ASX Announcement
By eLodgement
5 April 2023

Letter to Shareholders: Celebrating the first anniversary of ASX listing

Dear shareholders,

The first anniversary of International Graphite's (**IG** or the **Company**) listing on the ASX occurs during the Easter break. I want to take this opportunity to mark the occasion by reflecting on our significant achievements over the past 12 months.

The Company's 'mine to market' graphite strategy, which involves connecting the Springdale Graphite Project near Hopetoun with the planned Battery Anode Materials (**BAM**) Facility at Collie, in Western Australia, is in our view one of the most compelling opportunities available in the battery minerals sector.

With Springdale located only 450km by road from Collie, we are building a streamlined and efficient 'mine to market' supply chain in the world's most reputable and attractive jurisdiction for minerals investment. We are capitalising on Australia's reputation for excellence in mining and minerals processing and will be adopting the highest ESG standards to deliver quality product to the world's lithium-ion battery makers.

Natural graphite supplies are forecast to fall well short of the volume needed to meet demand from lithium-ion batteries and achieve global decarbonisation targets. We have the right assets and the right strategy for the times with the technical capability within our team to execute.

Progressing downstream at Collie

Since listing, we have established a downstream research and development facility in the Collie light industrial area, which was officially opened by Western Australia's Premier the Hon. Mark McGowan, in November last year. The facility houses pilot graphite micronising, spheroidising and purification equipment that is some of the most sophisticated plant of its kind in Australia. We have successfully used this equipment, with imported concentrates, to demonstrate that we are able to produce a spheroidised graphite product that meets market specifications.

We recently released a definitive feasibility study for a A$12.5M commercial micronising facility to be built in expanded premises at Collie. Micronising is the first step in the production of BAM and is sought after in its own industrial markets. We have ordered larger qualification-scale micronising equipment, which is due to arrive on site in June. This interim plant will be used to validate our production processes and product quality and will inform the final investment decision for commercial scale equipment later this year. Subject to that decision, commercial micronising is expected to be underway at Collie in the second half of 2024 generating cashflow for the Company.

It will also develop markets for IG which can be directly applicable for the micronised by-products generated from future BAM production processes when the Collie Graphite BAM Facility is operational.

Looking ahead, we are currently finalising the scoping study for our ultimate goal, which is the planned Collie Graphite BAM Facility. That study will outline projected production levels, capital and operating cost structures, economics and development alternatives for the facility.

Developing resource at Springdale

Work is also progressing at Springdale, where we have completed approximately 12,000 metres of infill and exploration drilling with outstanding results. Exploration has focused on key areas which were shown by an aeromagnetic survey to have graphite anomalies. As a result, three new graphite discoveries have been identified with samples pointing to strong prospects of a fourth graphite find. Drill rigs have now demobilised and samples are currently undergoing laboratory assessment.

We anticipate a new mineral resource estimate will be calculated by the end of the June 2023 quarter. This will enable a pre-feasibility study to be completed during the latter half of this year. Significant areas at Springdale remain highly prospective for further graphite discoveries.

Flotation testwork, undertaken during the year on exploration drilling samples, showed a 97%+ graphite concentrate grade could be produced with recoveries exceeding 93%. Results are in line with previous testwork on samples taken from areas within the existing mineral resource.

We continue to be encouraged that the many outstanding attributes of Springdale – the mineral endowment, its shallow location in weathered and oxide rocks, the fine grain size of graphite mineralisation and its ease of flotation – will result in a very competitive, long life, high quality concentrate operation perfectly suited for battery anode processing.

Finance

In the June 2023 quarter we anticipate commencing drawdown under the A$2M Financial Assistance Agreement we secured with the Western Australian Government for our activities in Collie and receiving R&D rebates for work undertaken over the past 24 months.

A final investment decision for the Collie Micronising Facility will be made later this year. We are exploring a number of non-dilutive forms of capital to finance the $12.5M investment decision.

In addition, the Company has been encouraged to apply to the Collie Transition Fund to access further investment capital set aside by the WA Government for new industry establishing in Collie. We hope for news on this submission later in the June 2023 quarter.

On behalf of my fellow directors, I sincerely thank our staff, advisors and suppliers for their hard work and dedication over the past 12 months. I also wish to acknowledge the Western Australian Government and the communities of Hopetoun and Collie that have welcomed the Company with such enthusiasm.

To our shareholders, thank you for your support in our exciting first year and for your confidence as we strive to realise our goal to be Western Australia's first fully integrated mine to market supplier of battery anode materials.

We look forward to achieving even greater things in the year ahead.

Andrew Worland
Managing Director & CEO

This announcement has been authorised for release by the Board of Directors of International Graphite Limited. Find the latest IG6 news at www.internationalgraphite.com.au