

30 November 2022

LETTER TO SHAREHOLDERS

Annual General Meeting

Dear Fellow Shareholder,

It is with pleasure I present the first Chairman's AGM report for International Graphite since the Company's successful listing on the ASX in April 2022.

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.

Major achievements since listing in April 2022 include:

Month 2022	ASX Announcement
April	International Graphite lists on the Australian Securities Exchange (ASX) as IG6, \$10M IPO financing closes and Springdale Graphite Project is acquired
May	Re-location to larger premises in Collie
June	7,100m drilling campaign initiated at Springdale
August	Collie pilot graphite micronising and spheroidising plant installed and commissioned
September	First nine exploration drill holes identify new prospect – 'Springdale Far West'
October	Collie pilot plant produces high quality graphite spheroids suitable for battery anodes
October	Finance agreement finalised for \$2M Western Australian Government grant
October	High grade intersections identify another new prospect – 'Springdale Central'
October	Exceptional high-grade intersections identified by infill drilling
November	Micronising qualification plant ordered for Collie

On Friday 25 September 2022, the Premier of Western Australia, the Hon. Mark McGowan, and Minister for Regional Development, the Hon. Alannah MacTiernan, opened our new pilot plant facility in Collie in the south-west of WA. This was a milestone for International Graphite marking the culmination of the establishment and commissioning of the first known micronising and spheroidising pilot plant of its type in Australia.

The Premier announced, on the day, that the Government had launched a new \$200M Collie Industrial Transition Fund. The fund will target projects within the priority sectors of green manufacturing or minerals processing, clean energy, and

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energy-intensive industry. This fund is open to an application by International Graphite, in addition to the \$2M grant from the Western Australian State Government that was awarded to the Company in September 2021.

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 on the exploration licenses since acquiring the resource, and we have hit multiple high grade graphite intersections.

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.

Global Strategic Issues

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 is the largest single commodity used in a lithium-ion battery representing approximately 28% of the total amount of raw materials. Up to ten times more graphite than lithium is required to make a lithium-ion battery. Benchmark Minerals Intelligence¹ has forecast 97 new natural flake graphite mines, with an average annual capacity of 56,000t per annum, will be required to meet lithium-ion battery demand by 2035. That is a 240% increase on existing mine capacity.

Australia has the opportunity to emerge as a significant global producer 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 with sound ESG credentials. 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.

There is a strategic push around the world for diversification of strategic minerals. The US recently passed the Inflation Reduction Act which offers tax credits for the purchase of electric vehicles manufactured in the US and powered by batteries manufactured with materials sourced from the US or its free trade partners, including Australia. The Australian Government's \$2B Critical Minerals Facility² is supporting the development of a suite of essential commodities, including graphite.

¹ Source: [Benchmark Minerals Intelligence](#), September 2022

² www.innovationaus.com/pm-pledges-2b-loan-facility-to-critical-mineral-exporters

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. At a time when there is high demand for mining-industry professionals, our team remains dedicated to the future of International Graphite.

I am also very pleased that our Director Andrew Worland has agreed to take on the role of Managing Director/CEO from January 2023. 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.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'P. Hearse'.

Phil Hearse

Chairman International Graphite Limited