

ASX Announcement

By eLodgement

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IG6 and ZEN Energy sign MOU to cooperate on renewable power supply at Collie

HIGHLIGHTS

- International Graphite seeks to build commercial scale graphite downstream processing facilities at Collie to produce battery anode materials for electric vehicles
- ZEN Energy is seeking to build and operate a 'big battery' in Collie rated at 200MW of power capacity , and storing up to 800MWh of energy, in support of renewable energy supply contracts with customers in the Collie region
- MOU lays the foundation for cooperation aimed at reaching renewable energy supply agreements for International Graphite's downstream processing plant in Collie.

Western Australia's International Graphite (ASX:IG6) has signed a non-binding Memorandum of Understanding (MOU) with ZEN Energy with the objective of concluding binding agreements for the purchase of firmed renewable energy from ZEN Energy by International Graphite for its Collie operation.

ZEN Energy, whose major shareholder is leading climate change economist Professor Ross Garnaut, is a renewable energy retailer that currently supplies the electricity needs of the South Australian Government, CSIRO's sites in the eastern states, a set of commercial and industrial businesses in the SACOME Buying Group and twenty-five local regional councils in New South Wales. ZEN is assessing the feasibility of building a 200MW, 600 to 800MWh battery at Collie, south of Perth. The battery would be around four times the size of Tesla's big battery in South Australia.

International Graphite is developing downstream graphite processing facilities in Collie. This facility will undertake research and development activities and conduct pilot testing of graphite concentrates for purification and spheroidising of graphite for Battery Anode Material (BAM) applications, as well as produce micronised graphite. It is the Company's intention to expand the facility to commercial scale production.

The power supply agreement with ZEN Energy would provide a renewables power source to drive the graphite technologies that International Graphite plans to develop at its downstream processing facility. This will help the company achieve its targets for low carbon emissions and facilitate rapid production expansion in the future.

Both International Graphite and ZEN Energy are supported by the Western Australian Government, which awarded International Graphite \$2m through the Collie Futures Industry Development Fund toward the establishment of a graphite micronising plant at Collie and up to \$1 million for the first stage of ZEN's big battery feasibility study.¹ This investment by the WA Government in both projects demonstrates its commitment to build Collie as a future centre of renewable energy projects in Western Australia.

International Graphite Executive Chairman Phil Hearse said access to renewable energy underpins our ability to deliver highly ESG accredited products into global markets.

"A critical supply of green power gives International Graphite an important advantage, helping ESG and environmental objectives, as well as supporting a new supply chain that will bring jobs to Collie and opportunity to Western Australia," Mr Hearse said.

ZEN Energy's big battery would help manage wholesale market risk in a program to supply renewable energy to new and existing industrial projects in Collie. It is expected to be a key feature in a new Collie Battery and Hydrogen Industrial Hub Project, which is the centrepiece in the Western Australian Government's \$100m strategy to create a major renewable energy centre in Collie and transition the local economy away from coal.

ZEN Energy CEO Anthony Garnaut said, "We are committed to creating practical energy supply solutions for customers seeking to grow their business on a sustainable footing."

"Successful cooperation with International Graphite strengthens the commercial case for a big battery in Collie and provides a practical demonstration of how Australia can become a renewable energy superpower.

"There are additional benefits that a large battery will bring to the Western Australian grid. For example, it will support the continued investment of West Australian households in roof top solar by providing the ability to soak up excess solar energy, reducing the need to curtail residential solar production."

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

Phil Hearse
Executive Chairman

FOR MORE INFORMATION PLEASE CONTACT:

Robert Hodby
CFO/Company Secretary
robert.hodby@internationalgraphite.com.au
+61 407 770 183

Marie Howarth
Media & Communication
marie.howarth@internationalgraphite.com.au
+61 412 111 962

¹ www.mediastatements.wa.gov.au/Pages/McGowan/2022/04/Planning-for-big-battery-and-renewable-energy-hub-for-Collie.aspx

ABOUT INTERNATIONAL GRAPHITE

International Graphite proposes to be a vertically integrated graphite production business with operations wholly located in Western Australia. The company is an emerging supplier of processed graphite products, including Battery Anode Material, for the global electric vehicle and renewable energy markets. International Graphite is developing a sovereign Australian ‘mine to market’ capability, integrating future mining and graphite concentrate production from its 100% owned Springdale Graphite Project, with commercial scale downstream processing facilities at Collie. The company intends to build on Australia’s reputation for technical excellence and outstanding ESG performance. International Graphite is listed on the ASX (ASX: IG6) and Frankfurt Stock Exchange (FSE:H99) and is a member of the European Battery Alliance (EBA250) and European Raw Minerals Alliance (ERMA).

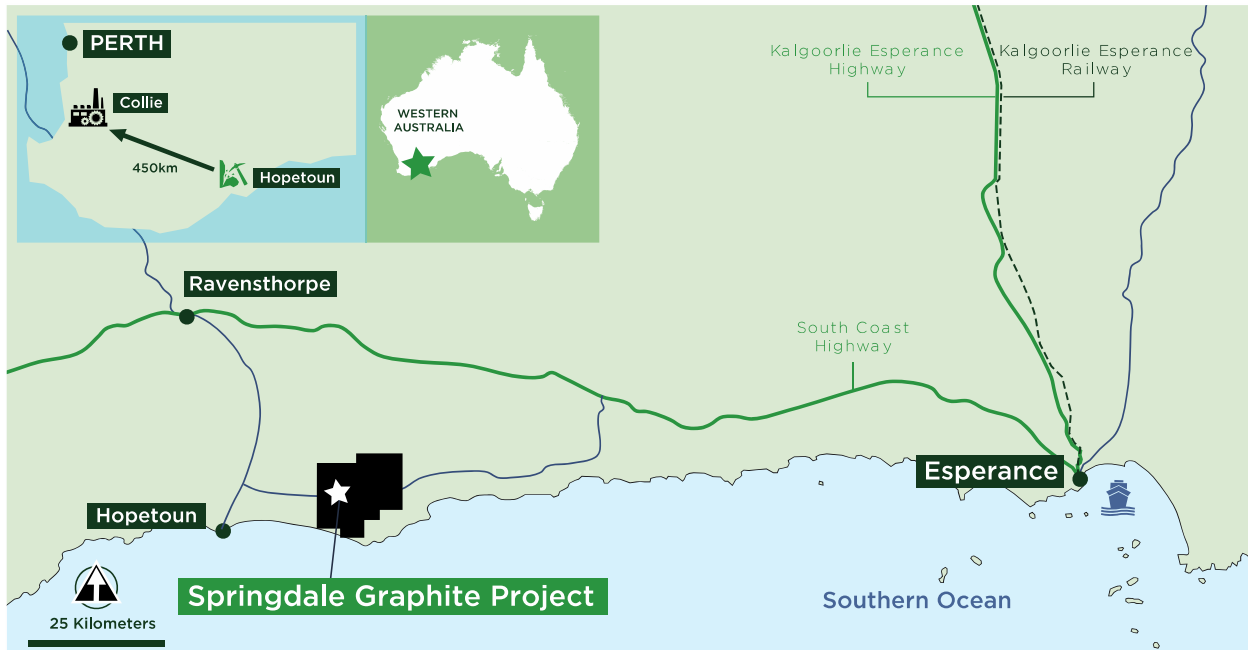


Figure 1: Project Location

Springdale is a shallow graphite deposit with excellent metallurgical characteristics for battery anode material (“BAM”) and extensive prospectivity for additional resources. When in operations graphite concentrates produced from Springdale are intended to become the primary feedstock for the Company’s planned downstream processing activities at Collie.

The Springdale project is at exploration and development stage and comprises two granted exploration licences and a prospecting license covering approximately 180km². The deposit is located in a mining hub in the south of Western Australia - 25km from the Ravensthorpe Nickel Mine and 45km from the Galaxy Lithium Mine.

Springdale has an existing Inferred Mineral Resource estimate of 15.6 million tonnes @ 6% total graphitic content (TGC), including a high-grade Inferred Mineral Resource component of 2.6 million tonnes @ 17.5% TGC.^{2,3}

² Refer to Comet Resources Limited (ASX:CRL) ASX announcement dated 6 December 2018.

³ Refer to the Company’s prospectus dated 21 February 2022 as supplementary by the supplementary prospectus dated 4 March 2022 for further details regarding the Mineral Resource estimate, including the Independent Technical Assessment Report prepared in respect of the Springdale Graphite Project.

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

Table 1: Inferred Mineral Resource Estimate at the Springdale Graphite Project

International Graphite is also developing downstream graphite processing facilities at Collie. Graphite concentrates from the proposed Springdale operation will be trucked to Collie for downstream processing.

ABOUT ZEN ENERGY

ZEN stands for Zero Emissions Now, our call to action to drive change into everything that we do.

ZEN believes that Australia has the potential to be a superpower in the zero-carbon economy. That we can each change a small portion of the world. That together, single acts can right the future for the next generations. ZEN exists to change the world by changing the way we think about energy: the way it is made and the way it is sold.

Our renewable energy solutions help people make a positive impact in their organisations and their homes. We bring innovative ideas such as advanced demand management whilst – always focusing on helping our customers to reduce their impact on the environment.

Founded in 2004, ZEN has installed 35,000 renewable energy systems across Australia and is immensely proud that two ZEN systems are currently in the top ten largest rooftop solar installations in Australia. As an energy retailer, ZEN supplies energy to the South Australian Government, CSIRO's sites in New South Wales, Victoria, and the Australian Capital Territory, the SACOME Buying Group and twenty-five local regional councils in New South Wales.

This program was initiated by Sunshot Industries, an affiliate company of ZEN Energy with 96% common ownership. Sunshot Industries and ZEN Energy have had common management for the last one and a half years and shareholders recently resolved to formally consolidate the two organisation into ZEN Energy effective 30 June, 2022.

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