



Graphite Energy Corp. Name Change / Australian Goldfields / Acquiring Large Pilbara Gold District Land Package in Western Australia

July 16 2020 / Vancouver, BC / Graphite Energy Corp (CSE: GRE.X) (OTC: GRXXF) (Frankfurt: GOA), is pleased to provide further details of a land acquisition agreement within the Pilbara Gold District in Western Australia and a name change to “Australian Goldfields” which will be used in this release. Information is available at australiangoldfields.com.

HIGHLIGHTS

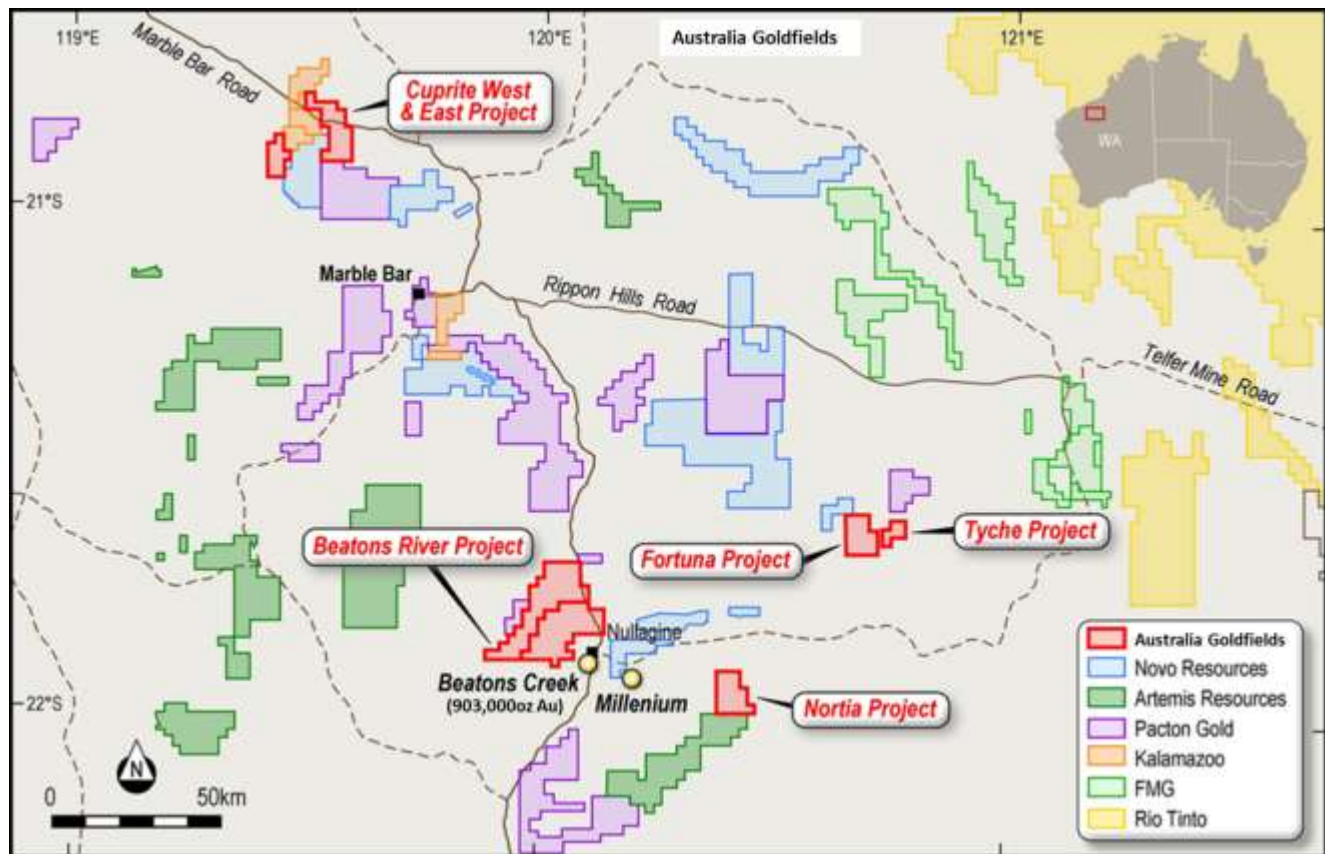
- The proposed acquisition comprises five distinct projects – Beatons River, Cuprite West & East, Tyche, Fortuna & Nortia – which delivers a large prospective footprint in Western Australia’s Pilbara Gold District.
- The Beatons River Project is contiguous to Novo Resources’ (“Novo”) (TSX-V: NVO) Beatons Creek Gold Deposit, and totals 335 square kilometers.
- Within the Cuprite West & East Project are extensive high-grade rock chips up to 57.5 g/t Au and shallow drill intercept 4m @ 2.9g/t Au from 8m (KZ001)².
- The Tyche, Fortuna & Nortia Projects are under-explored yet have geological structures that are highly prospective for gold mineralization.
- The geology team will commence evaluating the projects in more depth after the inaugural site visit then commence formulating a comprehensive exploration and priority development program.

Adrian Hobkirk, President and CEO of Graphite Energy Corp remarked: “The agreement allows the Company to secure an excellent package of highly prospective West Australian gold assets that deliver significant exploration upside. Notably, the assets are all located in the Pilbara Gold District and close to well-known global peers that have already proven up sizeable mineral resources. We are looking forward to working with our colleagues in Western Australia to commence development work on the projects as soon as practical.”

ATTRACTIVE WESTERN AUSTRALIAN GOLD ASSETS

The proposed acquisition of five underexplored, distinct projects – Beatons River, Cuprite West & East, Tyche, Fortuna & Nortia – delivers Australian Goldfields a sizeable prospective gold footprint across the Pilbara region in Western Australia (Figure 1). The Pilbara has a history of significant iron ore production; however, more recent high-profile gold discoveries have focused new attention on the region. The Pilbara region has highly developed supportive mining infrastructure, with excellent transport networks to key ports.

FIGURE 1: AUSTRALIA GOLD’S FOOTPRINT RELATIVE TO PEERS



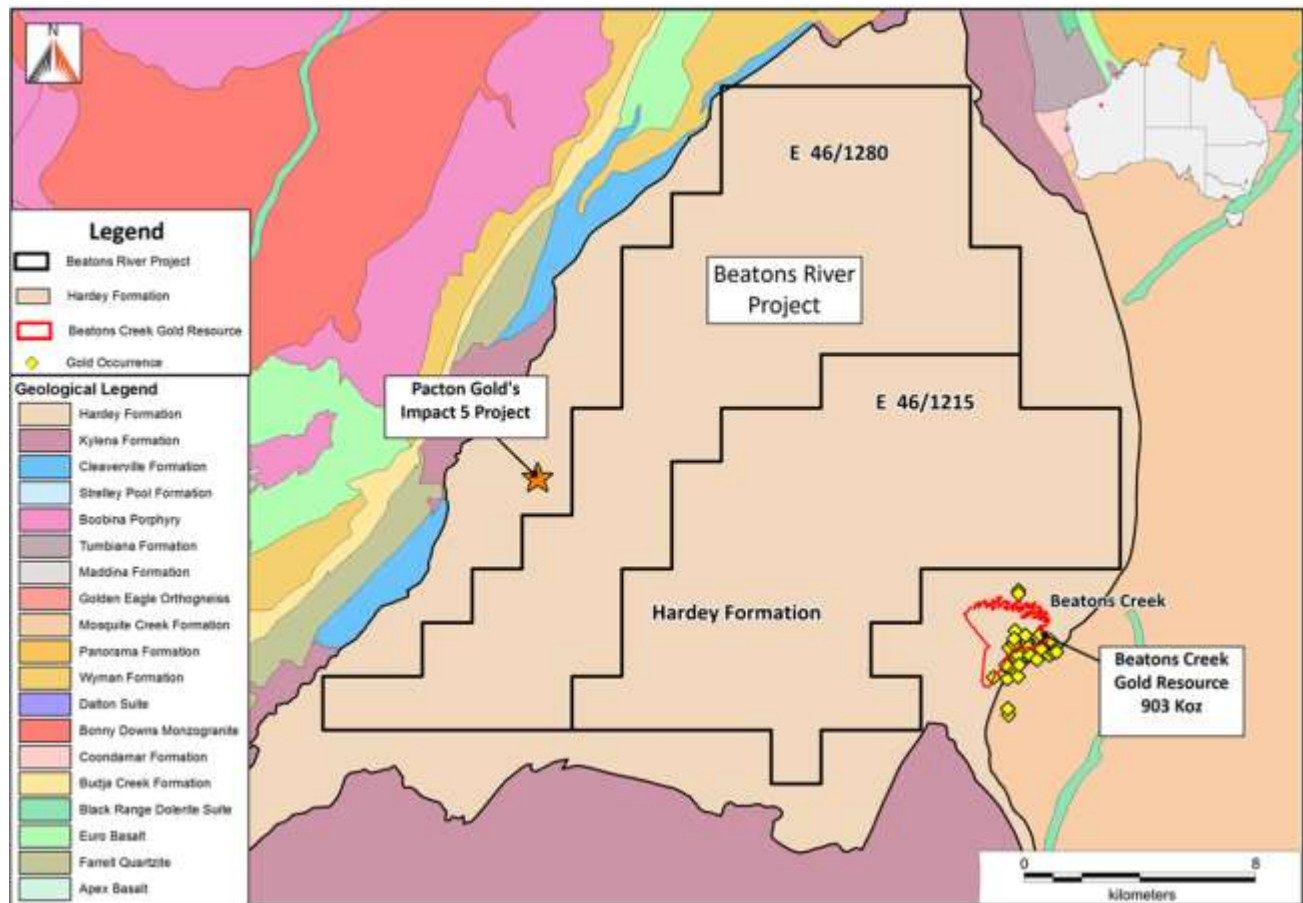
Source: Geological Survey of Western Australia (refer Reference 3)

A closer review of the five projects follows:

Beatons River Project

The Beatons River Project is comprised of 335 square kilometers and is contiguous to Novo's Beatons Creek Gold Deposit, which hosts 903,000 oz Au grading 2.53 gpt Au (see note 1). Novo's Beatons Creek Gold Deposit is hosted within gold bearing conglomerates of the Hardey Formation that outcrop on the eastern edge of a Fortescue Group Plateau that accumulated in the Nullagine sub-basin. The Western Australia Geological Survey Figure 2 below, has mapped the area, and interpreted the Hardey Formation extends onto the Australian Goldfields tenements 2km north of the Beatons Creek Gold Deposit. The project's target is gold bearing conglomerates within the Hardey Sandstone Formation, part of the Fortescue Group, a sequence of sedimentary and volcanic rocks. Minimal exploration has been conducted on the Australian Goldfields properties, and the first stage of exploration will comprise mapping and outcrop sampling. NOTE: mineralization on adjacent projects is not indicative of mineralization on the Company's project.

FIGURE 2: BEATONS RIVER PROJECT – MINERAL OCCURRENCES

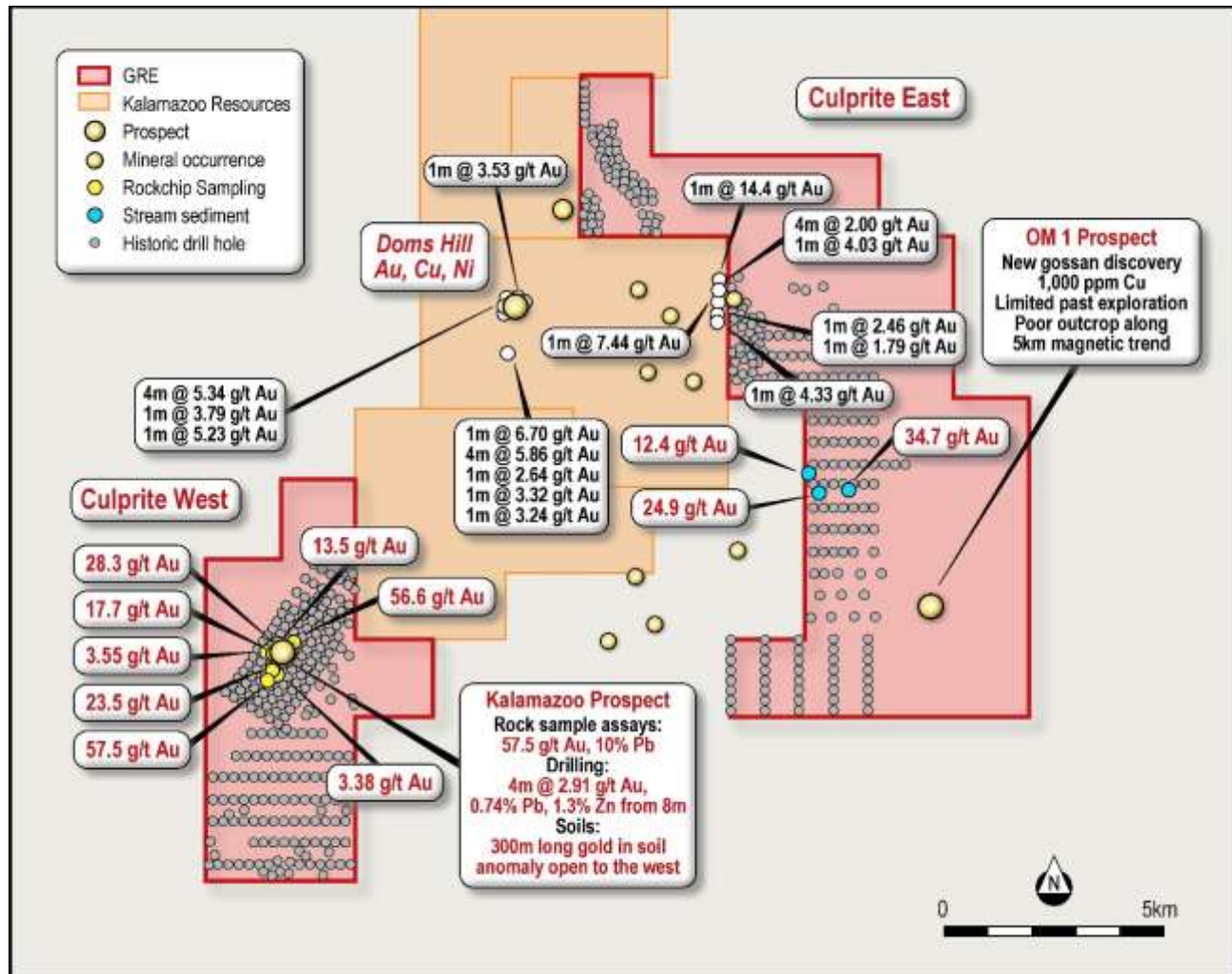


Source: Geological Survey of Western Australia (refer Reference 3)

Cuprite West & East Project

The Cuprite West & East Project comprises two tenements (109km²), circa 50km north-west of Marble Bar, that are deemed highly prospective for gold and base metal mineralization (Figure 3).

FIGURE 3: CUPRITE WEST & EAST PROJECT – ROCK CHIPS & DRILL HOLES



Source: Geological Survey of Western Australia & Western Australian Mineral Exploration reports (WAMEX), Department of Mines, Industry, Regulation and Safety, Government of Western Australia – Refer Reference 2

Historic work includes a rock chip sample program by Kalamazoo Resources PTY Ltd, which returned gold values ranging from 15.5 grams per tonne gold (gptAu) to 57.5 gpt Au, all within the Gorge Creek Area (Western Australia Mineral Exploration reports (WAMEX) A10931), and drilling by Atlas Gold Limited with one meter intercepts ranging from 1.9 gpt Au to 6.7 gptAu and four meter

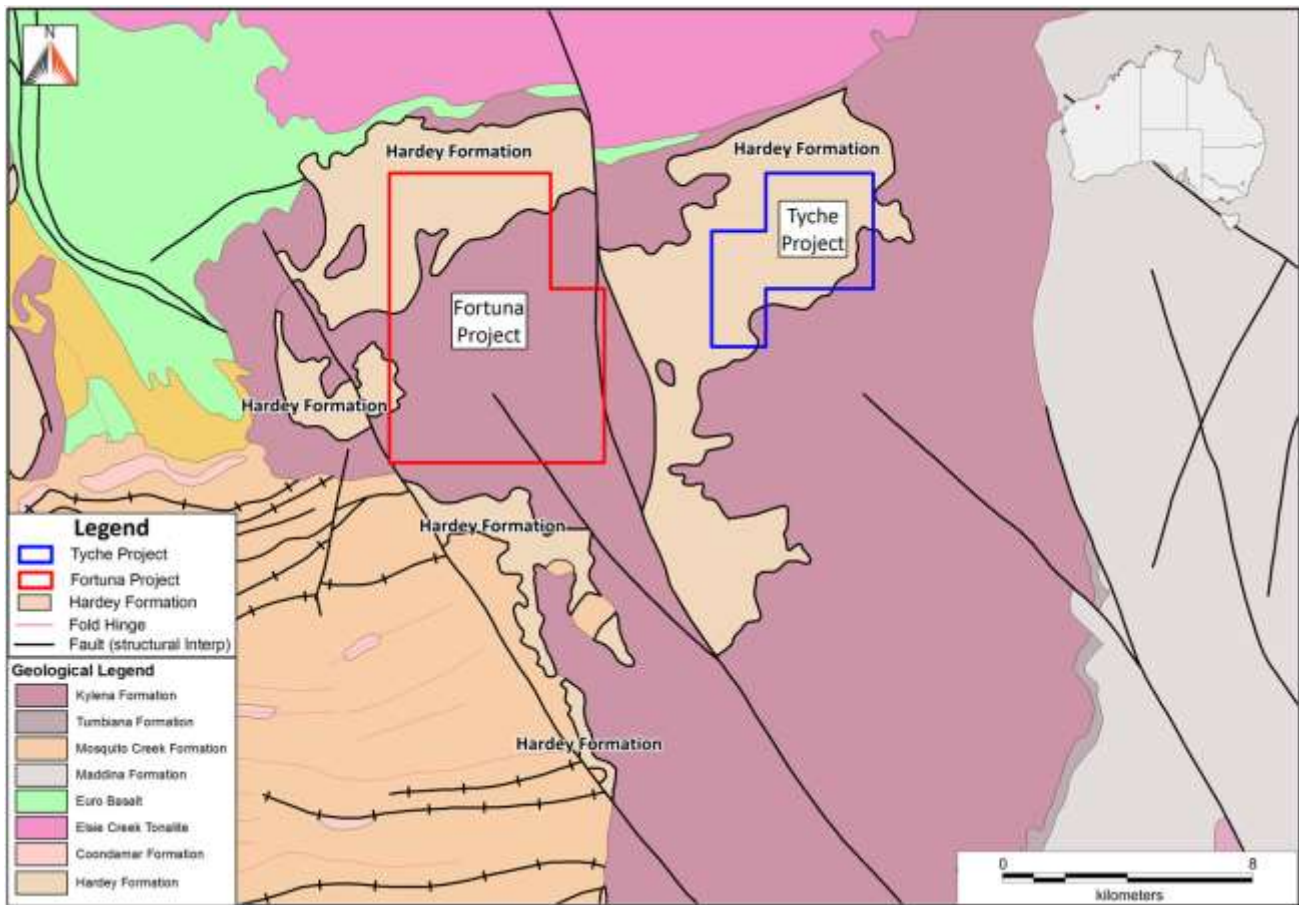
intercepts ranging from 1.86 gptAu to 5.85 gptAu at the Farrel Well area (WAMEX reports A86631A71514, A108778 and A108779).

Overall, the Cuprite West & East Project has the potential to host significant epigenetic gold and syngenetic massive sulphide mineralization.

Tyche and Fortuna Projects

The Tyche Project sits over the two stratigraphic units of the Fortescue Group which comprise the Hardey and Kylenea Formations. Encouragingly, the Hardey Formation, which has been mapped across 90% of the tenure area is typically linked with gold mineralization. The Kylenea Formation, which is present on the eastern boundary, has been known to host elevated gold in quartz veins within basalt (Figure 4). Meanwhile, within the Fortuna Project, the Hardey Formation is present across 22% of the tenure, which is the first priority target.

FIGURE 4: TYCHE & FORTUNA PROJECTS



Source: Geological Survey of Western Australia (refer Reference 3)

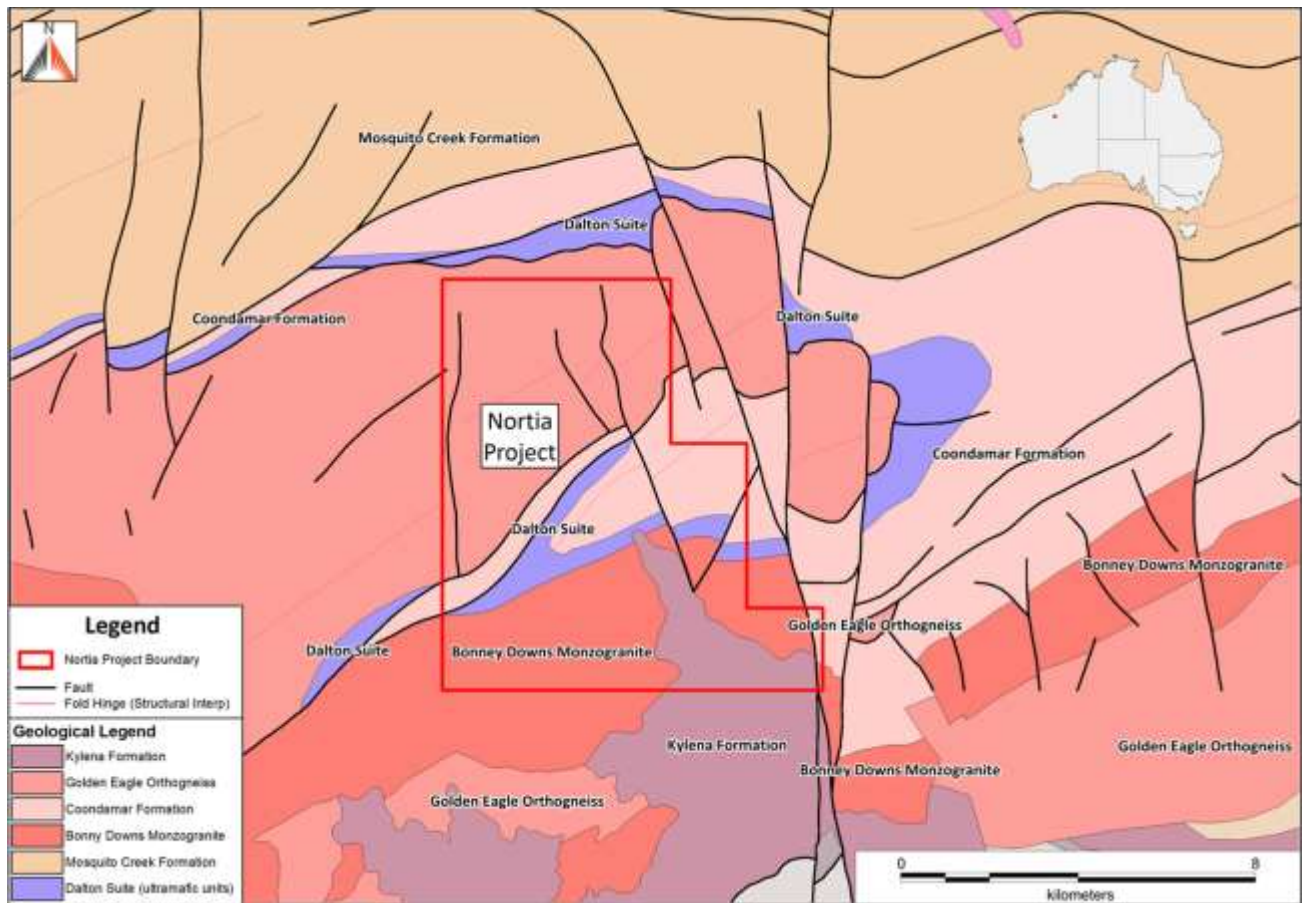
Nortia Project

For the Nortia Project (Figure 5), shear-hosted gold mineralization is the target as the tenure contains ancient greenstone / granite assemblages, intersected by multiple faults and shears.

Specifically, the Dalton Suite ultramafic unit is present in the center of the tenure, with several faults and shear zones apparent at the main focus area.

Regionally, there are significant shear-hosted gold occurrences related to ultramafic units, fault and shear zones.

FIGURE 5: NORTIA PROJECT



Source: Geological Survey of Western Australia (refer Reference 3)



Next Steps

Australian Goldfields' geology team in Western Australia is planning an inaugural site visit to begin formulating a comprehensive exploration and priority development campaign. This will complement ongoing desk-top work that will aid fine-tuning which areas to focus exploration efforts.

Further, a National Instrument 43-101 Technical Report on the Beatons River Gold Project is now underway and will be released in due course.

ON BEHALF OF THE BOARD

Adrian Hobkirk, President and CEO
Graphite Energy Corp. / Australian Goldfields, Ltd.

For further information, please telephone: (954) 684-8040 or australiangoldfields.com.

The Canadian Securities Exchange has not reviewed, nor approved the contents of this news release.

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Qualified Person

The preparation of this press release was supervised by Mr Matthew Stephens, a Certified Professional Geologist and a Qualified Person under NI 43-101. Mr Stephens approves of the technical and scientific disclosure contained in this press release.

Forward-Looking Statements

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out here in, including but not limited to: the potential impact of epidemics, pandemics or other public health crises, including the current outbreak of the novel coronavirus known as COVID-19 on the Company's business, operations and financial condition, the inherent risks involved in the general securities markets; uncertainties relating to the



availability and costs of financing needed in the future; the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, currency fluctuations; regulatory restrictions, liability, competition, loss of key employees and other related risks and uncertainties. The Company undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents managements' best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.



References

- 1) Novo Resources Corp – NI 43-101 Technical Report: Mineral Resource Update, Beatons Creek Conglomerate Gold Project, Pilbara Region, Western Australia, 13th May 2019 - <https://www.novoresources.com/resources/presentations/technical-report.pdf>
- 2) Mineral exploration reports (WAMEX), Department of Mines, Industry, Regulation and Safety, Government of Western Australia <<http://www.dmp.wa.gov.au/WAMEX-Minerals-Exploration-1476.aspx>>