



VALENCE
INDUSTRIES

ASIA PACIFIC | EUROPE | NORTH AMERICA

16 October 2015

ASX: VXL & VXLO

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

MANAGING DIRECTOR APPOINTMENT

Valence Industries Limited (the 'Company' or 'Valence Industries') advises that Mr Christopher Darby has decided to resign as Managing Director and CEO of Valence Industries to accept an executive strategy and customer focussed role within the Company, effective 1 December 2015.

The Company's Chief Operating Officer, Mr Robert Mencil, will be appointed Deputy Managing Director effective 19 October 2015 and will join the Company's Board. Mr Mencil will be appointed Managing Director effective 1 December 2015.

Mr Graham Spurling, Chairman commented: "We thank Christopher Darby for leading the business in its critical start-up phase. His commitment to the business and contribution to our growth has been significant. We also welcome the role that Robert Mencil has agreed to take on as the Company moves to a new phase focused on production."

This Company's current stage requires a strong engineering and production team focus. Mr Mencil has engineering qualifications and experience with production facilities as well as experience as a Managing Director of an ASX listed entity. Further background on Mr Mencil's experience is attached.

Mr Mencil commented: "I am delighted to be taking over from Christopher Darby at this exciting transition point for Valence Industries. The Company has a world-class graphite resource, in a safe and stable operating location, close to our major customers in the Asian region.

"We are in the enviable position of having an operating plant that is producing quality graphite, although not at the rate the plant will be capable of. The Company is transporting graphite at grades between 90% to 96% from our Uley Graphite site to our warehouse in Adelaide prior to commencing customer shipments. We aim to be a bottom quartile cost producer, and I look forward to providing further detail on our operational upgrade and expansion plans in coming weeks."

Graham Spurling
Chairman
Valence Industries Ltd

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Robert Mencil
Career Background

Robert Mencil has extensive experience in the resources sector, with over 20 years developing a wide range of engineering, mining and mineral processing operations, translating strategic management objectives into operable practices. He has proven leadership abilities in developing cohesive teams to achieve stated outcomes within specific time frames. Robert has an MBA (Technology I Management), a Graduate Diploma in Management and a Bachelor Degree in Engineering (Mining).

Robert worked for three years with Tenix, initially as Deputy Project Manager for the \$530m M113 Upgrade Project, followed by two years as Manager of Tenix's Fleet and Logistic Services business during which time he successfully expanded the business from a one project business to a national and internationally focused business. He successfully completed the upgrade of the Bandiana Production Facilities on budget and 12 months ahead of schedule. Robert co-founded disruptive innovation companies Bravo Resource Solution Pty Ltd and Midas Environmental Technology Pty Ltd

From 2006 to 2012 he was the General Manager at Mount Gibson where he oversaw the expansion of the Talling Peak Direct Ship Hematite Project from a 1mtpa operation to 3mtpa operation on budget and schedule. Robert oversaw construction and commissioning of major infrastructure including the successful transition from contract mining to owner operator. Most recently he was the Managing Director of Ironclad Mining Limited where he obtained all outstanding Federal and State approvals for the 1.2mtpa Wilcherry Hill Iron Ore Project, including the bulk storage facility. Prior to that, as Chief Operating Officer at Ironclad, Robert led the re-design and development of the Wilcherry Hill Project.

Robert has previously held senior operational management roles with Normandy Mining Limited, and WMC Limited. At Normandy he managed the successful Callie Opencut, one of Australia's largest and most profitable open cut gold mines, and was project manager for the Groundrush pre-feasibility study, responsible for obtaining all Government and Central Land Council approvals and mining permits.

Summary of key terms and conditions of employment for Mr Robert Mencil

Remuneration: Mr Mencil's current annual remuneration comprises of a fixed annual salary of \$300,000, plus superannuation at the statutory rate (currently 9.5%).

Employment term: Mr Mencil's employment is for an indefinite duration, commencing on 17 August 2015. The employment may be terminated by giving the following notice:

<i>Period of service</i>	<i>Period of notice</i>
3 months or less	1 week
Over 3 months	12 weeks
Over 12 months	24 weeks

The employer may terminate Mr Mencil's employment with a lesser period of notice on payment in lieu of notice not given.