



Sarytogan Graphite Limited

ABN 91 107 920 945

Annual Report - 30 June 2024

Directors	Mr Stephen Penrose - Non-Executive Chairman Mr Sean Gregory - Managing Director Mr Waldemar Mueller - Technical Director Mr Brendan Borg - Non-Executive Director
Company secretary	Mr Ian Hobson
Registered office	Suite 8 110 Hay Street SUBIACO WA 6000
Principal place of business	Suite 8 110 Hay Street SUBIACO WA 6000
Share register	Automic Pty Ltd Level 2, 267 St Georges Terrace PERTH WA 6000 T: +61 2 9698 7164
Auditor	HLB Mann Judd Level 4, 130 Stirling Street PERTH WA 6000
Stock exchange listing	Sarytogan Graphite Limited shares are listed on the Australian Securities Exchange (ASX code: SGA)
Website	www.sarytogangraphite.com.au

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Sarytogan Graphite Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of Sarytogan Graphite Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Stephen Penrose - Non-Executive Chairman

Mr Sean Gregory - Managing Director

Dr Waldemar Mueller - Technical Director

Mr Brendan Borg - Non-Executive Director

Principal activities

During the financial year the principal activities of the Group consisted of progressing the Sarytogan Graphite project through to pre-feasibility study and associated test works (released on 12 August 2024), pegging new tenements (refer ASX announcement on 3 July 2024) and continuing exploration activities in Kazakhstan.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$3,072,764 (30 June 2023: \$2,038,017).

Highlights

- 20kg of "Micro80C" bulk flotation concentrate was produced, confirming the metallurgical parameters and providing samples for downstream test work (ASX 13/11/23).
- Optimisation of thermal purification progressively increased the grade achieved from **99.99% Carbon (C)** (ASX 28/8/23) to **99.998% C** (ASX 7/12/23) to as high as **99.9992% C** ("five nines" purity) in a single step without the need for chemical pre-treatment (ASX 5/3/24).
- High spheronisation yield of 54% achieved at tap densities greater than 0.9 g/cm³ as preparation for use in lithium-ion batteries (ASX 19/12/23).
- Extensive product development test work completed on Sarytogan Graphite products:
 - Lubricants (ASX 22/5/24) - Lower coefficient of friction than popular North American graphite.
 - Alkaline and lithium primary battery cathodes (ASX 11/4/24) - Additives that enhance the conductivity
 - Lead acid battery anodes (ASX 17/6/24) - A high-volume high-margin market segment
 - Nuclear specification confirmed (ASX 14/5/24) - Equivalent Boron Content (EBC) of 1.1ppm assayed
 - Lithium-ion battery anodes with Uncoated Spherical Purified Graphite (USPG) (ASX 20/5/24) - Reversible capacity superior to synthetic graphite sustained over 140 cycles

Bulk Concentrate production

Our Australian laboratory partners Independent Metallurgical Operations Pty Ltd (IMO) successfully produced the bulk concentrate at their mineral processing laboratory in Perth, Western Australia in September 2023 (Figure 1).

The 60kg processed was from a composite sample that was blended from 8 diamond drill holes, 5 from the Northern Graphite Zone (NGZ) and 5 from the Central Graphite Zone (CGZ) at an average head-grade of **32.5% TGC**. Preliminary mining studies indicated that this was a representative head-grade for the early years of the mining schedule. Grinding effort was minimal as the Sarytogan graphite readily fractures along mineral boundaries at a size of between 5 and 10 microns.

The result of bulk test compares favourably with bench scale tests previously reported. The grade achieved was above the target of 80% TGC at **81.4% TGC** and the metal yield was 83.8% (refer ASX Announcement 13 November 2023).



Figure 1 – Bulk Graphite Cleaner Flotation completed in Perth, Western Australia

Thermal Purification

The bulk flotation concentrate produced in Australia was purified by our American Technology Partner at 2,850 degrees Celsius. The Carbon content was measured by LOI determination in a platinum crucible to be an average of **99.9991% C** over the 2.2kg purified (refer ASX Announcement 5 March 2024). One 570g sub-sample, purified with a specific set of process parameters, assayed **99.9992% C** (Figure 2). The remaining impurities were assayed for 17 elements by solid ICP, using one of only 2 machines in the USA with precision available at these low levels. The total contaminants of these 17 elements were less than **1.2 ppm**.

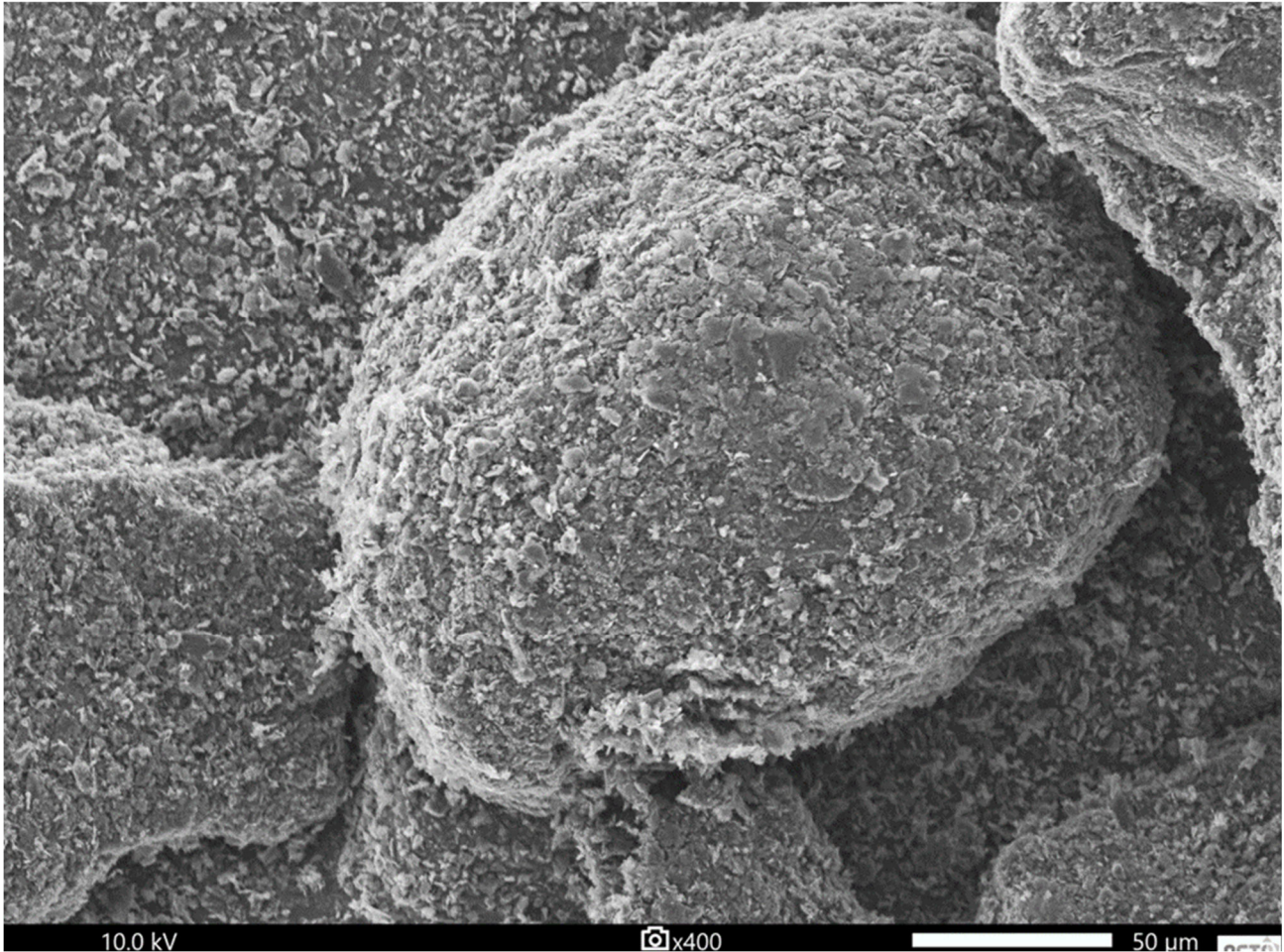


Figure 2 - Sarytogan Graphite at 99.9992% C, prior to spheronisation. (Refer ASX Announcement 5 March 2024).

Spheronisation

Our American technology partner took the **99.998% C** purified Sarytogan Graphite they produced and spheronised it in a mechano-chemical mill. The graphite particles were subjected to intense impact, compressive and lapping forces. The forces generated sufficient energy to fuse the particles onto the surface of the neighboring particles creating a new composite material that has a spheroidal shape (Figure 3).

The spheronised graphite was then classified into different size fractions with different tap densities. The three coarsest cuts all had tap densities of greater than 0.9 g/cm³, which is the recommended criteria for application in lithium-ion batteries (Table 1).

The combined mass yield of these spheres was 54% which compares favorably with the 35-50% yield typical in China. The remaining 46% is Ultra-High Purity Fines (UHPF) which is anticipated to also be a high-value product for use in batteries.

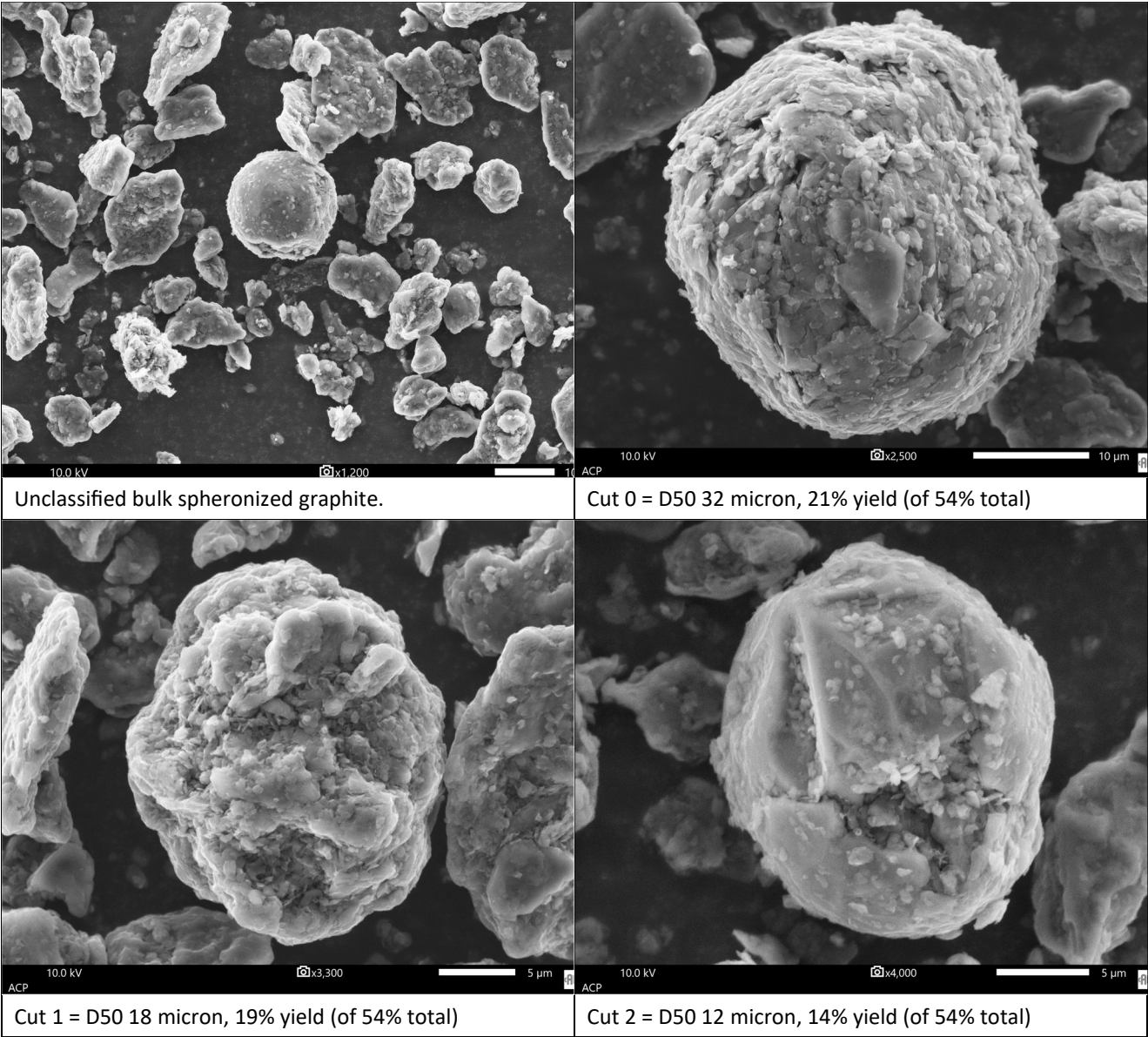


Figure 3 - Sarytogan Graphite spheres before and after classification.

Table 1 - Characterisation of three coarsest cuts of spheronised graphite after classification

Sample	Mass Yield (%)	Tap Density (g/cm ³)	D50 (µm)
Cut 0	21	0.99	32
Cut 1	19	0.94	18
Cut 2	14	0.91	12
Sub total	54		

Spheronisation was also conducted without pre-milling and shown to be equally effective.

Sarytogan Flowsheet and Product Mix

Sarytogan plans to produce 3 graphite product types to place as many carbon units into as many markets as possible (Table 2) from its giant and exceptionally high-grade Mineral Resource (Table 6).

A master composite sample was blended from samples collected from 6 diamond drill holes across the NGZ of the Sarytogan Graphite Deposit. Through multiple flotation and grinding stages, the sample was upgraded to **81.3% TGC** with 88% recovery at a premium microcrystalline sizing of about 10 micron (Figure 4, Refer ASX Announcement 12 October 2022). IMO have continued to optimise and simplify the flotation conditions.

The upstream beneficiation using grinding and flotation is planned to produce microcrystalline graphite at 80-85% C at the mine site (refer ASX Announcement 13 November 2023). Some of the micro-crystalline graphite will be diverted for sale into traditional industrial uses such as refractories, crucibles, foundries, friction parts, pencils, and lubricants ("Micro80C").

The rest of the flotation concentrate is planned to be processed downstream by thermal purification to Ultra High Purity Fines (UHPF) for advanced industrial uses. Spheronisation to Uncoated Spherical Purified Graphite (USPG) and coating to Coated Spherical Purified Graphite (CSPG) produced products for lithium-ion battery anodes.

Most USPG and CSPG producers undertake a spheronisation process ahead of purification, generating a lower-grade finely-sized by-product suitable only for traditional industrial markets. Sarytogan's inverted flowsheet envisages purification ahead of spheronisation (

Figure 4). The by-product is UHPF, a premium priced product with many advanced battery and industrial applications.

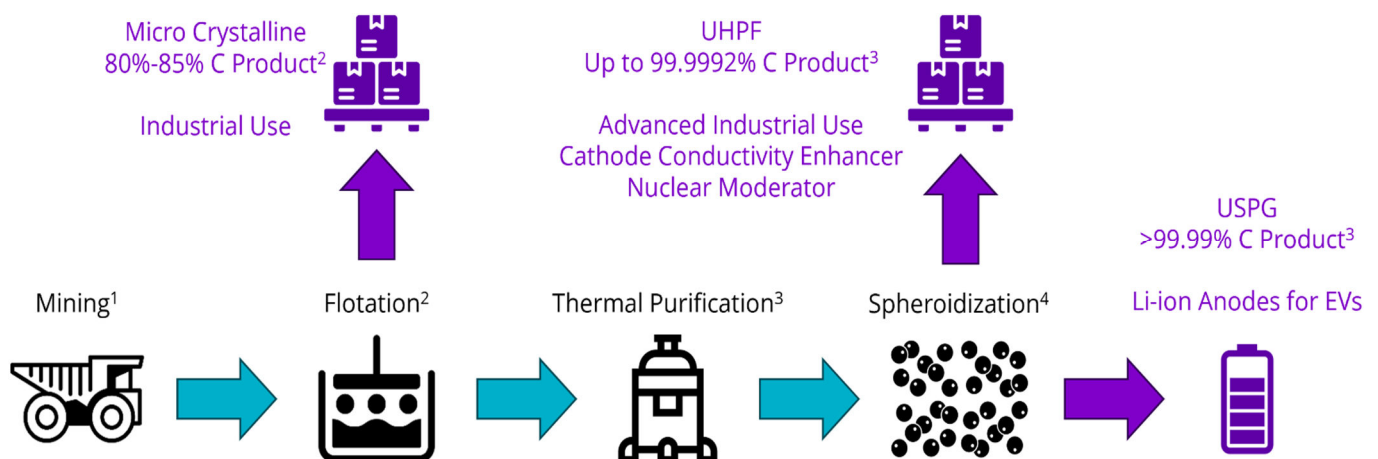


Figure 4 - Sarytogan Proposed Schematic Flowsheet and Product Mix.
Refer ASX Announcements: ¹ 27/3/23, ² 13/11/23, ³ 5/3/23, ⁴ 19/12/23.

Table 2 - Sarytogan proposed products, demonstrated performance and pricing
(¹source: Wood Mackenzie, Lone Star Tech Minerals, Company analysis)

Product Groups	Micro-Crystalline	UHPF	USPG and CSPG
Grade (% C)	80 to 85	Up to 99.9992	>99.99
Indicative Pricing ¹ (US\$/t)	\$400 to \$850	\$2,500 to \$20,000	\$2,500 to \$8,000
Uses	Traditional - Lubricants, Friction Products, Drilling Fluids, Foundry	Advanced – Alkaline, Lithium, and Lead Acid Batteries; Nuclear	Lithium-Ion Battery Anodes
ASX Announcements Demonstrating Performance	22 May 2024	11 April 2024 14 May 2024 17 June 2024	8 February 2024 20 May 2024 11 June 2024

During the quarter, the Company demonstrated the performance of proposed Sarytogan Graphite products in the following uses (

Table 2 - Sarytogan proposed products, demonstrated performance and pricing

(¹source: Wood Mackenzie, Lone Star Tech Minerals, Company analysis)

):

- Lubricants (ASX 22/5/24)
- Alkaline and lithium primary battery cathodes (ASX 11/4/24)
- Lead acid battery anodes (ASX 17/6/24)
- Nuclear specification confirmed (ASX 14/5/24)
- Lithium-ion battery anodes with Uncoated Spherical Purified Graphite (USPG) (ASX 20/5/24)
- Lithium-ion battery anodes with Coated Spherical Purified Graphite (CSPG) (ASX 11/6/24)

Alkaline Battery

AA alkaline battery cells were manufactured by our American Technology Partner (refer ASX Announcement 11 April 2024). Sarytogan UHPF was blended with the manganese dioxide cathode and as a lining sprayed onto the inside of the metal can (Figure 5).

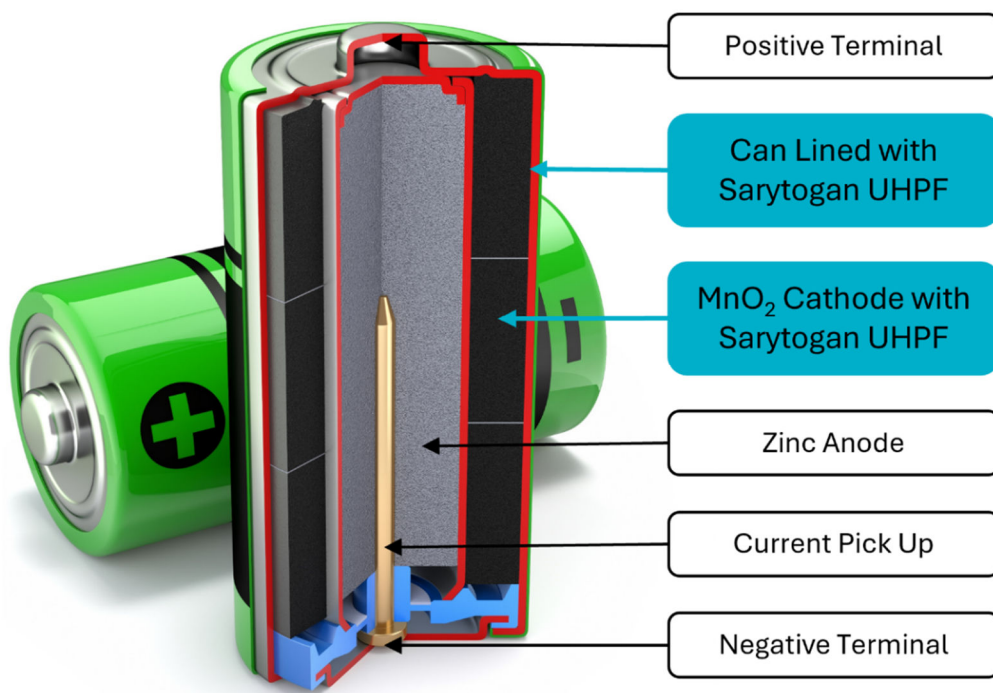


Figure 5 – Cross Section of an alkaline battery illustrating the use of Sarytogan UHPF.

The battery produced was measured as having higher capacity than uncoated control cells (Figure 6) and higher capacity than cells made from an existing graphite product sold for this use.

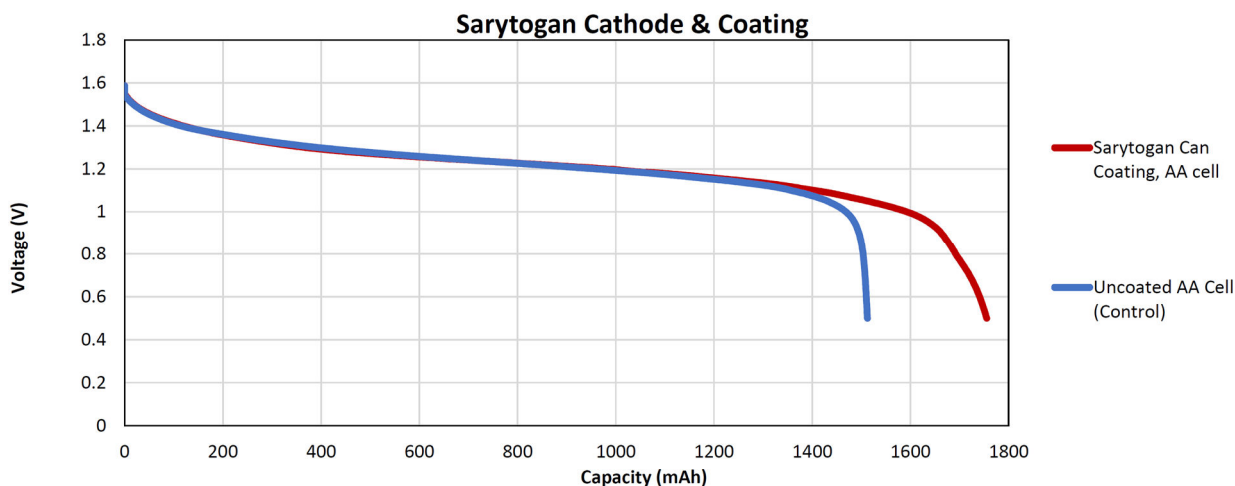


Figure 6 - Discharge curves for AA Alkaline Batteries with and without Sarytogan UHPF additives.

Lithium CFx Batteries

Li/CF_x Batteries are primary (non-rechargeable) batteries made with a lithium metal anode and a cathode that is a blend of carbon and fluoride at variable ratios (x). The Li/CF_x batteries have much higher specific discharge capacity compared to lithium-ion batteries, high energy density (light weight), long storage life, wide operating temperature range and are very rugged and reliable. They are therefore favoured in applications where charging infrastructure is not available, for example implantable medical devices, aviation, and military applications (Figure 7).

Sarytogan UHPF was used in the manufacture of five Li/CFx cells. Two cells were made using the Sarytogan UHPF grading 99.998% C (refer ASX Announcement 7 December 2023) and three using Sarytogan UHPF grading 99.9992% C (refer ASX Announcement 5 March 2024). Both grades produced higher voltage than a control Li/CFx cell made with existing commercial graphite (Figure 8). The results were sensitive to purity with the higher purity Sarytogan UHPF performing better, especially during the initial discharge. This initial discharge is a particularly important performance metric; consider the launch of drones for example.



Figure 7 - Example applications of Li/CFx batteries.

Furthermore, the results were highly repeatable as shown by the coincident curves from different cells of the same graphite grade (Figure 8).

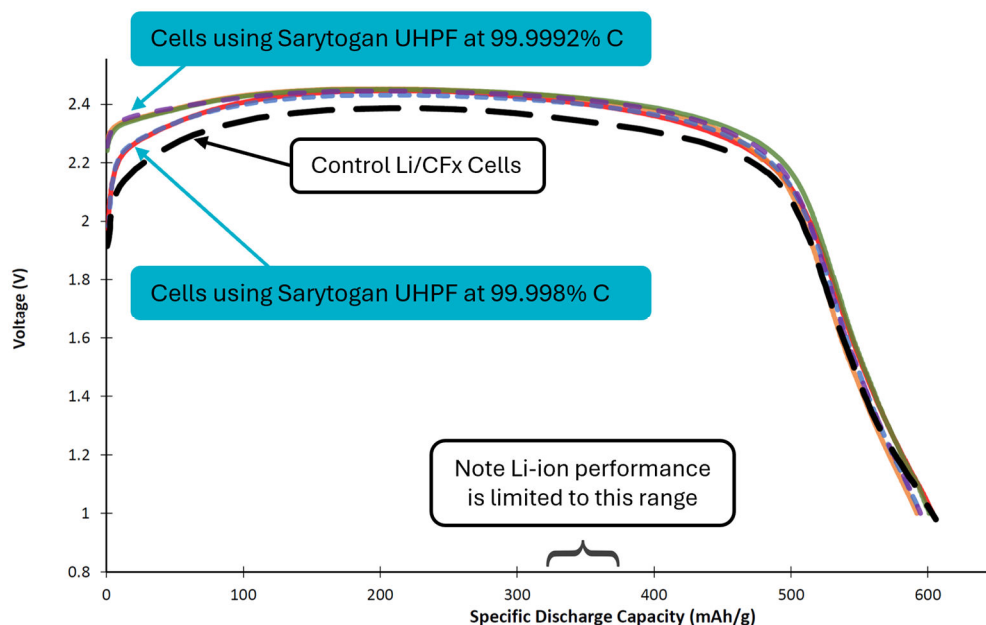


Figure 8 - Discharge curves for Sarytogan Li/CFx batteries.

USPG Li-ion Batteries

The performance of lithium-ion batteries manufactured from Sarytogan USPG after nine cycles was reported as superior to many synthetic graphite products used as the anode in lithium-ion batteries for electric vehicles (refer ASX Announcement 8th February 2024).

The batteries demonstrated reversible capacities ranging from 342 to 347 mAh/g across the six batteries tested. This is superior to many synthetic graphite products used in electric vehicle batteries which typically return specific capacities of 330 to 345 mAh/g (Figure 9). This is the first result and further optimisation is expected.

Furthermore, all six cells were measured as having remarkably repeatable and consistent results. No significant degradation in performance was observed after nine rounds of 10-hour charge and discharge cycles (Figure 9).

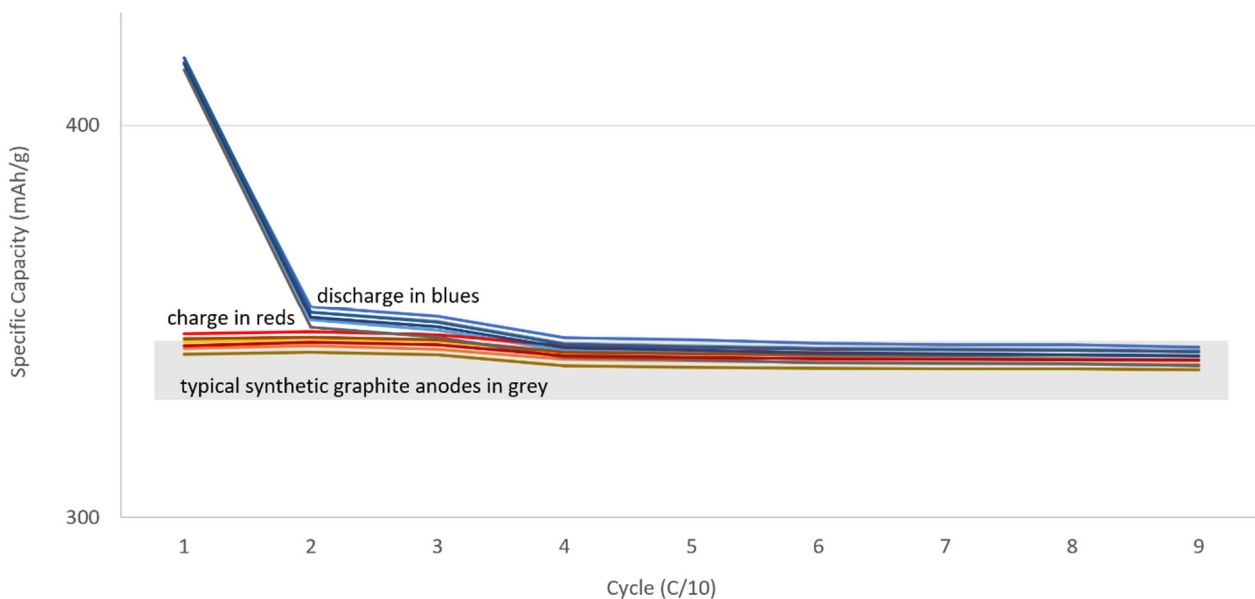


Figure 9 – Short-term galvanic cycling of six CR2016 lithium-ion batteries made with Sarytogan USPG

These results are highly significant and pioneering because of the unique microcrystalline nature of Sarytogan Graphite, which sets it apart from the normal classification of natural graphite categories such as vein, flake, and amorphous. Sarytogan Graphite offers all the benefits of high performance at lower costs due to its exceptionally high-grade, natural microcrystalline sizing, high spheroidization yield, simple flowsheet, and proximity to market.

Those coin cell batteries continued to charge and discharge over a 10-hour cycle more than 140 times. 97.3% of the charge capacity has been retained after 100 cycles which is the industry standard observation point (Figure 10). By extrapolating the performance to date, up to 1,000 charge-discharge cycles may be expected before the typical 80% performance threshold is reached.

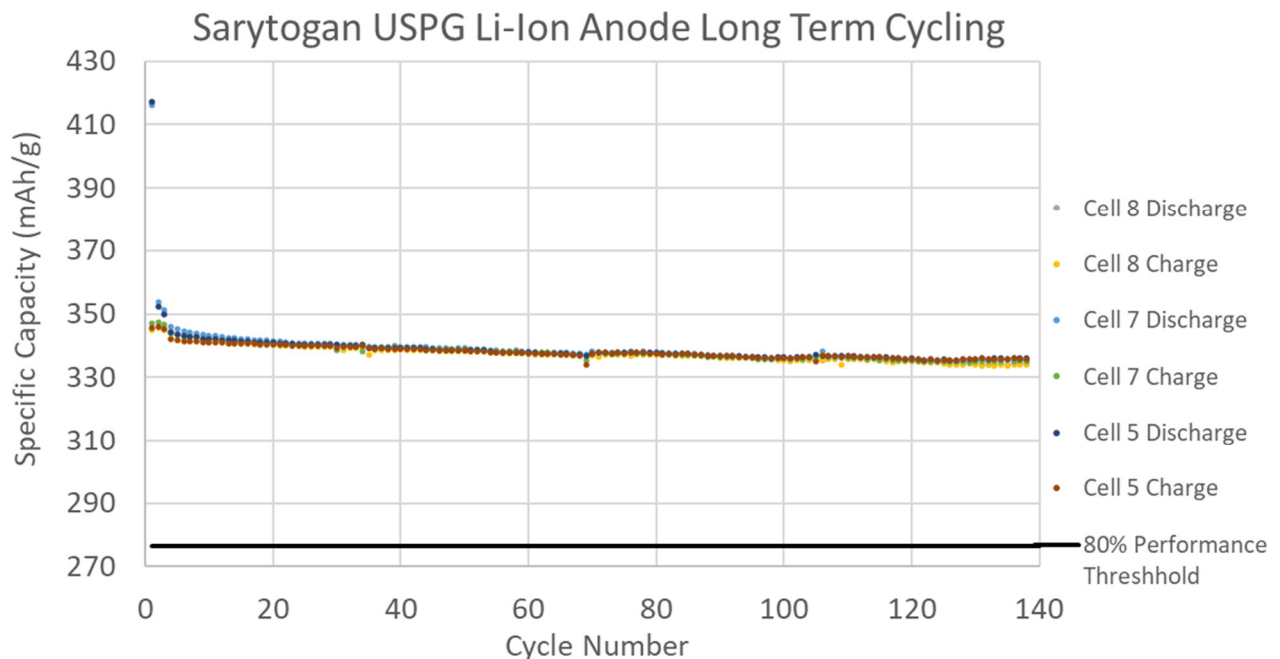


Figure 10 – Sarytogan USPG Li-Ion Anode Long Term Cycling.

CSPG Batteries

Spherical graphite is routinely coated for improved performance as the anode in lithium-ion batteries for use in electric vehicles.

Five Nines Sarytogan Graphite (the same sample reported in ASX Announcement 5 March 2024) was spheroidized and wet classified. A representative classified fraction was coated with soft carbon giving ideal spheres with a d50 size of 14 micron and tap density of 0.95 g/cc (Figure 11). The main objective of the coating is to smooth the surface of the spheres (Figure 11). In this case, the surface area was reduced to 6.7 m²/g measured by the BET method (Refer ASX announcement 11 June 2024).

Coin cell batteries manufactured using Sarytogan CSPG as the anode have been charged and discharged over a 10-hour cycle 100 times.

The Irreversible Capacity Loss (ICL), a measure of the difference between the capacity of the first charge and first discharge, is reported as 11%. This is a good result for the first attempt at coating, being only just above the industry benchmark of 10% for high performing lithium-ion batteries. A thicker coating of soft carbon will be added in future optimisation tests to further reduce the surface area and ICL.

The results have realised a significant improvement in the reversible capacity to 354 mAh/g, well above the values of many synthetic graphite products used in the anodes of lithium-ion batteries for electric vehicles (Table 3). This performance has endured with 98.9% capacity still available after 100 cycles. Extrapolating this result, more than 1,600 cycles are expected before the typical useful threshold of 80% capacity is reached: an outstanding result.

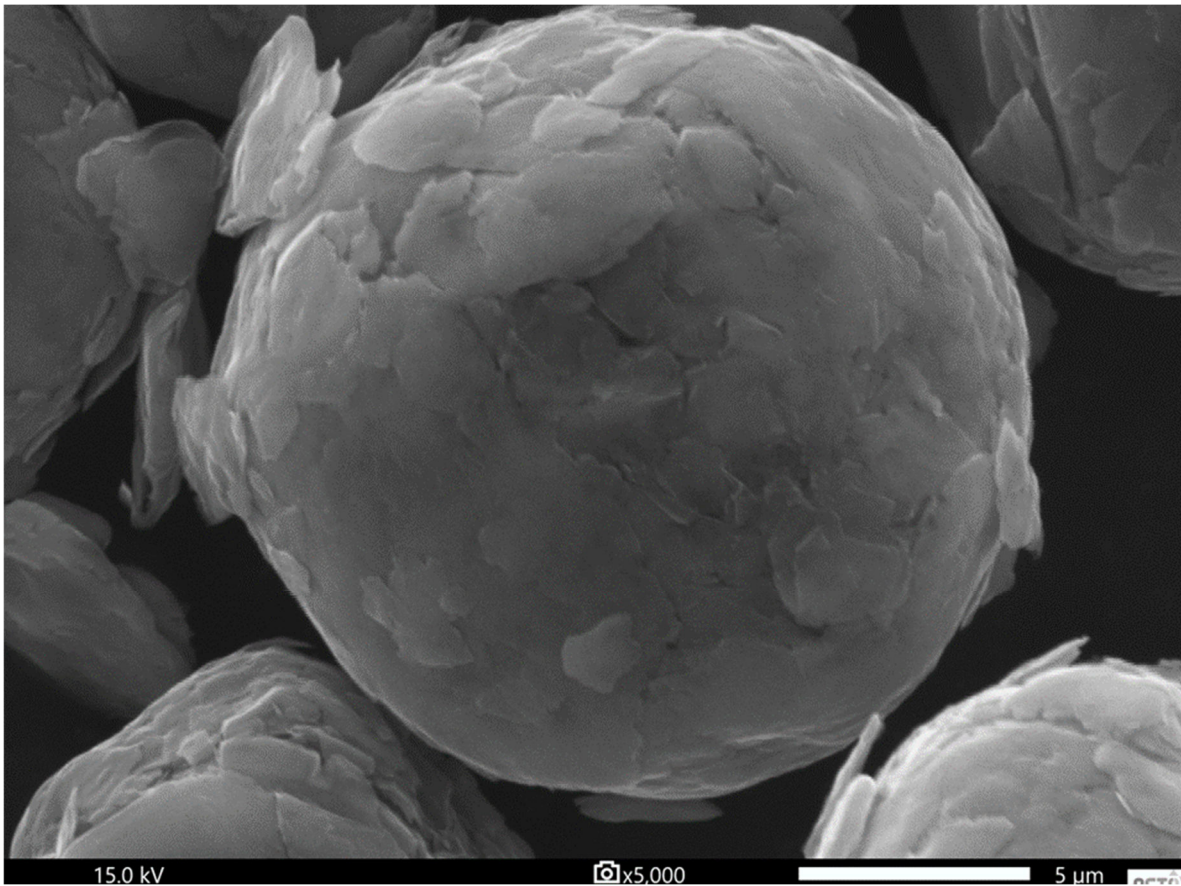


Figure 11 - Sarytogan Coated Spherical Purified Graphite Close Up

Table 3 - Comparison of lithium-ion battery performance for USPG, CSPG and industry benchmarks

	Performance Benchmark	USPG (ASX 8/2/24, 20/5/24)	CSPG (ASX 11/6/24)
Reversible capacity (mAh/g)	330 - 345	342 - 347	354
Irreversible capacity loss	10%	N/R	11%
Capacity retained after 100 cycles	98%	97.3%	98.9%
Extrapolated cycles to 80% threshold	1,000	Up to 1,000	More than 1,600

Lead Acid Batteries

Lead acid battery cells with a nominal capacity of 12 Ah were manufactured using Sarytogan UHPF. The UHPF made up half of the “expander” powder that is added to the negative electrode. The performance of the lead acid batteries was measured to have a higher and more consistent discharge capacity compared to control batteries manufactured with a leading expanded delaminated graphite product used in this application (Figure 12).

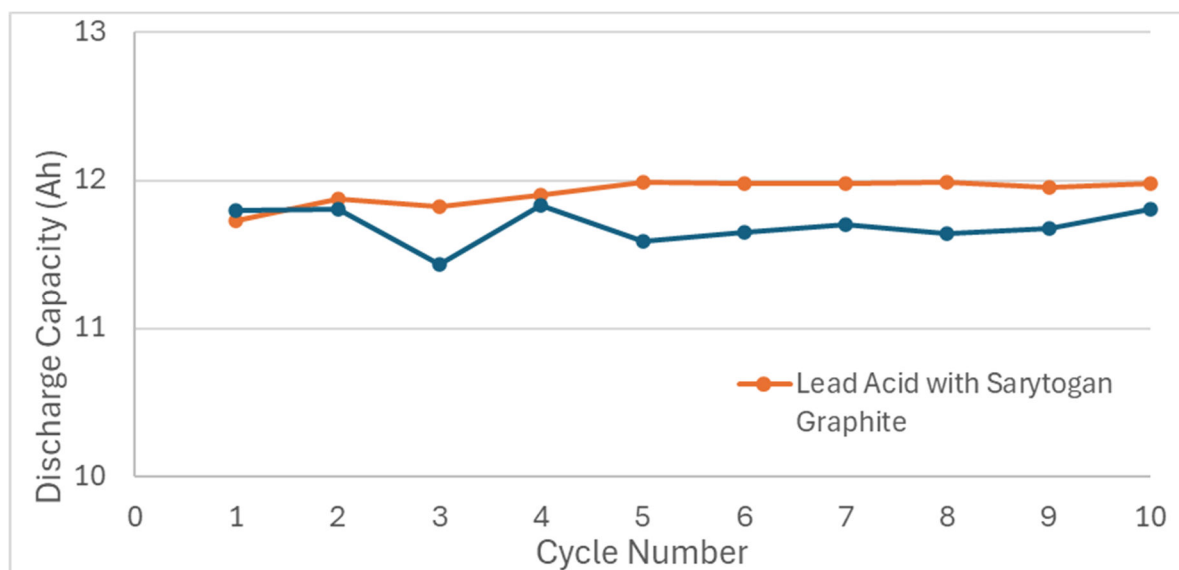


Figure 12 - Sarytogan Coated Spherical Purified Graphite Close Up

Lead acid batteries are the most widely used battery chemistry in the world, providing half of the world's rechargeable power. They are widely used in many applications including transportation, grid storage, and communications.

The lead acid battery market generated approximately 450GWh of capacity in 2021 in 300 million batteries. 200g to 250g of carbon or graphite is added to each battery, for a total market size of 60,000 to 75,000 tpa.

Lead acid batteries have many advantages over lithium-ion batteries as established and safe technology. They are lower-cost and being 95% recyclable, they are the sustainable choice for many applications in the green energy revolution.

The expanded graphite used in the control batteries for this test has a list price of US\$18,000 per tonne and sells at high volumes into the lead-acid battery market for US\$12,000 per tonne. Some high-performing high-purity graphite powers are sold into this market at up to US\$20,000 per tonne.

Nuclear Uses

A sample of Sarytogan Five Nines Graphite was sent to another independent laboratory in the USA for assay by Glow Discharge Mass Spectrometer. The assay covered the full suite of 26 elements required to calculate EBC under the American Society for Testing and Materials (ASTM) International Standard Specification for Isotropic and Near-isotropic Nuclear Graphites, D7219-19.

The result has been determined to be 1.1 ppm EBC. This is well under the maximum specification of 2 ppm for the highest-purity nuclear graphite.

Graphite has always been an indispensable part of the nuclear fission reactor since its invention in the late 1930s. Its primary use is as the moderator surrounding the uranium fuel rods to slow down the neutrons released during fission so that a continuous fission chain reaction can be maintained.

To be suitable for use as a moderator in nuclear reactors, graphite should be a fine powder at very high purity of 99.995% C minimum. Impurities of elements other than C may capture, rather than bounce, the escaping neutrons. The elemental Boron (B) has a particularly large neutron capture cross-section which is detrimental to the moderator's performance. The global market for nuclear graphite is currently about 60,000 tonnes per annum and is set to grow with the renewed worldwide investment in nuclear power. Graphite used as nuclear moderators sells at prices of higher than US\$25,000 per tonne, a significant premium to graphite used in lithium-ion batteries.

The addition of nuclear applications adds another layer to Sarytogan's product strategy to place as many units of carbon into as many markets as possible.

Lubricants

Sarytogan Micro-Crystalline Graphite was tested in accordance with American Society for Testing and Materials (ASTM) Standard Guide for Measuring and Reporting Friction Coefficients G115-04. The test machine measured the coefficient of friction and temperature over time by rotating a spindle containing the sample while applying a constant pressure. The results show that the Sarytogan Micro-Crystalline Graphite has a lower coefficient of friction, $\mu = 0.2$, that is significantly superior to North American Amorphous Graphite of a similar particle size (Figure 13).

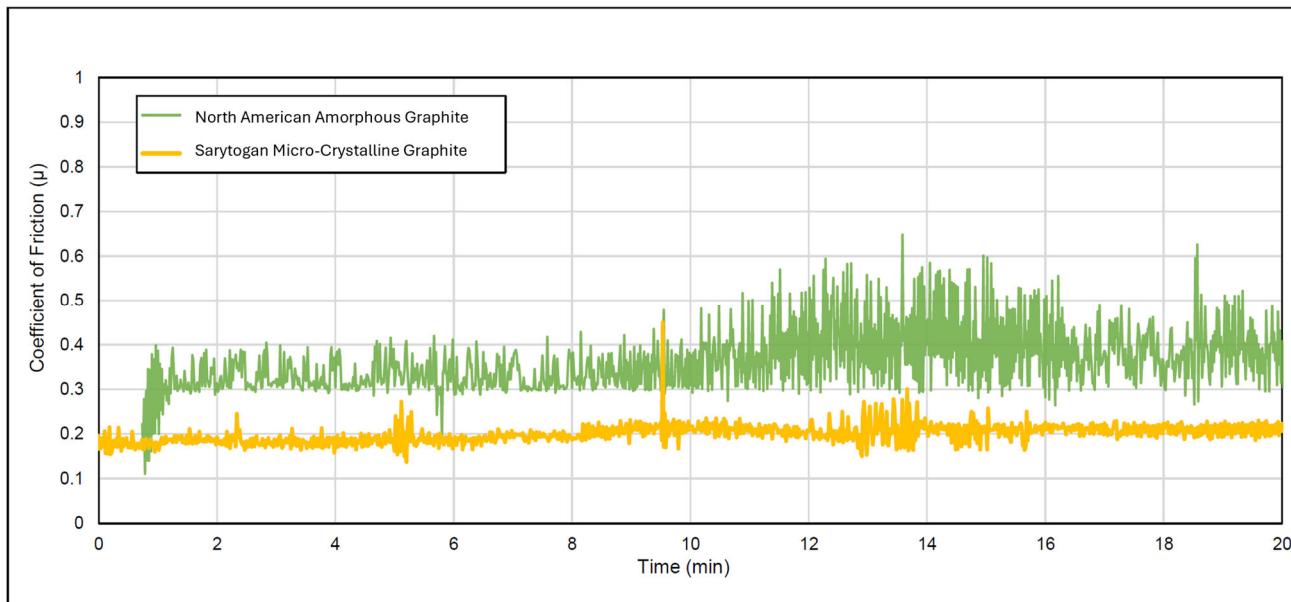


Figure 13 - Coefficient of Friction vs Time for Sarytogan Micro-crystalline Graphite compared to North American Amorphous Graphite.

Premium Micro-Crystalline Graphite

This high performance in electrochemical and industrial applications is only possible with highly crystalline graphite.

The reason for graphite's exceptional strength, thermal, electro-chemical and lubricative properties is its crystal structure. Individual graphene layers are very strong hexagonal molecules of carbon atoms. These layers are held together by weaker Van-der Waals forces. This facilitates slipping between layers for lubrication and the intercalation of lithium-ions between graphite layers in batteries. Perfect graphite has these layers arranged in a Bernal or A-B-A arrangement that allows the tightest packing of the layers (Figure 14). Any imperfections in the crystallinity of the graphite will result in larger interplanar spacing.

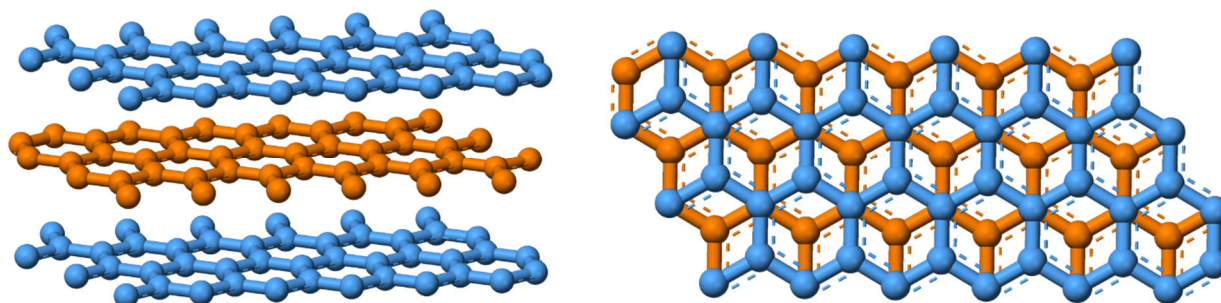


Figure 12 - Perfect Graphite Crystal Stacking

Samples of Sarytogan Graphite have been analysed by X-Ray Diffraction (XRD) at CSIRO in Perth and by our American Technology Partner. The XRD can measure the interplanar spacing between graphite layers. Sarytogan Graphite has a very tight interplanar spacing of 0.336 nm before purification and 0.33528 nm after purification confirming its high crystallinity and explaining its superior performance in many applications.

These results provide validation that Sarytogan Graphite is best described as “premium micro-crystalline graphite”, and that classifications such as amorphous, flake and vein and even natural vs synthetic are over simplistic. Sarytogan Graphite is again demonstrating many of the best characteristics of each graphite type.

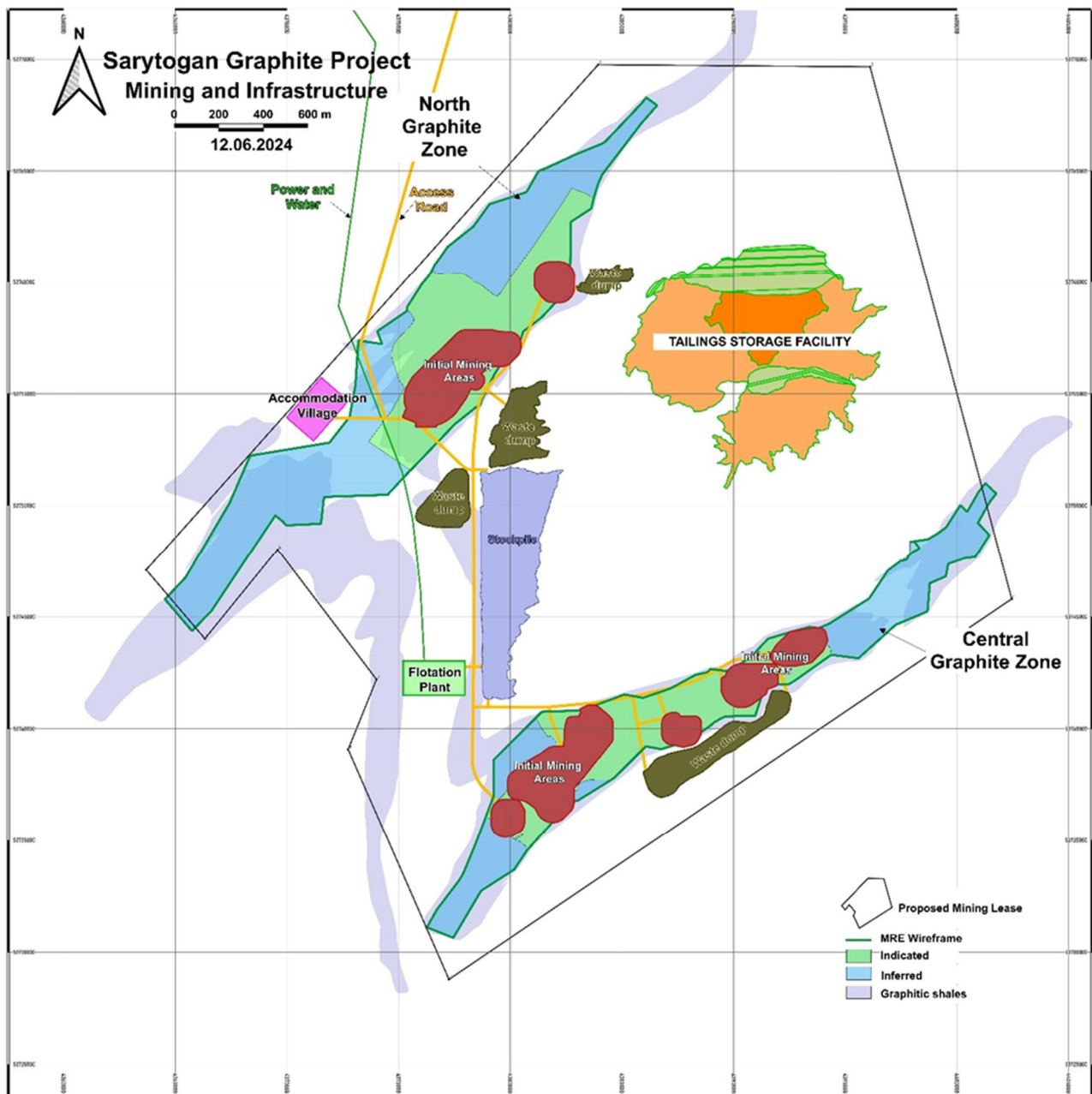


Figure 15 - Mining and Infrastructure Plans for the Sarytogan Graphite Project.

The Company has already made substantial progress on the requisite Environmental Permit. The regulator conducted a screening of the relevant environmental factors and scoped the desktop EIA requirements. The Company has submitted its draft EIA which has been publicly advertised. A successful public hearing was held in the village of Akshi, 12km north of Sarytogan, on Friday 28th June 2024. The attendees were supportive of jobs being created in the region. The Company now follows the normal process of addressing any public comments before the expert commission makes its determination.

Geotechnical Drill Program

Eight HQ3 diamond drill holes for 471.3m were drilled from May to July 2023 (Figure 16). The holes were drilled to assess the strength of the rock and orientation of rock fractures. This data has been used to set appropriate pit wall angles used in the mining pit designs (Figure 16). Following the completion of geotechnical logging and sampling, which required uncut core, the drill core was cut and sampled for assay in December 2023 and January 2024 with assays now received and able to be reported (refer ASX Announcement 26 February 2024).

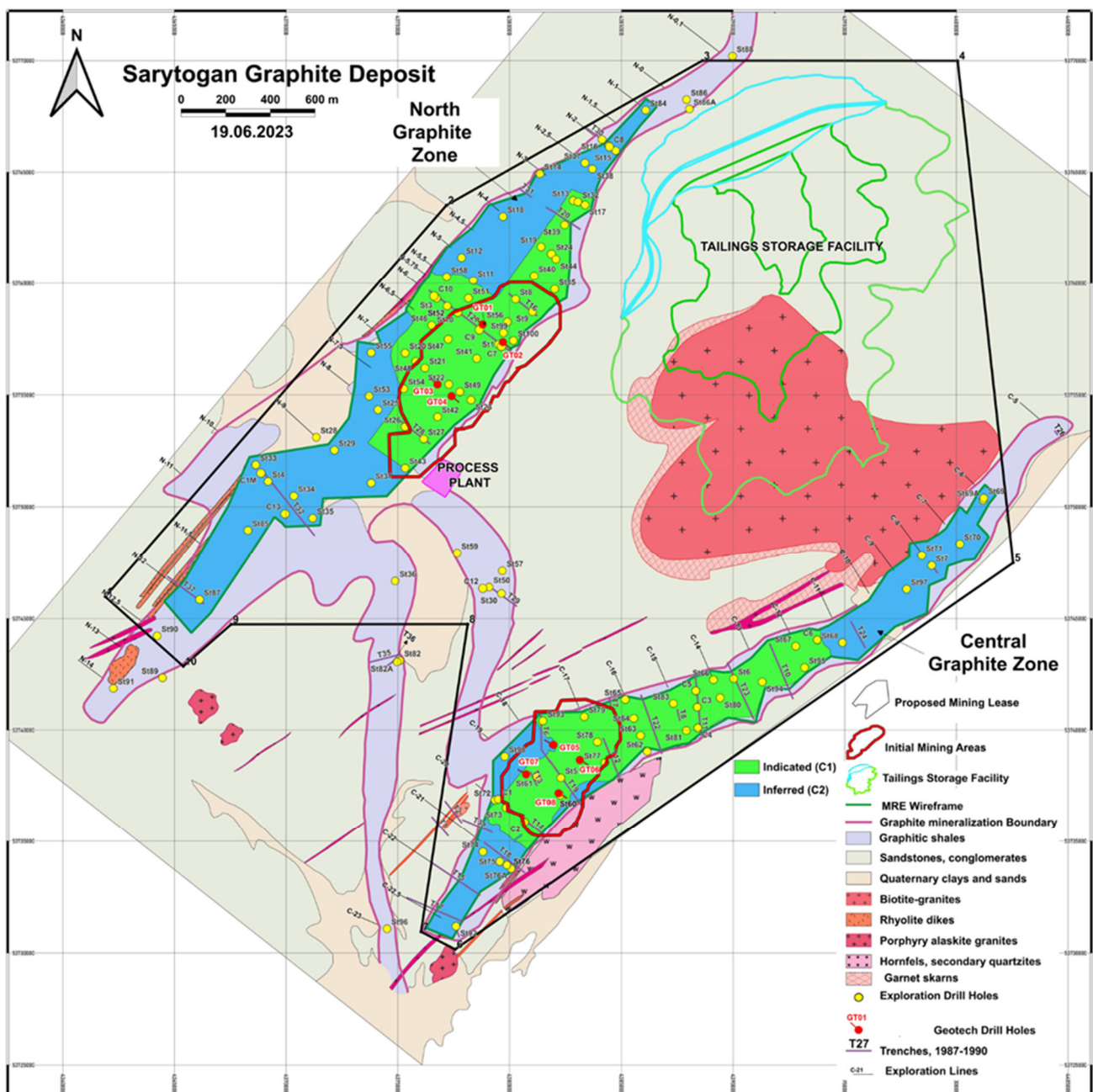


Figure 13 - Completed Diamond Drilling at the Sarytogan Graphite Deposit.

High-grade graphite mineralisation in 92% of all meters drilled, including:

- 60.1m @ 33.81% Total Graphitic Carbon (TGC) from surface to EOH in GT01
- 50.0m @ 30.88% TGC from surface to End of Hole (EOH) in GT02
- 60.0m @ 30.46% TGC from surface to EOH in GT05

Of the 471.3m drilled, 434.4m or 92% of the meters drilled are reported as mineralised intervals. Several significant intercepts of greater than 40% TGC have been reported and 2 individual assays higher than an extraordinary 50% TGC were recorded.

The significance of these results is that the initial pit walls will be constructed in high-grade mineralisation. This confirms that the selected initial mining areas have targeted only a very small proportion of the available Mineral Resource and has selected only the very highest grades at the lowest strip ratio.

Kenesar Graphite Exploration Project

The maiden first-pass exploration drilling campaign at the Kenesar Graphite Exploration Project was completed. The drilling program at Kenesar comprised of initial scout drilling using water-transported core drilling (KGK drilling) and follow up diamond drilling.

368 KGK drill holes over 12 lines for 9,071 m were completed at an average depth of 25 meters. The drill lines targeted the rock conductivity anomalies identified by the Time Domain Electro-Magnetic (TDEM) survey conducted earlier this year (refer ASX Announcement 27 June 2023). The drilling method is designed to penetrate the weathered rock and allow the bedrock to be mapped. Prospective geology identified from the KGK drilling was then targeted with 7 follow up vertical HQ diamond drill holes for 863.6m at an average depth of 123m.

Graphitic schist grading higher than 0.8% TGC was intersected in 5 of the 7 holes. The best intercept was 138.6m @ 0.98% TGC from 34.4m to end of hole, including 8.3m @ 1.29% TGC from 52.7m and 21.7m @ 1.13% TGC from 95.5m (Refer ASX Announcement 18 October 2023).

Historical small scale surface gold workings and gossan outcrops were observed in the south-east of the project. Adjacent to these workings, gold assays were taken from the outcrops and from the KGK and diamond drill holes KN004 and KN005. One result of 2m @ 6.59g/t Au from 23m (Fence 1c, KGK hole 30, 550405mE, 5883484mN) was returned.

North Kazakhstan is a renowned gold mining province of Central Asia since the 18th century with major gold deposits including Vasilkovskoe (13Moz) and Raygorodok (3.3Moz) located 45km and 90km from the Kenesar licence respectively. Most of the gold deposits in this region are structurally controlled by boundary of the Kokshetau pre-Cambrian metamorphic shield tectonically overprinted and intruded by Ordovician granitoids. This tectonic boundary runs along the length of the Kenesar tenement area.

Matters subsequent to the end of the financial year

Mining Licence Application

The Ministry of Industry and Construction of the Republic of Kazakhstan (Competent Authority) has considered Sarytogan's application for a Mining Licence, including a mining plan and closure plan, and provided notice that the Mining Licence will be granted subject to obtaining the necessary Environmental Permit in the next 12 months (ASX announcement 1 July 2024). The 12 months timetable may be extended by the Competent Authority if necessary.

This follows an extensive process by the team at Sarytogan's 100% owned Kazakh subsidiary Ushtogan LLP including:

- Negotiating a Land Access Agreement with the local Farm and Land User (refer ASX Announcement 17 April 2023)
- Preparing a closure plan in 2023 which was approved by the Department of the Industrial Safety Committee of the Ministry of Emergency Situations on 9 August 2023.
- Converting the giant and exceptionally high-grade **229Mt @ 28.9% TGC** Indicated and Inferred Mineral Resource (**Error! Reference source not found.**) from the Australian JORC Code to the Kazakh KAZRC code.
- Submission of the Mining Licence application on 23 April 2024.
- Approval of the Mining licence application boundaries by the Geological Committee on 3 June 2024 (**Error! Reference source not found.**).

Notification from the Competent Authority on 27th June 2024 that the Mining Licence will be granted, subject to the receipt of the Environmental Permit within one year.

Grant of Baynazar exploration licence

On 3 July 2024, the Company announced the pegging of a new Exploration Licence Application (ELA) to explore for copper porphyry mineralisation, called "Baynazar".

Kazakhstan is the 11th largest copper producer globally, producing 600,000 tonnes in 2023 (Statistica.com 2024).

The Palaeozoic Central Asian Orogenic Belt (CAOB) runs through Kazakhstan, Northern China and Mongolia (Figure 17). It hosts many large copper-gold porphyry deposits including in Kazakhstan:

- Bozshakol - 1,402 Mt @ 0.34% Cu 0.13% Au, in production (Kaz Minerals 2023 Annual Report)
- Aktogay - 1,944 Mt @ 0.32% Cu, in production (Kaz Minerals 2023 Annual Report)
- Kounrad - 637 Mt @ 0.59% Cu 0.19% Au, mined in the 20th century (US Geological Survey 2008)
- Koksai - 736 Mt @ 0.42% Cu (Kaz Minerals 2017 Annual Report)
- Nurkazgan - 213 Mt @ 0.81% Cu 0.26 g/t Au, in production (US Geological Survey 2008)

The CAOB also hosts one of the largest copper and gold (combined) deposits in the world, Oyu Tolgoi in Mongolia at 4,380 Mt @ 0.69% Cu, 0.31% Au, 1.93% Ag (Rio Tinto Annual Report 2023).

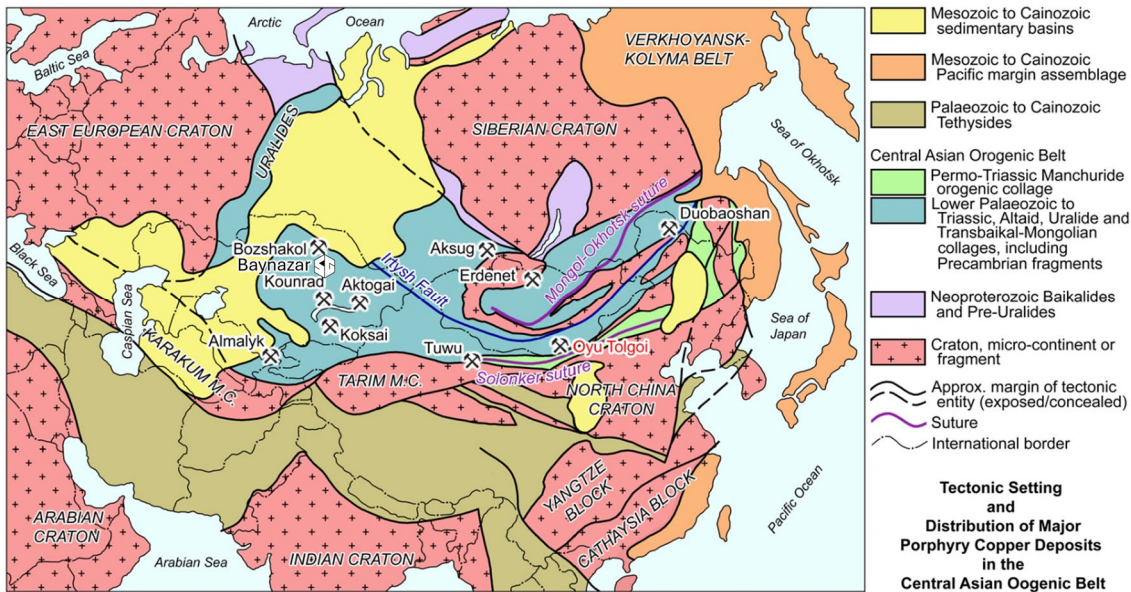


Figure 17 - Baynazar Copper Project Location and Tectonic Setting and Distribution of Major Porphyry Copper Deposits in the CAOB.

Source: Porter M., 2015, *Geoscience Frontiers* 7(3), The geology, structure and mineralisation of the Oyu Tolgoi porphyry copper-gold-molybdenum deposits, Mongolia: A review.

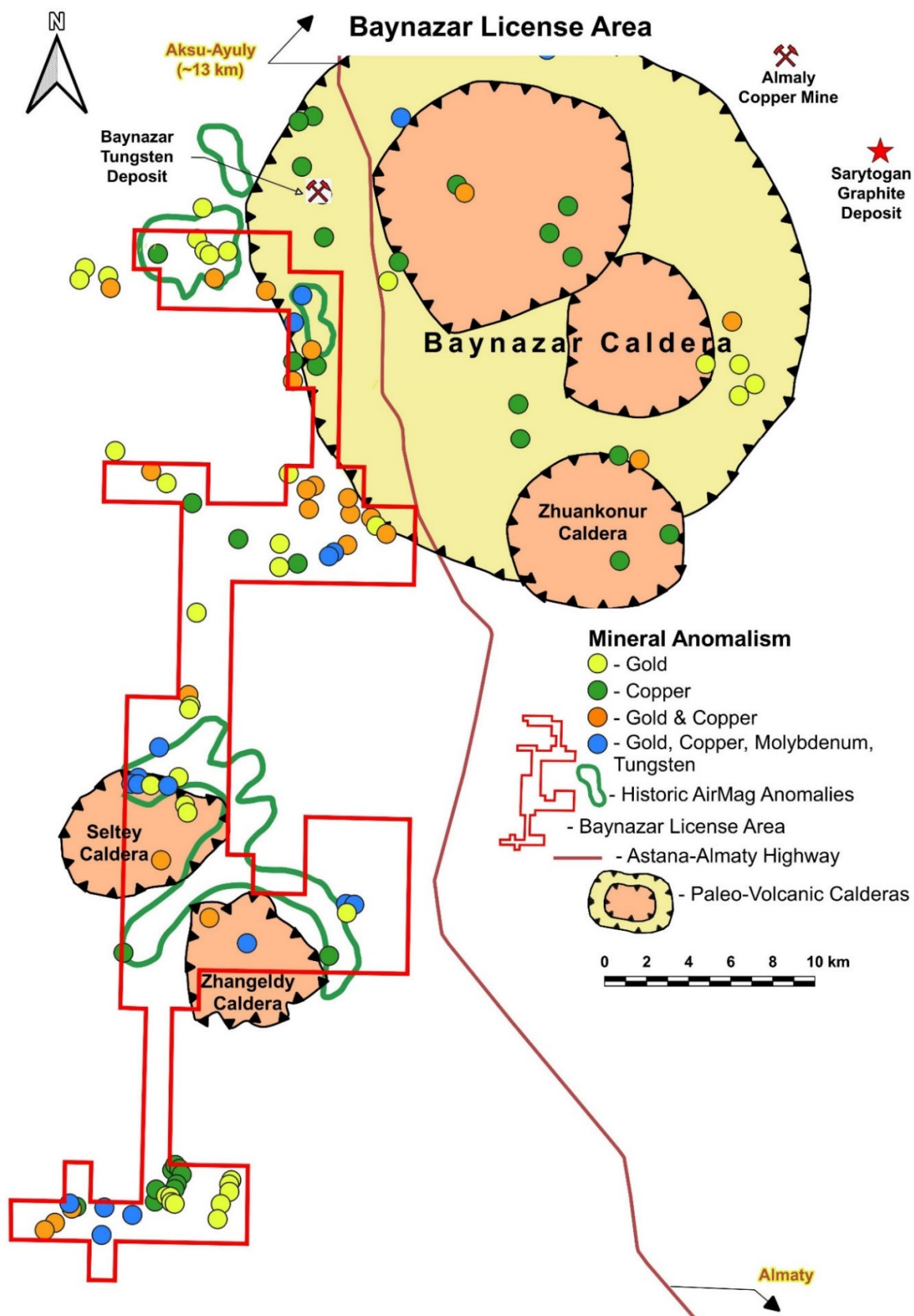


Figure 18 - Baynazar ELA, geology, and mineral anomalism after Karandyshev et al (1974).

The Baynazar Exploration Licence Application (ELA) is situated within a Devonian volcanic belt that spans from central to south Kazakhstan as part of the broader CAOB (Refer ASX Announcement 3 July 2024).

The Baynazar area is characterised by cluster of volcanic calderas, with the largest spanning 30 by 40 kilometres. This area is renowned for its diverse mineralization types. During the Soviet era, over 300 mineral occurrences were observed and partially explored, including gold, copper, molybdenum, tungsten and rare metals (e.g. Karandyshev W. et al, 1974, Geological Mapping and Minerals Prospecting of the Baynazar Caldera and Surroundings). Locations of elevated metals observed from grab- and trench-samples and aero-magnetic anomalies identified in historical reports are illustrated on Figure 18.

The Baynazar ELA encompasses the Baynazar Caldera's western contact zone and two southern satellite calderas, all exhibiting a favourable zonality for copper-porphyry mineralization. On the opposite margin of the Baynazar Caldera, lies the recently developed Almaly copper-porphyry mine.

Copper is in high demand for the green energy transition underway. Offshore wind uses 3 times as much copper as coal fired energy generation and an electric vehicle uses more than triple the copper of an internal combustion engine car. Wood Mackenzie forecast that global copper consumption is going to increase 24% from 2023 to 2033 to reach about 32Mt per annum. Copper prices have already risen from US\$2/lb in 2016 to a high of US\$5/lb in early 2024, attracting investor interest.

Sarytogan has incorporated a new 100% owned Limited Liability Partnership in Kazakhstan "Baynamys LLP" to house copper exploration assets. The Baynazar ELA has been pegged in the name of Baynamys LLP.

Baynamys has received notification from the Ministry of Industry and Construction of the Republic of Kazakhstan that the ELA will be granted subject to the payment of environmental insurance, which has now been paid and the licence has been granted.

EBRD Equity Investment

Sarytogan Graphite Limited entered into a share subscription agreement ("Subscription Agreement") for a placement of A\$5M to the European Bank for Reconstruction and Development ("EBRD").

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies across three continents. The Bank is owned by 73 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions competitive, inclusive, well governed, green, resilient and integrated. To date, the EBRD has invested more than €200 billion through more than 7,100 projects. 80 per cent of these funds have been channeled to private-sector companies.

EBRD has conducted extensive technical and legal due diligence in respect to Sarytogan and its graphite project in Kazakhstan and, as part of the Subscription Agreement, Sarytogan has provided customary representations and warranties relating to the governance of the Company and its subsidiaries and the standing of the Sarytogan Graphite Project.

The investment will be split into 2 tranches:

Tranche 1 is 16,507,565 shares for 9.99% of the issued capital in Sarytogan at 16c to raise \$2,641,210. Conditions Precedent to Tranche 1 include the Company receiving consent from the Kazakh Competent Authority for the issue of the shares pursuant to the Subscription Agreement, provision of certain original and certified copies of documents and that no material adverse event occurs in respect to Company and its subsidiaries.

Tranche 2 is for the remainder of the A\$5M investment; 14,742,435 shares at 16c, giving EBRD a total shareholding of 17.36% in Sarytogan. In addition to the Tranche 1 Conditions Precedent, Tranche 2 requires the approval from the Australian Foreign Investment Review Board.

The shares will be issued without shareholder approval utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A.

Subject to satisfaction of all Conditions Precedent, it is expected that the Tranche 1 shares will be issued in or about October and the Tranche 2 shares will be issued in or about December.

Sarytogan has undertaken to use the funds for the progression of the Sarytogan Graphite Project and corporate overheads. Sarytogan has also undertaken to retain control over Ushtogan LLP (which holds the Sarytogan Graphite Project) until the completion of a Definitive Feasibility Study.

The parties have also entered into a Project Support Agreement where EBRD will have the right to nominate a director to the Sarytogan Board on completion of Tranche 2. In accordance with the Project Support Agreement, Sarytogan will also be required to regularly report to EBRD on environmental and governance matters and comply with certain project related covenants.

Pre-Feasibility Study

The Pre-Feasibility Study (PFS) on the Sarytogan Graphite Project was announced on 12 August 2024. Highlights were:

- Three product types available at attractive 10-Year weighted-average sales prices:
 - Microcrystalline Graphite at >80% Carbon ("Micro80C") at US\$746 to \$791/t,
 - Ultra-High Purity Fines (UHPF) at up to five nines purity at US\$4,468 to \$5,577/t, and
 - Spherical Purified Graphite (USPG and CSPG) at US\$2,500 and \$8,000/t.
- Staged development and conservative ramp-up scheduled to minimise initial capital expense and match market penetration.
- Maiden Ore Reserve estimated for initial 60-year mine life of 8.6Mt @ 30% TGC, consuming only 4% of the Mineral Resource, highlighting multi-generational expandability.
- Attractive Financial Returns including NPV of up to US\$518 M = A\$797 M at 65c FX:

Table 4 - Staged Development Strategy and Cumulative Geared Financial Returns

	Stage 1a	Stage 1b	Stage 2a	Stage 2b
Description	50ktpa Beneficiation Underutilised	One 6ktpa Thermal Reactor Pilot Spheres	Thermal Reactors 2 & 3	7ktpa Spheronisation & 4ktpa Coating
Stage Capex	US\$62 M	US\$97 M	US\$97 M	US\$88 M
Cumulative Capex	US\$62 M	US\$159 M	US\$256 M	US\$344 M
EBITDA Margin	61%	66%	67%	66%
Internal Rate of Return	35%	33%	33%	25%
Payback Period (years)	3.4	3.6	4.0	5.3
Net Present Value (pre-tax, 8%)	US\$151 M	US\$327 M	US\$518 M	US\$514M

A 3D animation of the proposed development is available to view here:

[Sarytogan Graphite PFS 3D Animation - YouTube](#)



Ore Reserve Estimate

As part of the PFS, a Probable Ore Reserve of 8.6 Mt at a grade of 30.0% TGC (Table 6) was estimated using the Guidelines of the 2012 Edition JORC Code.

About Sarytogan

The Sarytogan Graphite Deposit is in the Karaganda region of Central Kazakhstan. It is 190km by highway from the industrial city of Karaganda, the 4th largest city in Kazakhstan (Figure 22).



Figure 19 - Sarytogan Graphite project location.

The Sarytogan Graphite Deposit was first explored during the Soviet era in the 1980s with sampling by trenching and diamond drilling. Sarytogan's 100% owned subsidiary Ushtogan LLP resumed exploration in 2018. An Indicated and Inferred Mineral Resource has recently been estimated for the project by AMC Consultants totalling 229Mt @ 28.9% TGC (Table 5), refer ASX Announcement 27 March 2023).

Table 5 - Sarytogan Graphite Deposit Mineral Resource (> 15% TGC).

Zone	Classification (JORC Code)	In-Situ Tonnage (Mt)	Total Graphitic Carbon (TGC %)	Contained Graphite (Mt)
North	Indicated	87	29.1	25
	Inferred	81	29.6	24
	Total	168	29.3	49
Central	Indicated	39	28.1	11
	Inferred	21	26.9	6
	Total	60	27.7	17
Total	Indicated	126	28.8	36
	Inferred	103	29.1	30
	Total	229	28.9	66

Sarytogan has produced bulk flotation concentrates at higher than 80% C and further upgraded the concentrate up to 99.9992% C “five nines purity” by thermal purification, without any chemical pre-treatment (refer ASX Announcement 5 March 2024). Sarytogan envisages three product types:

- Microcrystalline graphite at 80-85% C (“Micro80C”) for traditional uses,
- Ultra-High Purity Fines (UHPF) for advanced industrial use including batteries, and
- Spherical Purified Graphite (USPG and CSPG) for use in lithium-ion batteries.

A Prefeasibility Study was completed in August 2024 that outlined a staged development plan to match market penetration, minimise initial capital expenditure and deliver attractive financial returns.

An Probable Ore Reserve of 8.6 Mt @ 30.0% TGC (Table 6) was estimated using the Guidelines of the 2012 Edition JORC Code (refer ASX announcement 12 August 2024).

Table 6 - August 2024 Sarytogan Probable Ore Reserve estimate

Ore mass	TGC	Concentrate mass	Concentrate grade	TGC in conc. Mass
kt	%	kt	%	kt
8,587	30.0	2,654	81.4	2,160

Notes:

- Tonnes and grades are as processed and are dry.
- The block mass pull varies as it is dependent on the TGC grade, concentrate grade (fixed) and process recovery (fixed) resulting in a variable cut-off grade, block by block. The cut-off is approximately 20% TGC with minimal mass below 20% TGC contributing.

Compliance Statement

The information in this report that relates to other Exploration Results is cross referenced to the relevant announcements in the text. These reports are available at www.asx.com.au. The information in this report that relates to Sarytogan Mineral Resources was first reported in ASX announcement dated 27 March 2023. The information in this report that relates to Sarytogan Ore Reserves was first reported in ASX announcement dated 12 August 2024.

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

The Company confirms that all the material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the initial public report (12 August 2024) continue to apply and have not materially changed.

Significant changes in the state of affairs

The significant events during the course of the year are outlined in detail above and as follows during the year ended 30 June 2024:

- 1,000,000 options exercise at \$0.60 were issued to directors Sean Gregory and Waldemar Mueller; and
- 3,000,000 performance rights were issued to directors Sean Gregory and Waldemar Mueller.

On 28 February 2024, the Company opened a wholly owned subsidiary Baynamys LLP.

On 25 April 2024, the Company opened a wholly owned subsidiary KazGraphite LLP.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 1 July 2024, the Company announced that it has received notification from the Ministry of Industry and Construction of the Republic of Kazakhstan (Competent Authority) that its Mining Licence application will be granted, subject to obtaining the Environmental Permit in the next 12 months.

On 3 July 2024, the Company announced the pegging of a new Exploration Licence Application (ELA) to explore for copper porphyry mineralisation, called "Baynazar".

On 9 August 2024, the Company announced that it has entered into a share subscription agreement ("Subscription Agreement") for a placement of A\$5M to the European Bank for Reconstruction and Development ("EBRD").

On 12 August 2024, the Company released the results of the Pre-Feasibility Study (PFS) for the development of the Sarytogan Graphite Project in Central Kazakhstan.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Business risks

The Group is engaged in mineral exploration activities which, by their very nature, are speculative. Due to the high-risk nature of the Group's business and the present stage of the various projects, the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. Some of the key risks which the Group is subject to are summarised below.

Exploration and development risks

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Group. As the Group is an exploration company, there can be no assurance that exploration on the Projects, or any other exploration tenure that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

In the event that the Group successfully delineates a resource on any of the Tenements, that resource estimate will be an expression of judgment based on knowledge, experience and industry practice. By their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. If the Group undertakes scoping, pre-feasibility, definitive feasibility and bankable feasibility studies that confirm the economic viability of a Project, there is still no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the study (e.g. operational costs and commodity prices) once production commences.

Mine development

Possible future development of mining operations at the Sarytogan Graphite Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Group commences production on the Sarytogan Graphite Project, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Group. No assurance can be given that the Group will achieve commercial viability through the development of the Sarytogan Graphite Project.

The risks associated with the development of a mine will be considered in full should the Sarytogan Graphite Project reach that stage and will be managed with ongoing consideration of stakeholder interests.

Regulatory compliance and risks

The Group's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Group requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production, and rehabilitation activities.

While the Group believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned development projects.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Group will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Group from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties, or other liabilities. In extreme cases, failure could result in suspension of the Group's activities or forfeiture of one or more of the Sarytogan Graphite Project.

Additional requirements for capital

Additional funding may be required if exploration and development costs exceed the Group's estimates and will be required once those funds are depleted. To effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur, additional equity or other finance may be required. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements, royalty streaming or other means, in future.

Failure to obtain sufficient financing for the Group's activities may result in delay and indefinite postponement of exploration, development or production on the Group's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Group and might involve substantial dilution to Shareholders.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental effect on the Group if one or more of these key employees cease their employment or other roles in the Group.

Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration, development, and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Sarytogan Graphite Project may have to be surrendered or not renewed. General economic conditions may also affect the value of the Group and its valuation regardless of its actual performance.

Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Group. It is possible that the current system of exploration and mine permitting in Kazakhstan may change, resulting in impairment of rights and possibly expropriation of the Group's properties without adequate compensation.

Insurance and uninsured risks

Although the Group maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks because of high premiums or other reasons.

Environmental regulation

The Group's operations are subject to significant environmental regulations under local legislative authorities in Kazakhstan. The Board believes that the Group has adequate systems in place for the management of its environmental regulations and is not aware of a breach of those environmental requirements as they apply to the Group.

Information on Directors

Name:	Mr Stephen Penrose
Title:	Non-Executive Chairman
Qualifications:	B.Com., L.L.B.
Experience and expertise:	Mr Penrose is the managing partner of Tottle Partners, specialising in corporate and commercial litigation. He graduated from the University of Western Australia with a Bachelor of Commerce and a Bachelor of Laws and was admitted to practice in Western Australia in 1992. Mr Penrose acts for a broad range of commercial clients ranging from small family-owned businesses through to ASX-listed entities. His clients include mining companies, high-net-worth individuals, not-for-profit Companies as well as professional services firms. Mr Penrose is an experienced non-executive director having served on the boards of a number of listed companies. Mr Penrose is not currently a director of any other ASX listed companies at this time.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	50,000 ordinary shares
Interests in options:	2,012,500 options exercisable at \$0.25 per share on or before 30 November 2024
Name:	Mr Sean Gregory
Title:	Managing Director
Qualifications:	B.Sc.,(Geology), MBA
Experience and expertise:	Mr Gregory is a seasoned mining executive with more than 20 years' experience in minerals exploration, development and mining in iron ore, lithium, cobalt, nickel, and gold in Western Australia and abroad. In the most recent 5 years, Mr Gregory has acted as CEO and/or at board level of listed ASX mining companies Kogi Iron Limited (ASX:KFE), Great Southern Mining Limited (ASX:GSN), and Greenstone Resources Limited (Formerly Barra Resources Limited; ASX:GSR). This built on an early career with BHP Company Limited (ASX:BHP), Murchison Metals Limited (ASX:MMX) and Mineral Resources Limited (ASX:MIN) developing iron ore operations. Mr Gregory has a deep understanding of the minerals value chain from geology, exploration, metallurgy, feasibility studies, approvals, construction, mining, logistics, business improvement, technical marketing, economic evaluation and business development. Success in major project developments can be influenced by understanding the total project life cycle and by bringing diverse disciplines together. Mr Gregory's practical mining experience is well complemented by a strong academic background including a Bachelor of Science (Hons) in Geology (UWA), MBA (UWA), Advanced Mergers and Acquisitions Program (Melb Uni) and Corporate Company Directors Course Award (AICD).
Other current directorships:	None
Former directorships (last 3 years):	Kogi Iron Limited (ASX: KFE) (Resigned 15 August 2022),
Interests in shares:	525,000 ordinary shares
Interests in options:	2,000,000 options exercisable at \$0.25 per share on or before 30 November 2024 500,000 options exercisable at \$0.60 per share on or before 30 June 2028
Performance rights:	7,000,000 (500,000 vested not converted)

Name: Dr Waldemar Mueller
Title: Technical Director
Qualifications: M.Sc., PhD (Geology), M.Aus.I.M.M.
Experience and expertise: Dr Waldemar Mueller has over 40 years' experience in exploration and the evaluation of mineral resources. The last 20 years he has worked on various leadership positions with mineral exploration companies in Germany (projects in Brazil & Kazakhstan), in Canada (projects in Russia & Kazakhstan), in Australia (projects in Kyrgyzstan, Georgia & Kazakhstan). Dr Mueller has a strong background in gold and base metal exploration in Kazakhstan and Kyrgyzstan and has visited and examined a variety of mineral deposits worldwide through his consulting firm Kiintas Mining Management Ltd. Dr Mueller is a Competent Person as defined in JORC Code. Dr Mueller was the exploration director of the ASX company Central Asia Resources Ltd from 2005 to 2009.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 45,080,262 ordinary shares
Interests in options: 2,000,000 options exercisable at \$0.25 per share on or before 30 November 2024
500,000 options exercisable at \$0.60 per share on or before 30 June 2028
Performance rights: 1,000,000 (500,000 vested not converted)
Performance shares: 14,117,646

Name: Mr Brendan Borg
Title: Non-Executive Director
Qualifications: M.Sc., B.Sc., M.Aus.I.M.M.
Experience and expertise: Mr Borg is a consultant geologist who has specialised in the "battery materials" sector including lithium, graphite, cobalt and copper, participating in a number of successful projects, in an investment and/or operational capacity. Mr Borg has 25 years' experience in management, operational and project development roles in the mineral exploration and mining sector with companies such as Rio Tinto Iron Ore, Magnis Resources Limited, IronClad Mining Limited, Lithex Resources Limited and Sibelco Australia Limited. More recently he was a co-founder and Managing Director of ASX and TSX-V listed gold explorer, Tempus Resources Limited (ASX/TSXV:TMR/TMRR). Mr Borg is currently a Non-Executive Director of lithium developer Leo Lithium Limited (ASX:LLL) and Kuniko Limited (ASX: KNI). He is also a director of geological consultancy Borg Geoscience Pty Ltd. Mr Borg holds a Master of Science in Hydrogeology and Groundwater Management (University of Technology Sydney), a Bachelor of Science in Geology/Environmental Science (Monash University) and is a member of the AusIMM and the IAH.

Other current directorships: Leo Lithium Limited (ASX:LLL) (Appointed October 2021) Kuniko Limited (ASX:KNI) (Appointed April 2021)
Former directorships (last 3 years): Firefinch Limited (ASX:FFX) (Resigned May 2022)
Interests in shares: 1,825,000 ordinary shares
Interests in options: 3,431,250 options exercisable at \$0.25 per share on or before 30 November 2024

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ian Hobson - B. Bus FCA ACIS MAICD

Mr Ian Hobson is a Fellow Chartered Account and Chartered Secretary with 35+ years' experience. He currently acts as CFO /Company Secretary for a number of ASX listed companies and has been a director of several ASX listed entities in past years (currently none). He spent 20 years working in large international accounting firms prior to commencing his own practice focussing on small cap listed companies. He is experienced in transaction support, IPO's, capital raising and corporate governance.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board Attended	Held
Mr Stephen Penrose	6	6
Mr Sean Gregory	6	6
Dr Waldemar Mueller	6	6
Mr Brendan Borg	6	6

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

It is the policy of the Group that, except in special circumstances, non-executive directors normally be remunerated by way of fixed fees, should not receive a bonus or options and should not be provided with retirement benefits other than statutory superannuation.

The Board, within the limit pre-approved by shareholders, determines fees payable to individual non- executive directors. The remuneration level of any executive director or other senior executive is determined by the Board after taking into consideration levels that apply to similar positions in comparable companies in Australia and taking account of the individual's possible participation in any equity-based remuneration scheme. The Board may use industry wide data gathered by independent remuneration experts annually as its point of reference. Options or shares issued to any director pursuant to any equity-based remuneration scheme require approval by shareholders prior to their issue. Options or shares granted to senior executives who are not directors are issued by resolution of the Board.

It is the policy of the Company that persons to whom options have been issued should not enter into any transaction in any associated product which is designed to limit the economic risk of participating in unvested entitlements under an equity-based remuneration scheme.

There are no schemes for retirement benefits, other than the payment of the statutory superannuation contribution for non-executive and executive directors.

All executives receive a base salary (which is based on factors such as qualifications, expertise, experience etc.), superannuation and fringe benefits and are eligible for the grant of options under the Employee Option Plan.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for the time, commitment and responsibilities.

The fees payable to individual non-executive directors must be determined by the Board within the aggregate sum of \$300,000 per annum provided for under clause 14.8 of the constitution. That aggregate sum can only be increased with the prior approval of the shareholders of the Company at a general meeting. A non-executive director is entitled to a refund of approved expenditure and may also receive payments for consultancy work contracted for and performed separately on the Company's behalf.

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company, Directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future.

Performance-based remuneration

Performance based remuneration for key management personnel is limited to granting of options.

Relationship between remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The issue of options in past years to the majority of directors and executives is to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth.

Performance conditions linked to remuneration

The Group's remuneration of key management personnel does not include any performance conditions.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
30 June 2024	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr Stephen Penrose	59,459	-	-	6,541	-	-	66,000
Mr Brendan Borg	41,435	-	-	4,765	-	-	46,200
<i>Executive Directors:</i>							
Mr Sean Gregory	357,500	-	-	27,500	-	298,512	683,512
Mr Waldemar Mueller	296,500	-	-	27,500	-	272,286	596,286
	754,894	-	-	66,306	-	570,798	1,391,998

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
30 June 2023	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr Stephen Penrose	60,000	-	-	6,475	-	-	66,475
Mr Brendan Borg	42,000	-	-	4,410	-	-	46,410
<i>Executive Directors:</i>							
Mr Sean Gregory	360,000	-	-	25,000	-	98,725	483,725
Mr Waldemar Mueller	296,500	-	-	27,500	-	-	324,000
	758,500	-	-	63,385	-	98,725	920,610

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		Share-based payments	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>Non-Executive Directors:</i>				
Mr Stephen Penrose	100%	100%	0%	83%
Mr Brendan Borg	100%	100%	0%	84%
<i>Executive Directors:</i>				
Mr Sean Gregory	64%	80%	36%	31%
Mr Waldemar Mueller	60%	100%	40%	49%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Sean Gregory
Title:	Managing Director
Agreement commenced:	25/01/2022
Details:	Sean Gregory, Managing Director, was engaged by way of an employment agreement with an annual salary of \$385,000 inclusive of superannuation and 6 months' termination notice period.
Name:	Waldemar Mueller
Title:	Technical Director
Agreement commenced:	29/11/2021
Details:	Waldemar Mueller, Technical Director, was engaged by way of an employment agreement with an annual salary of \$324,000 inclusive of superannuation and 6 months' termination notice period.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024. During the year ended 30 June 2024, Sean Gregory and Waldemar Mueller each converted 500,000 performance rights Tranche 6 vested on 31 March 2024.

Options

Details of options over ordinary shares in the Company that were granted as compensation to each key management person:

Name	Number	Grant Date	Fair Value per Option	Exercise Price	Expiry Date
Sean Gregory	500,000	09/08/2023	\$0.106	\$0.60	30/06/2028
Waldemar Mueller	500,000	09/08/2023	\$0.106	\$0.60	30/06/2028

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Tranche	Name	Number	Grant Date	Vesting date	Vesting conditions	Fair value at grant date
Tranche 1	Mr Sean Gregory	2,000,000	14/07/2022		Completion of a feasibility study on the Project prepared by an independent competent person under the JORC Code, within four years of issuing this class of Performance Rights with an internal rate of return >25%. If this milestone is not achieved in the four-year period, the Performance Rights will expire on that date which is five years after their date of issue. Production of 50,000 tonnes of graphite concentrate within five years of issuing this class of Performance Rights (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.	\$0.20
Tranche 2	Mr Sean Gregory	2,000,000	14/07/2022		Production of 100,000 tonnes of graphite concentrate within five years of issuing this class of Performance Rights (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.	\$0.20
Tranche 3	Mr Sean Gregory	2,000,000	14/07/2022		Completion of a pre-feasibility study on the Project prepared by an independent competent person under the JORC Code, by 30/09/2024 with an internal rate of return >30%. The estimation of a Mineral Resource (with a minimum resource of 20Mt @ 8% TGC flake graphite) for the Kenesar Project by an independent competent person under the JORC Code, within 5 years of issuing this class of Performance Rights. If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.	\$0.235
Tranche 4	Mr Sean Gregory	500,000	01/08/2023	22/08/2024	Achievement of a minimum of 2kg of graphite concentrate at 99.95% carbon purity from a bulk sample from the Project by 30/09/2024.	\$0.235
Tranche 5	Mr Sean Gregory	500,000	01/08/2023		Completion of a pre-feasibility study on the Project prepared by an independent competent person under the JORC Code,	\$0.235
Tranche 6	Mr Sean Gregory	500,000	01/08/2023	31/03/2024		
Tranche 4	Dr Waldemar Mueller	500,000	01/08/2023	22/08/2024		

				by 30/09/2024 with an internal rate of return >30%.	
				The estimation of a Mineral Resource (with a minimum resource of 20Mt @ 8% TGC flake graphite) for the Kenesar Project by an independent competent person under the JORC Code, within 5 years of issuing this class of Performance Rights. If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.	
Tranche 5	Dr Waldemar Mueller	500,000	01/08/2023		\$0.235
Tranche 6	Dr Waldemar Mueller	500,000	01/08/2023	31/03/2024	\$0.235
		9,000,000		Achievement of a minimum of 2kg of graphite concentrate at 99.95% carbon purity from a bulk sample from the Project by 30/09/2024.	

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Mr Stephen Penrose	50,000	-	-	-	50,000
Mr Sean Gregory	25,000	-	500,000 ⁽¹⁾	-	525,000
Dr Waldemar Mueller	51,820,262	-	500,000 ⁽¹⁾	-	52,320,262
Mr Brendan Borg	1,825,000	-	-	-	1,825,000
	53,720,262	-	1,000,000	-	54,720,262

(1) vested performance rights

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Mr Stephen Penrose	2,012,500	-	-	-	2,012,500
Mr Sean Gregory	2,000,000	500,000	-	-	2,500,000
Dr Waldemar Mueller	2,000,000	500,000	-	-	2,500,000
Mr Brendan Borg	3,431,250	-	-	-	3,431,250
	9,443,750	1,000,000	-	-	10,443,750

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
Mr Stephen Penrose	2,012,500	-	2,012,500
Mr Sean Gregory	2,500,000	-	2,500,000
Dr Waldemar Mueller	2,500,000	-	2,500,000
Mr Brendan Borg	3,431,250	-	3,431,250
	10,443,750	-	10,443,750

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Mr Sean Gregory	6,000,000	1,500,000	(500,000)	-	7,000,000
Dr Waldemar Mueller	-	1,500,000	(500,000)	-	1,000,000
	6,000,000	3,000,000	(1,000,000)	-	8,000,000

An additional 500,000 performance rights (each) vested past financial year ended 30 June 2024 for Sean Gregory and Waldemar Mueller.

Performance share holding

The number of performance shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance shares</i>					
Dr Waldemar Mueller	14,117,646	-	-	-	14,117,646
	14,117,646	-	-	-	14,117,646

Additional information

The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Profit/(loss) after income tax	(3,072,763)	(2,038,017)	(1,846,189)	(215,704)	44,780

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021*	2020
Share price at financial year end (\$)	0.195	0.24	-	-	-
Basic earnings/(loss) per share (cents per share)	(2.08)	(1.52)	(8.98)	(10.20)	0.09
Diluted earnings/(loss) per share (cents per share)	(2.08)	(1.52)	(8.98)	(10.20)	0.09

* Share consolidation on the basis of 25 shares for every 1 share held

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Sarytogan Graphite Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
29 November 2021	30 November 2024	\$0.250	29,624,589
29 November 2021	30 November 2024	\$0.250	8,037,500
14 April 2023	14 April 2026	\$0.495	1,515,151
9 August 2023	30 June 2028	\$0.600	1,000,000
			45,177,240

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of Sarytogan Graphite Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
6 July 2022	6 July 2027	6,000,000
1 August 2023	30 October 2024	-
1 August 2023	9 August 2028	1,000,000
		7,000,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Performance Shares

The Company completed the purchase of 100% Ushtogan LLP from Ustar Ventures Ltd on 6 July 2022 which owns 100% of the Sarytogan Graphite Project. Three tranches of Performance Shares were issued for a total of 14,117,646 Performance Shares in the capital of the Company, subject to the following performance share milestones:

- (i) Tranche 1: 4,705,882 performance shares subject to the completion of a feasibility study on the Project prepared by an independent competent person under the JORC Code, within four years of issuing this class of performance shares with an internal rate of return >25%. If this milestone is not achieved in the four-year period, the performance shares will expire on that date which is four years after their date of issue;
- (ii) Tranche 2: 4,705,882 performance shares subject to the production of 50,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue; and
- (iii) Tranche 3: 4,705,882 performance shares subject to production of 100,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue.

Accounting standards require directors to assess the probability of meeting the above conditions. The performance shares were valued and had no amount allocated to them as the projects are still progressing through the early stages of development and the Directors did not have certainty that the performance shares would convert into ordinary shares based on their assessment at reporting date.

No person entitled to exercise the performance shares had or has any right by virtue of the performance shares to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Sarytogan Graphite Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares issued on the exercise of performance shares and performance rights

There were 1,000,000 ordinary shares of Sarytogan Graphite Limited issued on the exercise of performance shares during the year ended 30 June 2024 and up to the date of this report as follows:

Expiry Date	Exercise price	Number of shares issued
30 October 2024	Nil	1,000,000

There were no ordinary shares of Sarytogan Graphite Limited issued on the exercise of performance rights during the year ended 30 June 2023.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 19 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of HLB Mann Judd

There are no officers of the Company who are former partners of HLB Mann Judd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Sean Gregory
Managing Director

30 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Sarytogan Graphite Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2024



M R Ohm
Partner

hlb.com.au

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A Western Australian Partnership

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

	Note	30 June 2024 \$	30 June 2023 \$
Revenue			
Other income	5	230,555	171,058
Expenses			
Employee benefits expense		(1,133,884)	(1,023,091)
Depreciation expense		(4,782)	(2,590)
Finance costs		(1,634)	(3,156)
Administration		(632,920)	(610,621)
Travel		(89,138)	(120,009)
Share-based payments	28	(570,799)	(511,225)
Impairment	10	(527,680)	-
FX (loss)/gain		(342,482)	61,617
Loss before income tax expense		(3,072,764)	(2,038,017)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Sarytogan Graphite Limited		(3,072,764)	(2,038,017)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(42,310)	206,188
Other comprehensive (loss)/income for the year, net of tax		(42,310)	206,188
Total comprehensive loss for the year attributable to the owners of Sarytogan Graphite Limited		(3,115,074)	(1,831,829)
		Cents	Cents
Basic loss per share	27	(2.08)	(1.52)
Diluted loss per share	27	(2.08)	(1.52)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	30 June 2024 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	2,516,915	7,773,091
Other assets	8	670,823	359,129
Total current assets		3,187,728	8,132,220
Non-current assets			
Plant and equipment	9	240,840	216,063
Exploration and evaluation	10	18,645,369	16,194,307
Total non-current assets		18,886,209	16,410,370
Total assets		22,073,937	24,542,590
Liabilities			
Current liabilities			
Trade and other payables	11	128,414	95,517
Provisions	12	91,948	49,223
Total current liabilities		220,362	144,740
Total liabilities		220,362	144,740
Net assets		21,853,575	24,397,850
Equity			
Issued capital	13	33,126,315	32,891,315
Reserves	14	1,862,434	1,568,945
Accumulated losses	15	(13,135,174)	(10,062,410)
Total equity		21,853,575	24,397,850

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

	Issued capital \$	Foreign exchange revaluation reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	8,758,138	-	866,381	(8,024,393)	1,600,126
Loss after income tax expense for the year	-	-	-	(2,038,017)	(2,038,017)
Other comprehensive income for the year, net of tax	-	206,188	-	-	206,188
Total comprehensive income/(loss) for the year	-	206,188	-	(2,038,017)	(1,831,829)
<i>Transactions with owners in their capacity as owners:</i>					
Share issues	13,522,813	-	-	-	13,522,813
Share issue costs	(1,875,077)	-	238,110	-	(1,636,967)
Share-based payments(note 28)	732,500	-	98,725	-	831,225
Shares issued for acquisition of project (note 28)	11,752,941	-	-	-	11,752,941
Contributions received for issue of options	-	-	159,541	-	159,541
Balance at 30 June 2023	32,891,315	206,188	1,362,757	(10,062,410)	24,397,850

	Issued capital \$	Foreign exchange revaluation reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	32,891,315	206,188	1,362,757	(10,062,410)	24,397,850
Loss after income tax expense for the year	-	-	-	(3,072,764)	(3,072,764)
Other comprehensive income for the year, net of tax	-	(42,310)	-	-	(42,310)
Total comprehensive income/(loss) for the year	-	(42,310)	-	(3,072,764)	(3,115,074)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 28)	235,000	-	-	-	235,000
Options issued	-	-	132,982	-	132,982
Amortisation of performance rights	-	-	202,817	-	202,817
Balance at 30 June 2024	33,126,315	163,878	1,698,556	(13,135,174)	21,853,575

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	30 June 2024 \$	30 June 2024 \$
Cash flows from operating activities			
Payment to suppliers and employees		(1,754,255)	(2,451,785)
Interest received		228,535	74,453
Interest and other finance costs paid		(32)	(36,995)
Net cash used in operating activities	26	(1,525,752)	(2,414,327)
Cash flows from investing activities			
Payments for property, plant and equipment		(87,751)	(167,760)
Payments for exploration and evaluation		(3,617,012)	(2,316,992)
Cash from acquisition of Ushtogan LLC		-	220,646
Proceeds from disposal of property, plant and equipment		-	96,539
Net cash used in investing activities		(3,704,763)	(2,167,567)
Cash flows from financing activities			
Proceeds from issue of shares		-	13,522,813
Proceeds from issue of options		-	159,541
Share issue transaction costs		-	(910,422)
Repayment of borrowings		-	(800,000)
Net cash from financing activities		-	11,971,932
Net (decrease)/increase in cash and cash equivalents		(5,230,515)	7,390,038
Cash and cash equivalents at the beginning of the financial year		7,773,091	347,570
Effects of exchange rate changes on cash and cash equivalents		(25,661)	35,483
Cash and cash equivalents at the end of the financial year	7	2,516,915	7,773,091

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Sarytogan Graphite Limited as a Group consisting of Sarytogan Graphite Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Sarytogan Graphite Limited's functional and presentation currency.

Sarytogan Graphite Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 8
110 Hay Street
SUBIACO WA 6000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sarytogan Graphite Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Sarytogan Graphite Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Material accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

A business segment is identified for a Company of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Sarytogan Graphite Limited.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Sarytogan Graphite Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Material accounting policies (continued)

Revenue recognition

The Group recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Note 2. Material accounting policies (continued)

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). The company has made this election in respect of its equity investments.

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

Note 2. Material accounting policies (continued)

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of an investment in equity instruments which was elected to be classified as FVOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but may be transferred to accumulated losses/retained earnings.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 2. Material accounting policies (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Note 2. Material accounting policies (continued)

Other long-term employee benefits

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 2. Material accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Going concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the financial year ended 30 June 2024, the Company incurred a loss from operations of \$3,072,764 (30 June 2023: \$2,038,017) and recorded cash outflows from operating activities of \$1,525,752 (30 June 2023: \$2,414,327). As at 30 June 2024, the Group had net working capital of \$2,967,366 (30 June 2023: 7,916,157) with cash of \$2,516,915 (30 June 2023: \$7,773,091) available.

The Board believes that it has sufficient funding in place to meet its operating objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- the cash balance of the Company relative to its fixed and discretionary expenditure commitments;
- given the Company's market capitalisation and the underlying prospects for the Company to raise further funds from the capital markets; and
- the fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Company's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Company's working capital.

The consolidated entity's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The forecast indicates a capital raising is required in the 12 months to September 2025. Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are satisfied of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to raise sufficient funds, there is a material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 2. Material accounting policies (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of Sarytogan Graphite Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Material accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an option valuation model taking into account the terms and conditions upon which the instruments were granted and market based performance conditions.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

The Group is managed primarily on the basis of its exploration projects. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating tenements and permits where the tenements and permits are considered to form a single project.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Note 4. Operating segments (continued)

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

The following table presents the profit & loss and assets & liabilities information by segment provided to the Board of Directors:

	Exploration (Kazakhstan) \$	Unallocated (Corporate) \$	Total \$
30 June 2024			
Segment revenue	-	230,555	230,555
Expenses	(692,214)	(2,611,105)	(3,303,319)
Loss before income tax expense	(692,214)	(2,380,550)	(3,072,764)
Income tax expense			-
Loss after income tax expense			(3,072,764)
Assets			
Segment assets	20,233,106	1,840,831	22,073,937
Total assets			22,073,937
Liabilities			
Segment liabilities	23,322	197,040	220,362
Total liabilities			220,362
	Exploration (Kazakhstan) \$	Unallocated (Corporate) \$	Total \$
30 June 2023			
Segment revenue	95,963	136,712	232,675
Expenses	(339,405)	(1,931,287)	(2,270,692)
Loss before income tax expense	(243,442)	(1,794,575)	(2,038,017)
Income tax expense			-
Loss after income tax expense			(2,038,017)
Assets			
Segment assets	17,009,938	7,532,652	24,542,590
Total assets			24,542,590
Liabilities			
Segment liabilities	5,790	138,950	144,740
Total liabilities			144,740

Note 5. Other income

	30 June 2024	30 June 2023
	\$	\$
Net gain on disposal of property, plant and equipment	-	14,600
Interest income	230,555	74,453
Foreign currency gain	-	82,005
Other income	230,555	171,058

Note 6. Income tax expense

	30 June 2024	30 June 2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,072,763)	(2,038,017)
Tax at the statutory tax rate of 30%	(921,829)	(611,405)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	351,266	1,827,426
Tax losses for which no deferred tax asset was recognised	418,318	203,409
Other deferred tax assets and tax liabilities not recognised	75,830	44,364
Eliminations on consolidation	7,193	(1,488,138)
Effect of tax rates of subsidiaries in different jurisdictions	69,221	24,344
Foreign currency loss	-	-
Income tax expense	-	-

	30 June 2024	30 June 2023
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Losses available for offset against future taxable income	1,649,750	1,089,192
Accrued expenses	13,500	10,500
Employee entitlements	27,584	14,767
Superannuation payables	4,605	2,415
Deferred gains and losses on foreign exchange	61,324	3,501
Total deferred tax assets not recognised	1,756,763	1,120,375

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 7. Cash and cash equivalents

	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Cash at bank	1,516,915	1,773,091
Cash on deposit	1,000,000	6,000,000
	2,516,915	7,773,091

Note 8. Other assets

	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Prepaid expenses	670,813	359,129
	670,813	359,129

Note 9. Plant and equipment

	30 June 2024	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	329,908	251,400
Less: Accumulated depreciation	(89,068)	(35,337)
	240,840	216,063

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment \$
Balance at 1 July 2023	216,063
Additions	90,590
Exchange differences	(10,267)
Depreciation expense capitalised to exploration and evaluation (note 10)	(50,764)
Depreciation expense	(4,782)
Balance at 30 June 2024	240,840

Note 10. Exploration and evaluation

	30 June 2024	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation	18,645,369	16,194,307

Note 10. Exploration and evaluation (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Exploration and evaluation (at cost):	30 June 2023	30 June 2023
	\$	\$
Balance at 1 July	16,194,307	1,807,116
Acquisition of the Sarytogan Graphite Project	-	11,496,674
Expenditure during the year	3,140,165	2,316,992
Prepaid exploration and evaluation acquisition costs	-	328,000
Impairment of an asset ⁽ⁱ⁾	(527,680)	-
Exchange differences	(212,187)	217,178
Depreciation expense (note 9)	50,764	28,347
Balance at 30 June	18,645,369	16,194,307

The recoupment of the costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation or sale of the respective areas.

- (i) The Kenesar Graphite Exploration Project, located in Akmola Province, northern Kazakhstan, involved a ground-based TDEM survey completed in the second quarter of 2023. EM anomalies were identified, suggesting the presence of richer graphitic layers within the graphitic schist under shallow cover. First-pass drilling in July 2023 intersected graphitic schist with grades higher than 0.8% TGC in 5 of the 7 holes, with the best intercept being 138.6m @ 0.98% TGC, including intervals of 1.29% and 1.13% TGC. Additionally, historical small-scale surface gold workings and gossan outcrops were observed, with notable gold assays such as 2m @ 6.59g/t Au. However, despite these findings, the project has been considered non-economic and the board agreed to be impair this project.

Note 11. Trade and other payables

	30 June 2024	30 June 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	45,892	29,965
Other payables	82,522	65,552
	128,414	95,517

Refer to note 17 for further information on financial instruments.

Note 12. Provisions

	30 June 2024	30 June 2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	91,948	49,223

Note 13. Issued capital

	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	148,733,327	147,733,315	33,126,315	32,891,315

Note 13. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	30 June 2023	147,733,327		32,891,315
Conversion of performance rights	11 March 2024	1,000,000	\$0.235	235,000
Balance	30 June 2024	148,733,327		33,126,315

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 14. Reserves

	30 June 2024	30 June 2023
	\$	\$
Foreign currency translation reserve	163,878	206,188
Share-based payments reserve	1,698,556	1,362,757
	1,862,434	1,568,945

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 14. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency translation revaluation reserve \$	Share-based payments reserve \$	Total \$
Balance at 30 June 2022	-	866,381	866,381
Foreign currency translation	206,188	-	206,188
Options issued (note 29)	-	336,835	336,835
Contributions received for issue of options	-	159,541	159,541
Balance at 30 June 2023	206,188	1,362,757	1,568,945
Foreign currency translation	(42,310)	-	(42,310)
Options issued (note 29)	-	132,982	132,982
Vesting of performance rights Tranche 6	-	235,000	235,000
Conversion of performance rights Tranche 6	-	(235,000)	(235,000)
Amortisation of performance rights	-	202,817	202,817
Balance at 30 June 2024	163,878	1,698,556	1,862,434

Note 15. Accumulated losses

	30 June 2024 \$	30 June 2023 \$
Accumulated losses at the beginning of the financial year	(10,062,410)	(8,024,393)
Loss after income tax expense for the year	(3,072,764)	(2,038,017)
Accumulated losses at the end of the financial year	(13,135,174)	(10,062,410)

Note 16. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk), and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and ageing analysis for credit risk.

The Group has a number of a financial assets and liabilities not measured at fair value on a recurring basis. The carrying amounts of these financial instruments approximates their fair value.

Note 17. Financial instruments (continued)

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
US dollars	583,541	234,485	-	-
Kazakhstani Tenge	92,223	80,960	-	5,790
	675,764	315,445	-	5,790

Interest rate risk

The Company is exposed to interest rate risk on financial assets to the extent that they receive interest on bank deposits. The Company's exposures to interest rate on financial liabilities are detailed in the liquidity risk management section of this note.

There are no reasonable foreseeable interest rate changes nor impact on receivables or borrowings, with all other variables held constant, which would result in a material change in the loss for the year.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
30 June 2024	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	45,892	-	-	-	45,892
Other payables	-	85,522	-	-	-	85,522
Total non-derivatives	-	128,414	-	-	-	128,414

Note 17. Financial instruments (continued)

30 June 2023	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	29,965	-	-	-	29,965
Other payables	-	65,552	-	-	-	65,552
Total non-derivatives		95,517	-	-	-	95,517

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 18. Key management personnel disclosures

Directors

The following persons were Directors of Sarytogan Graphite Limited during the financial year:

Mr Stephen Penrose
Mr Sean Gregory
Dr Waldemar Mueller
Mr Brendan Borg

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	754,894	758,500
Post-employment benefits	66,306	63,385
Share-based payments	570,798	98,725
	1,391,998	920,610

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the Company:

	30 June 2024	30 June 2023
	\$	\$
<i>Audit services - HLB Mann Judd</i>		
Audit or review of the financial statements	47,000	43,542
<i>Other services - HLB Mann Judd</i>		
Preparation of the tax return	4,000	11,500
Independent Limited Assurance Report	-	6,333
	4,000	17,833
	51,000	61,375

Note 20. Contingent liabilities

As part of the purchase of 100% of Ushtogan LLP from Ustar Ventures Ltd on 6 July 2022, 14,117,646 Performance Shares in the capital of Company were issued, subject to the following performance share milestones:

- (i) Tranche 1: 4,705,882 performance shares subject to the completion of a feasibility study on the Project prepared by an independent competent person under the JORC Code, within four years of issuing this class of performance shares with an internal rate of return >25%. If this milestone is not achieved in the four-year period, the performance shares will expire on that date which is four years after their date of issue;
- (ii) Tranche 2: 4,705,882 performance shares subject to the production of 50,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue; and
- (iii) Tranche 3: 4,705,882 performance shares subject to production of 100,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue.

The performance shares were valued and had no amount allocated to them as the projects are still progressing through the early stages of development and the Directors did not have certainty that the performance rights would convert into ordinary shares based on their assessment at the date of the transaction see note 28.

On 17 April 2023, the Company executed a land access agreement with the local Farm and Land User at the Sarytogan Graphite Project.

The land access agreement provides for a USD \$10,000 pre-payment and a lump-sum compensation payment of USD \$240,000 upon the grant of the mining licence. The Company may unilaterally withdraw at any time. The Farm and Land User will do all things necessary to allow the grant of the mining licence, including surrendering the part of their land plot coincident with the proposed mining lease.

Note 20. Contingent liabilities (continued)

On 12 September 2023, the Tax Authorities in Kazakhstan issued a notification to Ushtogan (a subsidiary of the Company), indicating a potential tax liability amounting to KZT 425,000,000 (equivalent AUD 1,319,396). The liability arises due to the authorities' inability to impose taxes on Ustar, a foreign entity owned by Waldemar Mueller, related to a transaction involving sale of Ushtogan to Sarytogan Graphite. The Company informed the Tax Authorities that the transaction in question had not been completed, as the shares involved are still held in escrow. Consequently, no tax liability should arise until the shares are released from escrow and the sale is finalised. The Tax Authorities accepted this explanation. Given that the transaction has not been finalized as of 30 June 2024 and shares remain in escrow, the Company considers this a contingent liability.

During the month of August 2024, Waldemar Mueller paid the Company KZT 425,000,000 (equivalent AUD 1,319,396) for the settlement of this contingent liability. On 23 August 2024, the Company has paid the full amount of KZT 425,000,000 (equivalent AUD 1,319,396) to Kazakh Tax Authorities.

Note 21. Commitments

	30 June 2024	30 June 2023
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation	460,344	1,131,479
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	460,344	550,476
One to five years	-	581,003
	460,344	1,131,479

Note 22. Related party transactions

Parent entity

Sarytogan Graphite Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 24.

Key management personnel

Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with key management personnel and their related party transactions during the financial year ended 30 June 2024.

The following transactions occurred with related parties during the financial year ended 30 June 2023:

The Company completed the purchase of 100% Ushtogan LLP from Ustar Ventures Ltd on 6 July 2022 which owns 100% of the Sarytogan Graphite Project.

Note 22. Related party transactions (continued)

The consideration for the acquisition was as follows:

- (1) 51,764,706 ordinary shares in the Company at an issue price of \$0.20 per share to be escrowed for a period of 24 months from the date of issue.
- (2) 7,000,000 ordinary shares in the Company at an issue price of \$0.20 per share as reimbursement for expenditure of approximately USD\$1,000,000 incurred on the Sarytogan Graphite Project.
- (3) Three tranches of Performance Shares for a total of 14,117,646 Performance Shares in the capital of the Company, subject to the following performance share milestones:
 - (i) Tranche 1: 4,705,882 performance shares subject to the completion of a feasibility study on the Project prepared by an independent competent person under the JORC Code, within four years of issuing this class of performance shares with an internal rate of return >25%. If this milestone is not achieved in the four-year period, the performance shares will expire on that date which is four years after their date of issue;
 - (ii) Tranche 2: 4,705,882 performance shares subject to the production of 50,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue; and
 - (iii) Tranche 3: 4,705,882 performance shares subject to production of 100,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue.

Director Waldemar Mueller is a Director and indirect shareholder of Ustar Ventures Ltd.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax	(8,832,111)	(6,755,037)
Total comprehensive loss	(8,832,111)	(6,755,037)

Note 23. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Total current assets	1,819,843	7,527,738
Total assets	13,900,786	19,613,593
Total current liabilities	178,371	138,951
Total liabilities	178,371	138,951
Equity		
Issued capital	33,126,307	32,891,315
Share-based payments reserve	1,862,442	1,362,757
Accumulated losses	(21,266,335)	(14,779,430)
Total equity	13,722,414	19,474,642

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2024	30 June 2023
		%	%
Ushtogan LLP	Kazakhstan	100.00%	100.00%
Baynamys LLP ⁽¹⁾	Kazakhstan	100.00%	-
KazGraphite LLP ⁽¹⁾	Kazakhstan	100.00%	-

(1) incorporated during the year.

Note 25. Events after the reporting period

On 3 July 2024, the Company announced the pegging of a new Exploration Licence Application (ELA) to explore for copper porphyry mineralisation, called “Baynazar”.

On 9 August 2024, the Company announced it has entered into a share subscription agreement for a placement of A\$5M to the European Bank for Reconstruction and Development.

On 12 August 2024, the Company announced the results of the Pre-Feasibility Study (PFS) for the development of the Sarytogan Graphite Project in Central Kazakhstan

Otherwise, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 26. Reconciliation of loss after income tax to net cash used in operating activities

	30 June 2024	30 June 2023
	\$	\$
Loss after income tax expense for the year	(3,072,764)	(2,038,017)
Adjustments for:		
Depreciation and amortisation	4,782	2,590
Net gain on disposal of property, plant and equipment	-	(14,600)
Share-based payments	570,799	511,225
Impairment	527,680	-
Foreign exchange differences	342,268	(143,622)
Interest expense	(32)	(33,839)
Change in operating assets and liabilities:		
Increase in other receivables	(8,053)	(10,414)
Increase in prepayments	-	(289,037)
Other receivables acquired	-	128,624
Increase/(decrease) in trade and other payables	56,843	(555,995)
Increase in other provisions	42,725	29,053
Increase in accruals	10,000	-
Trade and other payables acquired	-	(295)
Net cash used in operating activities	(1,525,752)	(2,414,327)

Note 27. Loss per share

	30 June 2024	30 June 2022
	\$	\$
Loss after income tax attributable to the owners of Sarytogan Graphite Limited	(3,072,764)	(2,038,017)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	148,632,963	134,423,292
Weighted average number of ordinary shares used in calculating diluted earnings per share	148,632,963	134,423,292
	Cents	Cents
Basic loss per share	(2.08)	(1.52)
Diluted loss per share	(2.08)	(1.52)

Note 28. Share-based payments

Ordinary Shares

In the financial year ending 30 June 2024, no ordinary shares were issued to advisors in lieu of payment of services.

Performance Shares

In the financial year ending 30 June 2023, three tranches of Performance Shares were issued for a total of 14,117,646 Performance Shares in the capital of the Company, subject to the following performance share milestones:

- (i) Tranche 1: 4,705,882 performance shares subject to the completion of a feasibility study on the Project prepared by an independent competent person under the JORC Code, within four years of issuing this class of performance shares with an internal rate of return >25%. If this milestone is not achieved in the four-year period, the performance shares will expire on that date which is four years after their date of issue;
- (ii) Tranche 2: 4,705,882 performance shares subject to the production of 50,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue; and
- (iii) Tranche 3: 4,705,882 performance shares subject to production of 100,000 tonnes of graphite ore within five years of issuing this class of performance shares at 20% TGC or greater (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the performance shares will expire on that date which is five years after their date of issue.

Accounting standards require directors to assess the probability of meeting the above conditions. The performance shares were valued and had no amount allocated to them as the projects are still progressing through the early stages of development and the Directors did not have certainty that the performance shares would convert into ordinary shares based on their assessment at reporting date.

In the financial year ending 30 June 2024, no performance shares were issued.

Options

Director Sean Gregory was issued 2,000,000 options on 29 November 2021 at an exercise price of \$0.25 on or before 30 November 2024 with the following vesting conditions:

Tranche	Number of options	Vesting condition	Vested
Tranche 1	1,000,000	After one year	29 November 2022
Tranche 2	1,000,000	After two years	29 November 2023
	2,000,000		

The options were valued using a Black Scholes valuation model and were valued at \$184,085. An amount of \$26,226 was recognised as share-based payments expense during the period.

Directors Sean Gregory and Waldemar Mueller were issued 500,000 options on 9 August 2023 at an exercise price of \$0.60 on or before 30 June 2028. The options were valued using a Black Scholes valuation model and were valued at \$159,208. An amount of \$159,208 was recognised as share-based payments expense during the period.

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/05/2022	30/11/2024	\$0.250	1,000,000	-	-	-	1,000,000
13/05/2022	30/11/2024	\$0.250	4,000,000	-	-	-	4,000,000
29/11/2021	30/11/2024	\$0.250	7,500,000	-	-	-	7,500,000
13/04/2023	14/04/2026	\$0.495	1,515,151	-	-	-	1,515,151
09/08/2024	30/06/2028	\$0.600	-	1,000,000	-	-	1,000,000
			14,015,151	1,000,000	-	-	15,015,151

Weighted average exercise price	\$0.276	\$0.6	\$0.000	\$0.000	\$0.298
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For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/08/2023	30/06/2028	\$0.23	\$0.600	80.00%	-	3.07%	\$0.106

Performance Rights

1,500,000 Performance Rights were issued to Director Sean Gregory and 1,500,000 Performance Rights were issued to Director Waldemar Mueller as part of their remuneration with the following vesting conditions:

Tranche	Number of Performance Rights	Vesting Conditions
Tranche 4 ¹	1,000,000	Completion of a pre-feasibility study on the Project prepared by an independent competent person under the JORC Code, by 30/09/2024 with an internal rate of return > 30%. If this milestone is not achieved in the timeframe, the Performance Rights will expire on 30/10/2024.
Tranche 5 ²	1,000,000	The estimation of a Mineral Resource (with a minimum resource of 20Mt @ 8% TGC flake graphite) for the Kenesar Project by an independent competent person under the JORC Code, within 5 years of issuing this class of Performance Rights. If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.
Tranche 6 ³	1,000,000	Achievement of a minimum of 2kg of graphite concentrate at 99.95% carbon purity from a bulk sample from the Project by 30/09/2024. The Performance Rights will expire on 30/10/2024.
	3,000,000	

Accounting standards require directors to assess the probability of achieving the above performance-based conditions. Set out below are summaries of performance rights valuation:

- (1) The performance rights Tranche 4 had been recognised by 76%, given the known vesting period ends 12 August 2024, with \$202,817 expensed in line with the progress towards the release of the Pre-Feasibility Study (released on 12 August 2024)
- (2) The performance rights Tranche 5 had no amount expensed as the projects are still progressing through the early stages of development and the Directors do not have certainty that the performance rights would convert into ordinary shares based on their assessment.
- (3) On 5 March 2024, the Company announced the achievement of the purification of 2.2 kilogram of bulk concentrate at 99.9992% of carbon purity. The directors determined that the performance rights tranche 6 vested and expensed 100% of the value of the performance rights tranche 6 at \$235,000.

During the financial year ending 30 June 2023, 6,000,000 Performance Rights were issued to Director Sean Gregory as part of his remuneration with the following vesting conditions:

Tranche	Number of Performance Rights	Vesting Conditions
Tranche 1	2,000,000	Completion of a feasibility study on the Project prepared by an independent competent person under the JORC Code, within four years of issuing this class of Performance Rights with an internal rate of return >25%. If this milestone is not achieved in the four-year period, the Performance Rights will expire on that date which is five years after their date of issue.
Tranche 2	2,000,000	Production of 50,000 tonnes of graphite concentrate within five years of issuing this class of Performance Rights (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.
Tranche 3	2,000,000	Production of 100,000 tonnes of graphite concentrate within five years of issuing this class of Performance Rights (as verified by Sarytogan Graphite's auditors). If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.
	6,000,000	

Accounting standards require directors to assess the probability of meeting the above conditions. The performance rights were valued and had no amount allocated to them as the projects are still progressing through the early stages of development and the Directors did not have certainty that the performance rights would convert into ordinary shares based on their assessment at reporting date.

Set out below are summaries of performance rights granted:

	Number of rights 30 June 2024
Outstanding at the beginning of the financial year	6,000,000
Granted	3,000,000
Exercised	(1,000,000)
Outstanding at the end of the financial year	8,000,000
Exercisable at the end of the financial year	8,000,000

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Number issued	Share price at grant date	Fair value at grant date
09/08/2023	3,000,000	\$0.235	\$0.235
		30 June 2024	30 June 2023
		\$	\$
Total value expensed in profit and loss			
6,000,000 Performance rights issued to Sean Gregory		-	-
2,000,000 Options issued to Sean Gregory		26,226	98,725
2,062,500 Ordinary shares issued to advisors		-	412,500
3,000,000 Performance rights issued to Sean Gregory and Waldemar Mueller		437,817	-
1,000,000 Options issued to Sean Gregory and Waldemar Mueller		106,756	-
		570,799	511,225
		30 June 2024	30 June 2023
		\$	\$
Total value recognised in capital raising costs			
1,515,151 Options issued to brokers		-	238,110
3,662,500 ordinary shares issued to advisors		-	320,000
		-	558,110

Consolidated entity disclosure statement

The following table provides a list of all entities included in the Group's consolidated financial statements, prepared in accordance with the requirements of Section 295(3A) of the Corporations Act. The ownership interest is only disclosed for those entities which are a body corporate, representing the direct and indirect percentage share capital owned by the company.

Name	Type of entity	% of share capital as at 30 June 2024	Country of incorporation	Country of tax residency
Ushtogan LLP	Body corporate	100%	Kazakhstan	Australia/ Kazakhstan
Baynamys LLP	Body corporate	100%	Kazakhstan	Australia/ Kazakhstan
KazGraphite LLP	Body corporate	100%	Kazakhstan	Australia/ Kazakhstan

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- the information disclosed in the attached consolidated entity disclosure statement is true and correct; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Sean Gregory
Managing Director

30 September 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Sarytogan Graphite Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of Sarytogan Graphite Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation assets Refer to Note 10	
<p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises all costs associated with acquisition and exploration of its mineral resources. As at 30 June 2024, the Group held capitalised exploration assets of \$18,645,369.</p> <p>Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation assets, as this is the most significant asset of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. Additionally, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of the exploration and evaluation assets may exceed their recoverable amounts.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; - We considered management's assessment of potential impairment indicators in addition to making our own assessment; - We obtained evidence that the Group has current rights to tenure over its areas of interest; - We considered the nature and extent of planned ongoing activities; - We substantiated a sample of expenditure capitalised by agreeing to supporting documentation; and - We examined the disclosures made in the financial report.
Withholding tax on capital gain Refer to Note 20	
<p>In the previous financial year, the Company acquired all of the share capital of Ushtogan LLP. Under Kazakh tax law, at the taxing point the acquiring entity is liable to withhold and remit the vendor's capital gains tax to the Kazakh tax authority.</p> <p>This matter was considered a key audit matter as the matter under consideration was material and required significant auditor time and effort. It also involved the most communication with management.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - Reviewing all correspondence between the Group and the State Revenue Committee of Kazakhstan; - Considering the assessment of management of the existence and timing of a liability to withhold the capital gains tax; - Engaging our tax specialist to review and assess whether the treatment was appropriate; - Ensuring it was correct to characterise the taxing point as arising after year end; and - Assessing the adequacy of disclosures in the annual report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Sarytogan Graphite Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2024



M R Ohm
Partner

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principle corporate governance of Sarytogan Graphite Limited. The Board of Directors ("Board") supports a system of corporate governance to ensure that the management of Sarytogan Limited is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 4th Edition") where considered appropriate for the Group's size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Group's corporate governance practices and copies of the Group's corporate governance policies and the Corporate Governance Statement, approved by the Board, are available on the Group's website:

[Governance | Sarytogan \(sarytogangraphite.com.au\)](https://www.sarytogangraphite.com.au/Governance)

The shareholder information set out below was applicable as at 22 September 2024.

Distribution of equitable securities

Analysis of number of quoted equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares (SGAO)	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	70	0.02	4	0.01
1,001 to 5,000	685	1.35	61	0.46
5,001 to 10,000	389	2.16	59	0.99
10,001 to 100,000	778	17.71	138	10.60
100,001 and over	159	78.76	61	87.95
	2,081	100.00	323	100.00
Holding less than a marketable parcel	847	-	103	-

Analysis of number of unquoted equitable security holders by size of holding:

	Performance Rights SGAAF and SGAAG		Unlisted Options expiring 14/04/2026 EX \$0.495	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 and over	1	100.00	2	100.00
	1	100.00	2	100.00

	Unlisted Options expiring 30/06/2028 EX \$0.60		Performance Rights SGAAJ	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 and over	2	100.00	2	100.00
	2	100.00	2	100.00

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
USTAR VENTURES LTD	44,580,262	29.97%
BARBOUTIS CONSULTING PTY LTD	3,889,760	2.62%
PVR MINERALOGY AND CORPORATE ADVISORY PTY LTD	3,444,864	2.32%
MOUNT HOOD NORTH PTY LTD	2,784,710	1.87%
MALWORTH INTERNATIONAL PTY LTD	2,690,384	1.81%
MR MARK BENJAMIN GRIFFITHS <GRIFFITHS INVESTMENT A/C>	2,334,000	1.57%
S3 CONSORTIUM PTY LTD	2,062,500	1.39%
MR JOHN LANGLEY HANCOCK	1,893,853	1.27%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,674,879	1.13%
HUNTINGDALE METALS PTY LTD	1,520,215	1.02%
THE PEEVER FAMILY OFFICE PTY LTD	1,504,007	1.01%
ARAUCANA WEST PTY LTD	1,428,571	0.96%
MR BRENDAN JAMES BORG & MRS ERIN BELINDA BORG <BORG FAMILY SUPER FUND A/C>	1,425,000	0.96%
MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	1,400,000	0.94%
RED EIGHT PTY LTD <RICHARDSON FAMILY S/F A/C>	1,390,000	0.93%
OREQUEST PTY LTD <THE GUY LE PAGE FAMILY A/C>	1,390,000	0.93%
MR ANTON WASYL MAKARYN & MRS MELANIE FRANCES MAKARYN <TMAK SUPER A/C>	1,259,065	0.85%
RISTOVSKI NOMINEES PTY LTD <RISTOVSKI S/FUND NO 2 A/C>	1,000,000	0.67%
MR ANDREW LUKE WEBSTER	936,661	0.63%
SUNRISE AUSTRALIA PTE LTD	925,000	0.62%
	79,533,731	53.47%

	SGAO - Options over ordinary shares	
	Number held	% of total options issued
MR JABIN GEOFFREY MULLANE	2,812,378	6.59%
MR JOHN LANGLEY HANCOCK	2,556,000	5.99%
INYATI FUND PTY LTD <INYATI FUND NO2 UNIT A/C>	2,400,000	5.63%
STEPHEN PENROSE	2,000,000	4.69%
WALDEMAR MUELLER	2,000,000	4.69%
SEAN MICHAEL GREGORY <GREGORY INVESTMENT A/C>	2,000,000	4.69%
MR BRENDAN JAMES BORG & MRS ERIN BELINDA BORG <BORG FAMILY SUPER FUND A/C>	1,868,750	4.38%
PHEAKES PTY LTD <SENATE A/C>	1,815,000	4.25%
BORG GEOSCIENCE PTY LTD	1,500,000	3.52%
M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C>	1,281,425	3.00%
BT GLOBAL HOLDINGS PTY LTD <BT UNIT A/C>	1,050,178	2.46%
GLOBAL CONSORTIUM HOLDINGS PTY LTD <FTW HOLDINGS A/C>	923,750	2.17%
MR BOB VAN EMDEN	836,000	1.96%
MR MATTHEW SPARTALIS <MATTHEW SPARTALIS A/C>	800,000	1.88%
ALARP SERVICES PTY LTD	795,000	1.86%
MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	700,000	1.64%
MR UDIT KOTHARI	653,836	1.53%
SABRE POWER SYSTEMS PTY LTD	550,000	1.29%
OKAWARI CONSORTIUM PTY LTD <THE OKA T A/C>	542,500	1.27%
MRS HEATHER JOHANNA BOHLKEN & MR FRITS OSCAR BOHLKEN	520,000	1.22%
	27,604,817	64.71%

Unquoted equity securities

ASX Code	No. of holders	Number	Description	Holders of more than 20%
SGAAG	1	14,117,646	Performance Shares Escrowed until 18/07/2024	USTAR VENTURES LTD (100%)
SGAAF	1	6,000,000	Performance Rights Escrowed until 18/07/2024	SEAN MICHAEL GREGORY (100%)
SGAAH	2	1,515,151	Unlisted Options expiring 14/04/2026 EX \$0.495	BT GLOBAL HOLDINGS PTY LTD <BT UNIT A/C> (50%) INYATI FUND PTY LTD (50%)
SGAAI	2	1,000,000	Unlisted Options expiring 30/06/2028 EX \$0.60	KIINTAS MINING MANAGEMENT PTY (50%) SEAN MICHAEL GREGORY <GREGORY INVESTMENT A/C> (50%)
SGAAJ	2	3,000,000	Performance Rights	KIINTAS MINING MANAGEMENT PTY (50%) SEAN MICHAEL GREGORY <GREGORY INVESTMENT A/C> (50%)

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Ustar Ventures	45,080,262	30.30
Thomas Peever	10,989,986	7.44

	SGAO - Options over ordinary shares	
	Number held	% of total options issued
MR JABIN GEOFFREY MULLANE	2,812,378	6.59%
MR JOHN LANGLEY HANCOCK	2,556,000	5.99%
INYATI FUND PTY LTD <INYATI FUND NO2 UNIT A/C>	2,400,000	5.63%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting every shareholder or class of shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each fully paid share which that member holds or represents.

Securities subject to ASX Escrow

There are currently no securities subject to ASX escrow.

Tenement Information

The Sarytogan Graphite Deposit exploration licence 1139-R-TPI (1139-P-ТПИ) was issued to Ushtogan LLP on 14/08/2018 and confirmed by 5406-TPI (5406-ТПИ) contract on 26/10/2018. The contract was extended in June 2022 for a further 3 years to June 2025. The exploration concession covers 70 km². There was no change to the Company's 100% interest in the licence during the year.

The Kenesar Graphite Exploration Project exploration licence 1968-EL was issued to Ushtogan LLP (100% holding) on 28/02/2023 for a period of six years to February 2029. The exploration concession covers 150 graticular blocks or 309km².

Baynazar 2788-EL, located 20km west of the Sarytogan Graphite Deposit in Central Kazakhstan.

**Annual Mineral Resource and Ore Reserve Report - Central Kazakhstan.
As at 30 June 2024 – ASX LR 5.21**

In accordance with ASX Listing Rule 5.21, SGA reviews and reports its Mineral Resource estimate at least annually. The date of reporting is 30 June each year, to co-incide with the Company's end of financial year balance date. There were no changes to the mineral resource statement published on 27 March 2023 as a result of the review.

The Mineral Resource holdings at the Sarytogan Graphite project in Kazakhstan as at 30 June 2024 was:

Zone	Classification (JORC Code)	In-Situ Tonnage (Mt)	Total Graphitic Carbon (TGC %)	Contained Graphite (Mt)
North	Indicated	87	29.1	25
	Inferred	81	29.6	24
	Total	168	29.3	49
Central	Indicated	39	28.1	11
	Inferred	21	26.9	6
	Total	60	27.7	17
Total	Indicated	126	28.8	36
	Inferred	103	29.1	30
	Total	229	28.9	66

The governance arrangements and internal controls with respect to estimates of mineral resources include the use of market leading external consultants where needed with input from the Company's technical staff and reviewed by the Board.

Competent Persons' Statement

The information in this report that relates to Mineral Resources is based on information compiled by the Competent Persons listed below:

Item	Name	Qualifications	Professional Membership	Employer
Geological Interpretation and Grade Estimation	Serik Urbisnov	BSc (Geology), BSc (Computer Science)	MAIG	AMC Consultants
Metallurgy	Peter Adamini	BSc (Mineral Science and Chemistry)	MAusIMM	Independent Metallurgical Operations
Graphite, Industrial Minerals	Dr Andrew Scogings	PhD Geology	MAIG, MAusIMM, RPGeo (Industrial Minerals)	AMC Consultants

The Competent Persons have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Persons consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Confirmation Pursuant to Listing Rule 4.10.19

The Company confirms it has used its cash and assets that it had at the time of admission to the ASX on 18 July 2022 pursuant to its stated objectives set out in the IPO Prospectus dated 23 February 2022. Details of the expenditure of cash and use of assets is set out in this Annual Report under Review of Operations.