

International Graphite (ASX:IG6)

QUARTERLY ACTIVITIES REPORT

June 2022

Highlights.

- International Graphite began trading on the ASX on 7 April 2022 as IG6
- Mine to market graphite operations are developing, fully integrated in Western Australia, with future downstream processing to produce battery anode material
- 100% of the Springdale Graphite Project acquired from Comet Resources (ASX:CRL) after A\$10m IPO
- A 7,100m maiden drilling program commenced at Springdale. Initial drilling intersected significant new graphite zone
- Graphite R&D micronising, spheroidising and purification equipment delivered and micronising and spheroidising installation well advanced at Collie
- Cash on hand of A\$8.9m as at 30 June 2022
- ESG: signing of non-binding MOU with pioneering renewables retailer ZEN Energy to reduce environmental footprint at Collie
- Community consultation commences in Hopetoun and Collie. Former Western Australian MP Mick Murray appointed to a community and government relations role at Collie

**This announcement has been authorised for release
by the Board of Directors of International Graphite.**



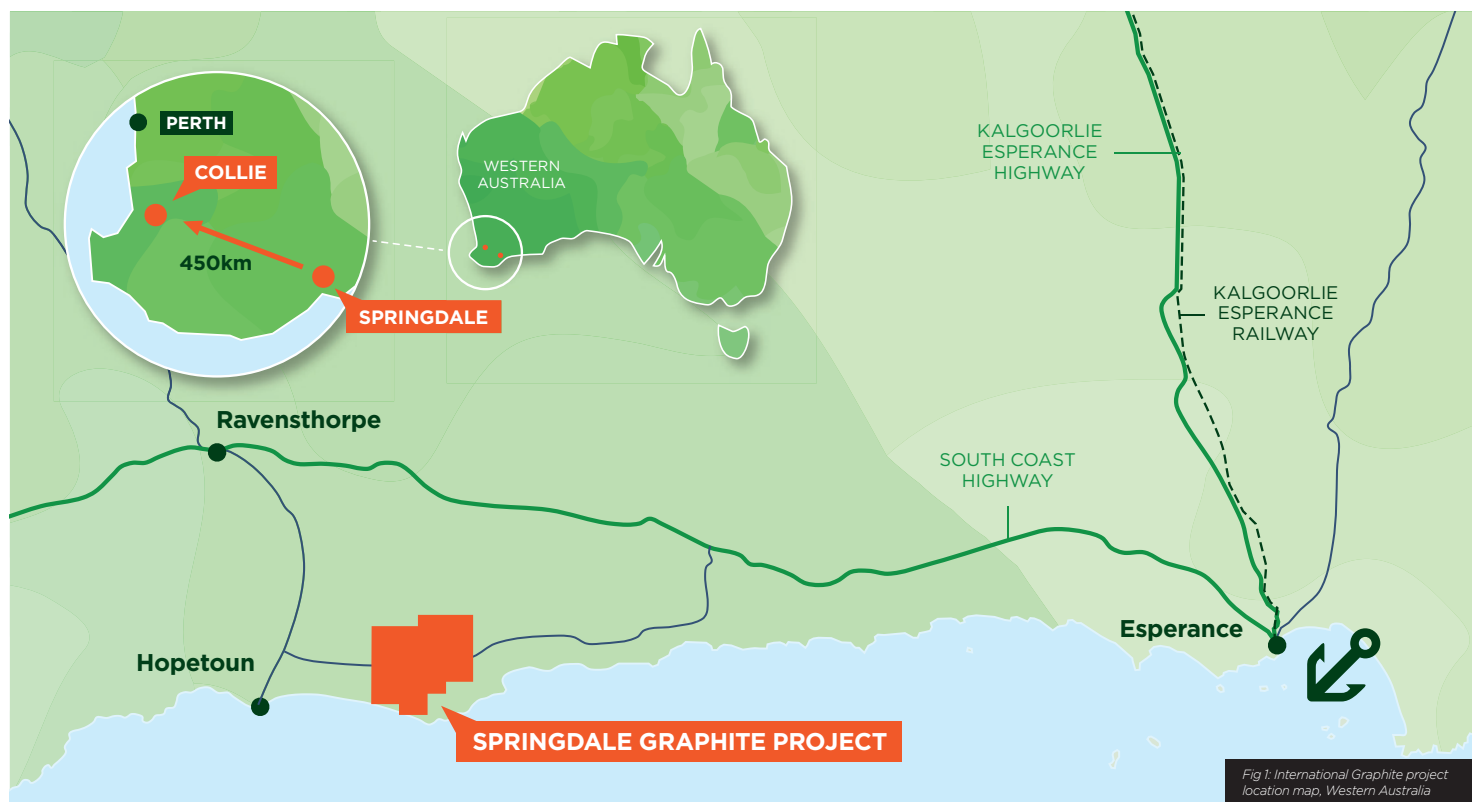
Phil Hearse

Executive Chairman

ASX:IG6 | FSE:H99 | ABN 56 624 579 326

www.internationalgraphite.technology





Message from the Executive Chairman

IT IS MY PLEASURE TO PRESENT THE FIRST QUARTERLY REPORT FOR INTERNATIONAL GRAPHITE SINCE THE COMPANY SUCCESSFULLY LISTED ON THE AUSTRALIAN SECURITIES EXCHANGE ON 7 APRIL 2022.

In the past three months we have experienced significant momentum as we work to lay the foundations for our future graphite operations at Springdale and Collie. The world's rapidly expanding focus on decarbonisation, and the critical need to plan for an expected shortage of battery materials, provides enormous opportunity.

International Graphite is uniquely placed as an emerging producer with our operations wholly contained in Western Australia, a location recognised as one of the most technically advanced, safest and most reliable resource provinces in the world.

We aim to build on this reputation to help Australia grow its critical minerals capability, to establish a reliable and quality alternative supply of battery graphite for our future customers and, in doing so, to deliver a strong and sustainable return for our investors.

Most importantly, we want to showcase our ability to deliver high standards of corporate performance across the spectrum of environmental, social and governance risk.

We have achieved some important milestones during the period, with the aim of accelerating our development program and bringing our vertically integrated operations online by 2024-25.

Phil Hearse

Executive Chairman



Successful IPO and ASX listing



Fig 2 (from left): CFO Robert Hodby, Chairman Phil Hearse and Director Andrew Worland on listing day.

The Company completed acquisition of the Springdale Graphite Project from Comet Resources Limited (ASX:CRL) following an initial public offering prior to listing of International Graphite on the Australian Securities Exchange. The IPO raised A\$10m and IG6 shares commenced trading on the ASX on 7 April 2022.¹

Springdale Graphite Project

A maiden drilling program began in June with two drilling rigs mobilising to the Company's Springdale tenements, near Hopetoun, on the south coast of Western Australia.

The 7,100m reverse circulation (RC) and PQ/HQ diamond drilling program, comprising a total of 54 RC drillholes (3,300m) and 12 diamond holes (900m), will infill the existing Springdale resource, provide additional samples for ongoing metallurgical testwork, and data for initial geotechnical assessments and mine planning. In addition, 37 RC holes (3,000m) will be drilled to test a number of high priority exploration targets.

The work aims to actively explore for new graphite targets and to expand and upgrade the existing resource from inferred to indicated status. It builds on previous investigation by Comet Resources and is the first on-ground program of work since International Graphite acquired the tenements in April this year.

The initial 9-hole (715m) drilling program has highlighted the potential for significant new discoveries close to the existing resource (Inferred Mineral Resource Estimate of 15.6Mt @ 6% TGC, including a high-grade component of 2.6Mt @17.5% TGC).²

Initial results were positive with RC drilling of high priority target (SDW_1), adjacent to the Company's existing Springdale graphite resource, intersecting multiple zones of shallow graphite mineralisation over a strike length of up to 700m.²

Springdale is a shallow graphite deposit with excellent metallurgical characteristics for battery anode material and extensive prospectivity for additional resources. When in operations graphite concentrates produced from Springdale are intended to become the primary feedstock for the Company's planned downstream processing activities at Collie. The project is at exploration and development stage and comprises two granted exploration licences and a prospecting license covering approximately 180km².



Fig 3: Drilling operations underway at Springdale.

¹ Reference ASX Announcement 7 April 2022

² Reference ASX Announcements 19 July & 28 July 2022



Table 1: Springdale Graphite Mineral Resource Estimate Summary

Domain	Tonnes (Mt)	Density (t/m3)	Graphite (TGC%)	Classification
High-grade	2.6	2.1	17.5	Inferred
Low grade	13.0	2.2	3.7	Inferred
Total	15.6	2.2	6.0	Inferred

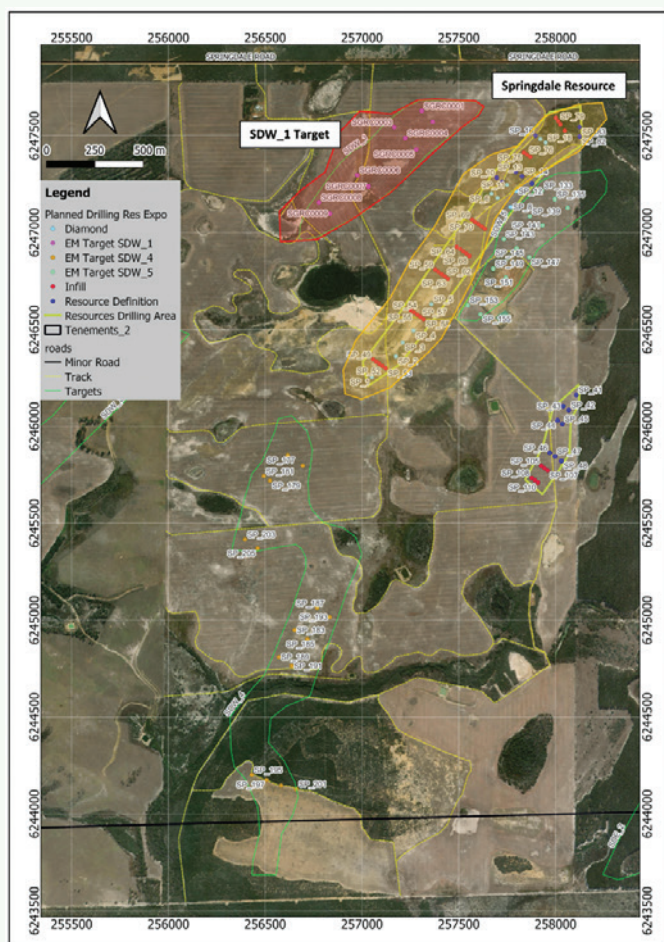
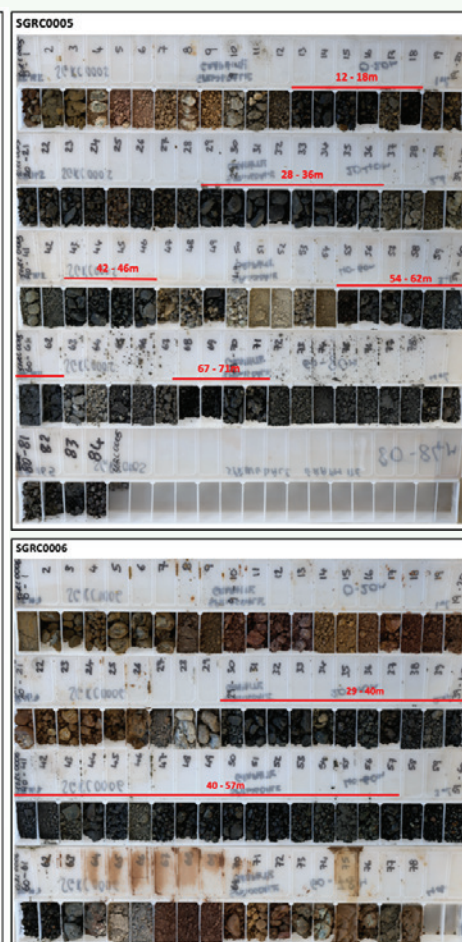


Figure 4: Drill collar for current and planned drilling.



Collie Research and Development Facility



Fig 6: Project team at new Collie facility.

Pilot scale equipment for graphite processing, including a high temperature purification furnace, have been delivered to the Company's new premises in the Collie Light Industrial Area, in Western Australia.⁴

The equipment for micronising and spheroidising – key steps in the graphite downstream process – is being installed and is expected to be commissioned in August 2022. Initially, it will be operated using imported graphite concentrate feedstock.

Building services are in place in the new facility and procurement is underway for additional power distribution and air systems services. Storage and materials handling systems specifications are being finalised.

In September 2021, the Western Australian Government awarded International Graphite a A\$2m grant to be used for development of a micronising production facility at Collie (subject to formal documentation being agreed).

The aim of the Collie R&D facility is to:

- Demonstrate the Company's ability to produce a high quality spheroidised product suitable for battery anode material.
- Establish International Graphite in the graphite marketplace prior to concentrates becoming available from Springdale.
- Assist in the development of a process for the purification of graphite concentrates.
- Support the development and design of a commercial line of micronised graphite.
- Provide process design data to integrate commercial downstream processing facilities at Collie with feedstock from the Springdale Graphite Project.



Fig 7: Research equipment installation.



Fig 8: Site visit (L-R) WA Regional Development Minister Alannah MacTiernan, Phil Hearse and local MLA Jodie Haan.

Product development and marketing

US-based graphite product marketing expert Christopher Whiteley, continues to provide strategic product sales and marketing advice to International Graphite.

ESG and Sustainability

International Graphite plans to be a leader in Environmental, Social and Governance (ESG) performance and to operate in a manner that minimises risk and maximises its social, economic and environment contribution. Our vertically integrated business aims to provide product oversight from mine to customer, enabling the Company to maintain control of its ESG practices along the complete supply chain.

Leadership and governance



Fig 9: Critical minerals forum at Government House, WA.

Western Australia's outgoing Governor Kim Beazley AC put critical minerals firmly on the State's development agenda hosting the first roundtable for industry leaders, including International Graphite's Executive Chairman Phil Hearse. The forum centred on Western Australia's critical mineral capacities and how the State can help secure vital supply chains.

The Governor, whose distinguished political and academic career includes a strong focus on defence and international relations, is a passionate and vocal advocate for the critical role that minerals and energy play in generating and securing economic growth and the opportunities they offer Australia as world-leading resource province.



⁴ Reference ASX Announcement 4 May 2022

Green power MOU

International Graphite and pioneering renewable energy retailer ZEN Energy announced a non-binding Memorandum of Understanding, on 26 April 2022. The agreement lays the foundation for cooperation aimed at reaching renewable energy supply agreements for International Graphite's downstream processing plant in Collie.⁵

A critical supply of green power underpins International Graphite's ability to deliver highly ESG accredited products into global markets and will help the Company achieve its targets for low carbon emissions and facilitate rapid production expansion.

ZEN Energy, whose major shareholder is leading climate change economist Professor Ross Garnaut, is seeking to build and operate a 'big battery' in Collie rated at 200MW of power capacity, and storing up to 800MWh of energy.

It is expected to be a key feature in a new Collie Battery and Hydrogen Industrial Hub Project, which is the centrepiece in the Western Australian Government's A\$100m strategy to create a major renewable energy centre in Collie and transition the local economy away from coal.



Fig 10: WA Regional Development Minister Alannah MacTiernan (foreground) unveils plans for the ZEN Energy big battery.

Community relations

International Graphite is establishing a strong and positive connection with the regional communities in which it operates.

In Collie, long-standing Western Australian Member of Parliament Mr Mick Murray has joined the International Graphite team. Mick represented the seat of Collie-Preston for more than 20 years and is assisting the Company to source local content and resources, navigate regulatory requirements, and provide advice as to how the Company can best contribute as part of the



Fig 11: Mick Murray joins the International Graphite team at Collie.

⁵ Reference ASX Announcement 26 April 2022



Corporate, Finance, Marketing and Investor Relations

European listing

International Graphite commenced trading on the Frankfurt Stock Exchange as (FSE:H99) on 12 April 2022 and subsequently on Europe's Tradedgate Exchange (WKN: A3DJY5). The Company is represented in Europe by the German Institute for Asset and Equity Allocation and Valuation (DGWA) and is a member of the European Battery Alliance (EBA250) and European Raw Minerals Alliance (ERMA).

Investor relations

Executive Chairman Phil Hearse has taken the lead in a series of investment roadshows and presentations around Australia, as well as recent visits to Singapore, with further presentations in Australia, London and Germany planned for later in the year.

An independent research report was released by Peloton Capital in June. A copy is available at www.internationalgraphite.technology/investors.

At quarter end the Company had A\$8.9m cash on hand.

ASX Additional Information

1. ASX Listing Rule 5.3.1 – Mining exploration activities and investment activity expenditure during the quarter was \$322,000 not including the allocation of staff costs. Full details of the activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2 – Mining production and development activity expenditure for the quarter was Nil and there were no production and development activities for the quarter.
3. ASX Listing Rule 5.3.3 – Tenement Schedule.

Project	Holder	State	Tenement	Status	Percentage Held
Springdale	Comet Resources Ltd ⁽¹⁾	WA	E74/0562	Granted	100%
Springdale	Comet Resources Ltd ⁽¹⁾	WA	E74/0612	Granted	100%
Springdale	Comet Resources Ltd ⁽¹⁾	WA	P74/0382	Granted	100%
Springdale	Int.Graphite Springdale Pty Ltd	WA	E74/0736	Pending	100%

⁽¹⁾ The tenements are being transferred to International Graphite pursuant to the acquisition agreement with Comet Resources of February 2022.

4. ASX Listing Rule 5.3.4 – The Company provides the actual vs proposed Use of Funds (in A\$'000) as outlined in Section 5.8 of the Prospectus dated 21 February 2022. .



Proposed Use of Funds	Proposed \$A'000	Actual \$A'000	Variance \$A'000
Springdale Graphite Project	\$5,340	\$386	\$4,954
Collie Research & Development Processing Facilities	\$2,701	\$199	\$2,503
Collie Processing Facilities	\$1,429	-	\$1,429
Working Capital	\$871	\$247	\$624
Expenses of the Offer	\$880	\$665	\$215
Other (GST paid to be reimbursed)	-	\$400	(\$400)
Total	\$11,221	\$1,897	\$9,325

- Major variances in the above table relate to timing of actual spend.
The proposed spend is for a two-year period and the Company listed in April 2022.
- ASX Listing Rule 5.3.5 – Payments to related parties of the Company during the quarter and outlined in the Appendix 5B include \$210,364 for Salaries, Director Fees and Consulting Fees paid to Directors.

Competent Person's Statement

The information in this announcement which relates to exploration targets, exploration results or mineral resources is based on information compiled by Mr. Darren Sparks and reviewed by Mr. Peter Langworthy. Mr. Sparks is the Principal Consultant and fulltime employee of OMNI GeoX Pty Ltd. He is a member of the Australian Institute of Geoscientists ("AIG"). Mr. Sparks and Mr. Langworthy have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code).

Mr. Sparks and Mr. Langworthy consents to the inclusion of the information in this announcement in the form and context in which it appears.

The Competent Person confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



Appendix 5b

MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH FLOW REPORT

Name of entity

International Graphite Limited

ABN

56 624 579 326

Quarter ended ("current quarter")

30 June 2022



Appendix 5b
MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY
QUARTERLY CASH FLOW REPORT

CONSOLIDATED STATEMENT OF CASH FLOWS		CURRENT QUARTER \$A'000	YEAR TO DATE (12 MONTHS) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for	(322)	(324)
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(126)	(393)
	(e) administration and corporate costs	(247)	(488)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	(a) Process Development	(134)	(282)
1.9	Net cash from / (used in) operating activities	(825)	(1,482)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(111)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
	Dividends received (see note 3)	-	-
	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(111)

+ See chapter 19 of the ASX Listing Rules for defined terms.



Appendix 5b
MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY
QUARTERLY CASH FLOW REPORT

CONSOLIDATED STATEMENT OF CASH FLOWS	CURRENT QUARTER \$A'000	YEAR TO DATE (12 MONTHS) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	10,000	11,250
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(665)	(1,041)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (GST paid on acquisition of Springdale tenements – to be reimbursed in September 2022 quarter via Business Activity Statement)	(400)	(400)
3.10 Net cash from / (used in) financing activities	8,935	9,809
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	749	641
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(825)	(1,482)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(111)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	8,935	9,809
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	8,857	8,857

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Appendix 5b
MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY
QUARTERLY CASH FLOW REPORT

**CONSOLIDATED STATEMENT
OF CASH FLOWS**

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	8,857	749
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,857	749

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	261
6.2 Aggregate amount of payments to related parties and their associates included in item 2	87

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Fees include Salaries, Director Fees and Consulting Fees to Executive Director and Non-Executive Directors

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Answer: N/A

+ See chapter 19 of the ASX Listing Rules for defined terms.



Appendix 5b
MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY
QUARTERLY CASH FLOW REPORT

**CONSOLIDATED STATEMENT
OF CASH FLOWS**

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(825)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(825)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,857
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,857
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	10.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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Appendix 5b
MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY
QUARTERLY CASH FLOW REPORT

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: The Board

(Name of body or officer authorising release – see note 4)

Notes

1. *This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.*
2. *If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.*
3. *Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.*
4. *If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".*
5. *If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*



For more information please contact

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About International Graphite

International Graphite is an emerging supplier of processed graphite products, including battery anode material, for the global electric vehicle and renewable energy markets.

The Company is developing a sovereign Australian 'mine to market' capability, with integrated operations wholly located in Western Australia. The Company intends to build on Australia's reputation for technical excellence and outstanding ESG performance with future mining and graphite concentrate production from its 100% owned Springdale Graphite Project and commercial scale downstream processing at Collie. International Graphite is listed on the Australian Securities Exchange (ASX: IG6) and Tradedate and Frankfurt Stock Exchange (FWB: H99, WKN: A3DJY5) and is a member of the European Battery Alliance (EBA250) and European Raw Minerals Alliance (ERMA).

Shareholder Communication

Please provide your email address to receive shareholder communications electronically.

To review your communications preferences, or sign up to receive your shareholder communications via email, please update your preferences at <https://investor.automic.com.au/>

If you are a shareholder and would like a physical copy of a communication, need further information about the options available to you, or have questions about your holding, please visit our Share registry at <https://investor.automic.com.au/> or contact:

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If you are not a shareholder but are interested in receiving our news and announcements, join the mailing list on our website at www.internationalgraphite.technology



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AUSTRALIAN BATTERY GRAPHITE FROM MINE TO MARKET