



**VALENCE
INDUSTRIES**

ASIA PACIFIC | EUROPE | NORTH AMERICA

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ASX: VXL & VXLO

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

PROCESS WATER MANAGEMENT UPGRADES

- Regulatory approval received for modified process water management systems
- Allows greater operational efficiency at Uley Graphite™
- Key step in completion of production commissioning program
- Combined production and process water commissioning commences today

Valence Industries (the **Company**) is pleased to advise it has received regulatory approval for a modified process water pond system at its Uley Graphite™ facilities to be operated in accordance with the existing PEPR (Program for Environment Protection and Rehabilitation).

The modified system allows the Uley Graphite™ operations to achieve greater efficiency by increased clarification, recycling and reuse of water in the processing operations, in line with regulatory preferences.

The modifications have been accommodated in the current engineering work schedule (refer ASX announcement 7 May 2015) and are a key step in completion of commissioning. The work required for immediate operations has permitted production commissioning to commence today combining the completed process water pond facilities and the existing plant.

The Company, in conjunction with its external engineering consultants, expects to make further improvements to the tailings storage and water reclaim systems. These further improvements, subject to regulatory approvals, are expected to lead to additional operational efficiencies as Valence Industries completes commissioning and ramps up production and export sales of graphite.

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Forward Looking Statements

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