International Graphite (ASX:IG6)

QUARTERLY ACTIVITIES REPORT

June 2024

Our vision: International Graphite is developing as Western Australia's first vertically integrated producer of graphite products for the global battery market.

Highlights.

- No lost time injuries (LTI) recorded during the quarter from activities at the Springdale Graphite Project or operations at the Collie Graphite R&D Facility
- \$6.5M awarded by Western Australian Government to progress downstream processing feasibility and commercial scale micronising in Collie
- Ten hole geo-technical drilling program initiated at the Springdale Central and Mason Bay deposits
- Springdale flora and fauna survey reports finalised
- Springdale concentrate testwork continuing in Germany and Australia
- \$3.4M capital raising completed
- \$1.25M instalment received from the Australian Critical Minerals Office pursuant to \$4.7M grant awarded in May 2023
- Potential funding alternatives pursued in North America including participating in Australian trade mission to Washington DC and meeting with US Government agencies
- US Government announces Chinese graphite will be subject to a 25% tariff in 2026 and will no longer be eligible for Inflation Reduction Act tax incentives which strengthens demand for new allied supply

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

Andrew Worland

Managing Director and CEO

ASX:IG6 | FSE:H99 | ABN 56 624 579 326 www.internationalgraphite.com.au



(ASX:IG6)



Overview

International Graphite continues to rapidly advance as Western Australia's first fully integrated mine-to-market producer of graphite battery anode material (BAM) to meet global demand for high performance lithium-ion batteries.

The Company owns 100% of the Springdale Graphite Project, near Hopetoun, and has established a pilot scale graphite micronising and spheroidising plant, R&D facility and customer qualification scale micronising plant, in the industrial centre of Collie, 200km south of Perth. This is the first stage in the Company's plans to establish comprehensive downstream graphite processing and BAM facilities.

Springdale Graphite Project

Site Activities

Drill rigs mobilised to Springdale, in May, to progress onsite feasibility study activities at the Company's 100% owned Springdale Graphite Project, in Western Australia¹.

Work is focused on the critical steps needed to support a final investment decision for the planned Springdale graphite mine and concentrator, including geotechnical drilling to inform mine planning and permitting, and to provide metallurgical data for concentrator plant process design.

A ten-hole diamond drilling program is currently underway. Drilling results will provide important data for geotechnical studies required for mine design, waste characterisation, and resource classification, as well as additional sample material for further metallurgical testwork which will be used to inform process design criteria for the graphite concentrator.



ASX Announcement 7 May 2024



Permitting and Environment

Flora and fauna assessment and mapping at Springdale has been completed. Final flora and fauna reports have been received which provide a baseline for assessing priority ecological communities across the tenement area. The surveys confirmed that as the project area is already cleared for agriculture the mine would have little impact on natural vegetation or wildlife.

Additional studies are underway to support environmental approvals and permitting, including hydrological and tailings storage assessments.

A LiDAR drone survey has been completed to provide data for a Digital Elevation Model (DEM) of the project area. This data will be used to support site design and model water flows. Consultation with technical specialists has also begun to progress mine design, geochemistry and material classification.

Collie Downstream Processing

A highlight of the June quarter was the award of a \$6.5 million grant from the Western Australian Government to help advance development of downstream processing operations at Collie².

The award builds on two years of establishment work and brings the Company's total funding from the State's Collie Just Transition Program to \$8.5 million and total funding from Australian Governments to \$13.2 million.

The latest grant was announced by WA Premier the Hon. Roger Cook, with WA Minister for Regional Development Don Punch and Collie-Preston MLA Jodie Hanns, during the Collie Industry Transition Expo on Saturday 20 April 2024.

The funding will be used to expand plans for graphite micronising operations. It will also support feasibility studies including testwork for the processing of graphite concentrate feed from the Company's Springdale Graphite Project.

The release of funds is subject to a formal agreement currently being finalised.

The Collie R&D Facility is home to the Company's pilot scale micronising and sheroidising equipment, and qualification-scale micronising plant. The plant is the largest in Australia and a milestone in the development of a domestic graphite industry.



² ASX Announcement 22 April 2024



Designed to produce up to 200 tpa of micronised and spheroidised product, the qualification-scale micronising plant has successfully produced industry-specific flake product sizes. The products meet a range of technical specifications for end-users. Critically, flake size distributions produced are suitable for both advanced battery anode materials and other industrial applications. Product samples are now planned to be available for potential customers to conduct qualification and acceptance assessment.

As well as being the first stage in the production of graphite for lithium-ion battery anodes, and a critical conductive additive in battery cathodes, micronised graphite is also used in many industrial products, from lubricants, polymers, plastics and ceramics, to lightweight structural materials and fire resistant building materials.

Battery anode processing testwork on Springdale concentrates is continuing. The programs are being undertaken at specialised overseas testing facilities and include electrochemical analysis, micronising and spheroidisation optimisation, leach purification option evaluations, the production of both purified and unpurified spherical graphite samples for third party evaluation and coating options.

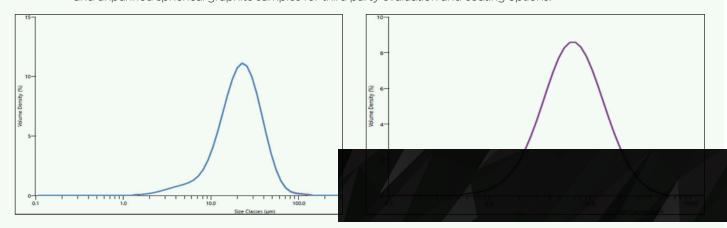


Figure 5. Laser particle size distributions of micronised graphite sample products produced in Collie³.



Corporate, Finance and Markets

Corporate

During the quarter, the Company completed a \$3M equity raising with sophisticated and professional investors at an issue price of \$0.125 per share. In addition, \$0.4M was raised from existing shareholders through a Share Purchase Plan also at \$0.125 per share.

This was the Company's first equity market financing since its Initial Public Offering (IPO) in April 2022.

Peloton Capital and Pamplona Capital were joint lead managers to the financings.

The capital structure of the Company as at 30 June 2024 is shown in table 1 below:

Table 1: Capital structure of the Company - 30 June 2024

Shares on issue at 1 April 2024	166,158,330
Placement	24,000,000
Share Purchase Plan	3,400,000
Shares on issue at 30 June 2024	193,558,330

Investor Relations

General Meeting

A General Meeting of Shareholders was held in the Company's head office, in Perth, on Wednesday 5 June 2024. All resolutions presented to the meeting were passed.

Investor Presentations

Managing Director Andrew Worland supported the April/May capital raising with a series of presentations to potential investors. Together with Chairman Phil Hearse, he also represented the Company at the Benchmark Mineral Intelligence USA GigaFactories Conference, in June, as part of a strategic plan to investigate potential funding from North America.

International Graphite was invited to be part of an official Australian delegation to the 10th annual SelectUSA Investment Summit, in Washington DC. Hosted by the US Department of Commerce, the summit is the US Government's biggest investment showcase attracting economic development leaders from more than 55 states and territories.

Meetings were held with officers from the US Department of Energy, Department of Defence, Department of Commerce, EXIM Bank, Austrade, the US Embassy Critical Minerals Office, Senators, Members of Congress and their representatives.



US Focus on Graphite





The United States expects to import most of the natural graphite it needs for battery production over the next two decades and is providing significant incentives for producers from allied nations to supplement the nation's limited supply.

Currently, more than 90% of the world's graphite is processed in China and recent Chinese export restrictions have limited sales to Western consumers. The US has minimal domestic graphite production and limited future prospects, leaving its battery supply chain highly exposed to geopolitical risk.

Industry analysts Benchmark Minerals Intelligence state more than 400 battery gigafactories are being developed worldwide with 8.9 TWh of power capacity in the pipeline by 2030. The rapid uptake of electric vehicles and renewable energy storge, as well the demand for specialist materials in steel making, electronics and defence applications are driving graphite demand.

Western Governments, particularly the US and those in Europe, are providing incentives, policy support and a funding path to ensure an adequate graphite supply.

Announcements during the quarter continued to illustrate the commitment of western governments to domestic manufacturing. These included initiatives from the Biden Administration to secure the supply of raw materials critical to the clean energy transition in North America, and Australia's Future Made in Australia Policy, launched in the May 2024 Federal Budget.

In the United States, the 14 May 2024 tariff announcement from the Biden Administration, paired with the recent Department of Energy final interpretive guidance on battery materials from foreign entities of concern, demonstrates a growing focus on securing critical mineral supply chains. Beginning in 2026, Chinese graphite will be subject to a 25% tariff in the US, while starting in 2027, EVs utilising Chinese graphite for battery components will no longer be eligible for Inflation Reduction Act tax incentives, under section 30D of the Internal Revenue Code and EV tariffs are to increase from 25% to 100%.

These policy settings align with the potential timetable for the development of the Springdale Graphite Project.



ESG and Sustainability

International Graphite is committed to the highest standards of Environment, Social and Governance (ESG) performance and effective partnerships with Government and community stakeholders. The Company's vertically integrated strategy is designed to ensure complete product oversight from mine to customer, enabling the business to maintain its ESG standards along the complete supply chain.

Community Relations

Collie Industry Transition Expo

Collie's Central Park hosted businesses and government agencies at the inaugural Collie Industry Transition Expo organised by the Collie Delivery Unit of the Western Australian Department of Premier and Cabinet that showcased the opportunities being created as Collie diversifies its economy from a traditional reliance on coal.





Supporting science education



International Graphite received a Certificate of Appreciation from the University of Western Australia's Einstein-First Project, in recognition of its contribution to the promotion of science education and gender equality in STEM.

The Company is a key partner in the innovative program which aims to address the decline in Australian school students choosing to study physics. To date, the program has trained more than 100 teachers and introduced the program in 55 schools. The Company was recognised at a celebratory event attended by top scientists, in Perth, on 25 June 2024.

High profile Australian scientists at the event included former WA Chief Scientist Lyn Beazley, medical innovator Professor Fiona Wood AO, award-winning biotechnologist Associate Professor Parwinder Kaur, and quantum physicist Professor Jingbo Wang.

Family fun at Collie

The Collie Eagles Football Club kicked off their 2024 season with the inaugural International Graphite Family Fun Day.

Families from around the district turned out as the community came together to barrack for their local teams in the first major game of the season with face painting, rides and entertainment adding to the celebration.

Safety Performance

The Company is embedding best practice health and safety processes and systems into its operations. There were no Lost Time Injuries (LTI) or Restricted Work Injuries (RWI) recorded during the quarter, as micronising operations at Collie ramped up, and no environmental, heritage or community related incidents. This continues the Company's incident-free track record.



ASX Additional Information

- 1. ASX Listing Rule 5.3.1- Mining exploration activities and investment activity expenditure during the quarter was \$767,762. 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 substantive mining exploration activities for the quarter.
- 3. ASX Listing Rule 5.3.3 Tenement Schedule

Project	Holder	State	Tenement	Status	Percentage Held
Springdale	International Graphite Springdale Pty Ltd	WA	E74/0562	Granted	100%
Springdale	International Graphite Springdale Pty Ltd	WA	E74/0612	Granted	100%
Springdale	International Graphite Springdale Pty Ltd	WA	E74/0751	Granted	100%
Springdale	International Graphite Springdale Pty Ltd	WA	E74/0809	Pending	100%

4. ASX Listing Rule 5.3.4 - The Company provides the actual vs proposed use of Funds as outlined in Section 5.8 of the Prospectus dated 21 February 2022.

Proposed Use of Funds	Proposed \$'000	Actual \$'000	Variance \$'000
Springdale Graphite Project	5,340	7,334	(1,994)
Collie Research and Development Processing Facilities	2,701	3,645	(944)
Collie Processing Facilities	1,429	1,881	(452)
Working Capital	871	3,161	(2,290)
Expenses of the Offer	880	665	215
Total	11,221	16,686	(5,465)

- 5. Major variances in the above table relate to the additional spend afforded by grants that have allowed the company to accelerate development of both the Springdale graphite project and the downstream processing project at Collie.
- 6. ASX Listing Rule 5.3.5 Payments to related parties of the Company during the quarter and outlined in the Appendix 5B include \$439,987 for (i) salaries of the Managing Director (ii) Directors' fees and (iii) professional fees paid to Battery Limits Pty Ltd.

International Graphite and Battery Limits Pty Ltd (an entity controlled by Mr Phil Hearse) (Battery Limits) entered into a Professional Services Agreement in February 2022. The agreement is valid for three years. Battery Limits provides mining project development services including but not limited to coordinating and managing exploration, geological, mining, metallurgical investigations, permitting, engineering, process design, feasibility studies and graphite marketing investigations and studies (Graphite Mine and Concentrate Production Services) and all technical studies associated with the development, construction and operation of graphite concentrate downstream processing facilities. The Agreement contains a market competitive schedule of rates plus a 5% administration fee.



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 2024





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

	SOLIDATED STATEMENT 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 (a) exploration & evaluation (b) development (c) production (d) staff costs (e) administration and corporate costs	- (434) - (186) (584)	- (1,708) - (693) (1,872)	
1.3	Dividends received (see note 3)	-	-	
1.4	Interest received	10	27	
1.5	Interest and other costs of finance paid	-	-	
1.6	Income taxes paid	-	-	
1.7	Government grants and tax incentives	1,245	4,579	
1.8	Other (provide details if material) (a) Professional fees paid in relation to R&D rebate	(74)	(74)	
1.9	Net cash from / (used in) operating activities	(23)	259	
2.	Cash flows from investing activities			
2.1	Payments to acquire or for: (a) entities (b) tenements (c) property, plant and equipment (d) exploration & evaluation (e) investments (f) other non-current assets	- (30) (758) (8) (17)	- (216) (2,062) (1,011) (17)	
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	-	-	
2.3	Cash flows from loans to other entities Dividends received (see note 3)	- 	-	



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)	3,393	3,393	
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	-	-	
3.5	Proceeds from borrowings	-	1,400	
3.6	Repayment of borrowings	-	(900)	
3.7	Transaction costs related to loans and borrowings	-	-	
3.8	Dividends paid	-	-	
3.9	Other (capital raising cost)	(229)	(229)	
	Net cash from / (used in) financing activities	3,164	3,664	
4.	Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	1,002	2,713	
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(23)	259	
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(813)	(3,306)	
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,164	3,664	
4.5	Effect of movement in exchange rates on cash held	-	-	
4.6	Cash and cash equivalents at end of period ¹ ¹ Cash on hand at quarter end includes \$1.25M received during the quarter from the Australian Critical Minerals Office to be applied to graphite processing facilities at Collie.	3,330	3,330	



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	3,330	1,002
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)	3,330	1,002

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	440
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: Payments include (i) salaries of the Managing Director (ii) Directors' fees and (iii) professional fees paid to Battery Limits Pty Ltd.

International Graphite and Battery Limits Pty Ltd (an entity controlled by Mr Phil Hearse) (Battery Limits) entered into a Professional Services Agreement in February 2022. The agreement is valid for three years. Battery Limits provides mining project development services including but not limited to coordinating and managing exploration, geological, mining, metallurgical investigations, permitting, engineering, process design, feasibility studies and graphite marketing investigations and studies (Graphite Mine and Concentrate Production Services) and all technical studies associated with the development, construction and operation of graphite concentrate downstream processing facilities. The Agreement contains a market competitive schedule of rates plus a 5% administration fee.

7.5	Unused financing facilities available at quarte	r end	500	
7.4	Total financing facilities	1,000	500	
7.3	Other (please specify)	-	-	
7.2	Credit standby arrangements	-	-	
7.1	Loan facilities	1,000	500	
	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.	\$A'000	\$A'000	
7.	Financing facilities	Total facility amount at quarter end	Amount drawn	

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: Loan facility is from a research & development funding group secured again the forecast 2024 R&D Tax rebate. Interest rate is 16%.



CONSOLIDATED STATEMENT OF CASH FLOWS

8.	Estim	ated cash available for future operating activities	\$A'000		
8.1	Net ca	ash from / (used in) operating activities (item 1.9)	(23)		
8.2		ents for exploration & evaluation classified esting activities (item 2.1(d))	(758)		
8.3		relevant outgoings (item 8.1 + item 8.2)	(781)		
8.4	Cash a	and cash equivalents at quarter end (item 4.6)	3,330		
8.5	Unuse	ed finance facilities available at quarter end (item 7.5)	500		
8.6	Total a	available funding (item 8.4 + item 8.5)	3,830		
8.7	Estim	ated quarters of funding available (item 8.6 divided by item 8.3)	5		
	in item	f the entity has reported positive relevant outgoings (ie a net cash inflow) 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters ling available must be included in item 8.7.			
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: NA.			
	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: NA.				
	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: NA.			
		Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above n	nust he answered		



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:	30 July 2024
Authorised by:	The Board

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

Notes

- 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.
- 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 Tradegate 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 re interested in receiving our news and announcements, join the mailing list on our website at **www.internationalgraphite.com.au**

