

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 21 February 2022 (**Prospectus**) issued by International Graphite Limited (ACN 624 579 326) (**Company**).

This Supplementary Prospectus is dated 4 March 2022 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.internationalgraphite.com.au.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

2. REASONS FOR THE SUPPLEMENTARY PROSPECTUS

The Supplementary Prospectus has been prepared to provide investors with additional information in relation to the graphite specifications of the Springdale Graphite Project (in particular, further detail regarding flake size distribution), the classification of Mr David Pass as a non-independent Director, further disclosure regarding the related party arrangements with Battery Limits (an entity controlled by Mr Phillip Hearse), and minor typographical errors have been updated. The potential for future escrow relief in respect of certain Consideration Shares to be issued to Comet pursuant to the Acquisition is also foreshadowed. The content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors. No offers have been made under the Prospectus as at the date of this Supplementary Prospectus.

3. AMENDMENTS TO THE PROSPECTUS

The Prospectus is amended as set out below.

3.1 Section 5.3.1 (Springdale Graphite Project) is amended as follows:

- (a) The following paragraphs are inserted at the end of Section 5.3.1 under the heading 'Mining and Metallurgical Considerations':

"As set out in Comet's ASX announcement dated 21 September 2021, the Springdale graphite testwork reported by Comet demonstrated that recovered concentrate product would qualify as a high grade (>94%TGC), fine (200mesh, -75µm) marketable product. There is minimal flake graphite larger than 200mesh (+75µm) and from a flake distribution perspective, the flake graphite is essentially all -200 mesh. Graphite sizing below 200 mesh is not reported as this is a single size classification. Sizing data is not reported as a continuous distribution but against designated product sizes and or specification. The loss on ignition (**LOI**) value of the concentrate material is relatively high at 95% (Carbon content), while fraction analysis showed that the LOI content is relatively similar for all size fractions, indicating successful results from flotation in the production of the concentrate. The mean particle size, measured by laser analysis, was approximately 30 microns (D50). Please refer to the Comet announcements dated 21 September 2021, 10 November 2021 and 30 November 2021 for further detail.

In addition, as noted in the petrography, there may be more coarse graphite within the Springdale deposits. However, the test work samples to date have shown fine -200mesh graphite as a flake size category. Accordingly, in accordance with the requirements of clause 49 of the JORC Code (2012 Edition), the graphite flake size is reported against the market specification (in this case, -200 mesh)."

3.2 Section 5.11 (Restricted Securities) is amended as follows:

(a) The following paragraph is inserted at the end of Section 5.11:

"The Company notes that the Company and or Comet may seek the in-principle advice of the ASX to confirm that the requirements in Listing Rule 9.1 will not apply to the Consideration Shares to be issued to Comet pursuant to the Acquisition Agreement in the event that Comet decides to distribute such Shares to unaffiliated Comet shareholders under an in-specie distribution (which distribution is not presently proposed and would be subject to the approval of Comet shareholders). In the event that the ASX confirms that the requirements in Listing Rule 9.1 will not apply to the Consideration Shares, up to 40,000,000 Shares will not be subject to escrow at a future point in time."

3.3 Sections 6.3 and 6.4 (Statement of Profit or Loss and Other Comprehensive Income of the Company) and (Statement of Cash Flows of the Company) (respectively) are amended as follows:

(a) The headings of the third column of the tables which read "30 June 2021" be deleted and replaced with "30 June 2020".

3.4 Section 8.1 (Directors and key personnel) is amended as follows:

(a) The reference to "The Board considers that David is an independent Director" is deleted and replaced with "The Board does not consider that David is an independent Director".

3.5 Section 8.5 (Agreements with Directors and related parties) is amended as follows:

(a) The following paragraphs are inserted at the end of Section 8.5:

"In particular, the Company notes that it has entered into an agreement with Battery Limits, a related party by virtue of being an entity controlled by Director, Mr Phillip Hearse, in respect of professional consulting services to be provided to the Company for a fixed term and at industry standard rates (refer to Section 9.3.2). In terms of the decision-making process to be followed by the Company in respect of matters involving Battery Limits (for example, approving a future work program or an amendment to the Professional Services Agreement), the process will be as follows:

- (a) Messrs Hearse and Pass will each disclose their material personal interest in the Battery Limits matter to the Board in accordance with section 191 of the Corporations Act;
- (b) details of the interest will be recorded by the Company Secretary (presently, Mr Robert Hodby) in minutes of the meeting, along with a description of the background to the transaction and record as
- (c) to whether or not there is a sufficient quorum of non-interested Directors;
- (d) Messrs Hearse and Pass will not be present whilst the matter is being considered at the meeting, or vote on the matter (the Board acknowledges that this prohibition extends to resolutions made without a meeting) and this too will be recorded in the minutes of the meeting;
- (e) where the matter involves the giving of a financial benefit to Battery Limits (which is a related party by virtue of being an entity controlled by Mr Hearse), the independent directors must demonstrate that Chapter 2E of the Corporations Act has been considered by the independent directors (in particular, sections 208 and 210 to 216 of the Act) and that an exception to the requirement to obtain the Shareholder approval applies i.e. the giving of the benefit to the related party is on arm's length terms (and that the availability of the exception has been independently verified) and this will also be recorded in the minutes; and
- (f) if there is an insufficient number of independent Directors to form a quorum at the Board meeting, or the Directors are not able to determine that an exception to the requirement to obtain the approval of Shareholders applies under Chapter 2E of the Corporations Act, the matter will be put to Shareholders in accordance with section 195(4) of the Corporations Act (and this too will be disclosed in the minutes of the meeting)."

3.6 Section 8.6(c)(ii) (Corporate governance) is amended as follows:

- (a) The reference to "The Board currently consists of three (3) Directors (two non-executive Directors and one executive Director) of whom Mr Worland and Mr Pass are considered independent." Is deleted and replaced with "The Board currently consists of three Directors (two non-executive Directors and one executive Director) of whom Mr Worland is considered independent."

4. AMENDMENTS TO ANNEXURE A – INDEPENDENT TECHNICAL ASSESSMENT REPORT

4.1 Section 3.3 (Mineral Resource Estimate) is amended as follows:

- (a) The following paragraphs are included under the heading 'Mining and Metallurgical Considerations':

"As set out in Comet's ASX announcement dated 21 September 2021, the Springdale graphite testwork reported by Comet demonstrated that recovered concentrate product would qualify as a high grade (>94%TGC), fine (200mesh, -75µm) marketable product. There is minimal flake graphite larger than 200mesh (+75µm) and from a flake distribution perspective, the flake graphite is essentially all -200 mesh. Graphite sizing below 200 mesh is not reported as this is a single size classification. Sizing data is not reported as a continuous distribution but against designated product sizes and or specification. The loss on ignition (LOI) value of the concentrate material is relatively high at 95% (Carbon content), while fraction analysis showed that the LOI content is relatively similar for all size fractions, indicating successful results from flotation in the production of the concentrate. The mean particle size, measured by laser analysis, was approximately 30 microns (D50).

In addition, as noted in the petrography, there may be more coarse graphite within the Springdale deposits. However, the test work samples to date have shown fine -200mesh graphite as a flake size category. Accordingly, in accordance with the requirements of clause 49 of the JORC Code (2012 Edition), the graphite flake size is reported against the market specification (in this case, -200 mesh).

Please refer to Appendix C for further detail."

4.2 Appendix C (JORC Code Table 1 – Springdale Graphite Project, Section 1: Sampling Techniques and Data) is amended as follows:

- (a) The follow row is inserted at the end of the table:

Other substantive exploration data	<ul style="list-style-type: none">• The dominant activity undertaken in the period covered by this announcement was metallurgical testwork aimed at testing how graphite concentrate from the high grade zone of the Springdale Graphite Project performed in tests designed to assess its ability to process into battery anode precursor material, and other value added products using fine graphite as the feed material. The work was undertaken on a composite sample prepared from two intervals, one being 6m from 26 – 32m from hole HD031 and 43.7m from 42 – 85.7m from hole HD024. These intervals represent shallow, highgrade graphite mineralisation that Comet believes has the potential for economic extraction via open pit mining methods.• The sample material was delivered to Metallurgy Pty Ltd (Metallurgy) metallurgical laboratory with the testwork managed by metallurgical experts, Independent Metallurgical operations (IMO).• Metallurgy received the prepared composite from Comet Resources as 2kg charges stage crushed to 100% passing 3.35mm. Twenty Five of the 2kg charges were combined and blended, with 40 kg representatively sub-sampled prior to stage grinding and undergoing several flotation and regrinding stages, respectively utilising a standard Denver
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flotation cell and vertical stirred regrind mill. Specialist reagent Ekofol-452G was utilized to conduct the flotation testing. Resulting flotation concentrates were sized at industry standard sizes, dried and submitted for total carbon and loss on ignition assay to determine the graphite content of each size fraction.

- A Bulk sample of approximately 13kg of concentrate was then sent to ProGraphite GmbH in Untergriesbach, Germany for testing.
- Upon arrival at ProGraphite the concentrate material was dried. This material was then subsequently used for all test work.
- A sample of the dried material was first classified and sized. The material is a very fine size fraction and would be categorised as -200 mesh product on the Chinese classification system. The material has a d50 of 29.3 microns. LOI of the material was 95.10%.
- Jet milling was carried out with an AFG jet mill from Hosokawa Alpine. The dried concentrate was used as feed material. The material processed very well. The throughput was high and the relative energy consumption low. The products from jet milling look very typical for this product category. This was also confirmed by the laser analyses. Density of the product is lower than for other jet milled products.
- Impact milling was carried out with a hammer mill. Again, the dried concentrate was used as feed material. After a number of trials, stable values were achieved, and ProGraphite assume that stable processing will also be possible in commercial use.

Spheronisation and purification:

- Micronizing was completed by using an impact mill with an internal classifier. The mill operates in a continuous mode, i.e. the amount of graphite in the grinding chamber is kept on a constant level. The amount of graphite which has reached the final size and therefore leaves the mill through the air classifier is replaced by fresh feed material. The target size of the spherical graphite was d50 of approx. 15 micron and d50 of approx. 20 micron. The feed material was easy to use. The flowability was good and the micronizing throughput was on average level. Two feed grades for spheronization were produced, both with mean particles sizes (d50 values) already close to the final products of 15 micron and 20 micron.
- The spheronisation was conducted with a specific mill, optimized to change the shape of the particles while at the same time impeding further significant particle grinding. The mill has an internal classifier, which separates the fine material, which doesn't report in the final product. During the spheronisation step, some fine material splits from the graphite particles. Such split material is also separated by the classifier. The fine split material is called the "by- product". Due to the considerable proportion of fine particle sizes in the starting material (concentrate from the flotation), the amount of by-product in the tests with this material is increased. ProGraphite uses a batch mill for the spheronisation procedure. The internal air classifier permanently removes the fines during the spheronisation process: at the beginning the fines, which are already in the feed product, during the spheronisation the resulting split material. The speed (rotation) of the air classifier in combination with the air flow through the mill/air classifier define the size of the fines being removed. The aim of the spheronisation step is to produce round graphite particles with

high tap density, high yield of coarse products and a low ratio of d90:d10.

- The material is suitable for spheronisation; it was possible to get spherical graphite with acceptable properties. The particle size distribution is typical for spherical graphite. The ratio between d90 and d10 is acceptable. The tap density is comparatively low. A high tap density is preferred as it results in batteries with 30 November 2021 higher capacities. It would take more test work to see if the tap density can be increased further. Further work to increase the tap density should be undertaken.
- The material seems to be more suitable for the production of finer SPG types, as used by EV manufacturers.
- 80 g of the spherical graphite produced was the used for an intensive purification. The main chemical used was NaOH and a hot alkaline digestion followed by an acid wash was carried out. The purification went well. An LOI value of 99.96% was measured, which is more than is normally considered a minimum for spherical graphite (99.95%).
- The product after purification was then examined by an external ICP analysis. The critical values for use in batteries, such as Fe, Si, Cr, Cu are below the typical specification limits.
- HF Purification was also performed on an 80g sample of spheronised product. An LOI value of 99.99% was measured, which is more than is normally considered a minimum for spherical graphite (99.95%).
- ICP assay of samples of spherical graphite purified both by NaOH and HF was conducted.
- Results are in the table below:

Element	NaOH ppm	HF Ppm
Ag	<0.1	<0.1
Al	8.9	17.1
Ba	<0.3	<0.6
Bi	<0.3	<0.5
Ca	32.7	17.1
Cd	<0.1	<0.1
Co	0.4	<0.1
Cr	4.1	0.6
Cu	3.2	0.8
Fe	22.1	12.3
K	<3.0	<4.9
Mg	2.4	6.7
Mn	0.3	0.2
Mo	0.2	<0.2
Na	217.0	4.4
Ni	7.9	<0.6
P	1.7	2.2

Element	NaOH ppm	HF Ppm
Pb	<0.3	<0.4
Si	25.7	20.8
Sn	<0.2	<0.4
Sr	<0.2	<0.3
Ti	0.6	18.0
V	<0.1	0.2
W	<0.2	<0.4
Zn	0.6	0.8
Zr	<0.1	2.3

Testing on yield optimisation involved the use of an air classifier to separate feed material into a coarse and fine fraction prior to spheronisation, with only the coarse fraction being processed into SPG. Implementation of this classification procedure resulted in the yield during spheronisation increasing to 60%, and tap density of the 15 micron SPG also increasing to 0.93 kg/l

Further work

Exploration drilling will be ongoing in the area of the JORC resource. Further holes are planned to test targets generated through the HeliTEM survey and metallurgical characterisation of graphite will be ongoing.

5. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

6. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and the Proposed Director.

In accordance with section 720 of the Corporations Act, each Director and the Proposed Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Mr Phillip Hearse
Executive Chairman
For and on behalf of
INTERNATIONAL GRAPHITE LIMITED