.3 m and 70.9m @ 31.8% TGC from 47.7m and 93.3m @ 31.2% TGC from 125m
DDH-ST-48: 6m @ 20.0% TGC from 0m and 9.8m @ 30.1% TGC from 71m and 112.2m @ 29.9% TGC from 90.4m
DDH-ST-54: 10.8m @ 30.4% TGC from 31.2m and 110.4m @ 30.3% TGC from 60.4m
DDH-ST-55: 110.2m @ 31.2% TGC from 12.5m
DDH-ST-56: 167.7m @ 28.9% TGC from surface

2022 Drilling Objectives

The 2022 drilling program is budgeted for 4,000m of HQ diamond drill cores. As of 22 July 2022, approximately 11 holes for 1,019m have been completed.

Drilling coverage will be extended across the Central Graphite Zone, which has previously been mostly informed by samples from surface trenching and limited drilling. Drillholes have been planned on 400m spaced lines with 100m centres. The drillhole locations will be refined by the results of test pitting and sampling completed in areas of outcropping mineralisation across the Central Graphite Zone.

To select the better areas of the deposit for initial mining, it is important to have diamond drill coverage across all mineralised areas and to ensure that the drilling coverage extends to areas where the geological model is for coarser flakes to occur.

For example, east of the Central Graphite Zone, the contact between a granite dome and the graphite mineralisation has been observed in outcrop (Figure 4). The granite dome is interpreted to be the heat source for the contact metamorphism that enriched the graphite mineralisation. The contact zone is hypothesised to be a candidate for higher grade and coarser graphite mineralisation to occur. This area is outside of the present extent of the Mineral Resource.

All drilling is diamond drilling of HQ (63mm) size to collect the best possible samples to assess the physical properties of the mineralisation through logging, petrographic analysis of thin sections, and metallurgical testwork.

The drill spacing is expected to be sufficient to upgrade of the Mineral Resource to Indicated classification in places, subject to the results of metallurgical testwork.

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Figure 4 - Coarse graphite crystals at the outcrop between the granite dome intrusion and graphite mineralisation to the east of the Central Graphite Zone, outside of the current Mineral Resource. Photos looking north-west at approximately 440000mE 5375000mN.

Next Steps

The results of the drilling program will be released progressively in batches as they become available. The first batch is expected later in the current quarter.

Metallurgical testwork is underway and ongoing.

A Mineral Resource update, targeting Indicated classification, is planned to follow the 2022 drilling campaign.

This announcement is authorised by the Board of Directors of the Company.

Competent Person's Statement

The information in this report that relates to JORC estimates of Mineral Resources and Exploration Results was first reported in the Prospectus dated 23 February 2022 available at www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

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