

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2022



INTERNATIONAL
GRAPHITE

ACN 624 579 326

AUSTRALIAN BATTERY GRAPHITE
FROM MINE TO MARKET
(ASX:IG6)



HIGHLIGHTS

for the year ended 30 June 2022

October 2021

Pilot graphite micronising, spheroidising and purification equipment arrives in Collie.

November 2021

\$1.25M pre-IPO financing.

September 2021

WA State Government commits to invest \$2M in proposed Collie graphite downstream processing facilities.

November 2021

Agreement to acquire Springdale Graphite Project.

April 2022

International Graphite lists on the Australian Securities Exchange (ASX) as IG6, \$10M IPO closes and Springdale Graphite Project acquired.





April 2022

MOU signed with Zen Energy on renewable power.

May 2022

Re-location to larger premises in Collie.

August 2022

Collie pilot graphite micronising and spheroidising equipment installed and commissioned.

September 2022

First graphite product produced at Collie from the pilot plant.

April 2022

IG6 lists on the Frankfurt and Tradegate Stock Exchanges in Europe.

June 2022

7,100m drilling campaign initiated at Springdale.

September 2022

First nine exploration drill holes identify new prospect – ‘Springdale Far West’.

“We forecast battery sector demand for raw material graphite to rise by more than 1,400% between 2020 and 2050. By the end of the forecast period, total graphite demand could be three times the 2021 supply level.”

Wood Mackenzie Graphite Market 2021 Outlook to 2050

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Philip Hearse Executive Chairman
Andrew Worland Non-Executive Director
David Pass Non-Executive Director
Matthew O’Kane Non-Executive Director

COMPANY SECRETARY

Robert Hodby

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Level 1, 333 Charles Street
North Perth, WA 6006
T: +61 9380 9277
E: info@internationalgraphite.com.au
www.internationalgraphite.com.au

AUDITORS

Armada Audit and Assurance Pty Ltd
18 Sangiorgio Court, Osborne Park, WA 6017

SHARE REGISTRY

Automic Group Pty Ltd
Level 5, 191 St Georges Terrace, Perth, WA 6000

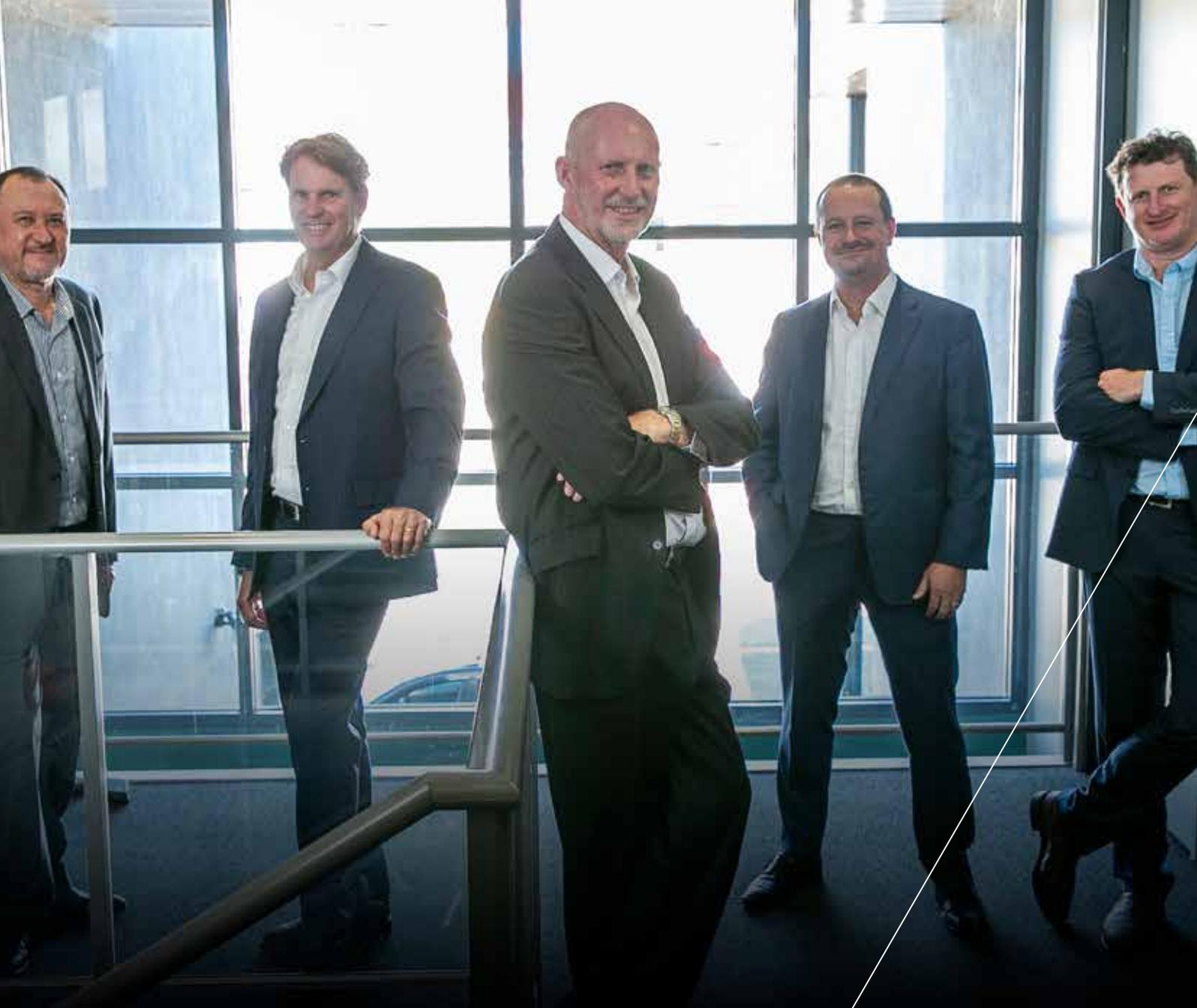
SECURITIES EXCHANGE

Australian Securities Exchange
www.asx.com.au
ASX Code: IG6

International Graphite acknowledges the Traditional Owners of Country throughout Australia, particularly the Whadjuk, Willman, and Wudjari Peoples of the Noongar Nation, and recognises their continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past and present.

CONTENTS

FROM THE CHAIRMAN	7
OPERATIONS REVIEW	9
DIRECTORS' REPORT	17
AUDITOR'S INDEPENDENCE DECLARATION	28
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	29
STATEMENT OF FINANCIAL POSITION	30
STATEMENT OF CHANGES IN EQUITY	31
STATEMENT OF CASH FLOWS	32
NOTES TO THE FINANCIAL STATEMENTS	33
DIRECTORS' DECLARATION	55
INDEPENDENT AUDITOR'S REPORT	56
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES	61



“

IG6 IS ON TRACK TO BE WESTERN AUSTRALIA'S FIRST FULLY INTEGRATED MINE-TO-MARKET GRAPHITE PRODUCER - BUILDING AUSTRALIA'S CAPABILITY IN CRITICAL MINERALS AND CREATING AN ETHICAL SUPPLY OF BATTERY ANODE MATERIAL TO SUPPORT THE GLOBAL TRANSITION TO RENEWABLE ENERGY.

”

Figure 1: Key Management Personnel, from left, David Pass (Director), Robert Hodby (Company Secretary / CFO), Phillip Hearse (Chairman), Matthew O'Kane (Director), Andrew Worland (Director)

From the Chairman

IT IS WITH PLEASURE I PRESENT THE FIRST ANNUAL REPORT FOR INTERNATIONAL GRAPHITE SINCE OUR SUCCESSFUL LISTING ON THE ASX IN APRIL 2022.

Dear Fellow Shareholder,

International Graphite has a clear vision – to be Western Australia's first fully integrated mine-to-market producer of graphite battery anode materials to meet the projected demand for high performance batteries.

To all those who participated in our initial public offering, I thank you for your support. During the financial year we completed a \$1.25M pre-IPO financing, a \$10M IPO financing, completed the acquisition of the Springdale Graphite Project, commenced trading on the ASX and established the first phase of piloting downstream processing facilities at Collie, in Western Australia.

Globally, graphite supply is coming under huge pressure as decarbonisation revolutionises the transport and energy markets, creating unprecedented demand for batteries, particularly lithium-ion batteries for electric vehicles and renewable energy storage.

Graphite represents approximately 95% of raw material used in the anode of lithium-ion batteries and there is no known substitute. Up to ten times more graphite is required for a lithium-ion battery than lithium. Benchmark Intelligence has forecast 97 new natural flake graphite mines, with an average annual capacity of 56,000t per annum, would be required to meet lithium-ion battery demand by 2035. That's a 240% increase on existing capacity.

Australia has the opportunity to emerge as a significant country in the production of battery anode materials and graphite products as the world's battery manufacturers seek to diversify supply chains and acquire ethically and sustainably produced battery commodities. End users are receptive to graphite products with a transparent product signature sourced from secure and stable jurisdictions. International Graphite's battery anode graphite products will be traceable from mine-to-market. The Company plans to be one of the few fully integrated graphite companies in the western world, operating under one regulatory regime, and the first in Western Australia - considered the world's pre-eminent mining jurisdiction.

Governments continue to support the decarbonisation process. The recently passed Inflation Reduction Act in the US offers tax credits for the purchase of electric vehicles manufactured in the US and powered by batteries whose materials are sourced from the US or its free trade partners, including Australia. In Australia, the Federal Government's \$2B Critical Minerals Facility is supporting the development of a suite of essential commodities, including graphite.

The Springdale Graphite Project is expected to be a long life, shallow open pit mine capable of producing a consistent graphite concentrate. In June 2022, we commenced the first mineral resource development and exploration drilling program initiated on the exploration licenses since acquiring the resource.

We have recently successfully commissioned our new pilot scale micronising and spheroidising equipment in Collie. The pilot plant is the most advanced and largest known facility of its type in Australia and is the first stage in the Company's roadmap to full-scale commercial production.

Our aim is to process graphite concentrates from Springdale and produce micronised and spheroidised graphite product which will then be purified and coated to produce a finished battery anode product suitable for the manufacture of lithium-ion battery anodes. Production of a coated battery anode product in Australia, for export to anode manufacturers, will capture the full value chain of the battery anode market.

More immediately, we will assess the development of a commercial scale micronising plant in Collie. Initially, it will treat third party concentrates and the micronised product will be sold as a conductive additive in battery cathodes and for other industrial applications.

In September 2021, International Graphite was awarded a \$2M grant from the Western Australian State government for the development of graphite micronising facilities at Collie.

I am proud of the way that our team has taken on the challenges and achieved so much in a short time since listing on the ASX. The world's rapidly expanding focus on decarbonisation, and the critical need to plan for an expected shortage of battery materials, provides enormous opportunity. Our team is highly motivated to deliver on our vision of creating Western Australia's first fully integrated mine-to-market producer of battery anode materials.

I would like to thank my fellow Directors, management, consultants and advisors for their dedication and look forward to their continued contribution.

Thank you for your ongoing support.



Phillip Hearse
Executive Chairman
International Graphite Limited



Figure 2: Chairman Phillip Hearse, left, with geologist at Springdale



Figure 3: International Graphite location map

Operations Review

INTERNATIONAL GRAPHITE'S VISION IS TO BE WESTERN AUSTRALIA'S FIRST FULLY INTEGRATED MINE-TO-MARKET PRODUCER OF GRAPHITE BATTERY ANODE MATERIAL TO MEET GROWING GLOBAL DEMAND FOR HIGH PERFORMANCE BATTERIES.

THE COMPANY ACQUIRED THE SPRINGDALE GRAPHITE PROJECT, IN WESTERN AUSTRALIA, FROM ASX LISTED COMET RESOURCES LIMITED (ASX: CRL), IN APRIL 2022, AND ESTABLISHED THE FIRST PHASE OF ITS DOWNSTREAM PROCESSING FACILITIES IN COLLIE, 200KM SOUTH OF PERTH.

SPRINGDALE GRAPHITE PROJECT

The Springdale Graphite Project ("Springdale" or the Project") is located near Hopetoun, 25km from the world class Ravensthorpe Nickel Mine and Mt Caitlin Lithium Mine.

The Project consists of two granted exploration licenses, a prospecting license and an application for an exploration licence. Access is provided by a network of sealed and unsealed roads.

The Project area is located in one of Australia's most sought-after exploration jurisdictions, the Albany Frazer Belt. The geological anomaly stretches from Albany in the south, over several thousand kilometres northeast through Western Australia.

The belt is geologically complex and contains a vast mineral wealth, including graphite, over which the Project lies.

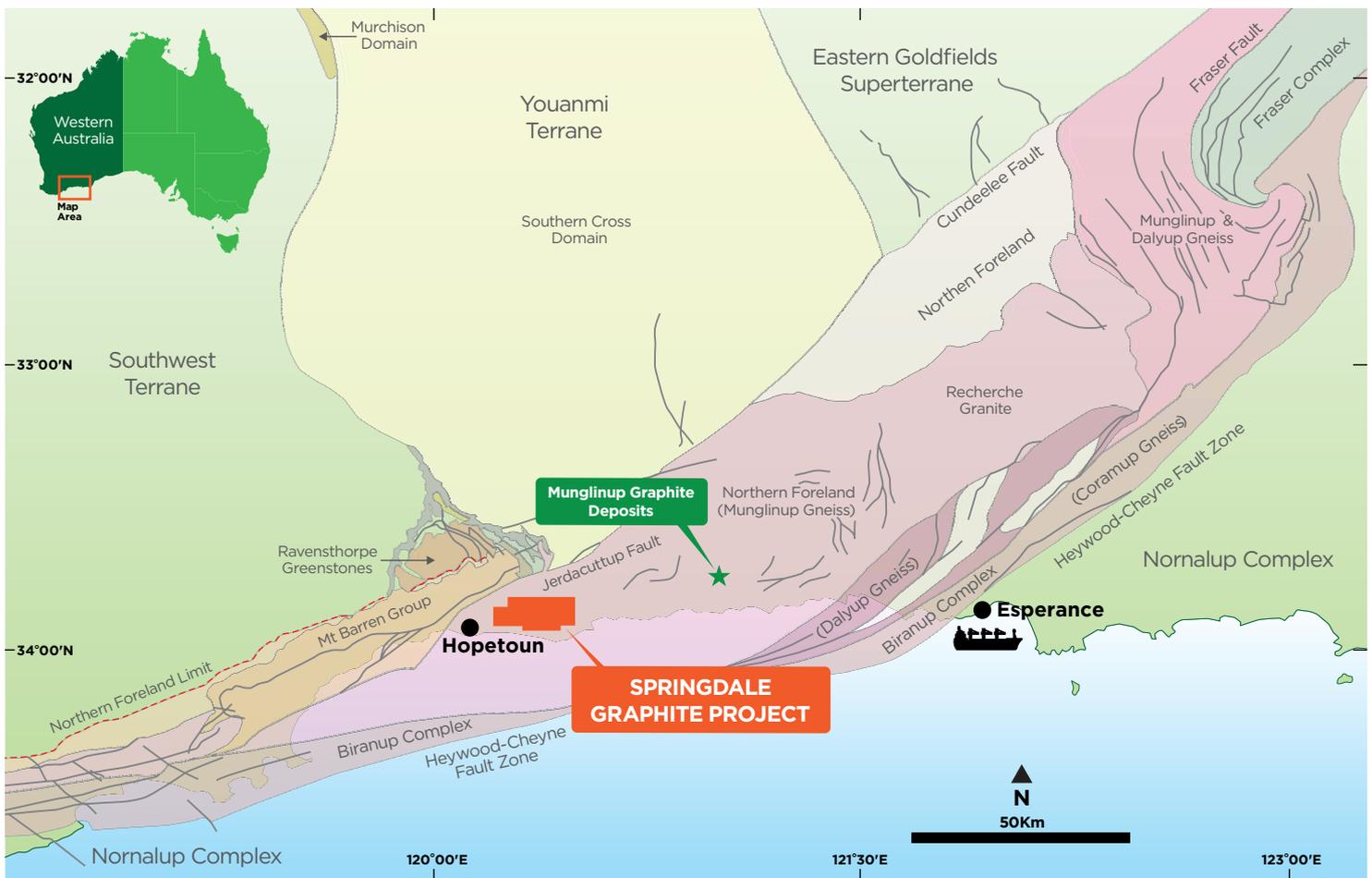


Figure 4: Regional geology

Springdale has an existing Inferred Mineral Resource Estimate of 15.6M tonnes @ 6% Total Graphitic Carbon (TGC), including a high-grade Inferred Mineral Resource component of 2.6M tonnes @ 17.5% TGC.

Springdale is a shallow graphite deposit with extensive prospectivity for additional resources. Early testwork carried out in Germany showed that graphite from Springdale was suitable for production of battery anode material.

Table 1: Springdale Graphite Project, Mineral Resource Estimate (JORC 2012)¹

Domain	Tonnes (Mt)	Density (t/m ³)	Graphite (TGC%)	Classification
High-grade	2.6	2.1	17.5	Inferred
Low grade	13.0	2.2	3.7	Inferred
Total	15.6	2.2	6.0	Inferred

¹ Following release of the Inferred Mineral Resource on the Springdale Graphite Project as disclosed in the prospectus dated 21 February 2022, International Graphite confirms that it is not aware of any new data or information that materially affects the results of the Inferred Mineral Resource. All financial forecasts, material assumptions and technical parameters, including in the estimation of Inferred Mineral Resources, underpinning the estimates in the Inferred Mineral Resource continue to apply and have not materially changed. The estimated Mineral Resources were prepared by Competent Persons in accordance with the requirements in Appendix 5A (JORC Code).

2022 DRILLING PROGRAM

The Company commenced its maiden drilling campaign at Springdale, in June 2022, mobilising two rigs to undertake an estimated 7,100m RC and PQ/HQ diamond drilling program comprising an expected 91 RC drillholes (-6,200m) and 12 diamond holes (-900m).

In part, the drilling campaign aimed to upgrade the existing Springdale Mineral Resource Estimate from inferred to indicated status and to add to the resource inventory by drilling in areas highlighted by a previous airborne electromagnetic (“AEM”) geophysical survey. With respect to these aims, 39 RC (-2,668m) and 12 diamond holes (-962m) have been completed and assays are pending.

The drilling campaign also set out to test several high priority exploration targets within 2.5km of the main Springdale Mineral Resource. To date, 32 exploration RC holes (-2,558m) have been completed.



Figure 5: Drilling commences at Springdale

Nine of these holes were drilled in the area previously identified as SDW_1, and now known as Springdale Far West, which is located within 500m of the existing Mineral Resource. Assay results have been received for the nine RC holes. Figure 6 shows the location of Springdale Far West. Stand out results² include:

- **7m @ 13.3%** Total Graphitic Carbon (TGC) from 71m downhole, including **4m @ 19.9%** TGC from 73m down hole (SGRC0002)
- **5m @ 12.8%** TGC from 45m downhole, including **2m @ 25.0%** TGC from 47m down hole (SGRC0004)
- **10m @ 9.5%** TGC from 36m downhole, including **2m @ 15.0%** TGC from 39m down hole (SGRC0006)

Springdale Far West (SDW_1) has been defined by a distinct conductor identified in the AEM survey data. Each hole has successfully intersected multiple zones of graphite mineralisation with widths of single zones up to 11m wide.

The drilling confirms the use of electromagnetic geophysical survey as a highly effective exploration technique to identify and define conductive zones and is particularly suited for high resolution targeting of graphite mineralisation.

The latest drill samples will be used to advance further metallurgical testwork and optimise the Collie production flowsheet for Springdale concentrates.

² Refer to ASX Announcement dated 13 September 2022.

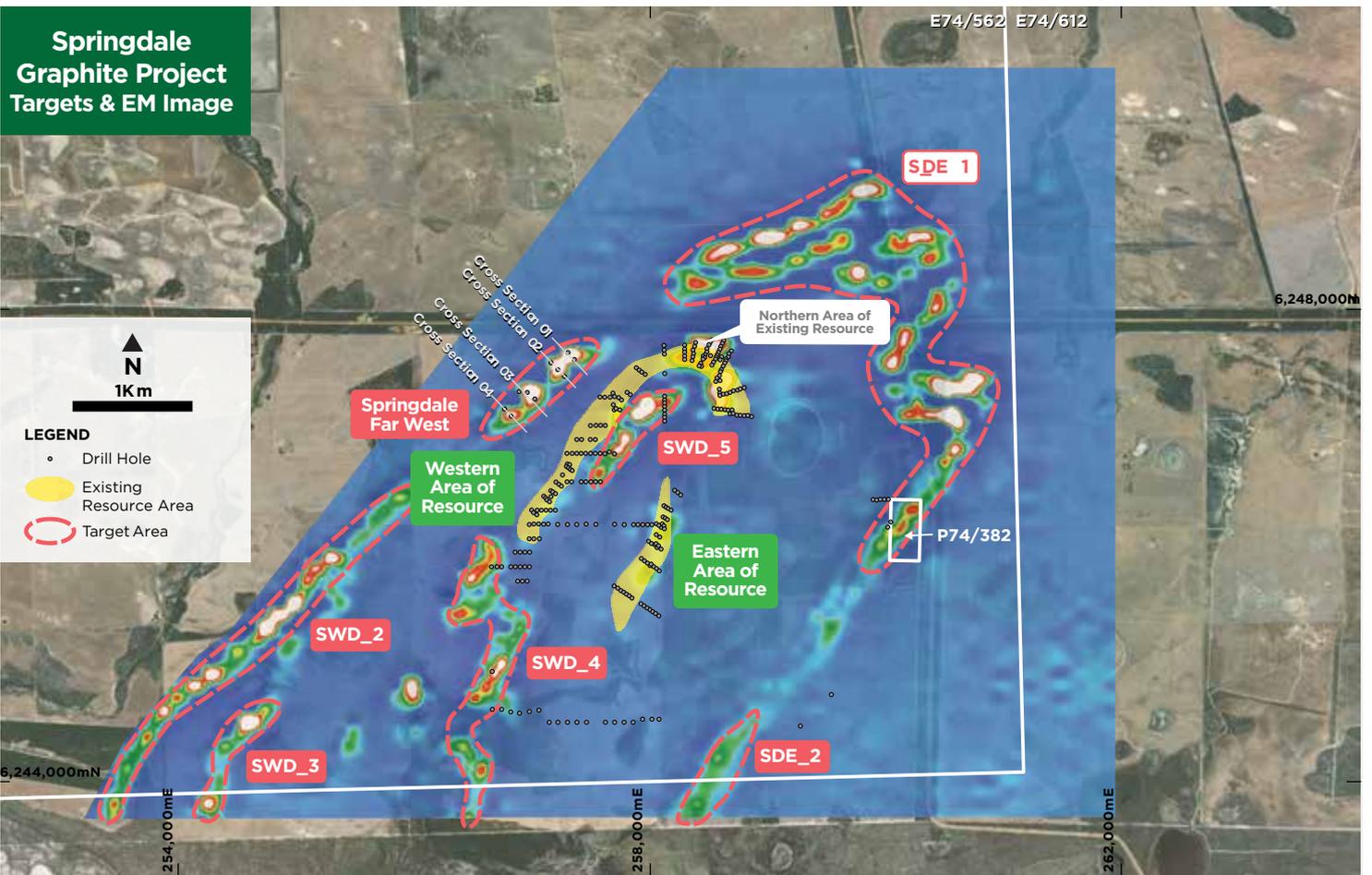


Figure 6: Airborne electromagnetic survey image showing conductive material in relation to resource areas and new targets

COLLIE GRAPHITE DOWNSTREAM PROCESSING FACILITIES

During the financial year, the Company took delivery of its pilot graphite micronising, spheroidising and purification equipment and has now successfully installed, commissioned and operated the micronising and spheroidising units.

The pilot plant is the most advanced and largest known facility of its type in Australia and is the first stage in the Company's roadmap to full-scale commercial production. Operation of the pilot plant is designed to:

- Demonstrate the Company's ability to produce a high quality spheroidised graphite product suitable for battery anode material.
- Support the design and development of a commercial line of micronised graphite product.
- Begin establishing International Graphite's presence in the graphite marketplace.
- Build operating expertise in graphite product handling and packaging.
- Assist in establishing QA/QC and operating procedures.
- Assist in the development of a process for the purification of graphite concentrates.



Figure 7: Collie township and International Graphite's premises

The pilot scale micronising and spheroidising equipment consists of two specialised machines used to size and shape graphite concentrates from a nominal ~150 micron to ~20 micron.

A classifying impact mill is used to grind the graphite flakes to a fine size while avoiding over-grinding using a built-in classifier.

The mill consists of a feed hopper, screw feeder, grinding chamber, rotary classifier and cartridge filter driven by an exhaust fan.

The graphite spheroidising mill shapes and folds the graphite flakes from platelets to a spherical shape which is required for BAM production. The spheroidising mill consists of a feed system, spheroidising chamber, rotary separator, air classifier and cartridge filter driven by an exhaust fan.

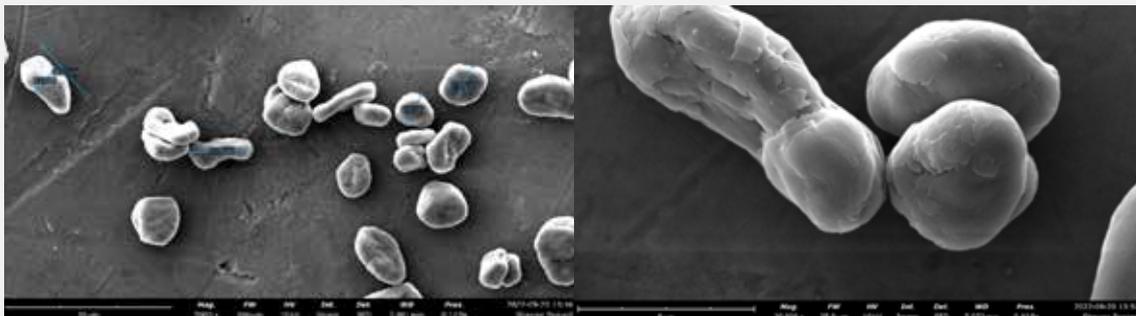


Figure 8: Spheroidised product from the pilot plant



Figure 9: Collie pilot plant facilities



Figure 10: Hopetoun, Western Australia. Photo Dene Bingham.

The Collie facility also houses a specialised high temperature (thermal) purification furnace which has been delivered to site but is yet to be commissioned. Thermal treatment of graphite concentrates avoids the need for alkali or acid-based purification methods and is an alternate purification pathway being investigated by the Company.

International Graphite has prioritised the development of a commercial scale micronising plant in Collie. Initially, it will treat third party concentrates and its finished products will be sold as a conductive additive to battery cathodes, and for other industrial applications.

In a significant first, the Western Australian Government awarded International Graphite \$2M, under the Collie Futures Industry Development Fund, to help establish the micronising facility. The investment is part of the State's \$662M commitment to develop Collie as a world class battery industry and critical minerals processing hub.

The grant award reflects the extensive investigation completed by the Company prior to ASX listing, including preparation of process design criteria, flowcharts, mass balance calculations, identification of key inputs, handling of waste products, sales plans, and capital and operating cost estimates for a commercial scale micronising operation, in Collie.

In the future, International Graphite expects its downstream operations will be optimised to process graphite concentrates from Springdale. The Company plans to purify and coat the micronised and spheroidised graphite product to produce a finished battery anode material suitable for the manufacture of lithium-ion battery anodes. Production of a coated battery anode product in Australia, for export to anode manufacturers, would capture the full value chain of the graphite market.

Early production of micronised and spheroidised graphite from Collie will spearhead strategic product marketing and engagement with potential international customers. Known as Signature-Specific Graphite Product Qualification, the process of product acceptance is key to successful and sustainable sales. Due to our strategy to be a vertically integrated producer, with complete product stewardship from mine-to-market, International Graphite will have a strong competitive edge.

ESG AND SUSTAINABILITY

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

In April 2022, International Graphite signed a non-binding Memorandum of Understanding with pioneering renewable energy retailer Zen Energy aimed at reaching future renewable energy supply agreements to power downstream processing at Collie. ZEN Energy, whose major shareholder is leading climate change economist Professor Ross Garnaut, is planning to build and operate a 'big battery' in Collie rated at 200MW of power capacity and storing up to 800MWh of energy.

Long-standing Western Australian Member of Parliament Mr Mick Murray has joined International Graphite. Mick represented the seat of Collie-Preston for more than 20 years and is assisting with local content and resources, navigating regulatory requirements, and engaging with the Collie community.

To date, more than 23 local suppliers have contributed to the start-up of the Collie pilot plant and these relationships are expected to strengthen and grow as the business evolves. The Company has been a supporter of the Collie Eagles Football Club and is a sponsor of the 2023 Collie Art Prize, one of the biggest regional art awards in the country.

Employment and training opportunities are a priority at Collie, and International Graphite is working with research institutions and taking part in workshops with local high schools and South-West TAFE to promote STEM careers and encourage training and participation for young people.

CORPORATE, FINANCE, MARKETING AND INVESTOR RELATIONS

In November 2021, the Company completed a \$1.25M equity financing to consolidate its establishment in Collie, finance the purchase of the Collie pilot scale plant, provide working capital and fund a planned listing on the ASX.

International Graphite was admitted to the Official List of ASX on 5 April 2022 and its securities commenced quotation on 7 April 2022. The Company raised \$10M under its prospectus dated 21 February 2022, and supplementary prospectus dated 4 March 2022, with the issue of 50M shares at an issue price of \$0.20 per share.

The Australian listing was immediately followed by listing on Europe's Tradegate (WKN: A3DJY5) and Frankfurt Stock Exchanges (FRA:H99) to begin establishing the company's visibility in the progressive European battery market. International Graphite is represented in Europe by the German Institute for Asset and Equity Allocation and Valuation (DGWA) and is a member of the European Battery Alliance (EBA250) and European Raw Minerals Alliance (ERMA).



Directors' Report

The Directors present their report on International Graphite Limited (the Company) for the financial year ended 30 June 2022 and the auditor's report thereon.

DIRECTORS

The names of the Directors who held office during the reporting year or since the end of the reporting year and up to the date of this report are:

Philip Hearse, appointed 21 February 2018

Andrew Worland, appointed 7 May 2019

David Pass, appointed 9 July 2021

Matthew O'Kane, appointed 5 April 2022

Neil Robert Rinaldi, resigned 9 July 2021

Brent Coxon, appointed 9 July 2021, resigned 22 December 2021

Matthew Bull, appointed 27 August 2018, resigned 22 October 2021

COMPANY SECRETARY

Robert Hodby was appointed as Company Secretary on 20 July 2021 replacing Nerida Schmidt who resigned 20 July 2021

PRINCIPAL ACTIVITIES

The principal activities of the Company are the development of a Western Australian vertically integrated 'mine to market' graphite business focussing on the exploration and development of the Springdale Graphite Project in Hopetoun, Western Australia and the development of commercial downstream processing facilities in Collie, Western Australia that would treat third party concentrates and concentrates from the Springdale Graphite Project to produce industrial and battery products including battery anode materials for the global lithium-ion battery industry.

REVIEW OF OPERATIONS

A review of the Company's exploration projects and activities during the year is discussed in the Operations Review section included in this Annual Report.

The operating loss of the Company for the financial year after providing for income tax amounted to \$2,055,940 (2021: \$2,092,724).

DIVIDENDS

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

CORPORATE AND SIGNIFICANT CHANGES IN AFFAIRS

Other than disclosed in this Financial Report, there have been no significant changes in the affairs of the Company.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company will continue with its principal activities.

Directors' Report (continued)

SAFETY AND ENVIRONMENT REGULATION

The Company is aware of its safety and environmental obligations with regards to its activities and ensures that it complies with all relevant regulations when carrying out its operations.

PROCEEDINGS ON BEHALF OF THE COMPANY

No persons have applied for leave pursuant to s.237 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of the Company.

SHARE OPTIONS

A total of 14,250,000 share options are outstanding at the date of this report:

Type	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
OPT01	3,200,000	01/04/2022	01/04/2027	\$0.30	\$0.06609/option
OPT02	4,800,000	01/04/2022	01/04/2027	\$0.40	\$0.05108/option
OPT03	6,250,000	01/04/2022	01/04/2025	\$0.30	\$0.04389/option

The holders of such options do not have the right, by virtue of the option, to participate in any share or other interest issue of any other body corporate or registered scheme.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no shares were issued on the exercise of options.

SHARES OPTIONS THAT EXPIRED/LAPSED

No share options expired or lapsed during or since the end of the financial year.

Directors' Report (continued)

DIRECTORS AND COMPANY SECRETARY (INCLUDING THE DIRECTOR'S QUALIFICATIONS AND INTERESTS AT THE DATE OF THIS REPORT)

Philip Hearse
MBA, BSc
Executive Chairman

Phillip founded International Graphite in 2018. He is a metallurgist with more than 40 years' experience in diverse and challenging projects around the world. His extensive career has taken him from operational and technical roles at Broken Hill, Bougainville Copper, Queensland Nickel (QNI) and Gove Alumina to senior executive and managerial positions in engineering and operating companies.

Phillip is owner and Managing Director of Battery Limits Pty Ltd, one of Australia's leading graphite metallurgy and process engineering firms that has assisted many listed public companies develop bankable feasibility studies for graphite mines and concentrators and generated significant downstream processing intellectual property and end use market knowledge. He is leading International Graphite's push to be a leading Western Australian fully integrated graphite mining and downstream processing business to meet growing world demand for graphite products driven by rapid uptake of electric vehicles and battery storage and new consumer technologies.

Phillip holds a Master of Business Administration from UK's Hull University and a Bachelor of Applied Science in Primary Metallurgy from the University of South Australia and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The Board considers that Philip is not an independent Director.

Interest in securities

Ordinary Shares	17,282,327 ⁶
Options	2,400,000

Directorships held in other listed entities

During the past three years, Phil has been a director of the following ASX listed companies:

- Blackearth Minerals NL - resigned 16 November 2020

Andrew Worland
BCom, FGIA
Non-Executive Director

Andrew is a mining executive and experienced ASX/TSX Director with over two decades of experience working in senior finance, corporate and project management and marketing roles in the Western Australian mining sector.

Currently Andrew is the President, CEO and Corporate Secretary of Canadian company LeadFX Inc and Chairman of ASX listed Besra Gold Limited. LeadFX owns the Paroo Station Lead Mine in Western Australia and the Bongara Zinc Mine in Peru. LeadFX and its shareholders have invested heavily in downstream mineral processing technologies in the battery minerals sector. His commodity experience includes exploration, development and operations in lead, zinc, nickel, cobalt, gold, iron ore, molybdenum, copper and uranium.

Andrew has a Bachelor of Commerce with a major in Finance and Marketing from the University of Western Australia and is a qualified chartered company secretary.

The Board considers that Andrew is an independent Director.

Interest in securities

Ordinary Shares	1,740,000 ⁷
Options	2,000,000

Directorships held in other listed entities

During the past three years, Andrew has been a director of the following ASX listed companies:

- Besra Gold Inc - appointed 4 August 2020

⁶ Comprising:

- (a) 12,732,326 Shares held by JUAD Pty Ltd ATF Hayes Hearse Superannuation Fund (an entity controlled by Phillip Hearse);
- (b) 2,000,001 Shares held directly by Phillip Hearse;
- (c) 2,050,000 Shares held by Robyn Hearse (spouse of Phillip Hearse); and
- (d) 500,000 Shares held by Battery Limits Pty Ltd (an entity controlled by Phillip Hearse and his spouse).

⁷ Comprising:

- (a) 1,680,000 Shares held directly by Andrew Worland; and
- (b) 60,000 Shares held by Badlands Super Pty Ltd (an entity controlled by Andrew Worland).

Directors' Report (continued)

David Pass

BSc

Non-Executive Director

David is a metallurgist with 30 years' experience in the mining industry with mix of operational processing, process design, project, due diligence skills and management.

David is Chief Executive Officer of Battery Limits and an acknowledged expert in graphite primary and downstream processing and has led several studies in graphite project development to definitive feasibility level. Previously, he worked with Moly Mines in a senior role where he managed the Spinifex Ridge molybdenum/copper and iron ore projects development.

David holds a Bachelor of Science in Metallurgy from Murdoch University and is a member of the Australian Institute of Mining and Metallurgy.

The Board considers that David is not an independent Director.

Interest in securities

Ordinary Shares	3,165,000 ⁸
Options	1,200,000

Directorships held in other listed entities

During the past three years, David has not been a director of any other ASX listed companies.

Matthew O'Kane

(BEcon & Fin, MBA, CPA, GradDip Mineral Exploration Geoscience)

Non-Executive Director

Matthew is an experienced mineral industry executive and company director with 25 years' experience in the mining, commodities, and automotive sectors.

Matthew has held senior leadership roles in Australia, the USA and Asia, in both developed and emerging markets, from start-up companies through to MNC's. He has served on the board of mining companies in Canada, Hong Kong and Australia.

The Board considers that Matthew is not an independent Director.

Interest in securities

Ordinary Shares	Nil
Options	1,200,000 ⁹

Directorships held in other listed entities

During the past three years, Matthew has been a director of the following ASX listed companies:

- Comet Resources Limited – appointed 12 November 2019
- Roto-Gro International Limited – resigned 19 October 2021
- Pursuit Minerals Limited – resigned 28 April 2021
- Reach Resources Limited – appointed 20 May 2021

Robert Hodby

(BCom, CPA, AGIA)

Company Secretary

Robert holds a Bachelor of Commerce from Murdoch University and is a member of CPA Australia and the Governance Institute of Australia with over 20 years industry experience in financing and administration of public and listed companies gathered at both operational and corporate levels.

During his time, he has held numerous executive and project management positions as well as CFO, Board and Company Secretarial roles with a number of companies involved in the resource and energy. Robert is currently an Executive Director of Pinnacle Minerals Limited.

⁸ Comprising:

(a) 3,040,000 Shares held directly by David Pass.

(b) 125,000 Shares held by Maria Theresa Pass (David Pass' spouse).

⁹ Comprising:

1,200,000 Options held by Ming Jung Cha spouse of Matthew O'Kane.

Directors' Report (continued)

MEETINGS OF DIRECTORS AND COMMITTEES

During the financial year 8 meetings of Directors were held. Attendances by each Director during the year are stated in the following table.

	Number Eligible to Attend	Number Attended
Philip Hearse	8	8
Andrew Worland	8	8
David Pass	7	7
Matthew O'Kane	1	1
Neil Rinaldi	1	1
Brent Coxon	3	3
Matthew Bull	4	4

Refer page 17 for dates of appointment and resignation.

INDEMNIFICATION OF DIRECTORS AND AUDITORS

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- except as may be prohibited by the Corporations Act 2001 a Director or Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Director or officer of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year as disclosed in Note 6 is compatible with the general standard of independence for auditors. The Directors are satisfied that non-audit services did not compromise the external auditor's independence for the following reasons: all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and the nature of the services provided do not compromise the general principles relating to auditor independence under all relevant independence rules.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Armada Audit and Assurance Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence declaration is set out on page 28 and forms part of this Directors' Report for the year ended 30 June 2022.

Directors' Report (continued)

REMUNERATION REPORT (AUDITED)

The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

KEY MANAGEMENT PERSONNEL (KMP)

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP comprise the Directors of the Company and key executive personnel:

KMP	Position	Tenure During the Year
<i>Executive Directors</i>		
Philip Hearse	Executive Chairman	Full Financial Year
<i>Non-executive Directors</i>		
Andrew Worland	Non-executive Director	Full Financial Year
David Pass	Non-executive Director	9 July 2021 – 30 June 2022
Matthew O'Kane	Non-executive Director	5 April 2022 – 30 June 2022

REMUNERATION POLICY

The remuneration policy of International Graphite Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options and/or performance rights), executive, business and shareholder objectives are aligned. The Board of International Graphite Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between directors and shareholders. The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

Managing Director and Other KMP

The remuneration policy and the relevant terms and conditions has been developed by the Board of Directors. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Company is an exploration and development entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Executive Chairman Consulting Agreement

The Company has entered into an executive consultancy services agreement pursuant to which the Company engaged JUAD Pty Ltd (ACN 009 287 281) (Contractor) and Phillip Baden Hearse (Designated Person) to perform the role of Executive Chairman to the Company (Consulting Agreement).

Directors' Report (continued)

Effective 5 April 2022, Juad receives \$20,833 (exclusive of GST) per month. For the period 1 July to 31 October 2021, Juad received \$4,000 (exclusive of GST) per month and for the period 1 November 2021 to 4 April 2022, Juad received \$10,000 (exclusive of GST) per month. Mr Hearse will not be entitled to any additional director fees. The Company may terminate the agreement without cause with three months' notice (or payment in lieu), which may be deemed to be triggered if there is a material diminution of Mr Hearse's role in the twelve months following a change of control. Mr Hearse can terminate with three months' notice. The agreement is otherwise on standard terms for agreements of this nature.

During the financial year, the Company did not engage any remuneration consultants. The Board's remuneration policies are outlined below:

Fixed Remuneration

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. If entitled, all executives also receive a superannuation guarantee contribution required by the government, and do not receive any other retirement benefits.

Short-term Incentives (STI)

Under the Company's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. No short-term incentives were paid in the current financial year. The Board is responsible for assessing whether Key Performance Indicators ("KPI's") are met. The Board considers market rates of salaries for levels across the Company, which have been based on industry data provided by a range of industry sources.

Long-term Incentives (LTI)

Executives are encouraged by the Board to hold shares in the Company, and it is therefore the Company's objective to provide incentives for participants to partake in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and dividends that may be realised in future years.

Non-Executive Directors

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. In determining competitive remuneration rates, the Board review local and international trends among comparative companies and the industry generally. Typically, the Company will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group.

Total fees payable to all non-executive directors, excluding amounts for special exertion or the reimbursement of reasonable business expenditures, must not exceed \$150,000 per annum, in accordance with the approval provided by shareholders on 19 June 2020.

Performance Rights and Options Plan

KMP are entitled to participate in the Company's Performance Rights and Options Plan, which is designed to give each security holder an interest in preserving and maximising shareholder value. Such grants are determined by an informal assessment of an individual's performance, level of responsibilities and the importance of his/her position and contribution to the Company. The vesting of the securities is determined at the Board's discretion.

Incentive options issued during the year are detailed in Note 17 of the financial statements.

Relationship between Remuneration of KMP and Earnings

During the Company's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature during the current and previous financial years.

Directors' Report (continued)

Relationship between Remuneration of KMP and Shareholder Wealth

As discussed above, the Company is currently undertaking exploration activities and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from its projects. Accordingly, the Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

STATUTORY PERFORMANCE INDICATORS

The Board aims to align executive remuneration to the Company's strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Company's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2022	2021	2020	2019	2018
Loss for the year	(2,055,940)	(2,092,724)	(1,440,471)	(975,702)	(2,145)
Loss per share	(0.0225)	(0.0464)	(0.0291)	(0.0226)	(0.0001)
Share price at listing	\$0.200	-	-	-	-
Share price at year end	\$0.315	-	-	-	-

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Company:

2022										
KMP	Short-Term Benefits			Post-Employment Benefits		Long-Term Benefits	Equity-Settled Share-Based Payments			Equity as a % of remuneration
	Salary Fees and Leave \$	Profit Share and Bonuses \$	Other \$	Super Annuation \$	Other \$	Shares \$	Options \$	Total \$		
Philip Hearse	125,842	-	-	-	-	-	136,986	262,828	52%	
Andrew Worland	39,000	-	-	-	-	100,000	114,168	253,168	85%	
David Pass	38,323	-	-	-	-	-	68,501	106,824	64%	
Matthew O'Kane	11,200	-	-	-	-	-	68,501	79,701	86%	
Neil Robert Rinaldi	-	-	-	-	-	-	-	-	-	
Matthew Bull	11,000	-	-	-	-	-	-	11,000	-	
Brent Coxon	15,000	-	-	-	-	-	-	15,000	-	
	240,365	-	-	-	-	100,000	388,156	728,521	67%	

Directors' Report (continued)

2021									
KMP	Short-Term Benefits			Post-Employment Benefits		Long-Term Benefits	Equity-Settled Share-Based Payments		
	Salary Fees and Leave \$	Profit Share and Bonuses \$	Other \$	Super Annuation \$	Other \$	Shares \$	Options \$	Total \$	Equity as a % of remuneration
Philip Hearse	36,000	-	-	-	-	48,000	-	84,000	57%
Andrew Worland	27,000	-	-	-	-	14,400	-	41,400	34%
Matthew Bull	27,000	-	-	-	-	464,400	-	491,400	94%
Cameron Edwards	-	-	-	-	-	16,800	-	16,800	100%
Neil Rinaldi	216,556	-	-	-	-	594,200	-	810,756	73%
	306,556	-	-	-	-	1,137,800	-	-1,444,356	79%

KMP EQUITY HOLDINGS

Fully Paid Ordinary Shares of the Company Held by Each KMP 2022					
KMP	Balance at start of year (or appointment) No.	Purchased/(sold) during year No.	Received on the exercise of options No.	Share based payment No.	Balance at end of year (or resignation) No.
Philip Hearse	15,996,668	1,285,659	-	-	17,282,327
Andrew Worland	740,000	-	-	1,000,000	1,740,000
David Pass	2,940,000	225,000	-	-	3,165,000
Matthew O'Kane	-	-	-	-	-
Neil Robert Rinaldi	3,998,334	-	-	-	3,998,334
Matthew Bull	5,500,000	-	-	-	5,500,000
Brent Coxon	-	-	-	-	-
	29,175,002	1,510,659	-	1,000,000	31,685,661

Directors' Report (continued)

Options in the Company Held by Each KMP 2022

KMP	Balance at start of year (or appointment) No.	Granted during the year No.	Vested and exercised No.	Forfeited No.	Balance at end of year (or resignation) No.
Philip Hearse	-	2,400,000	-	-	2,400,000
Andrew Worland	-	2,000,000	-	-	2,000,000
David Pass	-	1,200,000	-	-	1,200,000
Matthew O'Kane	-	1,200,000	-	-	1,200,000
	-	6,800,000	-	-	6,800,000

TERMS AND CONDITIONS OF SHARE-BASED PAYMENT ARRANGEMENTS - OPTIONS

The terms and conditions for each grant of options affecting remuneration in the current or a future reporting period are as follows:

Number	Grant date and vesting date	Expiry date	Exercise price	Value per option at grant date	Total value at grant date	% vested and exercised
2,720,000	1 April 2022	1 April 2027	\$0.30	\$0.06609	179,765	100%
4,080,000	1 April 2022	1 April 2027	\$0.40	\$0.05108	208,406	100%

OPTIONS EXERCISABLE AT \$0.30

	Number of Options	Total value at grant date	Expense to 30 June 22
Philip Hearse	960,000	\$63,430	\$63,430
Andrew Worland	800,000	\$52,872	\$52,872
David Pass	480,000	\$31,723	\$31,723
Matthew O'Kane	480,000	\$31,723	\$31,723
Total	2,720,000	179,748	179,748

OPTIONS EXERCISABLE AT \$0.40

	Number of Options	Total value at grant date	Expense to 30 June 22
Philip Hearse	1,440,000	\$73,556	\$73,556
Andrew Worland	1,200,000	\$61,296	\$61,296
David Pass	720,000	\$36,778	\$36,778
Matthew O'Kane	720,000	\$36,778	\$36,778
Total	4,080,000	208,408	208,408

Directors' Report (continued)

OTHER EQUITY-RELATED KMP TRANSACTIONS

Apart from the details disclosed above, no Director or other KMP has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts or balances involving Directors' interests existing at year end.

LOANS TO KMP AND/OR THEIR RELATED PARTIES

There are no loans made to/from Directors of the Company and/or their related parties as at 30 June 2022 (2021: nil).

OTHER TRANSACTIONS WITH KMP AND/OR THEIR RELATED PARTIES

Battery Limits Pty Ltd (an entity controlled by Mr Hearse) (Battery Limits) received professional services fees in respect of metallurgical, engineering, process design, project management and administration activities for the 2022 and 2021 financial years amounting to approximately \$194,996 and \$200,000 respectively (each ex GST). These fees include payments to consultants of Battery Limits including Mr Pass.

In addition to the above services, the Company occupies an office space at a commercial premises leased by Battery Limits. In the 2022 and 2021 financial years, the Company paid Battery Limits approximately \$19,635 and \$31,000 respectively for its reasonable share of office rent and outgoings incurred by Battery Limits based on the Company's occupancy levels.

There have been no other transactions involving with KMP and/or their related parties other than those described above.

END OF REMUNERATION REPORT

FINANCIAL POSITION

The financial statements for the year ended 30 June 2022 have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the year, the Company recorded a loss of \$2,055,940 (2021: \$2,092,724) and had net cash outflows from operating activities of \$1,836,303 (2021: \$738,956). At reporting date, the Company had a working capital surplus of \$8,440,770 (2021: \$702,056).

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the working capital surplus and the cash flow forecasts, the Directors are satisfied that the going concern basis of preparation is appropriate.

EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstance have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company in future financial years.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the Corporations Act 2001 (Cth).



Phillip Hearse
Executive Chairman

Dated on this 28th day of September 2022 in North Perth.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INTERNATIONAL GRAPHITE LIMITED**

I declare that to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2022 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

*Armada Audit
& Assurance*

Armada Audit & Assurance Pty Ltd



Nigel Dias
Director

Dated this 28 September 2022, at Perth Western Australia

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
REVENUE FROM CONTINUING OPERATIONS			
Other income	2	4,526	96
		4,526	96
EXPENSES			
Administration expenses	3	(238,170)	(174,914)
Corporate expenses	4	(774,622)	(234,728)
Director & CEO fees		(240,365)	(306,556)
Process development expenses		(254,916)	(213,223)
Share based payments	17	(556,656)	(1,167,800)
TOTAL EXPENSES		(2,064,729)	(2,097,221)
Operating loss		(2,060,203)	(2,097,125)
Finance income		4,263	4,852
Finance expense		-	(451)
Loss before income tax expense		(2,055,940)	(2,092,724)
Income tax expense	5	-	-
NET LOSS AFTER INCOME TAX EXPENSE		(2,055,940)	(2,092,724)
Other comprehensive income	5	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,055,940)	(2,092,724)
Basic and diluted loss per share	18	(0.0225)	(0.0464)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes..

Statement of Financial Position

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	7	8,857,409	661,147
Trade and other receivables	8	488,836	32,141
Other current assets	9	12,981	230,757
		9,359,226	924,045
NON-CURRENT ASSETS			
Property, plant and equipment	10	348,322	10,000
Exploration and evaluation asset	11	8,971,694	-
Right-of-use of asset	12	94,340	63,329
Other non-current assets		1,331	9,000
		9,415,687	82,329
TOTAL ASSETS		18,774,913	1,006,374
CURRENT LIABILITIES			
Trade and other payables	13	260,776	156,660
Accruals	14	625,700	31,250
Lease liabilities	15	31,980	34,079
		918,456	221,989
NON-CURRENT LIABILITIES			
Lease liabilities	15	62,934	29,457
TOTAL LIABILITIES		981,390	251,446
NET ASSETS		17,793,523	754,928
EQUITY			
Issued capital	16	23,629,566	5,265,970
Reserves	17	730,939	-
Accumulated losses		(6,566,982)	(4,511,042)
TOTAL EQUITY		17,793,523	754,928

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes In Equity

for the year ended 30 June 2022

	Note	CONTRIBUTED EQUITY \$	SHARE BASED PAYMENTS RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
Balance at 30 June 2020		1,346,001	1,166,169	(2,418,318)	93,852
Loss for the year		-	-	(2,092,724)	(2,092,724)
Total comprehensive loss for the year		-	-	(2,092,724)	(2,092,724)
Transactions with owners in their capacity as owners:					
Issue of shares (net of transaction costs)		1,586,000	-	-	1,586,000
Share based payments reserve conversion		2,333,969	(2,333,969)	-	-
Share based payments		-	1,167,800	-	1,167,800
Balance at 30 June 2021		5,265,970	-	(4,511,042)	754,928
Loss for the year		-	-	(2,055,940)	(2,055,940)
Total comprehensive loss for the year		-	-	(2,055,940)	(2,055,940)
Transactions with owners in their capacity as owners:					
Issue of shares	16	19,350,000	-	-	19,350,000
Capital raising costs	16	(986,404)	-	-	(986,404)
Share based payments	17	-	730,939	-	730,939
Balance at 30 June 2022		23,629,566	730,939	(6,566,982)	17,793,523

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
R&D Tax incentive received		-	162,050
Payments to suppliers and employees		(1,559,523)	(900,651)
Payments for process development		(278,787)	-
Interest paid		(2,519)	(451)
Interest income received		4,526	96
Net cash used in operating activities	19(i)	(1,836,303)	(738,956)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(107,809)	(10,000)
Payments for exploration and evaluation acquired and incurred		(362,694)	-
Incorporation costs		(1,330)	-
Deposit paid for plant and equipment		-	(224,908)
Net cash used in investing activities		(471,833)	(234,908)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		11,250,000	1,586,000
Capital raising costs		(712,121)	-
Reduction in lease liability		(33,481)	(5,549)
Net cash provided by financing activities		10,504,398	1,580,451
Net increase in cash held		8,196,262	606,587
Cash at beginning of year		661,147	49,708
Net foreign exchange differences		-	4,852
CASH AT END OF YEAR	7	8,857,409	661,147

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Corporate Information

The financial report covers International Graphite Limited (the “Company”). The financial report consists of the financial statements, notes to the financial statements and the Directors’ declaration. International Graphite Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The Company was admitted to the Official List of the Australian Securities Exchange (ASX”) on 5 April 2022.

The principal activities of the Company are the development of a Western Australian vertically integrated ‘mine to market’ graphite business focussing on the exploration and development of the Springdale Graphite Project in Hopetoun, Western Australia and the development of commercial downstream processing facilities in Collie, Western Australia that would treat third party concentrates and concentrates from the Springdale Graphite Project to produce industrial and battery products including battery anode materials for the global lithium-ion battery industry.

b) 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”). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue by the Directors on 28 September 2022.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of financial assets, financial liabilities and selected non-current assets for which the fair value basis of accounting has been applied. The presentation currency of the Company is Australian dollars (AUD).

Significant Accounting Judgments and Key Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

(i) Share-based payments

The fair value of share-based payments are discussed in Note 17. The fair values of options are determined using Option Pricing Models that take into account the exercise price, the term of the option, the impact of dilution, the share price at valuation 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. Judgement has been exercised on the probability and timing of achieving milestones related to the options.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of Preparation (continued)

(ii) Exploration and Evaluation Assets

The Company's accounting policy for exploration and evaluation expenditure is set out at Note 1(p). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement profit or loss and other comprehensive income.

(iii) Deferred Tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

Financial Position

The financial statements for the year ended 30 June 2022 have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the year, the Company recorded a loss of \$2,055,940 (2021: \$2,092,724) and had net cash outflows from operating activities of \$1,836,303 (2021: \$738,956). At reporting date, the Company had a working capital surplus of \$8,440,770 (2021: \$702,056).

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the working capital balances and the cash flow forecasts, the Directors are satisfied that the going concern basis of preparation is appropriate.

c) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM, which has been identified as the Board of Directors, is responsible for the allocation of resources to operating segments and assessing their performance.

Management has determined that the Company reports one segment, graphite products.

d) Financial Instruments

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial Instruments (continued)

(i) Financial Assets

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price (excludes estimates of variable consideration) as defined in AASB 15 Revenue, as the contracts of the Company do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short-term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for de-recognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

(ii) Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(iii) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment of Non-Financial Assets

The Company assesses at each reporting 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 Company 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 groups 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 a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

f) Employee Benefits

(i) Short-Term Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount.

(ii) Long-Term Employee Benefits

Contributions are made to employee superannuation funds and are charged as expenses when incurred. All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans or equivalent provide accumulated benefits. Contributions are made in accordance with the statutory requirements of each jurisdiction.

The liability for long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

(iii) Share-Based Payments

The Company may provide benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an appropriate Options Pricing Model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of International Graphite Limited (market conditions) if applicable.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Employee Benefits (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired, and
- (ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The amount charged or credited to the Statement of Profit or Loss and Other Comprehensive Income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

h) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the statement of financial position as current liabilities under borrowings.

i) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue

(i) Interest Income

Interest income 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.

(ii) Government Grants

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

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and service tax, except:

- I. where the amount of GST incurred is not recoverable from the Australian Tax Office. It is recognised as part of the cost of acquisition of an asset or as part of an item of the expense.
- II. receivables and payables are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l) Income Taxes

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised. The amount of benefits brought to account or which may be released in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

m) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Property, Plant and Equipment

Prior to the Company's admission to the ASX, all plant and equipment are initially measured at cost and are written off in profit or loss in line with ATO's various small business concessions for instant asset write off.

Upon admission to ASX, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment – 5 years

o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

p) Exploration and Evaluation Expenditure

Exploration and evaluation asset acquired

Exploration and evaluation assets comprise of the acquisition cost of mineral rights (such as joint ventures) and the fair value (at acquisition date) of exploration and expenditure assets acquired from other entities. As the assets are not yet ready for use they are not depreciated.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Exploration and Evaluation Expenditure (continued)

Once the technical feasibility and commercial viability of the assets are demonstrable, exploration and evaluation assets are first tested for impairment and then reclassified to mine properties as development assets. The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the result of future exploration; and
- the recoupment of cost through successful development and exploitation of the areas of interest; or
- alternatively, by their sale.

Exploration and evaluation expenditure

The acquisition cost of minerals rights and exploration and evaluation expenditure on the mineral rights are reported at cost. These costs are carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated and approved by the Directors of the Company, any capitalised exploration and evaluation expenditure is then reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment annually in accordance with AASB 6. Where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

q) Process Development Expenditure

Process development expenditure incurred is expensed in respect of each identifiable area of interest until such a time where a process has been identified as being of a commercial nature in relation to the identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful commercialisation of the area or where activities in the area have yet reached a stage which permits reasonable assessment of the existence of economic viability of the process.

r) Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit/loss attributable to the owners of the Company, 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.

(ii) 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.

Notes to the Financial Statements (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

t) Lease liabilities

The Company, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the Company will recognise a right-of-use asset (Note 1(s)) and a lease liability at the lease commencement date.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

u) Adoption of new and revised standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

v) New standards, interpretation and amendments issued by not yet effective

The Directors have reviewed all Standards and Interpretations on issue but not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact, of the Standards and Interpretations on issue but not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Notes to the Financial Statements (continued)

	2022 \$	2021 \$
NOTE 2: OTHER INCOME		
Interest income	4,526	96
	4,526	96
NOTE 3: ADMINISTRATION EXPENSES		
Accounting fees	9,400	19,604
Corporate, admin and office support	63,084	95,738
Depreciation and amortisation	34,543	5,756
Information technology	5,441	2,039
Insurance	44,480	2,635
Printing and stationery	930	414
Rent and outgoings	42,683	43,292
Telephone expenses	413	1,236
Travel	10,442	1,825
Other	26,754	2,375
	238,170	174,914
NOTE 4: CORPORATE EXPENSES		
Advertising and promotion	199,620	81,279
Consultants	235,989	28,466
Fund raising consultants	23,260	55,600
Audit fees	19,827	17,000
Legal fees	151,973	45,973
Other corporate benefits	143,953	6,410
	774,622	234,728

Notes to the Financial Statements (continued)

	2022 \$	2021 \$
NOTE 5: INCOME TAX EXPENSE		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
Numerical reconciliation of income tax expense to prima facie tax expense:		
Loss before income tax expense	(2,055,940)	(2,092,724)
Tax at statutory tax rate of 30% (2021: 26%)	(616,782)	(544,108)
Effect of non-deductible expenses:		
Share based payments	166,997	303,628
R&D expenditure subject to R&D grant	76,475	258,294
Legal fees	45,592	-
Effect of non-assessable income:		
R&D grant	-	(112,358)
	(327,718)	(94,544)
Movements in unrecognised timing differences	(37,399)	-
Future income tax benefit of tax losses not brought to account	365,117	94,544
Income tax expense	-	-
Unrecognised deferred tax assets:		
Tax losses - revenue	(2,460,894)	(939,324)
Other temporary differences	(16,700)	-
	(2,477,594)	(939,324)
At the rate of 30% (2021: 26%)	(743,278)	(244,224)

The benefit of these losses has not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time or that there are sufficient deferred tax liabilities to offset these losses. These tax losses are also subject to final determination by the Taxation authorities when the Company derives taxable income. The benefits will only be realised if:

- a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
- b) The Company continues to comply with the conditions for the deductibility imposed by law; and
- c) No changes in the tax legislation adversely affect the Company in realising the benefit of the losses.

Notes to the Financial Statements (continued)

	2022 \$	2021 \$
NOTE 6: AUDITOR'S REMUNERATION		
Audit services	19,827	17,000
Non-audit services	8,516	15,215
	28,343	32,215
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash at bank	8,857,409	661,147
	8,857,409	661,147
NOTE 8: TRADE AND OTHER RECEIVABLES		
GST receivable	488,836	-
Other receivables	-	32,141
	488,836	32,141
NOTE 9: OTHER CURRENT ASSETS		
Prepayments	3,981	-
Security bond on lease	9,000	-
Deposit paid for plant and equipment ¹	-	230,757
	12,981	230,757
<small>¹ Deposits have been paid to vendors for the delivery of plant and equipment subsequent to the end of the financial year.</small>		
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment at cost	348,322	10,000
Less accumulated depreciation	-	-
	348,322	10,000
Reconciliation:		
Opening balance	10,000	-
Additions	338,322	10,000
Depreciation ¹	-	-
	348,322	10,000
<small>¹ Plant and equipment are not yet installed or operational and therefore depreciation has not commenced.</small>		

Notes to the Financial Statements (continued)

	2022 \$	2021 \$
NOTE 11: EXPLORATION AND EVALUATION ASSET		
Opening balance	-	-
Exploration asset acquired ¹	8,509,000	-
Exploration costs incurred	462,964	-
Closing balance	8,971,694	-
<p>¹ In accordance with the Company's accounting policy, the acquisition cost of the Springdale Graphite Project has been capitalised in accordance with the requirements of AASB 6 Exploration and Evaluation of Mineral Resources. The value attributable to the acquisition of the exploration and evaluation asset is based on the value of the equity instruments granted at the time of issue, being 40,000,000 shares multiplied by \$0.20 per share. Furthermore, costs relating to the acquisition, being stamp duty of \$509,000 and incidentals of \$1,660, have been capitalised to the asset.</p>		
NOTE 12: RIGHT-OF-USE ASSET		
Right-of-use asset at cost	134,639	69,085
Less accumulated amortisation	(40,299)	(5,756)
	94,340	63,329
Reconciliation:		
Opening balance	63,329	-
Additions	65,554	69,085
Amortisation	(34,543)	(5,756)
Closing Balance	94,340	63,329
NOTE 13: TRADE AND OTHER PAYABLES		
Trade payables	260,776	156,660
	260,776	156,660
NOTE 14: ACCRUALS		
General	16,700	31,250
Springdale	609,000	-
	625,700	31,250

Notes to the Financial Statements (continued)

	2022 \$	2021 \$
NOTE 15: LEASE LIABILITIES		
Opening balance	63,536	-
Additions	65,554	69,085
Adjustment	(695)	-
Interest expense	2,519	451
Payments	(36,000)	(6,000)
Closing balance	94,914	63,536
Current	31,980	34,079
Non-Current	62,934	29,457
	94,914	63,536

The Company had an office lease at 87 Harris River Road, Collie which commenced on 1 May 2021 for period of 12 months. Upon expiry of the lease, the Company commenced a new office lease at 15 Morrison Way, Collie on 9 May 2022 for a period of 3 years. The annual rent remained unchanged at \$36,000 p.a. plus GST and outgoings.

The lease liability is measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 10%.

	30 June 2022		30 June 2021	
	No.	\$	No.	\$
NOTE 16: ISSUED CAPITAL				
(a) Share Capital				
Fully paid ordinary shares	165,158,330	23,629,566	59,158,330	5,265,970

Notes to the Financial Statements (continued)

	Date	No.	2021
NOTE 16: ISSUED CAPITAL (continued)			
(b) Movement in Issued Capital			
Balance as at 30 June 2020		51,980,001	1,346,001
Work for shares converted to ordinary shares	29/07/2020	20,439,985	1,166,169
Work for shares converted to ordinary shares	29/07/2020	4,203,335	252,200
Shares issued for cash	05/11/2020	500,001	30,000
Share consolidation		(38,561,659)	-
Shares issued for services rendered	01/12/2020	1,875,000	225,000
Shares issued for cash	31/03/2021	12,966,667	1,556,000
Shares issued for services rendered	31/03/2021	1,875,000	225,000
Shares issued for services rendered	31/03/2021	130,000	15,600
Shares issued for services rendered	31/03/2021	3,750,000	450,000
Capital raising costs		-	-
Balance as at 30 June 2021		59,158,330	5,265,970
Shares issued for cash	06/12/2021	5,000,000	250,000
Shares issued for services rendered (refer to Note 17(b)(i))	06/12/2021	1,000,000	100,000
Shares issued for cash	06/12/2021	10,000,000	1,000,000
Shares issued for exploration assets	01/04/2022	40,000,000	8,000,000
Shares issued for cash	01/04/2022	50,000,000	10,000,000
Capital raising costs		-	(986,404) ²⁵
Balance as at 30 June 2022		165,158,330	23,629,566

²⁵ \$274,283 of these costs have been paid via issue of options and \$712,121 is paid via cash.

(c) Fully Paid Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the Financial Statements (continued)

	2022 \$	2021 \$
NOTE 17: RESERVES		
(a) Shared Based Payment Reserve		
Share based payment reserve	730,939	-
	730,939	-
Movement in share based payment reserve:		
Beginning balance	-	-
Share based payments	730,939	-
Closing balance	730,939	-
The share based payments reserve is used to recognise the fair value of shares and options issued to Directors, employees, contractors and brokers.		
(a) Shared Based Payment Reserve		
Director shares (refer to Note 17(b)(i))	100,000	-
Director and KMP options (refer to Note 17(b)(iii) and 17(b)(iv))	456,656	-
Issue of Shares to directors in lieu of services rendered	-	1,137,800
Consultancy fees satisfied via issue of shares	-	30,000
Amount expensed to profit or loss	556,656	1,167,800
Advisory options (refer to Note 17(b)(ii)) charged to equity	274,283	-
Total share based payments	830,939	1,167,800
(i) On 6 December 2021, the Company granted 1,000,000 shares to Director Andrew Worland. The total fair value of the shares was estimated at \$0.10 per share as at the grant date using the value of seed shares which were issued at the same time.		
The total fair value of \$100,000 was recognised in the Statement of Profit or Loss and Other Comprehensive income for the year and credited to issued capital (refer to Note 16(b)).		
(ii) On 1 April 2022, the Company granted 6,250,000 options to advisors to the Company, exercisable at \$0.30 each expiring 3 years from the date of issue. The total fair value of the options was estimated at \$0.04389 per option as at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.		

Notes to the Financial Statements (continued)

NOTE 17: RESERVES (continued)

Grant Date	1 April 2022
Expected Volatility	50%
Risk Free Interest Rate	1.09%
Expected Life of Options	3 years
Exercise Price	\$0.30
Share Price at Grant Date	\$0.20
Fair Value at Grant Date	\$0.04389

The total fair value of the 6,250,000 options of \$274,283 was charged to share issue costs.

(iii) On 1 April 2022, the Company granted 3,200,000 options to the Directors and Company Secretary, exercisable at \$0.30 each expiring 5 years from the date of issue. The total fair value of the options was estimated at \$0.06609 per option as at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

Grant Date	1 April 2022
Expected Volatility	50%
Risk Free Interest Rate	1.49%
Expected Life of Options	5 years
Exercise Price	\$0.30
Share Price at Grant Date	\$0.20
Fair Value at Grant Date	\$0.06609

The total fair value of the 3,200,000 options of \$211,472 was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year.

(div) On 1 April 2022, the Company granted 4,800,000 options to the Directors and Company Secretary, exercisable at \$0.40 each expiring 5 years from the date of issue. The total fair value of the options was estimated at \$0.05108 per option as at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

Grant Date	1 April 2022
Expected Volatility	50%
Risk Free Interest Rate	1.49%
Expected Life of Options	5 years
Exercise Price	\$0.40
Share Price at Grant Date	\$0.20
Fair Value at Grant Date	\$0.05108

The total fair value of the 4,800,000 options of \$245,184 was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year.

Notes to the Financial Statements (continued)

	2022 \$	2021 \$
NOTE 18: LOSS PER SHARE		
Loss attributable to shareholders	(2,055,940)	(2,092,724)
	Number	Number
Weighted average number of shares	91,295,316	45,144,928
	Cents per share	Cents per share
Basic and diluted loss per share	(2.25)	(4.64)

NOTE 19: CASH FLOW INFORMATION

(i) Reconciliation of Cash Flow from Operations with Loss after income tax expense

Loss after income tax	(2,055,940)	(2,092,724)
Adjustments for:		
Share based payments	556,656	1,167,800
Depreciation and amortisation	34,543	5,756
Foreign exchange gains	-	(4,852)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(3,981)	154,485
(Increase)/decrease GST receivable	(456,695)	-
(Increase)/decrease in prepayments	(29,380)	-
(Increase)/decrease in other debtors	-	(14,849)
Increase/(decrease) in trade creditors	104,442	45,428
Increase/(decrease) in accruals	14,052	-
Cash flows used in operating activities	(1,836,303)	(738,956)

(ii) Non-Cash Flow from Investing Activities

The Company issued 40,000,000 (\$8,000,000) fully paid ordinary shares to Comet Resources Limited as consideration for the acquisition of a 100% interest in the Springdale Graphite Project. Refer Note 11 for more details.

(iii) Non-Cash Flow from Financing Activities

The Company issued 6,250,000 (\$274,283) options to key advisors as capital raising costs. Refer Note 17(b)(ii) for more details.

NOTE 20: KMP COMPENSATION

For the purposes of this report KMP's of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

Notes to the Financial Statements (continued)

NOTE 20: KMP COMPENSATION (continued)

The names and positions of KMP for the Company in office at any time during the financial year are as follows:

Philip Hearse	Executive Chairman
Andrew Worland	Non-executive director
David Pass	Non-executive director
Matthew O'Kane	Non-executive director
Neil Robert Rinaldi	Chief Executive Officer
Matthew Bull	Non-executive director
Brent Coxon	Non-executive director

Information regarding individual Directors and executives' compensation and equity instruments disclosures as required by the Corporations Regulations 2M.3.03 is provided in the Remuneration Report.

	2022 \$	2021 \$
KMP compensation:		
Short-term employee benefits	240,365	186,556
Post-employment benefits	-	120,000
Share-based payments	488,156	1,137,800
	728,521	1,444,356

During the financial year, the Company granted the following options and shares to KMP:

Shares issued to directors: On 6 December 2021, the Company granted 1,000,000 shares to Director Andrew Worland. The total fair value of the shares was estimated at \$0.10 per share as at the grant date using the value of seed shares which were issued at the same time. Total expense being \$100,000

Options exercisable at \$0.30

	Number of Options	Total value at grant date	Expense to 30 June 22
Philip Hearse	960,000	\$63,430	\$63,430
Andrew Worland	800,000	\$52,872	\$52,872
David Pass	480,000	\$31,723	\$31,723
Matthew O'Kane	480,000	\$31,723	\$31,723

Options exercisable at \$0.40

	Number of Options	Total value at grant date	Expense to 30 June 22
Philip Hearse	1,440,000	\$73,556	\$73,556
Andrew Worland	1,200,000	\$61,296	\$61,296
David Pass	720,000	\$36,778	\$36,778
Matthew O'Kane	720,000	\$36,778	\$36,778

The terms and conditions of the share options are disclosed in Note 17.

Notes to the Financial Statements (continued)

NOTE 21: RELATED PARTY TRANSACTIONS

Transactions with related parties

Battery Limits Pty Ltd (an entity controlled by Mr Hearse) (Battery Limits) received professional services fees in respect of metallurgical, engineering, process design, project management and administration activities for the 2022 and 2021 financial years amounting to \$194,996 and \$200,000 respectively (each ex GST). These fees include payments to consultants of Battery Limits including Mr. Pass.

In addition the Company occupies an office space at a commercial premises owned by Juad Pty Ltd (an entity controlled by Mr Hearse) and leased by Battery Limits. In the 2022 and 2021 financial years the Company paid Battery Limits \$19,635 and \$31,000 respectively for its reasonable share of office rent and outgoings incurred by Battery Limits based on the Company's occupancy levels.

NOTE 22: FINANCIAL INSTRUMENTS

Financial Risk Management Objectives

The Company's risk management framework is supported by the Board and management. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

The Company has exposure to the following risks from their use of financial assets:

- Market risk
- Liquidity risk
- Credit risk

The overall financial risk management strategy focuses on the unpredictability of the equity markets and seeks to minimise the potential adverse effects due to movements in financial liabilities or assets.

The Company holds the following financial instruments as at 30 June:

	2022 \$	2021 \$
Financial Assets		
Cash and cash equivalents	8,857,409	661,147
Trade and other receivables	488,836	32,141
	9,346,245	693,288
Financial Liabilities		
Trade and other payables	260,776	156,660
Accruals	625,700	31,250
Lease liabilities	94,914	63,536
	981,390	251,446

Notes to the Financial Statements (continued)

NOTE 22: FINANCIAL INSTRUMENTS (continued)

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and commodity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. There were no changes in the Company's market risk management policies from previous years.

Interest Rate Risk

The Company's exposure to interest rates primarily relates to the Company's cash and cash equivalents. The Company manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates. No disclosures on the sensitivity check as any reasonable movement of the interest rate would not have any significant impact to the financial statement.

	2022 \$	2021 \$
Variable Rate Instruments		
Cash at bank	8,857,409	661,147
	8,857,409	661,147

Funds held in cash earned variable interest at rates ranging between 0% to 0.45%.

Other Market Price Risk

The Company operates within Australia and all transactions during the financial year are denominated in Australian dollars. The Company is not exposed to foreign currency risk at the end of the reporting period.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Liquidity Risk

Liquidity risk arises from the debts (financial liabilities being creditors and other payables) of the Company and the Company's subsequent ability to meet these obligations to repay its debts (financial liabilities) as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the administration of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves and monitoring actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and debts (liabilities). There were no changes in the Company's liquidity risk management policies from previous years.

Notes to the Financial Statements (continued)

NOTE 22: FINANCIAL INSTRUMENTS (continued)

The following tables detail the Company's contractual maturity for its financial liabilities:

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN YEAR	2-5 YEARS	>5 YEARS
30 June 2022					
Trade and other payables	260,776	260,776	260,776	-	-
Accruals	625,700	625,700	625,700	-	-
Lease liabilities	94,914	94,914	31,980	62,934	-
Total	981,390	981,390	918,456	62,934	-
30 June 2021					
Trade and other payables	156,660	156,660	156,660	-	-
Accruals	31,250	31,250	31,250	-	-
Lease liabilities	63,536	63,536	34,079	29,457	-
Total	251,446	251,446	221,989	29,457	-

NOTE 23: COMMITMENTS - TENEMENTS

	2022 \$	2021 \$
Committed but not recognised as liabilities		
Within one year	104,500	-
Between one to two years	209,000	-
After two years but not more than five years	-	-
	313,500	-

NOTE 24: CONTINGENCIES AND COMMITMENTS

There were no material contingent liabilities, contingent assets and other commitments at reporting date.

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATES

No matters or circumstance have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company in future financial years.

Directors' Declaration

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 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; 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.

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:



Phillip Hearse
Executive Chairman

Dated on this 28th day of September 2022 in Perth.

Independent Auditor's Report To the Members of International Graphite Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of International Graphite Limited ('the Company') which, comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of International Graphite Limited is in accordance with the *Corporations Act 2001*, Including

- Giving a true and fair view of the Company's financial position as at 30 June 2022, and of its financial performance for the year then ended and;
- 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* ("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 confirm that the independence declaration required by the *Corporations Act 2001*, which has given to directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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 year. 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 separated opinion on these matters.

Key Audit Matter

Accounting for an Asset Acquisition (Refer to Note 11)

As disclosed in Note 11 to the financial report, the Company acquired mining tenements during the year ended 30 June 2022. The accounting for the acquisition of tenements is a key audit matter due to the effect of the arrangement which is accounted for as an asset acquisition. Furthermore, there is significant judgment involved in the determination of the value of the purchase consideration settled by the issue of shares.

How our audit addressed the key audit matter

Our Procedures, amongst others, included:

- Reading the terms and conditions of the sale and purchase agreement and checking that the transaction constituted an asset acquisition;
- Assessing management's accounting treatment in accordance with applicable accounting standards;
- Assessing management's determination of the date of acquisition and the fair value of the consideration paid including checking the underlying assumptions used in the valuation against comparable transactions and market information;
- Assessing the completeness and adequacy of the related disclosures in the financial report.



ARMADA
AUDITING

T (08) 6165 4090 F (08) 6165 4067
A 18 Sangiorgio Court Osborne Park WA 6017
P Locked Bag 4 Osborne Park DC WA 6916
E info@armada.com.au

strength in numbers

Exploration and Evaluation Assets - Note 11

At 30 June 2022, the Company's carrying value of Exploration and Evaluation Assets was 8,971,694.

The exploration and evaluation assets are required to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed their recoverable amounts. Any impairment losses are then measured in accordance with *AASB 136 Impairment of Assets*.

This area is a key audit matter as significant judgement is required in determining whether:

- The capitalised Exploration and Evaluation assets meet the recognition criteria in terms of *AASB 6 Exploration for and Evaluation of Mineral Resources*; and
- Facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount in accordance with AASB 6.

Our Procedures, amongst others, included:

- Agreeing a sample of capitalised exploration and evaluation expenditure to invoices and other documentation. We verified whether the amounts capitalised was in accordance with the recognition criteria of *AASB 6 Exploration for and Evaluation of Mineral Resources*;
- Confirming whether the rights to tenure for the areas of interest were current at the reporting date as well as confirming that the rights to tenure are expected to be renewed for tenements that will expire in the near future;
- Obtaining evidence of the Company's intention to carry out exploration and evaluation activities in the relevant areas of interest. This included checking future budgeted exploration expenditure, reading board minutes and checking related exploration work programmes;
- Assessing whether the Company has the ability to fund its planned exploration and evaluation activities;
- Evaluating Company documents such as announcements made by the Company to the ASX, geologist reports and board minutes to check whether exploration and evaluation activities in the relevant area of interest were unsuccessful; and
- Assessing the appropriateness of the accounting treatment and disclosure in terms of AASB 6.

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

ARMADA.COM.AU



ARMADA

AUDITING

T (08) 6165 4090 F (08) 6165 4067
A 18 Sangiorgio Court Osborne Park WA 6017
P Locked Bag 4 Osborne Park DC WA 6916
E info@armada.com.au

strength in numbers

Share Based Payments – Note 17

At 30 June 2022, the Company had recorded \$830,939 of share based payments of which \$274,283 was recognised in equity and \$556,656 was recognised in the statement of profit or loss. The fair values of options are determined using option pricing models that take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, and the risk-free interest rate for the term of the option. This area is a key audit matter as the valuation of share based payments is subject to significant management estimates and judgements.

Our procedures, amongst others, included:

- Verifying the key terms and conditions of the equity settled share based payments including number of equity instruments granted, exercise price and vesting conditions to the relevant agreements, ASX announcements and award letters;
- Assessing the fair value of the share based payments by testing the key inputs used in option pricing model. This included checking the share price on grant date, exercise price, option life, volatility and risk free rate to supporting documentation and market information;
- Testing the accuracy of the share based payments amortisation over the relevant vesting periods;
- Assessing the Company's accounting treatment in accordance with AASB 2 *Share Based Payments*; and
- Testing the related financial statement disclosures relating to share based payments.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 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 the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporation Act 2001* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

ARMADA.COM.AU



ARMADA
AUDITING

T (08) 6165 4090 F (08) 6165 4067
A 18 Sangiorgio Court Osborne Park WA 6017
P Locked Bag 4 Osborne Park DC WA 6916
E info@armada.com.au

strength in numbers

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 27 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of International Graphite Limited for the year ended 30 June 2022 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.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD

Nigel Dias
Director
Dated 28 September 2022, Perth

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

ARMADA.COM.AU

Additional Information for Listed Public Companies

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. This information is current as at 26 September 2022.

1. Registered office and principal administrative office

The address of the registered office and principal administrative office is Level 1, 333 Charles Street, North Perth WA 6006

2. Registered of securities are held at the following address:

Automic Group Pty Ltd, Level 5, 191 St Georges Terrace, Perth WA 6000

3. Restricted securities

The Company has 83,670,221 fully paid ordinary shares under escrow (6,500,001 until 30 November 2022 and 77,170,221 for 24 months from date of quotation (5 April 2022)). The company has 13,050,000 unlisted options under escrow for 24 months from date of quotation and 1,200,000 unlisted options under escrow until 1 April 2023.

4. On-market buy back

At the date of this report, the Company is not involved in an on-market buy back.

5. Shareholding

a. Distribution of shareholders

Category (size of holding)	Number of Shareholders	Number of Shares	%
1 - 1,000	19	7,439	0.00
1,001 - 5,000	513	1,429,286	0.87
5,001 - 10,000	222	1,773,941	1.07
10,001 - 100,000	521	20,164,644	12.21
100,001 - and over	193	141,783,020	85.85
	1,468	165,158,330	100.00

b. Less than marketable parcels of shares

As at market close on 26 September 2022, an unmarketable parcel of shares in the Company is any shareholding of 1,471 or less, based on the closing price of \$0.34 per share. This represents 109,127 ordinary shares in the Company, held by 100 shareholders.

c. Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

Options over ordinary shares do not carry voting rights.

Additional Information for Listed Public Companies (continued)

d. 20 Largest shareholders - ordinary shares

Rank	Shareholder	Holding	% Held
1.	COMET RESOURCES LIMITED	40,000,000	24.22%
2.	JUAD PTY LTD <HAYES HEARSE SUPER FUND A/C>	12,732,326	7.71%
3.	MR MATTHEW NORMAN BULL	3,450,001	2.09%
	98 INVESTMENTS PTY LTD <98 INVESTMENT A/C>	3,000,000	1.82%
4.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,957,500	1.79%
5.	DAVID JOHN PASS	2,940,000	1.78%
6.	JOSHUA BADEN HEARSE	2,220,000	1.34%
7.	PHIL BADEN HEARSE	2,000,001	1.21%
8.	ROBYN MIGNON HEARSE	2,000,000	1.21%
9.	GALA DEVELOPMENTS PTY LTD <GALA INVESTMENTS A/C>	1,998,334	1.21%
10.	PAMPLONA CAPITAL PTY LTD	1,916,666	1.16%
11.	PAMPLONA OPPORTUNITIES LTD	1,750,000	1.06%
12.	ANDREW JOHN WORLAND	1,680,000	1.02%
13.	PAMPLONA OPPORTUNITIES LTD	1,600,000	0.97%
14.	MR BART ADSON	1,560,000	0.94%
	PELTON CAPITAL PTY LTD	1,500,000	0.91%
15.	MR NEIL ROBERT RINALDI & MRS CAROLINE RINALDI <RINALDI SUPER FUND A/C>	1,500,000	0.91%
16.	M & K GILES PTY LTD <GILES FAMILY SUPER FUND A/C>	1,500,000	0.91%
17.	GOTHA STREET CAPITAL PTY LTD <BLUE SKY NO2 A/C>	1,484,667	0.90%
18.	WAHOO CAPITAL PTY LTD	1,415,000	0.86%
19.	MR STEPHEN KAM LO TONG & MRS PATSY LIN HAP TONG <BIALLA SUPER FUND A/C>	1,400,000	0.85%
20.	SHANNON HAYES HEARSE & MELANIE ANNE HEARSE	1,358,550	0.82%
Total Top 20 Shareholders		91,963,045	55.68%
Total Issued Capital		165,158,330	100.00%

Additional Information for Listed Public Companies (continued)

5. Shareholding (continued)

e. Substantial holders of fully paid ordinary shares

	Number of fully paid ordinary shares held
Comet Resources Limited	40,000,000
Juad Pty Ltd	10,921,668
	50,921,668

6. Company Secretary

The name of the Company Secretary is Robert Hodby.

7. Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange ('IG6').

8. Unquoted securities

Terms	Number of options	Number of holders
Unquoted options Expiry 1 April 2027, escrowed 24 months Exercise Price \$0.30	2,720,000	4
Unquoted options Expiry 1 April 2027, escrowed to 1 April 2023 Exercise Price \$0.30	480,000	4
Unquoted options Expiry 1 April 2027, escrowed 24 months Exercise Price \$0.40	4,080,000	4
Unquoted options Expiry 1 April 2027, escrowed to 1 April 2023 Exercise Price \$0.40	720,000	4
Unquoted options Expiry 1 April 2027, escrowed 24 months Exercise Price \$0.30	6,250,000	3
	14,250,000	

Additional Information for Listed Public Companies (continued)

9. Unquoted securities holdings greater than 20%

	Number of unlisted options held
Pamplona Capital Pty Ltd	3,750,000
	3,750,000

TENEMENTS SCHEDULE

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

FORWARD LOOKING STATEMENTS

Various statements in this report constitute statements relating to intentions, future acts and events. Such statements are generally classified as “forward looking statements” and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. Words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates” and similar expressions are intended to identify forward looking statements. International Graphite cautions shareholders and prospective shareholders not to place undue reliance on these forward looking statements, which reflect the view of International Graphite only as of the date of this report. The forward looking statements made in this report relate only to events as of the date on which the statements are made.

COMPETENT PERSON STATEMENT

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

Additional Information for Listed Public Companies (continued)

COMPETENT PERSON STATEMENT (continued)

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

MINERAL RESOURCE ESTIMATION - GOVERNANCE STATEMENT

International Graphite Limited ensures that all Mineral Resource Estimates are subject to appropriate levels of governance and internal controls. Estimation procedures are well established and are subject to systematic internal peer review and external technical review undertaken by competent and qualified professionals. These reviews have not identified any material issues. International Graphite Limited also periodically reviews this governance framework to ensure it remains appropriate for the requirements of its business activities. Mineral Resource Estimates are reported on an annual basis in accordance with the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Mineral Resource Estimates are quoted inclusive of Ore Reserves. Competent Persons named are Members or Fellows of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and qualify as Competent Persons as defined under the JORC Code.



INTERNATIONAL
GRAPHITE

WWW.INTERNATIONALGRAPHITE.COM.AU