



ASX ANNOUNCEMENT
(ASX: **NVX**)

13 July 2018

USA INTRODUCES NEW 10% TARIFF ON IMPORTS OF GRAPHITE FROM CHINA

HIGHLIGHTS

- The **USA** has announced the **imposition** of **a new 10% tariff** on imports of natural and artificial **graphite** from **China**.
- Initial indications are that the new tariff regime is **positive** for **NOVONIX Limited's** business activities in graphite-based anode materials which are **headquartered Chattanooga, Tennessee, USA**, and for its 100%-owned **natural graphite deposit** located in **Queensland, Australia**
- Further investigation of the implications of the tariff changes for its current activities and for new opportunities is underway.

ASX-listed **NOVONIX Limited (ASX: NVX)** ("NOVONIX" or the "Company") hereby provides an update relating to the trade sanctions between the USA and China regarding graphite imports to the USA.

As foreshadowed by the United States President in the media in recent weeks, on 10 July 2018, the Office of the United States Trade Representative (USTR) released a list of Chinese exports that will now face a new 10% tariff.

The following excerpt from that list indicates the list of natural and synthetic graphite imports from China that will be subject to the new tariff regime:

- Natural graphite, crystalline flake (not including flake dust)
- Natural graphite in powder or flakes (other than crystalline flake)
- Natural graphite, other than in powder or in flakes
- Artificial graphite plates, rods, powder and other forms, for manufacture into brushes for electric generators, motors or appliances
- Artificial graphite, not elsewhere specified or included
- Colloidal or semi-colloidal graphite
- Carbonaceous pastes for electrodes and similar pastes for furnace linings
- Preparations based on graphite or other carbon in the form of pastes, blocks, plates or other semimanufactures, not elsewhere specified or included

Source: https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018_0.pdf



In recent years, the global graphite market has experienced growth at a substantial rate, mainly driven by the increasing demand from expanding downstream sectors including electronic devices, energy storage systems and electric vehicles. China has dominated the global graphite market with the world's highest graphite production and graphite exports during the past decade.

The changes announced this week to the tariff regime for natural and artificial graphite imports to the USA from China appear to be positive for NOVONIX Limited's graphite-based anode materials business activities, including its PUREgraphite anode material Joint Venture based in Chattanooga, Tennessee, USA, along with the Company's 100%-owned large-scale 18%-grade natural graphite deposit located in, Queensland, Australia.

The Company is in undertaking further investigations of the implications of the tariff changes for its current activities, and for new opportunities.

FOR FURTHER INFORMATION

Greg Baynton
Executive Director
Phone: +61 414 970 566
Email: greg@novonixgroup.com

Philip St Baker
Managing Director
Phone: +61 438 173 330
Email: phil@novonixgroup.com

ABOUT NOVONIX

NOVONIX LIMITED (ASX: NVX) is an integrated developer and supplier of high performance materials, equipment and services for the global lithium-ion battery industry with operations in the USA and Canada and sales in over a dozen countries. NOVONIX is co-owner of the PUREgraphite anode material Joint Venture, headquartered in Chattanooga, Tennessee, USA. The Company also owns a world-class, large and high-grade natural graphite deposit in an established mining province in Australia.

NOVONIX's mission is to support the global deployment of Lithium Ion Battery technologies for a cleaner energy future.