

# Valence Industries: Uley Graphite NPV Increases to \$90M

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Perth, Australia (ABN Newswire) - [Valence Industries Ltd.](#) (the 'Company') (ASX:VXL) (OTCMKTS:VLQCF) is pleased to announce an update to the valuation contained in its Feasibility Study released on 2 January 2015. The revision indicates a significant increase in estimated returns from the Company's Uley Graphite™ project in Australia.

- Feasibility Study valuation updated for interim increase in Ore Reserve:

\* Graphite Project NPV10 increased by 38% to \$90M.

\* IRR increased to 47%.

\* 60% increase in mine life to 8+ years

- Updated Project NPV of \$90M equates to more than 2x the current market capitalisation of the Company

- Revised Feasibility Study highlights compelling commercial viability of the Project

The analysis in the Feasibility Study has been revised to account for significant upgrades to the project economics based on the 43% increase in graphite Ore Reserve announced on 14 May 2015, with a 60% increase in mine life to 8+ years at up to 64,000 tpa graphite output.

The other parameters and assumptions used in the Feasibility Study remain unchanged.

Key conclusions reached from the review of the financial analysis in the Feasibility Study are:

- Post-tax net present value (NPV10) \$90 million

- Internal rate of return (IRR) 47%

- Total ore mined 2,917,000 tonnes

- Average head grade 12.1%

- Life of mine 8.3 Years

Recently announced metallurgy results from production at the Company's graphite processing plant at the Uley Graphite™ site showing 71% of product output is in higher market value, large flake sizes of 150um (+100 mesh) are not included in this analysis but support the view that average prices assumed in the feasibility study are conservative.

The increase in estimated project returns does not at this stage attribute any value to the Company's strategy to increase production of higher value, advanced manufactured graphite product from 5% of output, as assumed in the January 2015 Feasibility Study, to 40% of total output.

The resource expansion program continues and with the recently announced 43% increase in graphite Ore Reserves only based on completion of 35% of the program. Any additional increase in reserves from the balance of the drilling program would be expected to have a further positive impact on project returns.

Valence Industries MD and CEO Mr Christopher Darby commented: "This significant and highly positive revision to the Feasibility Study for the Uley Graphite™ Project highlights its compelling commercial viability. Furthermore, the Project's significant uplift in NPV to \$90m suggests significant value upside in the company as this equates to more than double Valence Industries' current market capitalisation."

## About Valence Industries:

[Valence Industries Ltd.](#) (ASX:VXL) is an industrial manufacturing company producing high grade flake

graphite products for distribution and sale to global markets. Valence Industries owns established processing facilities and infrastructure to manufacture a wide range of graphite product lines for multiple applications and multiple industries. Valence Industries produces and sells its graphite products from its Uley Graphite facilities in regional South Australia for delivery to diversified markets for graphite in the Asia Pacific, Europe and North America.

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