CHUNXING

Chunxing Corporation Pty Ltd

A.C.N. 632 456 538

A.B.N. 50 632 456 538

Statement on Campbellfield battery recycling plant fire

On Sunday 9 August a fire at MRI Australia's e-waste and battery recycling facility in Campbellfield was reported in the media.

Understandably there has been a connection made between this incident and concerns about similar risks at Chunxing's proposed Used Lead Acid Battery (ULAB) recycling facility in Hazelwood North.

The facility in Campbellfield does not process ULABs at all. It disassembles and processes e-waste, such as computers and TVs, as well as nickel-cadmium (NiCad) batteries. It also accepts lithium-ion batteries.

While fires can occur in a range of industrial and residential settings, ULABs themselves are not a particular fire risk – there are no flammable components to their chemistry.

The major hazard associated with lithium-ion batteries, on the other hand, both in use and spent, is fire and explosion risk. Lithium-ion batteries have a number of operational advantages over other battery types but their lack of viable recycling infrastructure and significant safety risks with disposal are major disadvantages compared to longstanding lead acid battery technology.

Office: Level 1 Unit 7 11 Lord Street, Botany, NSW 2019

Email: office.au@jschunxing.com

Website: www.jschunxing.com

www.chunxing.com.au

Tel/Fax: +61 2 8335 0810

Lithium-ion batteries are very energy-dense when compared to lead acid. They can also contain flammable electrolytes (rather than water in a lead acid battery). That is why these batteries are strictly prohibited by airlines and are not allowed in checked luggage. While these factors are not typically a concern in the operational battery, damage or puncture during collection, sorting or disposal, as a waste, can result in explosion.

Used lead acid batteries have endured over a long period of time because they are inexpensive, use well-established and economic recycling technologies and have these safety advantages in storage and recycling, when compared to other battery types.

Equating the Campbellfield facility's operations and risks with the proposed ULAB facility in Hazelwood North has no basis in fact. The batteries received and technology applied are totally unrelated.

For more information about the proposed project at Hazelwood North, please visit www.chunxing.com.au.

Regards,

Dr Lakshman Jayaweera

CEO

Chunxing Corporation Pty Ltd Australia

Address: Unit 104 Level 1 Unit 7 11 Lord Street, Botany, NSW 2019

Mobile: 0418 239 441

Email: lakshman.jayaweera@jschunxing.com

Website: www.chunxing.com.au