

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: On-site Inspection**

P133173179

FACILITY: GRAPHEX MICHIGAN I, LLC		SRN / ID: P1331
LOCATION: 21445 HOOVER ROAD, WARREN		DISTRICT: Warren
CITY: WARREN		COUNTY: MACOMB
CONTACT:		ACTIVITY DATE: 08/20/2024
STAFF: Adam Bogнар	COMPLIANCE STATUS: Compliance	SOURCE CLASS:
SUBJECT: Scheduled Inspection		
RESOLVED COMPLAINTS:		

On Tuesday, August 20, 2024, Michigan Department of Environment, Great Lakes, and Energy-Air Quality Division (EGLE-AQD) staff Adam Bogнар conducted a scheduled inspection of Graphex Michigan I (the “facility”) located at 21445 Hoover Road, Warren, MI 48089 – Suite 400. The purpose of this inspection was to determine the facility’s compliance status with the Federal Clean Air Act; Article II, Part 55, Air Pollution Control of Natural Resources and Environmental Protection Act, 1994 Public Act 451; Michigan Department of Environment, Great Lakes, and Energy, Air Quality Division (EGLE-AQD) rules; and PTI No. 50-23.

I determined that Graphex Michigan I was never constructed. The business was granted a construction waiver by AQD in November 2022 to construct four coated spherical graphite construction lines. PTI No. 50-23 was issued on April 6, 2023. This coated spherical graphite material is used as an anode material in battery production. Graphex is a Cayman Island company with principal offices in Hong Kong and regional offices in Shanghai and Royal Oak, MI. There is currently an operational coated spherical graphite plant located in China. Graphex’s strategy is to expand its operations globally to support energy transition and electrification efforts worldwide.

This facility was planned for construction inside the Emerald Business Park. I arrived at the entrance of the Emerald Business Park at 11:30 am. The guard would not allow me inside the park. The guard explained that the Emerald Business Park is comprised of mainly cannabis businesses, so there are security guards at all entrances of the park, but he had never heard of Graphex. I drove around the park to see if there was another entrance to Graphex. I was stopped by another guard at the 2nd entrance. There was a sign near the 2nd entrance that read “future home of Graphex”.

I informed the 2nd guard that I needed to get in there to inspect the facility. The 2nd guard sent me back to the main gate. I had the guard at the main gate call the business park manager. I spoke with the business park manager who informed me that Graphex did not receive the necessary funding to construct the planned spherical graphite coating plant in this business park. The business park manager explained that all the Graphex signage is going to be taken down shortly. The main gate guard agreed to escort me into the business park and show me the Graphex facility.

I drove into the business park with the security guard in my passenger seat. We drove to 21445 Hoover Road, Warren, MI - Suite 400. The guard unlocked the main door and allowed me inside the facility. I observed that the entire plant is being used to store various equipment for surrounding businesses. I drove the guard back to the guard shack and left the business park at around 12 pm.

Prior to this investigation, I called John Demaio, CEO of Graphex. I left two separate voicemails. John never got back to me. I attempted contacting several of the people involved in the PTI No. 50-

23 application process. I called the number listed for their Royal Oak, MI office – it was disconnected. I was not able to reach anyone from Graphex.

Based on my findings during this investigation, Graphex Michigan I was never constructed, and will not be constructed in the near future. Graphex has until October 6, 2024, to complete construction of the permitted equipment in PTI No. 50-23, or that permit will become void.

NAME Adam Bogner

DATE 8/21/2024

SUPERVISOR Joyce