



ASX ANNOUNCEMENT

14 July 2022

PRE-QUOTATION DISCLOSURE – CONFIRMATION STATEMENTS

Sarytogan Graphite Limited (ACN 107 920 945) (**Company**) provides the following confirmations to satisfy conditions for the admission of the Company to the Official List of ASX and the quotation of the Company's securities.

Capitalised terms in this announcement have the same meaning as given under the Company's prospectus dated 23 February 2022 as supplemented by the Company's supplementary prospectus dated 20 May 2022 (together, the **Prospectus**) unless the context otherwise requires.

1. COMPLETION OF OFFER

The Company confirms that all conditions to the Offer under the Prospectus have been satisfied, the Offer has been closed, and the Company has issued:

- (a) 42,500,000 Shares under the Offer at an issue price of \$0.20 per Share to raise \$8,500,000; and
- (b) 15,953,339 Options at an issue price of \$0.01 per Option to raise \$159,533.

2. COMPLETION OF EXCHANGE AGREEMENT

The Company confirms that the conditions precedent have been satisfied and completion has occurred under the Exchange Agreement. In accordance with the terms of the Exchange Agreement, the Company confirms that it has issued:

- (a) 51,764,706 Shares; and
- (b) 14,117,646 Performance Shares,

to Ustar Ventures Ltd.

3. COMPLETION OF SIDE DEED

The Company confirms that the conditions precedent have been satisfied and completion has occurred under the Side Deed. In accordance with the terms of the Side Deed, the Company confirms that it has issued 7,000,000 Shares to Ustar Ventures Ltd as reimbursement for expenditure of approximately USD\$1,000,000 incurred on the Sarytogan Graphite Project.

4. SARYTOGAN GRAPHITE PROJECT

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering the tenement with the contract number 1139-

R-TPI in the Sarytogan Graphite Project and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

5. ISSUE OF SECURITIES

In addition to the Shares issued pursuant to the Offer, the Company confirms that the Company has issued the following Securities:

- (a) 800,000 Shares issued to Inyati Fund Pty Ltd;
- (b) 800,000 Shares issued to RM Corporate Finance;
- (c) 2,062,500 Shares issued to S3 Consortium Pty Ltd;
- (d) 2,000,000 Options to Sean Gregory exercisable at \$0.25 and expiring 30 November 2024;
- (e) 2,000,000 Options to Waldemar Mueller exercisable at \$0.25 and expiring 30 November 2024;
- (f) 2,000,000 Options to Stephen Penrose exercisable at \$0.25 and expiring 30 November 2024;
- (g) 1,500,000 Options to Brendan Borg exercisable at \$0.25 and expiring 30 November 2024; and
- (h) 6,000,000 Performance Rights to Sean Gregory.

6. CAPITAL STRUCTURE

The capital structure of the Company as at the date of admission of the Company to the Official List of the ASX is set out below.

Security	Number
Shares	132,490,562
Options ¹	42,753,339
Performance Shares	14,117,646
Performance Rights	6,000,000

Notes:

- 1. Comprising:
 - a. 15,800,000 escrowed Options exercisable at \$0.25 on or before 30 November 2024; and
 - b. 26,953,339 quoted Options exercisable at \$0.25 on or before 30 November 2024.

7. RESTRICTED SECURITIES

The Company confirms that following quotation of the Company's securities on the Official List of ASX, the following securities will be restricted pursuant to the ASX Listing Rules for the period outlined below.

Class	Number	Restriction Period
Shares	70,783,419	24 months from the date of quotation
Shares	1,137,500	12 months from 6 October 2021
Options	13,037,500	24 months from the date of quotation
Options	1,012,500	12 months from 6 October 2021
Options	1,750,000	12 months from 16 May 2022
Performance Rights	6,000,000	24 months from the date of quotation
Performance Shares	14,117,646	24 months from the date of quotation

The Company confirms that no securities will be subject to voluntary escrow.

8. EXTENSION OF SUBSOIL USE CONTRACT

The Company confirms that the Subsoil Use Contract was extended on 10 June 2022. The terms on which the Subsoil Use Contract was extended is included at item 3 of Annexure A.

This announcement was authorised for release by the Board of Directors of Sarytogan Graphite Limited.

For more information please contact:

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To: Sarytogan Graphite Limited

From: ERLICON CG Law Firm

Issue: Opinion on issues related to the extension of the term of Contract No. 5406-ТПИ dated October 26, 2018 by Ushtogan LLP

Date: 28.06.2022

Introduction

This opinion has been prepared by Erlicon CG Limited Liability Partnership, a law firm incorporated and operating in the Republic of Kazakhstan (hereinafter - the "RK"), for Sarytogan Graphite Limited, a company incorporated and operating in Western Australia, for its submission to the Australian Securities Exchange as part of a pre- quotation market disclosure.

Our law firm was founded by two managing partners - Diyar Yereshev and Yessen Massalin.

Diyar Yereshev has more than 20 years of legal experience in taxation, subsoil use and civil law. Diyar Yereshev's experience includes advising the Ministry of Energy of the RK on improvement of legislation on subsoil use, participation in working groups on development of the draft law "On Subsoil and Subsoil Use", advising and participating in working groups on development of the Code of the RK "On Subsoil and Subsoil Use".

Yessen Massalin has more than 20 years of practice management experience in the leading law firms of the RK. Yessen Massalin is the author of more than thirty publications on corporate governance, subsoil use, taxation, judicial practice and improvement of legislation of the RK.

Since 2011 the specialists of our law firm are regularly recommended by the reputable international legal rating agencies (Legal 500, Chambers and IFLR1000) as the leading lawyers in the RK and Asia.

In preparing this opinion we have analyzed the materials provided to us by Sarytogan Graphite Limited and Ushtogan, and held talks with representatives of Sarytogan Graphite Limited and Ushtogan to explain the clarifying issues.

This opinion has been prepared by us with due care and diligence, and on the basis of the materials made available to us. We assume no liability for any omissions or misrepresentations in this opinion if such omissions or misrepresentations are discovered from materials not made available to us. The contents of this opinion reflect the circumstances known to us prior to *June 28, 2022*.

As follows from the registration data of the egov.kz e-government web-portal, acting as the official state source of information in the territory of the RK, Sarytogan Graphite Limited is the sole participant in Ushtogan Limited Liability Partnership (hereinafter – "Ushtogan").

Sarytogan Graphite Limited has requested us to disclose in this opinion the following matters with respect to the Graphite, Rare, Rare Earth and Noble Metal Exploration Contract for the Sarytoganbay Area in the Karaganda Region of the RK entered into on October 26, 2018 between Ushtogan and the Ministry of Industry and Infrastructure Development of Kazakhstan (hereinafter - the "Competent Authority"), registered with the Competent Authority under No. 5406-ТПИ (hereinafter - the "Contract"):

- The license is in good standing;

- The exploration license has been extended;
- The new term of the license;
- That Ushtogan has the right to undertake exploration activities on the license in accordance with its proposed work program.

Pursuant to paragraph 1 of the Contract, Ushtogan was declared the winner of the tender for the subsoil use rights under the Contract in accordance with Minutes on the results of the tender No.4.8 dated June 22, 2018.

Currently, relations in the sphere of subsoil use are regulated by the terms of the Contract, the Code "On Subsoil and Subsoil Use" adopted on December 27, 2017 (hereinafter - the "Code"), while certain provisions of the Law "On Subsoil and Subsoil Use" adopted on June 24, 2010 (hereinafter - the "Law") also continue to apply to subsoil use contracts concluded before the enactment of the Code. All information and materials are analyzed by us from the point of view of provisions of the Contract, the Code and the Law.

1. *The license is in good standing*

The Contract was concluded on October 26, 2018, i.e. after the Code came into force. At the same time, in accordance with Clause 3 of Article 278 of the Code, the conclusion of a contract based on the results of a tender (auction) held before the date of enactment of the Code is carried out in accordance with the procedure and on the terms of the Law. In accordance with Clause 2 of Article 35 of the Law, a subsoil use contract is concluded with the winner of the tender based on its results. According to paragraph 1 of the Contract, Ushtogan was recognized as the winner of the tender for granting the subsoil use right under the Contract in accordance with the Minutes on the results of the tender No. 4.8 dated June 22, 2018.

According to Clause 1 of Article 278 of the Code, subsoil use contracts issued and concluded before the Code came into effect, as well as all related acts of the executive bodies of the RK remain valid.

To the best of our knowledge, there are no circumstances to suggest that Ushtogan has illegally obtained the subsoil use rights under the Contract, or that the tender for the subsoil use rights under the Contract was improperly conducted, and as a result, to our knowledge, there are no entities who can challenge the availability of Ushtogan's rights to conduct subsoil use operations under the Contract.

According to Clause 1 of Article 68 of the Law, the contract on subsoil use is subject to compulsory registration in the Competent Authority and comes into force from the moment of its registration. The Competent Authority carried out the registration of the Contract on October 26, 2018 under No.5406-ТПИ.

The term of the Contract has been extended until June 10, 2025 (*see Section 3 below for more details*), and, to our knowledge, Ushtogan does not plan to undertake voluntary liquidation proceedings, there are no grounds to commence involuntary liquidation of Ushtogan, the parties to the Contract are not planning to terminate the Contract by common agreement, and Ushtogan is not planning to refuse (return) the entire Sarytogan site where work under the Contract is conducted.

Pursuant to Clause 1 of Article 74 of the Law, the grounds for invalidation of a contract are:

- invalidation of the tender (auction) for granting the right to subsoil use;
- absence of obligatory conditions established by the Law in the contract;
- establishment of the fact of providing the Competent Authority with knowingly unreliable information that influenced its decision to conclude the contract with this person;
- other grounds stipulated by the laws of the RK.

To the best of our knowledge, there are no grounds to invalidate the Contract. As it follows from the information available (provided to us) for analysis, there are no grounds for invalidation of the tender (auction) for subsoil use rights under the Contract, at the conclusion of the Contract Ushtogan did not mislead the Competent Authority in any way, and the Contract contains all mandatory conditions.

According to paragraph 74 of the Contract the Competent Authority has the right to unilaterally terminate the Contract ahead of time in the following cases:

- if the subsoil user fails to eliminate more than two violations of the obligations established by the Contract within the period specified in the notification of the Competent Authority;
- in case of transfer by the subsoil user of the right of subsoil use and (or) the objects connected with the right of subsoil use without the permission of the Competent Authority (if it is necessary);
- in case of refusal to submit or submission of unreliable information to the Competent Authority;
- at implementation of less than 30% for 2 consecutive years of the financial obligations established by the Contract.

As far as we know, based on the practice of the Competent Authority, the Competent Authority does not take a positive decision in terms of extension of the term of validity of the subsoil use contract in case if under such contract the subsoil user has unfulfilled financial obligations.

2. The exploration license has been extended

Pursuant to Clause 12 of Article 278 of the Code, subsoil use contracts may be amended. According to Clause 14 of Article 278 of the Code a subsoil use contract may be extended for the period necessary to carry out works on evaluation of a discovered field. According to paragraph 6 of the Contract, in case of discovery of the field Ushtogan has the right to extend the Contract for the period required for its evaluation. The fact of discovery of the deposit requiring evaluation and geographical coordinates of the subsoil area, where the evaluation of the discovered deposit is supposed to be carried out, is confirmed by the conclusion of the Competent Authority for subsoil studies about the discovery of the deposit.

To the best of our knowledge, the entire procedure described below for entering into a Contract Addendum between Ushtogan and the Competent Authority has been duly carried out in accordance with the Code.

The fact of detection of the deposit requiring evaluation and geographical coordinates of the subsoil area for evaluation were confirmed by the letter of the Committee of Geology of the Ministry of Ecology, Geology and Natural Resources of the RK No. 26-02-26/500 dated March 11, 2022.

On April 15, 2022, Ushtogan wrote Letter No. 14 to the Competent Authority requesting an extension of the Contract (the exploration period under the Contract). According to the Letter No. 04-2-18/15689 dated May 20, 2022, the Competent Authority, in accordance with the Minutes of the meeting of the Expert Commission dated May 12, 2022, decided to extend the Contract validity period for three years.

The Meeting of the working group of the Competent Authority on the issue of conclusion of an addendum to the Contract, providing for the condition of its extension, was held on May 19, 2022. As a result of this meeting, in accordance with Clause 12 of Article 278 of the Code, the working group recommended the draft addendum for signing. On June 10, 2022, Ushtogan and the Competent Authority entered into (registered) Addendum No. 1 to the Contract (hereinafter - "Addendum No. 1").

Amendments and additions to the contract, as well as the contract itself, are subject to mandatory registration with the Competent Authority by making appropriate entries in the register of contracts. As shown on the title page of Addendum No.1, the Competent Authority carried out its registration on June 10, 2022 under No. 6007-ТПИ.

3. The new term of the license

A written version of the original of Addendum No. 1 has been furnished to us for analysis. The registration of Addendum No. 1 with the Competent Authority took place on June 10, 2022, as indicated on its title page. Since amendments and additions to the contract are subject to mandatory registration with the

