

ASX Announcement

By eLodgement

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International Graphite and Comet agree funding and director appointments

International Graphite Limited (**International Graphite**) (ASX: **IG6**) is pleased to announce that it and its major shareholder Comet Resources Limited (**Comet**) have negotiated a transaction that resolves speculation around the short to medium term security of International Graphite shares owned by Comet.

The arrangements will prevent the short to medium term potential sell down of any of the 40 million International Graphite shares owned by Comet when the stock is released from ASX escrow on 7 April 2024.

International Graphite has agreed to loan Comet \$1.5 million and Comet has granted International Graphite the right to appoint a majority of directors to the Comet board.

International Graphite Chairman Phil Hearse said the Directors of both companies were unanimous in their belief that the new arrangements are a win-win for all shareholders.

“International Graphite shares are a major asset for Comet,” Mr Hearse said. “The imminent expiration of the escrow period, in conjunction with Comet’s recent de-listing from the ASX, has fuelled concern that Comet may be compelled to sell down its investment in International Graphite to recapitalise its business.

“Stabilising Comet’s financial position and appointing a majority to the Comet board removes the ‘overhang’ that we believe has contributed to the recent decline in the International Graphite share price and provides the catalyst for a rebound.

“Globally, the macro foundations for our industry are still very strong.

“The transition towards renewable energy sources and energy storage continues to gain momentum. EV sales in the United States hit a record last year, topping 1 million for the first time. According to Cox Automotive, one of the world’s largest automotive services organisations, EV sales for the last quarter of 2023 were up 40% from the same quarter a year before. This aligns with the impressive long-range forecasts from the International Energy Association.

“In addition, China recently made significant policy changes restricting the export of graphite products which has resulted in a 75% decrease in its graphite exports in December 2023. As a result, countries outside of China are actively pushing to secure new sources of graphite.

“International Graphite is extremely well-placed to capitalise on this trend because we are operating in Western Australia, one of the most secure jurisdictions in the world, and in a country firmly allied with the expanding markets of North America, Europe, Korea and Japan.

“We have the strong support of our communities and State and Federal Governments and are on track to build a commercial graphite micronising plant in Collie in 2025. Micronised graphite is the first step in the production of high value battery materials and its markets are extensive and well established worldwide.

“This year, we also plan to undertake more drilling at Springdale, complete the Springdale Definitive Feasibility Study, and continue developing our battery anode plant feasibility studies. Final investment decisions to start construction at Springdale are targeted for the first half of 2025, subject to funding.”

The Comet Loan has a two year maturity and accrues interest at 10% per annum. It includes customary terms for a facility of this kind including change of control protections for International Graphite.

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

Andrew Worland

Managing Director & CEO

About International Graphite

International Graphite is an emerging supplier of processed graphite products, including battery anode material for the global electric vehicle and renewable energy markets. The Company is developing a sovereign Australian 'mine to market' capability, with integrated operations wholly located in Western Australia. The Company intends to build on Australia's reputation for technical excellence and outstanding ESG performance with future mining and graphite concentrate production from its 100% owned Springdale Graphite Project and commercial scale downstream processing at Collie. International Graphite is listed on the Australian Securities Exchange (ASX: IG6) and Tradedate and Frankfurt Stock Exchange (FWB: H99, WKN: A3DJY5) and is a member of the European Battery Alliance (EBA250) and European Raw Minerals Alliance (ERMA). www.internationalgraphite.com.au

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