ANNUAL REPORT 2021

EcoGraf™

ABN 15 117 330 757

DIVERSIFIED BATTERY ANODE MATERIAL BUSINESS

SUPPORTING THE GLOBAL TRANSITION TO CLEAN ENERGY AND E-MOBILITY

BATTERY ANODE MATERIAL

Western Australia and Europe battery anode material processing facilities

LITHIUM-ION BATTERY RECYCLING

Recovery of carbon anode material from lithium-ion batteries

NATURAL GRAPHITE

Scalable mining projects for long-term supply of natural graphite products

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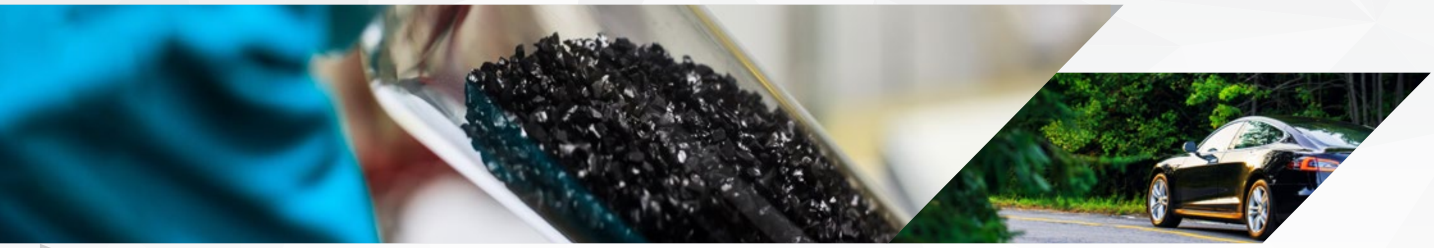


CHAIRMAN'S LETTER

A TRANSFORMATIONAL YEAR...

Climate change is the new global reality and in response, global electric mobility is rapidly becoming a new reality. Electric vehicle manufacturers are not just selling e-mobility but a clean and green future. E-mobility and battery storage for renewable energy represent a major shift in technology aimed at reducing carbon emissions and fighting climate change.

In Europe alone, which is the fastest growing market with over 24 gigafactories being built for production of over 10 million electric vehicles per annum, this clean green mobility future is also being mandated by law. The European Commission and member country regulations not only mandate the transition to e-mobility but also require EV and battery manufacturers, throughout their entire supply chain, to undertake sustainable and ethical product sourcing, track and declare the full carbon footprint of their cars, implement block chain traceability and ensure high levels of product recycling.

Along with this paradigm shift to e-mobility and battery storage is a rapid and increasing demand for battery minerals. No least of all, along with cathode minerals, rapid demand for battery graphite for anode manufacturing. With graphite representing 47% of the battery minerals in a lithium-ion battery, forecast demand for battery graphite is growing exponentially.

ECOGRAF IS STRIVING FOR POLE POSITION TO MEET THIS DEMAND. TO BECOME A MAJOR GLOBAL SUPPLIER OF GRAPHITE PRODUCTS WITH AN INTEGRATED MINE TO BATTERY GRAPHITE BUSINESS PLAN.

EcoGraf is striving for pole position to meet this demand. To become a major global supplier of graphite products with an integrated Mine to Battery Graphite Business Plan.

To not only supply the full range of traditional and specialised battery graphite products, but to do so with the imperative that all products and processes meet the highest standards of ethical and environmental sustainability and a low carbon footprint. And beyond the new battery, a solution for full recycling of spent battery anode material so that battery waste is reprocessed and recycled back into the battery manufacturing supply chain.

This means that our mine to battery business plan not only covers the entire graphite supply chain, but also a circular closed loop recycling strategy, whilst ensuring that the 'Eco' appellation, synonymous with our Company, is paramount at each stage and with each product.

Product development initiatives, that are tailored to customer needs, are becoming a key focus influencing final engineering design for our initial Battery Anode Material Facility in Western Australia.

The Epanko Project in Tanzania contains metallurgically superior quality graphite, and once in production, this mine will be our primary source of flake graphite. The project is development ready.

A bankable feasibility study has been completed, a mining licence granted, comprehensive technical, financial and ESG due diligence completed and offtake arrangements are in place. The project only awaits project financing. Good progress been made during the year on this front and discussions are continuing with KfW-IPEX Bank and leading Tanzanian financial institutions.

Minute attention has been paid in ensuring that the highest possible ESG and safety standards have been incorporated with over $5 million spent during the pre-development phase for this purpose. This includes full compliance with Equator Principles and satisfaction of IFC Performance Standards and World Bank Environmental, Health and Safety Guidelines. It includes a commitment to share significant economic and social benefits with the regional community and the implementation of mining and processing methods to minimise the carbon footprint.

THE TEAM IS FULLY FOCUSSED ON SEIZING THE BATTERY MARKET OPPORTUNITIES BEFORE US, BECOMING A SIGNIFICANT PLAYER IN THE BATTERY SUPPLY CHAIN.

Finally, I would like to thank my fellow directors and the EcoGraf team for their efforts during a transformational year. I also wish to thank shareholders for your continued support.

Robert Pett
Chairman

EQUATOR PRINCIPLES

IFC International Finance Corporation WORLD BANK GROUP

REVIEW OF OPERATIONS

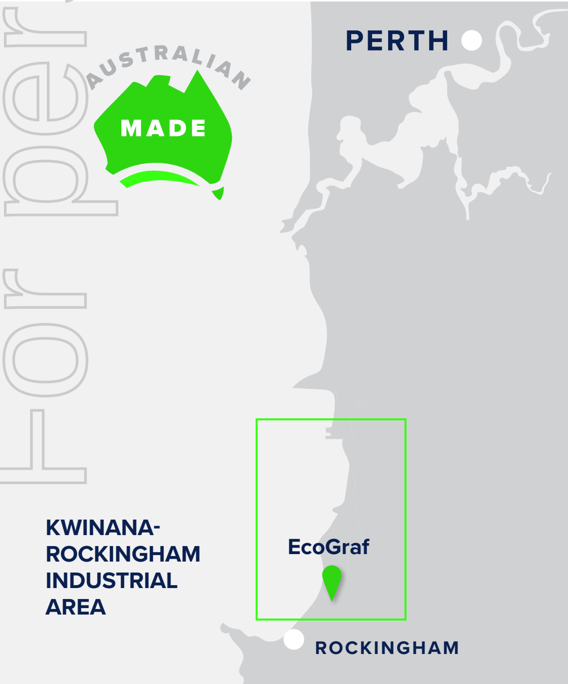
OVERVIEW

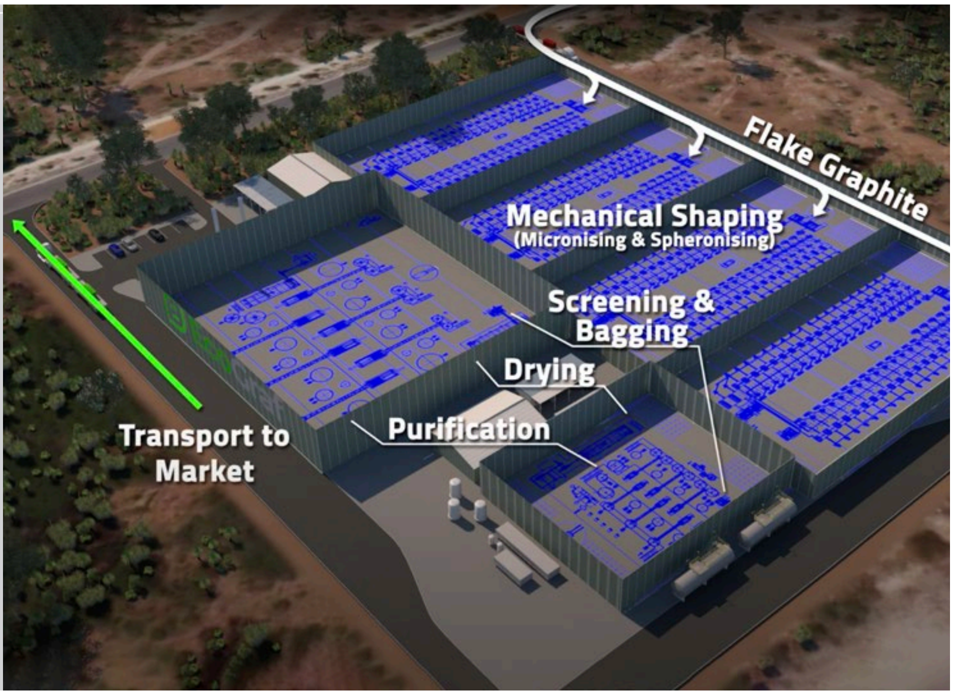
EcoGraf is building a diversified battery anode material business to produce high purity graphite products for the lithium-ion battery and advanced manufacturing markets. Over US$30 million has been invested to date to create two highly attractive, development ready graphite businesses.

The first new state-of-the-art EcoGraf processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible HFfree™ purification technology to provide customers with sustainably produced high performance battery anode material. Subsequently, the battery graphite production base will be expanded to include additional processing facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade and the rapid growth in battery materials.

In addition, the Company's breakthrough recovery of carbon anode material from recycled batteries, using its EcoGraf™ process, will enable the recycling industry to reduce battery waste and use recycled carbon anode material to improve battery lifecycle efficiency.

To complement these battery graphite operations, the Company is also advancing the TanzGraphite natural flake graphite business, with development of the Epanko Graphite Project, which will supply additional feedstock for the battery anode material facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.





FOUNDED ON A COMMITMENT TO INNOVATION AND SUSTAINABILITY, WE ARE WORKING TOWARDS A CLEAN ENERGY FUTURE

VALUE PROPOSITION

TANZGRAPHITE EPANKO GRAPHITE MINING PROJECT - TANZANIA

- 60,000tpa Natural Graphite
- US$44.5m Annual EBITDA
- 38.9% Internal Rate of Return
- US$211m Pretax NPV_{10}
- US$3B Forecast Contribution to Tanzania

ECOGRAF BATTERY ANODE MATERIAL FACILITY - AUSTRALIA

- 20,000tpa Battery Graphite
- US$35m Annual EBITDA
- 42.4% Internal Rate of Return
- US$642m Pre-tax project NPV_8
- Payback ~3.3yrs

RECYCLING RECOVERY OF CARBON BATTERY ANODE MATERIALS

- Significant results 99.98%C
- Production scrap – large market
- Lower battery cost and emissions
- Blended anode material opportunity
- Modular recycling pilot plant

BATTERY ANODE MATERIAL BUSINESS

This new state-of-the-art development has received endorsement from the Federal Government through the award of Major Project status and Lead Agency status from the Western Australian Government.

EcoGraf is actively working with the Australian Critical Minerals Facilitation Office, the Major Projects Facilitation Agency, Austrade, Export Finance Australia and the Western Australian Department of Jobs, Tourism, Science and Innovation to advance its new facility and enhance Australia's position in the global lithium-ion battery industry.

The battery graphite production base is planned to be expanded to include additional processing facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade.

THE COMPANY MADE SIGNIFICANT PROGRESS DURING THE YEAR TO ACHIEVE KEY MILESTONES FOR THE DEVELOPMENT OF THE NEW 20,000TPA BATTERY GRAPHITE FACILITY IN WESTERN AUSTRALIA.

AUSTRALIAN FACILITY DEVELOPMENT FUNDING

The initial construction timeframe for the 5,000tpa commercial scale facility is 11 months, followed by commissioning and final product qualification. The Company then plans to undertake a 12-month expansion program to achieve a production level of 20,000tpa.

EcoGraf will fund the initial phase of the development using its existing cash reserves from the successful A$54.6 million institutional placement completed in February 2021, with the expansion phase to be financed through a combination of cash reserves and loan funding.

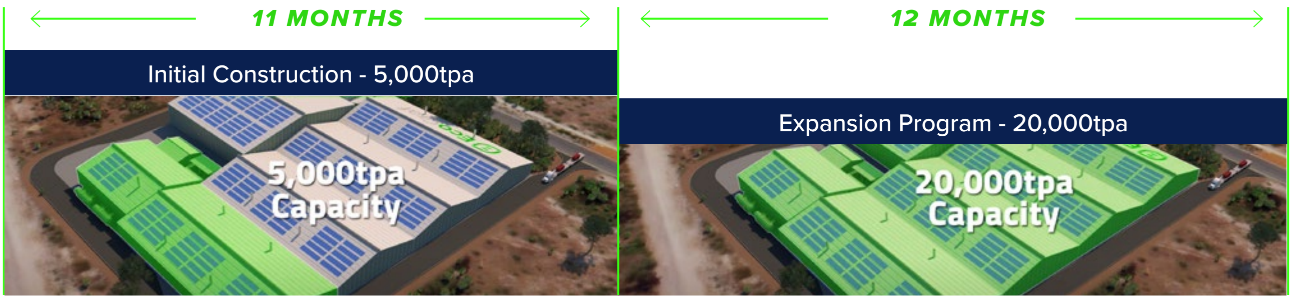
Export Finance Australia (the Australian Government's export credit agency) has undertaken assessment on the planned development, including an evaluation of feasibility and engineering studies, development reports, market studies, technical reviews and financial models. As a result, EcoGraf has received a non-binding letter of support from Export Finance Australia to secure a US$35 million loan facility for the planned expansion, with any final commitment of finance by Export Finance Australia being subject to the satisfaction of a number of conditions customary for a loan of this nature.

This is an important milestone in the Company's development plans for the new EcoGraf™ Battery Anode Material Facility, which will be the first of its type globally, providing battery and electric vehicle manufacturers with sustainably produced, high performance battery anode material for lithium-ion batteries and EcoGraf is pleased to be actively supporting Australia's critical minerals processing strategy for the transition to clean energy.

Financial modelling undertaken with external consultants has confirmed that the new Australian facility is able to generate attractive economic returns to support the proposed debt financing, with a pre-tax project NPV_8 of US$642 million, internal rate of return of 42.4% and annual EBITDA of US$35 million *(refer ASX announcement Investor Presentation and Business Update 12 February 2021).*

PRE-CONSTRUCTION PROGRAM

GR Engineering has been coordinating a range of pre-construction early works that includes final process testing of mechanical shaping and purification functions for detailed engineering design works, permitting and approvals for the Kwinana-Rockingham site and power, gas and water site services. The works program is proceeding on schedule with key value enhancements identified in product yields, reagent usage rates and water recycling.



EcoGraf Kwinana-Rockingham Processing Facility

A 20% improvement in expected product yields has been demonstrated as part of an international mechanical shaping program conducted in collaboration with a leading equipment manufacturer.

The program was completed using a commercial scale plant and confirmed the opportunity for the new facility to produce three core product ranges to maximise overall yield:

+ 15-16µm battery anode material (SpG 16);
+ ultrafine SuperBAM (battery anode material) products for high performance battery applications requiring improved energy density characteristics, with a typical price premium of 20-25% over SpG 16; and
+ fines bi-products for use in industrial and alkaline battery applications.

The program demonstrated that by improving the design of the mechanical shaping plant, an overall product yield in excess of 60% can be achieved, compared to previously reported yields of up to 50%. Increased product yields enhance operational efficiency and profitability.

A locked-cycle testing program was also successfully undertaken at pilot plant scale in collaboration with a leading Australian research organisation in May 2021. Six cycles were completed, processing spherical graphite through the multi-stage EcoGraf™ HFfree™ purification flowsheet to simulate operational conditions and obtain final data to undertake detailed engineering for construction of the new Western Australian facility. Excellent results were obtained from filtrate recycling, supporting reduced feed water requirements while ensuring purity levels meet customer specifications.

The removal of impurities was better than anticipated with a 99.97% carbon product outcome and the important shape and physical properties of the battery anode material were preserved during the process.

A key design element of the new EcoGraf™ Battery Anode Material Facility is an on-site water treatment and wastewater recycling plant to enable 75% of water to be re-used in the operation. Process water is planned to be sourced from a nearby wastewater facility, providing a low-cost source of water for operational requirements and the opportunity to assist the Kwinana-Rockingham region recycle this water resource. Data provided by the locked-cycle program and associated water analysis is being used by EcoGraf to maximise water recycling within the operation, leading to lower production costs.

ZERO WASTE

>60% YIELD

MAXIMISE EFFICIENCY AND PROFITABILITY

75% WATER

TO BE REUSED IN OPERATION

RESPONSIBLY PRODUCED

PRODUCT DEVELOPMENT

SUSTAINABILITY FOCUS AND PRODUCT DEVELOPMENT INITIATIVES

superBAM

+ Enhanced performance
+ Higher charge discharge capacity

END USE:
HYBRID CARS, SOLAR PANELS, POWER TOOLS & 3C

greenRECARB

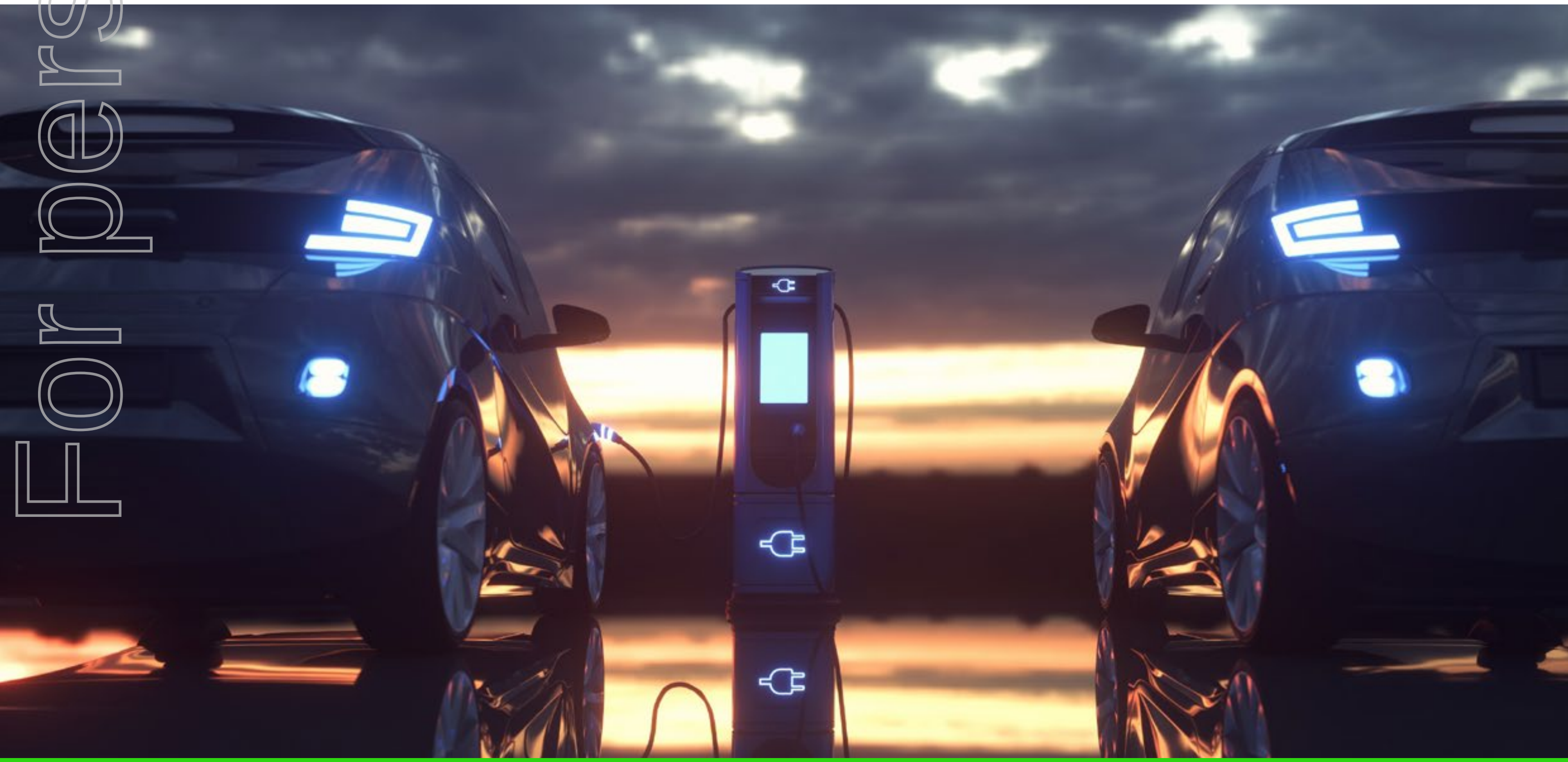
+ Carbon additive to Cast/ Grey Cast Steel & EAF Steel manufacturing

END USE:
CAST & GREY CAST STEEL FOUNDRY/ EAF FURNACE

ecoCEM

+ AA, AAA, 8V alkaline battery, NMC CEM material

END USE:
AA, AAA, LI-ION CEM CATHODE & CAN COATING



APPOINTMENT OF KEY EXECUTIVES

EcoGraf has appointed experienced executives Mr Michael Chan and Mr Shaun O'Neill to key positions with the Company to drive the successful construction and operation of the new Battery Anode Material Facility.

PRODUCT DEVELOPMENT AND SALES

Product testing is continuing with anode and battery manufacturers as part of on-going discussions relating to sales arrangements and technical collaboration. Product samples, generated from the pre-construction early works program conducted by GR Engineering, are being provided to prospective customers for detailed analysis and battery performance testing.

Assessment activities by potential customers involve the evaluation of detailed information about EcoGraf™ production processes, operational efficiencies, HFfree™ process sustainability advantages (including CO_2 life cycle analysis), EcoGraf™ recycling capabilities and development timing.

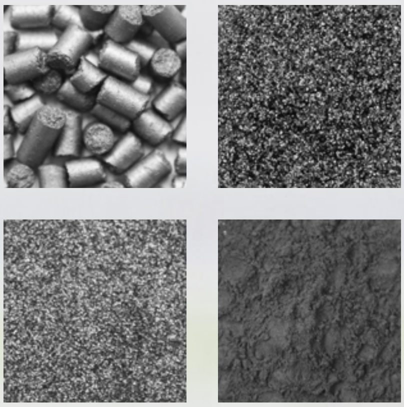
In addition to the market development programs for the core battery anode material products, the Company is also in discussion with a number of prospective customers in industrial markets for the fines bi-products, which will comprise approximately 35% of total output.

As part of the Company's research and innovation strategy, new product development programs have been initiated to evaluate the future production of value-added lithium-ion battery and industrial graphite products from the new EcoGraf™ Battery Anode Material Facility. These new opportunities (which include product diversification and downstream processing) will be progressed in parallel with the construction program. Discussions have commenced with various third parties in relation to potential collaboration on this product development.

INTELLECTUAL PROPERTY

On 14 May 2021, the Company filed international patent PCT/AU2021/050453 to replace the provisional patent application (ref: 2020901589) relating to the EcoGraf™ HFfree™ purification process technology and the EcoGraf™ carbon anode recycling process. The international patent application preserves the priority date claimed in the provisional patent registration.

The patent submission supports the Company's EcoGraf™ product trademarks that have been registered in all key markets.



PURIFIED BATTERY ANODE MATERIAL UP TO

99.97%

REVIEW OF OPERATIONS

EUROPEAN BATTERY ANODE MATERIAL FACILITY

The Company has signed a land reservation agreement for an industrial site in Skellefteå, Sweden in northern Europe as a potential location for a European EcoGraf™ HFfree™ Battery Anode Material Facility.

The reservation agreement has been entered into with the Skellefteå municipality for a 65,000m² site within Skellefteå Site East, which is one of Skellefteå's main industrial areas and is located within the Västerbotten region. This region benefits from an abundant supply of clean, renewable energy with the lowest industrial power costs in Europe, an educated and skilled labour force and a nearby port for ready access to key battery and industrial markets across Europe.

After completing a preliminary evaluation to select the site, EcoGraf will now proceed to undertake a more detailed assessment of a potential new development in Skellefteå. The industrial site is of sufficient size to include future expansions to accommodate increased production, further downstream value adding and battery anode recycling.

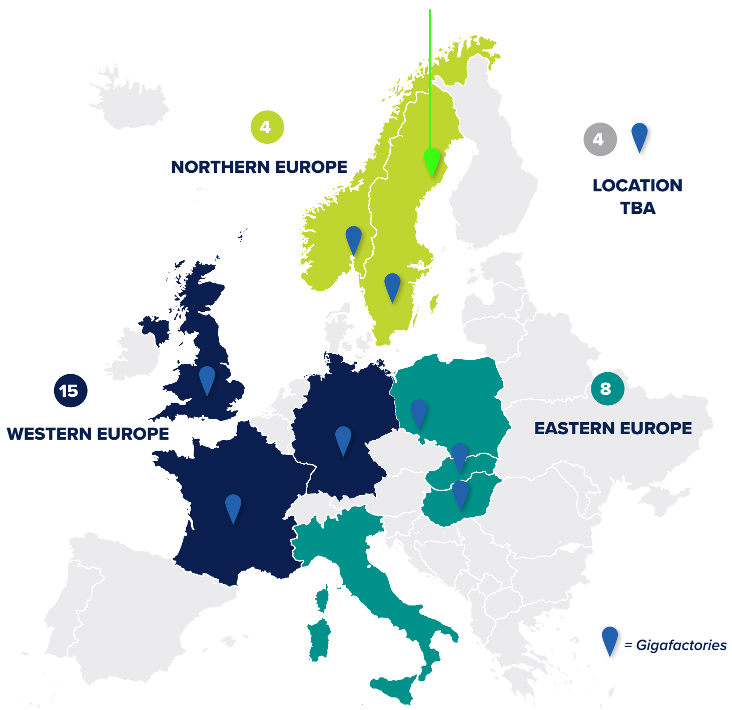
Skellefteå has a long tradition of industrial development and is a leader in promoting innovation, entrepreneurship and sustainability, with the largest private sector in northern Sweden.

This is one of three potential country locations under evaluation for the development of an EcoGraf™ Battery Anode Material Facility in Europe. All the sites are in established industrial centres with excellent access to major battery manufacturers, skilled labour, infrastructure, green power and process reagents.

Discussions are continuing with Government trade and investment departments, battery manufacturers and local municipalities to assess these alternative locations. Government trade and investment agencies are also providing EcoGraf with introductions to potential EU customers and development partners.

Establishment of a European facility is expected to include battery anode recycling activities to support customers in achieving battery re-purposing and re-use commitments under EU climate change legislation.

INDUSTRIAL SITE IN SKELLEFTEÅ, SWEDEN



Σ ~1,000 GWH/A LITHIUM-ION BATTERY CELL PRODUCTION CAPACITY ANNOUNCED UNTIL 2030

Source: Roland Berger as at mid July 2021

LITHIUM-ION BATTERY RECYCLING BUSINESS

THE ADDITION OF ECOGRAF'S RECYCLING APPLICATION, USING ITS HFFREE™ PROPRIETARY PURIFICATION PROCESS, PROVIDES A UNIQUE AND VERTICALLY INTEGRATED BUSINESS THAT MEETS THE NEW AGE REQUIREMENTS FOR RAW MATERIALS.

During the year, recycling programs continued with a range of battery industry participants operating in Australia, Asia and Europe.

The Company plans to recover and re-use carbon anode materials from two feedstock material streams:

+ Production scrap or waste from anode cell and battery manufacturing processes; and
+ Residual carbon materials that remain after metals have been extracted through hydrometallurgical processing from end-of-life batteries.

The process to recover carbon anode material from production waste and black mass materials utilises the EcoGraf HFfree™ purification process developed to produce battery anode material from natural flake graphite. The EcoGraf HFfree™ purification process is a unique, staged process where impurities are removed through the creation of new chemical compounds that are soluble in either water or chemical reagents.

All steps in the process are completed in a manner that preserves the important physical properties of the graphite spheres, such as low specific surface area, high tap density and narrow particle size distribution.

The process recovers carbon anode material from production scrap, which includes both carbon and cell manufacturers' scrap, in the lithium-ion battery. The development of product samples comprises both the recycling of the recovered carbon anode material back into the battery supply chain to support the circular economy and the re-use in industrial applications.

Recycling provides an opportunity to support electric vehicle and battery manufacturers achieve sustainable, closed-loop manufacturing processes as part of the global effort to develop a circular economy through zero-waste batteries to address the growing environmental costs from end-of-life batteries and to improve battery manufacturing efficiencies.

98.6-99.98%C

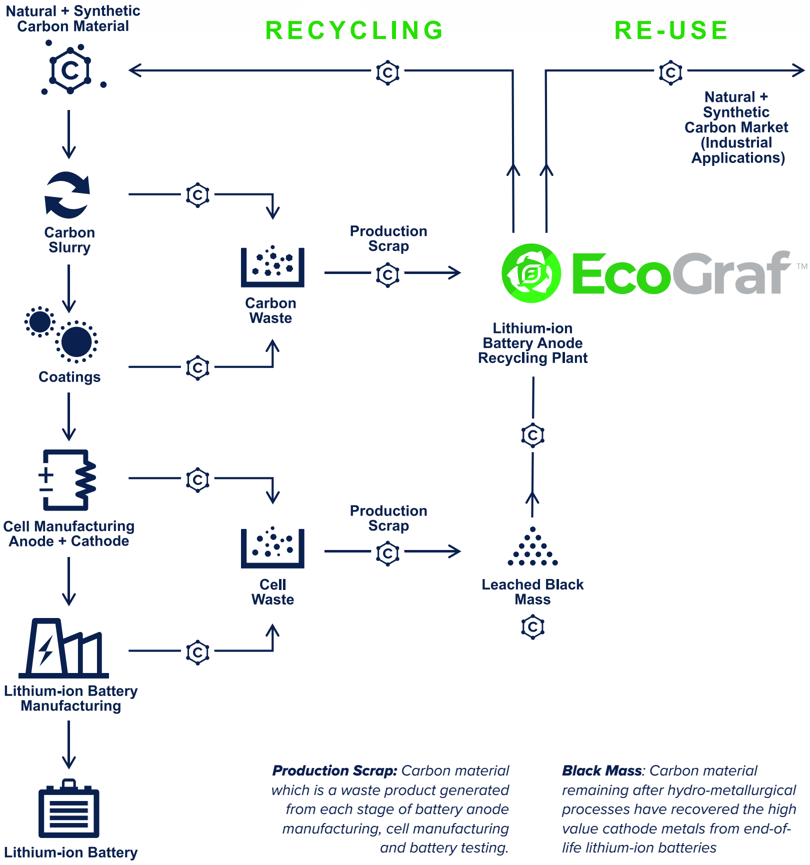
RESULTS OF PURIFIED PRODUCTION WASTE

98-99.8%C

RESULTS OF PURIFIED BLACK MASS

REVIEW OF OPERATIONS

RECYCLING STRATEGY FOR RECOVERED ANODE MATERIAL



***Production Scrap:** Carbon material which is a waste product generated from each stage of battery anode manufacturing, cell manufacturing and battery testing.*

***Black Mass**: Carbon material remaining after hydro-metallurgical processes have recovered the high value cathode metals from end-of-life lithium-ion batteries*

BATTERY RECYCLING OPPORTUNITY

MARKET OVERVIEW

Recycling efforts have focused on cathode metals

Carbon anode materials are currently not recovered

BENEFITS AND OPPORTUNITY

Reducing battery production costs

Lowering the EV carbon footprint

COLLABORATION WITH SUNGEEL HITECH

EcoGraf has entered into an agreement with SungEel HiTech (SungEel) to evaluate the recovery of carbon anode material from battery materials produced at SungEel's South Korean recycling plant using the EcoGraf™ HFfree™ purification process. The objective is to include a tailored EcoGraf™ recycling process in SungEel's proposed recycling plants in Europe and South Korea.

Under the SungEel collaboration program, the parties are conducting joint product testing and market development activities for recycled battery anode material and SungEel is evaluating potential co-investment in a modular EcoGraf™ recycling pilot plant designed by GR Engineering.

The collaboration with SungEel on recycling will support the creation of closed loop manufacturing processes across the battery supply chain to improve environmental performance and operational efficiency.

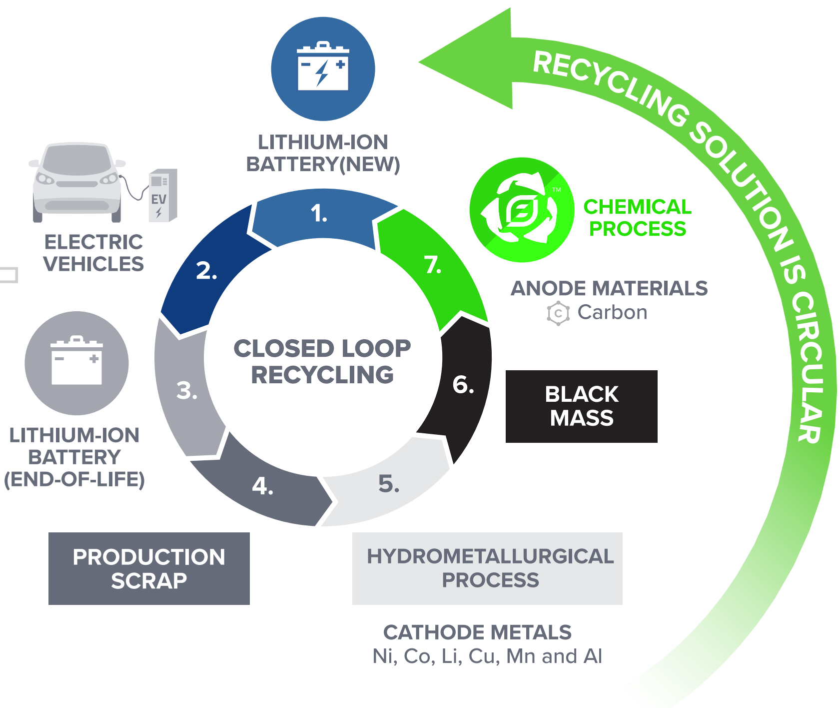
SungEel is a major lithium-ion battery recycling company and is well connected to the South Korean lithium-ion battery supply chain, which includes both electric vehicle and battery manufacturers. It currently processes 24,000 tonnes of lithium-ion battery materials per year in South Korea, with plans to increase its capacity to 56,000 tonnes per year.

On 27 July 2021, the Company reported the results of recent recycling testing with SungEel that successfully achieved 99.98% carbon, whilst retaining the original physical characteristics of the anode material sample. The product quality results are consistent with major lithium-ion battery manufacturer specifications.

The anode production sample used in the recycling testing is representative of production anode scrap materials from lithium-ion battery cell manufacturing processes. Battery manufacturers currently generate several thousand tonnes of this material each year and the volume is expected to increase significantly with the global transition to electric vehicles.

SungEel will submit the purified recycled product to a South Korean lithium-ion battery manufacturer for battery cell tests and evaluation, to assess the potential to recycle this material back into the lithium-ion battery supply chain.

RECOVER AND REUSE CARBON ANODE MATERIAL



99.98%C

RESULTS OF RECYCLED ANODE MATERIAL

EcoGraf™
+
SungEel HiTech

AGREEMENT SIGNED WITH SOUTH KOREA'S LARGEST LIB RECYCLING GROUP

MODULAR RECYCLING PILOT PLANT

GR Engineering has completed engineering designs for a modular carbon anode recycling pilot plant that will be used to optimise the recycling process and provide recovered carbon anode material for prospective customer product qualification processes.

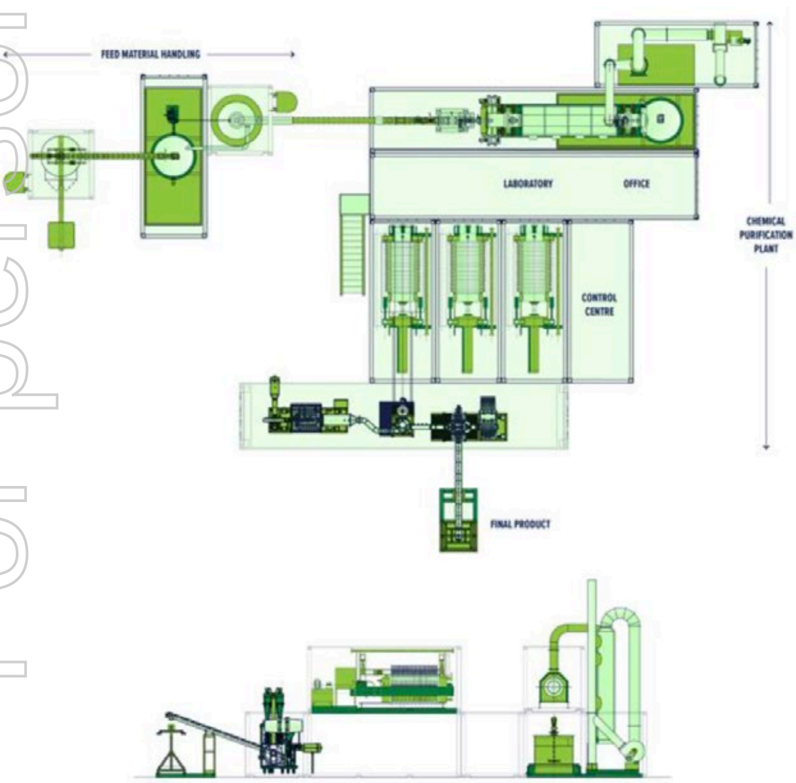
The pilot plant will evaluate the recovery of lithium-ion battery carbon anode material from a range of hydrometallurgical processes and from in-process production waste, enabling the Company to develop tailored solutions for specific customer requirements.

The design utilised recently completed locked cycled testwork to optimise plant and equipment sizing and provides flexibility to accommodate variations in feedstocks and locations.

Plant capability and key features include:

+ Capital cost A$5.8m;
+ Treatment rate of 50-100kg/hour;
+ Operates as a standalone facility with throughput rates based on a single shift, 5-day operating week;
+ Plant is self-sufficient except for utilities of power, gas and water;
+ Variable screening and treatments included in the feed to the EcoGraf HFfree™ purification process;
+ Dust and gaseous emission levels in accordance with the appropriate EU environmental standards;
+ Storage capacity for incoming material and outgoing product; and
+ Inclusion of technical office and laboratory.

The plant purification will have the ability to optimise the flowsheet for alternative sources of production scrap and black mass feedstocks and to provide larger product samples to customers operating in the lithium-ion battery sector.



A$5.8M

ESTIMATED CAPITAL COST

50-100KG/HR

TREATMENT RATE

FLEXIBLE

TO ACCOMMODATE VARIOUS LOCATIONS, FEEDSTOCK AND CUSTOMER REQUIREMENTS

NATURAL FLAKE GRAPHITE BUSINESS

The Epanko Graphite Project ("Epanko" or the "Project") (EGR:100%) is a long life, highly profitable graphite project located approximately 370km from the city of Dar es Salaam in Tanzania. It is forecast to produce 60,000 tonnes of natural flake graphite products each year.

THE COMPANY'S NATURAL FLAKE GRAPHITE BUSINESS IS FOCUSSED ON DEVELOPMENT OF THE LONG-LIFE, HIGH QUALITY EPANKO GRAPHITE PROJECT IN TANZANIA.

Extensive work has been completed at Epanko to establish a development-ready new graphite mine, including:

+ Completion of a Bankable Feasibility Study (BFS) that demonstrates a highly attractive development opportunity with a modest investment of US$89 million and a robust business case, generating annual EBITDA of US$44.5 million;
+ Government grant of mining licence and environmental approvals;
+ Comprehensive Independent Engineer's Review by SRK Consulting on behalf of lenders, confirming technical aspects of the proposed development and that the Equator Principles social and environmental planning regime satisfies International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines;
+ Flake graphite sales for key markets in Asia (Sojitz Corporation) and Europe (thyssenkrupp and a large European graphite trading group);
+ Target cost EPC arrangements for construction of Epanko with GR Engineering; and
+ Debt financing program in progress with international banks and Tanzanian financial institutions.

In mid-March, HE Samia Suluhu Hassan was appointed President of Tanzania and has proceeded to implement a range of reforms to encourage more foreign investment in the country. These policy changes are expected to assist EcoGraf finalise the Epanko financing arrangements and commence development.

US$44.5M

ANNUAL EBITDA

60,000TPA

NATURAL FLAKE GRAPHITE

REVIEW OF OPERATIONS

DEVELOPMENT FUNDING

EcoGraf continues to progress debt financing arrangements for construction of the Epanko Graphite Project that have been developed with German Government development bank KfW IPEX-Bank. As previously reported, after extensive engagement with the Tanzanian Ministry of Minerals, Mining Commission, Ministry of Finance and the Bank of Tanzania, a funding structure has been developed that complies with Tanzania's new mineral legislation relating to offshore banking arrangements.

The proposed funding arrangements have been presented to Government and private sector financing institutions in Tanzania, who have indicated interest in participating in the development.

Initial due diligence activities have been conducted by those institutions and discussions are continuing to agree on a bankable debt financing structure to enable the parties to progress their respective due diligence and credit approval processes.

In parallel, EcoGraf participated in an industry workshop held by the Tanzanian Government on 12 April 2021 to receive industry feedback on regulations for the 16% Government free-carried interest in mining developments. The workshop provided an opportunity for Tanzanian mining companies to put forward proposals for regulatory changes to encourage and accelerate increased mining investment, which were then submitted by the Tanzanian Chamber of Mines to the Government.

EPANKO ENHANCEMENT STUDIES

A number of enhancement activities are continuing, including the definition of low cost 'fresh rock' graphite to deliver a high purity 99%C graphite battery anode feedstock without additional processing and the evaluation of low-impact, continuous mining methods, both of which will also add to Epanko's strong ESG credentials.

SECTOR LEADING ESG CREDENTIALS

The Epanko bankable feasibility study social and environmental planning programs have been conducted in compliance with the Equator Principles, a globally recognised risk management framework adopted by leading financial institutions for assessing and managing social and environmental risks in new developments.

Achieving this standard and satisfying International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines is critical to securing international financing support for the new development and reflects EcoGraf's commitment to the ensuring the highest level of Environmental, Social and Governance operating standards.

Epanko will provide significant economic and social benefits for the regional community near Mahenge in Tanzania and will support Tanzania's positive industrialisation progress.

POSITIVE ECONOMIC IMPACT

The Project has strong economics and in addition to generating a pre-tax NPV_{10} of US$211m for shareholders, will make a long-term, inter-generational contribution to economic, industrial and social development within Tanzania. It is expected to operate for over 40 years, during which time it is forecast to directly contribute over US$3 billion to Tanzania through local employment, procurement, royalties, taxes and dividends. Over 95% of the 300 permanent staff will be Tanzanian, with an estimated 4,500 indirect jobs to be supported by the operation.

>40 YEARS

OF MINE OPERATION

US$3B

DIRECT CONTRIBUTION TO TANZANIA

300

DIRECT EMPLOYMENT

4,500

INDIRECT JOBS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

EcoGraf is committed to ensuring strong environmental, social and governance standards across all areas of its operations. Its diversified battery anode material business is founded on a vision to support the global transition to clean, renewable energy through innovation and sustainability.

The Company has implemented a comprehensive Corporate Governance Plan that provides a framework for the effective strategic direction and management of its business activities and includes the following:

Charters and Codes	Policies
Board Charter	Performance Evaluation Policy
Code of Conduct	Continuous Disclosure Policy
Audit and Risk Committee Charter	Risk Management Policy
Remuneration Committee Charter	Trading Policy
Nomination Committee Charter	Diversity Policy
	Shareholder Protection Policy
	Whistle-blower Protection Policy
	Anti-Bribery and Anti-Corruption Policy

The charters, codes and policies have been developed under the guidance of the ASX Corporate Governance Council's 4th Edition of the Corporate Governance Principles and Recommendations, the *Corporations Act 2001* and independent external advice. Collectively, they reinforce and promote a culture of good corporate citizenship across the organisation in relation to strategic oversight, stakeholder relations, regulatory compliance, business conduct, personal behaviours and risk management.

A copy of the Corporate Governance Plan, the annual Corporate Governance Statement and the EcoGraf Constitution are available on the Company's website at: **www.ecograf.com.au.**

In terms of environmental performance, EcoGraf is a leader within its sector and environmental sustainability is critical to the successful development of its businesses and a key priority in its planning and development decisions. The Company has led the way within the graphite market in developing a new, highly effective and more eco-friendly battery anode material purification process that can also be applied to recycle battery anodes.

REVIEW OF OPERATIONS

Key environmental aspects of each of the Company's businesses include:

ECOGRAF™ BATTERY ANODE MATERIAL PROCESSING

+ Development of EcoGraf™ HFfree™ processing technology to eliminate the use of hydrofluoric acid in the manufacture of battery anode material and a new state-of-the-art facility engineered to achieve leading international operating standards;
+ Use of Life Cycle Assessment analysis to support global CO_2 reduction initiatives;
+ Selection of the site location in an existing industrial precinct that has no impact on visual or noise amenity;
+ Implementation of a zero-waste operating strategy focussed on an active product development program to value-add all bi-product material produced at the new facility and to provide product additives for use in green steel production;
+ Use of locally available wastewater and recycling of 75% of process water used in the operation; and
+ Potential for sustainable power to be supplied from nearby waste-to-energy facilities and for supplemental power requirements to be sourced via solar panels.

ECOGRAF™ BATTERY ANODE RECYCLING

+ Successful application of the EcoGraf™ purification technique to recover carbon anode material from lithium-ion battery production waste and end-of-life batteries;
+ Opportunity to support global battery recycling initiatives to reduce CO_2 emissions from the manufacture of electric vehicles and to lower battery life cycle costs; and
+ Enables electric vehicle and battery manufacturers to adopt closed-loop supply chains to maximise production efficiencies and meet stringent legislative requirements for recycling.

NATURAL FLAKE GRAPHITE PRODUCTION

+ Completion of the Epanko bankable feasibility study in accordance with the Equator Principles (an internationally recognised risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects);
+ Independent review by SRK Consulting confirming that environment and social planning satisfies the International Finance Corporation Performance Standards and the World Bank Group Environmental, Health and Safety Guidelines;
+ Funding support from German Government development bank KfW IPEX-Bank with loan arrangements linked to environmental and social performance; and
+ Power sourced through sustainable hydro-facilities.

Social responsibility is also fundamental to the success of EcoGraf and a key priority in its corporate and project development activities. The Company maintains a strong commitment to stakeholder engagement and actively participates in community and regional development initiatives.

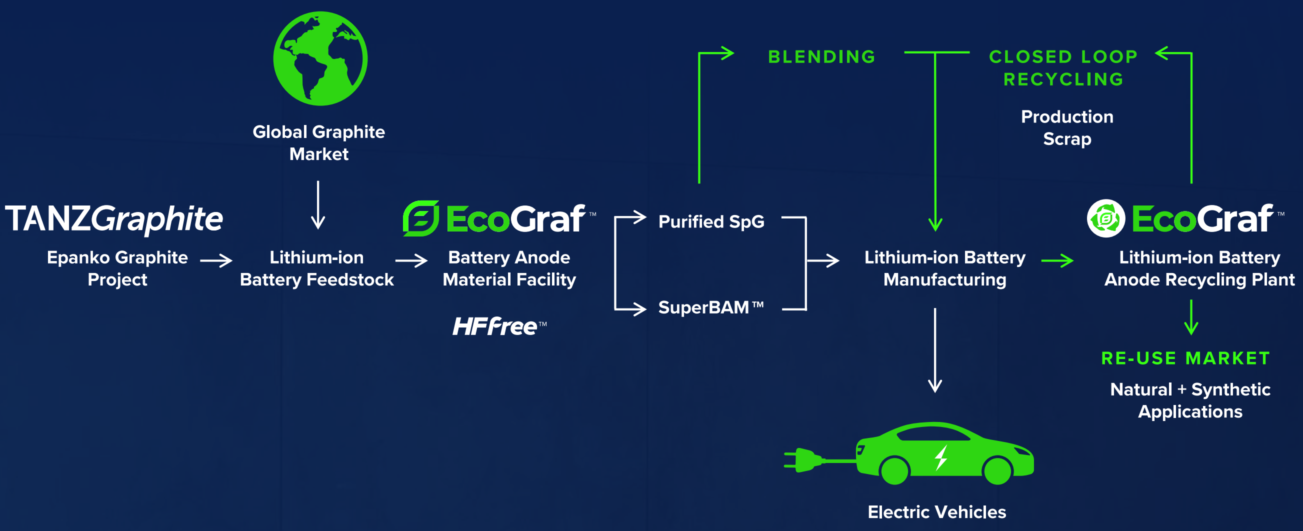
In Tanzania, development of the Epanko Graphite Project will deliver inter-generational economic and social benefits over an estimated 40+ years of operation. Nationally, it is forecast that over US$3 billion will be contributed to Tanzania through employment, procurement, royalties, taxes and dividends, with over 95% of the permanent staff to be recruited locally. This will also provide the opportunity for other benefits through training and development, construction of new community facilities and support for local businesses and community organisations.

EcoGraf participates in various research and economic development forums in Australia and Europe to encourage the discovery of new clean energy technologies that can accelerate the achievement of global climate change goals and provide new areas of economic growth and future career opportunities.

Promoting sector leading environmental, social and corporate governance practices is a key focus for the Company as it continues to expand its operations and generate sustainable long-term shareholder value.

ECOGRAF - POSITIONED FOR GROWTH ACROSS THE BATTERY SUPPLY CHAIN

ECOGRAF'S VERTICALLY INTEGRATED PRODUCT FLOW



LITHIUM-ION ANODE DEMAND TO DRIVE GROWTH ACROSS 5 KEY AREAS

1 BATTERY ANODE MATERIAL

Battery anode material processing facilities. 1st Plant: Australia, 2nd Plant: Europe, Others: Asia/US/India.

2 NATURAL GRAPHITE

Scalable mining projects for long-term supply of natural graphite products. Epanko Stage 1 - 60,000t.

3 PRODUCT DEVELOPMENT

Value enhancement of bi-product fines. Supporting the transition to clean energy and advanced manufacturing.

4 DOWNSTREAM INNOVATION OPPORTUNITIES

Enhanced Coatings.

5 LITHIUM-ION BATTERY RECYCLING

Recovery of carbon anode material from lithium-ion batteries. Pilot plant scalable to demonstration plant.

DIRECTORS' REPORT

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Robert Pett *Independent Non-Executive Director and Chairman*

Robert Pett is a minerals economist with over 30 years' experience working in exploration and mining. During this time, he has worked internationally in the resources sector at senior levels both in Australia and Africa. He has been involved with listed companies at all levels, from grass-roots exploration through to mine development, production and financing of more than ten mining projects globally including East and West Africa and the construction of the Golden Pride Gold Mine in Tanzania.

He was founding Chairman of Resolute Mining Limited (gold mines and exploration Africa and Australia), Sapphire Mines Limited (gemstone mining and exploration), Reliance Mining Limited (nickel mining Kambalda), Senex Energy Limited (petroleum production and exploration) and director of several other mining and exploration companies operating in Africa, Asia and Australia in gold, base metals, petroleum and uranium.

Robert has also had an active involvement in education and community activities including over 10 years' service to Murdoch University Western Australia as Senator and Chairman of their Resources (Finance) Committee.

Andrew Spinks *Managing Director*

Andrew Spinks is a geologist with over 25 years' professional experience in Australia, Asia and Africa on a range of commodities including speciality and industrial minerals.

Andrew has worked in a range of diverse roles across exploration through to successful project developments, and has held a number of board positions on both ASX and TSX.V listed companies.

Andrew was co-founder of TanzGraphite Pty Ltd and has been Managing Director of EcoGraf since its acquisition.

John Conidi *Independent Non-Executive Director*

John Conidi is a Certified Practicing Accountant. He has over 20 years' experience developing, acquiring and managing businesses in the technology and healthcare sectors. In his role as Managing Director of Capitol Health Limited, he drove its sustained expansion, increasing its market capitalisation, significantly.

John has extensive interests in the graphite sector. He is an experienced investor specialising in technology and resources and is the Chairman of 333D Limited, that with EcoGraf, jointly owns 3D Graphtech Industries Pty Ltd.

Howard Rae *Executive Director – Finance and Company Secretary*

Howard Rae is a Chartered Accountant with over 20 years' experience in acquiring, developing, financing and operating a range of businesses in Australia, Canada, Asia, Africa and Europe.

His career includes Chief Financial Officer roles with a number of successful ASX listed companies active internationally in the precious and base metals, steel-making materials and industrial minerals sectors, together with directorships of several unlisted and not-for-profit organisations.

During this time, he's been responsible for new business development, joint ventures, structuring and negotiating corporate, project and infrastructure funding transactions, sales and marketing, risk management and implementing business improvement programs.

Michael Chan *Executive Manager – Product Development*

Michael Chan has a degree in Minerals Engineering (University of Birmingham, England) and is a Chartered Engineer (London) with 35 years' experience in senior operations, project development and commercial roles for multi-national and ASX listed companies operating in Africa, Asia and the United States.

Michael has 8 years of graphite/spherical graphite/battery anode material project experience, 15 years' extensive rare earth project experience as well as 13 years' of titanium dioxide commercial development project experience.

During this time, he's been responsible for major test work programs, process flow sheet design and development, pilot processing and graphite product development, core technical marketing, establishing pilot scale facilities, developing full scale commercial plants and driving much of the detailed downstream test work in collaboration with end-users.

Shaun O'Neill *Executive Manager – Project Development*

Shaun O'Neill is a qualified metallurgist with 23 years' industry experience in operations, project management and commissioning across a broad range of commodities, including battery and critical minerals.

During this time, he's been responsible for project managing the largest lithium hydroxide processing plant in Kwinana as well as leading commissioning activities for BHP in mega brownfield and greenfield project developments.

BOARD OF DIRECTORS

The qualifications of the directors are set out on page 20.

DIRECTORS' INTERESTS AND OTHER DIRECTORSHIPS

As at the date of this report, the interests (directly or indirectly held) of the directors in the shares and options of the Company are:

Director	Term of office	Interest in ordinary shares[1]	Interest in options over ordinary shares	Australian listed company directorships	Former directorships (last 3 years):
Independent Non-Executive Director & Chairman					
Robert Pett	Director since 9 November 2015 Chairman since 9 November 2015	4,704,615	-	None	None
Executive Directors					
Andrew Spinks	Director since 20 July 2012 Managing Director since 22 April 2015	13,773,822	-	None	None
Howard Rae	Director since 1 March 2021	4,925,000	-	None	None
Independent Non-Executive Director					
John Conidi	Director since 4 May 2015	4,269,402	-	333D Limited *(appointed 25 March 2015)*	None

1 *Securities interest in EcoGraf – as notified by the directors to the Australian Securities Exchange ("ASX") in accordance with s.205G(1) of the Corporations Act 2001.*

DIRECTORS' REPORT

DIRECTORS' MEETINGS

During the financial year, six meetings of directors were held and attendances by each director were as follows:

	Directors' meetings in person and by resolution	
Director	**Number eligible to attend**	**Number attended**
Robert Pett	6	6
Andrew Spinks	6	6
Howard Rae	2	2
John Conidi	6	6

OPERATING AND FINANCIAL REVIEW

The information reported in this operating and financial review should be read in conjunction with the review of operations on pages 4 to 19.

PRINCIPAL ACTIVITIES

EcoGraf is building a diversified battery anode material business to produce high purity graphite products for the lithium-ion battery and advanced manufacturing markets. Over US$30 million has been invested to date to create two highly attractive, development ready graphite businesses.

The first new state-of-the-art EcoGraf processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible HFfree™ purification technology to provide customers with sustainably produced high performance battery anode material. Subsequently, the battery graphite production base will be expanded to include additional processing facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade and the rapid growth in battery materials.

In addition, the Company's breakthrough recovery of carbon anode material from recycled batteries using its EcoGraf™ process will enable the recycling industry to reduce battery waste and use recycled carbon anode material to improve battery lifecycle efficiency.

To complement these battery graphite operations, the Company is also advancing the TanzGraphite natural flake graphite business, with development of the Epanko Graphite Project, which will supply additional feedstock for the battery anode material facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.

OPERATING RESULTS

The loss after income tax incurred by the consolidated entity for the year ended 30 June 2021 was $5,514,000 (2020: loss $2,769,000).

DIVIDENDS

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

CORPORATE STRUCTURE

EcoGraf Limited is a public company incorporated and domiciled in Australia, limited by shares. At the date of this report, the Company had 449,833,459 ordinary shares on issue.

DISCLOSURE NOTICES

Forward looking statements

This report may contain references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed in this report. Investors should rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the year (if any) are contained in the review of operations and financial statement sections of this report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- the consolidated entity's operations in future financial years
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely future developments in the activities of the Company are referred to in the review of operations section of this report.

ENVIRONMENTAL ISSUES

The Company's operations are subject to environmental regulation under the laws of the Commonwealth of Australia and Republic of Tanzania. The directors believe that the Company has adequate systems in place for environmental management and are not aware of any breach of environmental requirements as they apply to the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

COVID-19 PANDEMIC

In recognition of the impact on shareholders of the COVID-19 containment measures globally, the directors and executives agreed to reduce their fees and salaries by 20% for the 6 months to 31 December 2020.

The COVID-19 world-wide pandemic has not significantly affected the operating or financial activities of the Company at this stage of its development. Significant and prolonged pandemic lockdown conditions may impact development activities if not dealt with in future years. The Company remains confident that operations and financial activities will not be significantly affected.

COMPANY SECRETARY

Howard Rae is the company secretary, having been appointed on 18 July 2017. Howard's qualifications are set out on page 20.

INDEMNIFYING DIRECTORS AND OFFICERS

The Company has entered into an agreement to indemnify all directors and officers against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each director and officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director and officer of the Company, other than as a result of conduct involving a willful breach of duty in relation to the Company.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). No payments have been made to indemnify RSM Australia Partners to the date of this report.

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors ensure that:

- non-audit services are reviewed and approved to ensure that the provision of such services does not adversely affect the integrity and objectivity of the auditor; and
- audit services do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The total remuneration for audit and non-audit services provided during the prior and current financial years is set out in note 17 of the consolidated financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, is set-out on page 34 of this report.

CHANGE OF AUDITOR

During the year RSM Australia Partners was appointed as auditor. This appointment was approved by shareholders at the Annual General Meeting on 25 November 2020.

The change of auditor occurred because the Company wished to separate audit services from the on-going tax and advisory services being offered by its former auditor Ernst and Young. This approach preserves auditor independence and is consistent with good corporate governance.

ROUNDING

The amounts contained in this report and in the consolidated financial statements have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

CORPORATE GOVERNANCE

The directors of EcoGraf are responsible for the corporate governance of the Company and have applied ASX Corporate Governance Principles in a manner that is appropriate to the Company's circumstances.

The Company's corporate governance statement is available on the Company's website at **www.ecograf.com.au.**

REMUNERATION REPORT (AUDITED)

1. INTRODUCTION

The following sections provide details of the remuneration paid to key management personnel by the Company and its controlled entities for the year ended 30 June 2021. It forms part of the directors' report and has been audited in accordance with section 308C of the *Corporations Act 2001.*

Key management personnel are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the consolidated entity and include:

- non-executive directors; and
- executive directors and senior executives (collectively "executives").

Key management personnel	Position	Tenure during the year
Non-executive directors		
Robert Pett	Non-Executive Chair	Full financial year
John Conidi	Non-Executive Director	Full financial year
Executive directors		
Andrew Spinks	Managing Director	Full financial year
Howard Rae	Executive Director – Finance	1 March 2021 – 30 June 2021
Senior executives		
Howard Rae	Chief Financial Officer & Company Secretary	1 July 2020 – 28 February 2021

2. EXECUTIVE REMUNERATION

The remuneration structure has been designed to promote alignment between the objectives and interests of shareholders, directors and executives. Accordingly, as the Company's key assets have not yet reached the operational phase, a greater emphasis is placed on rewarding long-term performance through the award of equity in the Company that preserves cash resources and is directly linked to the creation of shareholder value.

2.1 Principles of executive remuneration

Key principles that guide decisions about executive remuneration are:

- **Fairness:** provide a fair level of reward to all employees
- **Transparency:** establish transparent links between reward and performance
- **Alignment:** promote mutually beneficial outcomes by aligning employee, customer and shareholder interests; and
- **Culture:** drive leadership performance and behaviours that promote safety, diversity and employee engagement.

2.2 Executive remuneration framework

A combination of fixed and variable reward is provided to executives, based on their responsibility within the Company in relation to the achievement of its strategic objectives and capacity to contribute to the generation of long-term shareholder value.

The components of executive remuneration currently consist of:

- a base cash salary
- statutory superannuation contributions; and
- non-cash share-based payments.

The combination of these comprises the executive's total remuneration.

2.3 Financial performance

The table below sets out information about the Company's results and movements in shareholder value for the past five years up to and including the current financial year. The historic numbers have not been assessed and adjusted for the impact of the new accounting standards.

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Net loss after tax ($'000)	(5,514)	(2,769)	(3,340)	(3,764)	(4,099)
Share price at end of year ($)	0.57	0.07	0.12	0.14	0.18
Basic loss per share (cents)	(1.40)	(0.91)	(1.19)	(1.50)	(1.86)

2.4 Remuneration decision making

Due to the current size of the Company, it is more efficient and effective for the functions otherwise undertaken by a remuneration committee to be performed by the Board. All directors are therefore responsible for determining and reviewing compensation arrangements for key management personnel, including periodically assessing the appropriateness of the nature and amount of remuneration by reference to relevant market conditions and prevailing practices.

From time to time the directors seek independent external advice on the appropriateness of the remuneration framework and remuneration arrangements for key management personnel.

2.5 Use of remuneration advisors

During the year ended 30 June 2021, the Board did not engage the services of remuneration advisors.

2.6 Incentive Performance Rights Plan

Under the Incentive Performance Rights Plan, performance rights may be offered to eligible participants which are subject to pre-determined performance conditions that are required to be achieved prior to vesting. The performance conditions are set to promote achievement of the Company's key strategic objectives. Further information about the Incentive Performance Rights Plan is set-out in section 5. During the year ended 30 June 2021 a total of 3,550,000 performance rights were issued to executives. (2020: Nil).

2.7 Employee Share Plan

Under the Employee Share Plan, the Company may invite eligible participants to acquire shares, that are typically issued at market prices with attaching service conditions by means of a non-cash credit facility. Further information about the Employee Share Plan is set-out in section 5. No shares were issued during the year ended 30 June 2021. (2020: Nil).

2.8 Executive employment agreements

The remuneration and other conditions of employment of executives are formalised in employment contracts, a summary of which is set out below.

Mr. Andrew Spinks, Managing Director, has an employment contract with the Company that specifies duties and obligations to be fulfilled and provides for an annual review of remuneration. Mr. Spinks receives fixed remuneration of $355,875 per annum inclusive of statutory superannuation and did not receive an increase in fixed remuneration during the reporting period. In recognition of the impact of the on-going COVID-19 containment measures on shareholders Mr. Spinks voluntarily reduced his salary by 50% for the three months to 30 June 2020 and 20% for the six months to 31 December 2020.

Mr. Howard Rae, Executive Director – Finance and Company Secretary, has an employment contract with the Company that specifies duties and obligations to be fulfilled and provides for an annual review of remuneration. Mr. Rae receives fixed remuneration of $355,875 per annum, inclusive of statutory superannuation and did not receive an increase in fixed remuneration during the reporting period. In recognition of the impact of the on-going COVID-19 containment measures on shareholders Mr. Rae voluntarily reduced his salary by 30% for the three months to 30 June 2020 and by 20% for the six months to 31 December 2020.

2. EXECUTIVE REMUNERATION (CONTINUED)

Termination provisions

Executive termination notice periods and payment provisions are as follows:

	Resignation	Termination for cause	Termination in case of death, disablement, redundancy or notice without cause	Termination payment
Andrew Spinks	6 months	None	1 month	3 months
Howard Rae	3 months	1 month	3 months	3 months

3. NON-EXECUTIVE DIRECTOR REMUNERATION

3.1 Remuneration policy

Non-executive director remuneration is structured in order to attract and retain persons with the experience and skills necessary to oversee the Company's business activities and to guide its growth and development into a successful mining and manufacturing company. Fees are not linked to the financial performance of the Company. Directors may be paid additional amounts for special duties or exertions (consultancy services outside of director's duties) and are entitled to be reimbursed for reasonable out-of-pocket expenses incurred in the course of their duties.

3.2 Maximum aggregate amount

Total fees payable to all non-executive directors, excluding amounts for special exertion or the reimbursement of reasonable business expenditures, must not exceed $300,000 per annum, in accordance with the approval provided by shareholders in 2010.

3.3 Incentive Performance Rights Plan

Under the Incentive Performance Rights Plan, performance rights may be offered to eligible participants which are subject to pre-determined performance conditions that are required to be achieved prior to vesting. The performance conditions are set to promote achievement of the Company's key strategic objectives. Further information about the Incentive Performance Rights Plan is set-out in section 5. During the year ended 30 June 2021 a total of 2,500,000 performance rights were issued to non-executive directors. (2020: Nil).

3.4 Non-executive Director Share Plan

Under the Non-executive Director Share Plan, the Company may invite eligible participants to acquire shares, that are typically issued at market prices with attaching service conditions by means of a non-cash credit facility. Further information about the Non-executive Director Share Plan is set-out in section 5. No shares were issued during the year ended 30 June 2021. (2020: Nil). No shares or options were issued during the year ended 30 June 2021. (2020: Nil).

4. KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the remuneration of directors and executives of the consolidated entity are set out in the following table.

		Short-term benefits		Post-employment	Long-term benefits	Share-based payments	Total	Equity % of compensation
		Salary/ Fees[3]	Fees for special duties or exertion	Superannuation	Long Service Leave expense	Performance rights		
Non-executive directors								
Robert Pett	2021	65,753	-	6,941	-	393,750	466,444	84%
	2020	54,795	7,700[1]	5,205	-	-	67,700	0%
John Conidi	2021	49,275	-	-	-	393,750	443,025	89%
	2020	41,063	-	-	-	-	41,063	0%
Christoph Frey	2021	-	-	-	-	-	-	0%
	2020	25,000	100,562[2]	-	-	-	125,562	0%
Executives								
Andrew Spinks	2021	295,023	-	25,000	1,496	559,125	880,644	63%
	2020	292,356	-	25,000	(871)	-	316,485	0%
Grant Pierce	2021	-	-	-	-	-	-	0%
	2020	197,051	-	-	-	-	197,051	0%
Howard Rae	2021	305,600	-	24,000	248	559,125	888,973	63%
	2020	319,501	-	24,000	(196)	-	343,305	0%
Total remuneration	**2021**	**715,651**	**-**	**55,941**	**1,744**	**1,905,750**	**2,679,086**	**71%**
	2020	**929,766**	**108,262**	**54,205**	**(1,067)**	**-**	**1,091,166**	**0%**

1 *Consulting services for additional work undertaken for capital raising activities*

2 *Consulting services for additional work undertaken for research and development activities*

3 *In recognition of the impact on shareholders of the COVID-19 containment measures globally, the directors waived their fees and executives reduced their salaries by up to 50% for the three months to 30 June 2020 and all directors and executives agreed to reduce their fees and salaries by 20% for the six months to 31 December 2020.*

Robert Pett is a director and shareholder of the following related party entity which transacted with the consolidated entity. Represented by invoices related to work performed for the consolidated entity.

Entity	Services provided	2021 $'000	2020 $'000
Prevelly Holdings Pty Ltd	Consultancy services	-	14

5. SHARE BASED COMPENSATION

Incentive Performance Rights Plan

On 25 November 2020 shareholders approved the adoption of the Company's Incentive Performance Rights Plan, which is designed to assist with the recruitment, reward, retention and incentivisation of key personnel who possess the skills and experience to enable the Company to develop its graphite businesses and grow long-term shareholders value.

The Company is at a critical stage in its growth as it advances the new EcoGraf™ Battery Anode Material Facility and Epanko Graphite Mine to development and operations. The international graphite industry is also evolving rapidly to support the demand for lithium-ion batteries in electric vehicles and the retention of specialised skills is essential to the Company's future success.

To achieve this outcome, the Company believes that incentivising and rewarding performance and the achievement of key objectives through equity arrangements is the most effective remuneration structure because it preserves the Company's cash reserves and aligns the interests of personnel with those of all shareholders.

Short-Term Incentive

Under the short-term incentive arrangements, eligible participants may earn performance rights for the achievement of pre-determined key performance measures each year, with the determination of the amount, if any, made after the end of each year, by multiplying the individual's assessed key performance score by the applicable percentage of their fixed annual remuneration. The number of performance rights, if any, to be earned under the short-term incentive is calculated by dividing the short-term incentive amount by the volume weighted average price of the Company's shares during the applicable financial year. To promote alignment and retention, if any performance rights are allocated, the individual will not be able to dispose of the shares received on exercise of the performance rights for a period of 12 months from the end of the financial year for which they were awarded. Upon exercise, each performance right will entitle the eligible participant to receive one ordinary share in the Company.

Long-Term Incentive

The long-term incentive arrangements involve the offer of performance rights to eligible participants which are subject to pre-determined performance conditions that are required to be achieve prior to vesting. The performance conditions are set to promote achievement of the Company's key strategic objectives. Subject to the achievement of the specified performance conditions, upon exercise each performance right will entitle the eligible participant to receive one ordinary share in the Company. The number of performance rights offered to an individual is determined by reference to equity incentives offered by similar companies and the potential for the individual, through their position, skills and experience, to create long-term shareholder value.

During the year ended 30 June 2021 a total of 6,050,000 performance rights were issued to non-executive directors and executives. (2020: Nil).

Share Plans

Plan shares are issued to directors and employees in recognition of their performance with the Company and as incentive remuneration under the respective director and employee share plans (together the "Share Plans"). The terms and conditions of the Share Plans are identical, other than in respect of who is eligible to participate in each plan. Plan shares are issued at the discretion of the Board.

Under the Share Plans, eligible directors and employees are offered plan shares in the Company at prices determined by the Board, which has the discretion to impose conditions on the shares issued under the Share Plans and may also grant a loan, in the form of a non-cash credit facility, to a participant for the purposes of subscribing for plan shares. Shares issued via loan facility may not be granted at less than the volume weighted average price of the Company's shares during the 5 trading days up to and including the date of acceptance and are escrowed as security until the loan has been fully repaid, via cash payment and/or the sale of the plan shares. If the loan is repaid by the sale of shares, any surplus on sale is remitted to the participant and any shortfall is borne by the consolidated entity.

There were no shares issued to non-executive directors or executives, during the year ended 30 June 2021.

6. KEY MANAGEMENT PERSONNEL EQUITY OWNERSHIP

6.1 Shares

	Balance at 1 July 2020	Balance at date of appointment	Movement during the year	Balance at 30 June 2021
Non-executives				
Robert Pett	3,984,615	-	720,000[3,5]	4,704,615
John Conidi	5,269,402	-	(1,000,000)[1,2,3]	4,269,402
Executives				
Andrew Spinks	13,673,822	-	100,000[2,4,6]	13,773,822
Howard Rae	3,150,000	-	1,775,000[4]	4,925,000
Total	**26,077,839**	**-**	**1,595,000**	**27,627,839**

1 (1,000,000) shares transferred as a result of a marital settlement March 2021
2 (1,250,000) shares expired under Director Share Plan July 2020
3 1,250,000 performance rights vested under the Incentive Performance Rights Plan March 2021
4 1,775,000 performance rights vested under the Incentive Performance Rights Plan March 2021
5 (530,000) shares sold to fund repayment of Director Share Plan loan June 2021
6 (425,000) shares sold to fund repayment of Director Share Plan loan June 2021

6.2 Shares issued under non-executive director and employee share plans

Included in table 6.1 are plan shares held by key management personnel. The balance and movement during the reporting period in the number of plan shares held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at 1 July 2020	Net Change	Balance at 30 June 2021
Non-executives			
Robert Pett	3,250,000	(1,250,000)[2]	2,000,000
John Conidi	3,250,000	(2,250,000)[1,3]	1,000,000
Executives			
Andrew Spinks	4,250,000	(2,250,000)[1,3]	2,000,000
Howard Rae	3,000,000	-	3,000,000
Total	**13,750,000**	**(5,750,000)**	**8,000,000**

1 (1,250,000) Shares expired under Director Share Plan July 2020
2 (1,250,000) Shares released from escrow June 2021
3 (1,000,000) Shares released from escrow June 2021

6.3 Loans to key management personnel

There were no loans granted to key management personnel during the year ended 30 June 2021.

6.4 Performance rights granted under Incentive Performance Rights Plan

Included in table 6.1 are incentive performance rights held by key personnel. The balance and movement during the reporting period in the number of performance rights held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at 1 July 2020	Net Change	Balance at 30 June 2021
Non-executives			
Robert Pett	-	1,250,000	1,250,000
John Conidi	-	1,250,000	1,250,000
Executives			
Andrew Spinks	-	1,775,000	1,775,000
Howard Rae	-	1,775,000	1,775,000
Total	**-**	**6,050,000**[1]	**6,050,000**

1 Grant date 20 January 2021, expiry date 19 January 2026, vested 22 March 2021

6.5 Other transactions with key management personnel

There were no other transactions with key management personnel of the consolidated entity, including their personally related parties during the year ended 30 June 2021.

Signed in accordance with a resolution of the directors made pursuant to s298 (2) of *Corporations Act 2001.*

Andrew Spinks
Managing Director

23 September 2021


EcoGraf

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

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www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of EcoGraf Limited for year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 23 September 2021

TUTU PHONG
Partner

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $'000	2020 $'000
REVENUE			
Interest income		79	3
Other income	3	424	281
		503	284
EXPENSES			
Accounting & audit		(149)	(249)
Consultants & contractors	4	(1,888)	(1,446)
Employee benefits		(635)	(563)
Depreciation	10	(14)	(41)
Directors fees		(122)	(126)
Exploration and evaluation expensed		(103)	(138)
Information systems & technology		(25)	(76)
Listing & compliance		(128)	(74)
Office rental & outgoings		(124)	(157)
Other		(133)	(102)
Share based payments	19	(2,693)	-
Travel & accommodation		(3)	(79)
Unrealised foreign exchange differences		-	(2)
		(6,017)	(3,053)
Loss before income tax		**(5,514)**	**(2,769)**
Income tax expense	5	-	-
Loss after income tax for the year		**(5,514)**	**(2,769)**
Total comprehensive loss for the year		(5,514)	**(2,769)**
Loss attributable to members of EcoGraf Limited		(5,514)	(2,769)
Total comprehensive loss attributable to members of EcoGraf Limited		(5,514)	**(2,769)**
Loss per share attributable to the members of EcoGraf Limited			
Basic loss per share (cents per share)	16	(1.40)	(0.91)
Diluted loss per share (cents per share)	16	(1.40)	(0.91)

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 $'000	2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	52,633	2,779
Other receivables	7	506	76
Prepayments		212	39
Total current assets		**53,351**	**2,894**
Non-current assets			
Property, plant and equipment	10	55	148
Exploration and evaluation assets	8	18,238	18,039
Total non-current assets		**18,293**	**18,187**
Total assets		**71,644**	**21,081**
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,195	349
Employee provisions		97	90
Total current liabilities		1,292	439
Non-current liabilities			
Employee provisions		22	20
Total non-current liabilities		22	20
Total liabilities		**1,314**	**459**
Net assets		**70,330**	**20,622**
EQUITY			
Contributed equity	11	99,837	49,060
Reserves	12	7,830	3,385
Accumulated losses	13	(37,337)	(31,823)
Total equity		**70,330**	**20,622**

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Contributed equity $'000	Accumulated losses $'000	Loan share reserve $'000	Share based payment reserve $'000	Total $'000
Balance at 30 June 2019	**44,852**	**(29,054)**	**(4,055)**	**6,649**	**18,392**
Loss for the year	-	(2,769)	-	-	(2,769)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**(2,769)**	**-**	**-**	**(2,769)**
Transactions with owners in their capacity as owners					
Shares issued during the year	5,149	-	-	-	5,149
Share plan shares cancelled	(791)	-	791	-	-
Share issue expense	(150)	-	-	-	(150)
Balance at 30 June 2020	**49,060**	**(31,823)**	**(3,264)**	**6,649**	**20,622**
Loss for the year	-	(5,514)	-	-	(5,514)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**(5,514)**	**-**	**-**	**(5,514)**
Transactions with owners in their capacity as owners					
Shares issued during the year	54,598	-	-	-	54,598
Share plan shares cancelled/ released	(651)	-	1,752	-	1,101
Share based payments	-	-	-	2,693	2,693
Share issue expense	(3,170)	-	-	-	(3,170)
Balance at 30 June 2021	**99,837**	**(37,337)**	**(1,512)**	**9,342**	**70,330**

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $'000	2020 $'000
OPERATING ACTIVITIES			
Research and development tax credit received		374	232
Payments to suppliers and employees		(2,903)	(3,123)
Net cash flows used in operating activities	14	**(2,529)**	**(2,891)**
INVESTING ACTIVITIES			
Payments for exploration and evaluation		(199)	(744)
Interest received		2	3
Purchases of fixed assets		(7)	-
Proceeds of disposal of fixed assets		58	-
Net cash flows used in investing activities		**(146)**	**(741)**
FINANCING ACTIVITIES			
Proceeds from issue of shares		54,598	5,099
Capital raising costs for issue of shares		(3,170)	(150)
Repayment of share plan loans		1,101	-
Net cash flows from financing activities		**52,529**	**4,949**
Net increase in cash and cash equivalents held		49,854	1,317
Cash and cash equivalents at beginning of the year		2,779	1,462
Cash and cash equivalents at end of the year	6	**52,633**	**2,779**

The above statement should be read in conjunction with the accompanying notes.

1. COMPANY INFORMATION

The consolidated financial statements of EcoGraf Limited and its subsidiaries (collectively, "the consolidated entity") for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 23 September 2021.

EcoGraf Limited ("the Company" or "the parent") is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. It has activities in Australia and Tanzania, with the country of domicile being Australia and the registered office located in Australia.

The nature of the operations and principal activities of the consolidated entity are described in the directors' report. Information on the consolidated entity's structure is provided in note 22 and details of other related party relationships is provided in note 21.

2. BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis.

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Functional and presentational currency

These consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated in accordance with ASIC Corporations (Rounding In Financial/Directors' Reports) Instrument 2016/191.

	2021 $'000	2020 $'000
3. OTHER INCOME		
Research and development tax credit	374	231
Government COVID-19 cash boost	50	50
	424	**281**

	2021 $'000	2020 $'000
4. CONSULTANTS AND CONTRACTORS		
Accounting and administrative services	236	245
Downstream processing research, development and engineering	1,235	561
Fees to finance advisors	20	263
Legal	122	143
Public relations	179	220
Other	96	14
	1,888	**1,446**
5. INCOME TAX EXPENSE		
Reconciliation of tax benefit/expense and the accounting loss multiplied by Australia's domestic tax rate:		
Accounting loss before tax	(5,514)	(2,769)
At Australia's statutory income tax rate of 30.0% (2020: 30.0%)	(1,654)	(831)
Tax effect of amounts not deductible/ assessable	(48)	(69)
Benefit of tax losses and timing differences not brought to account as an asset	1,702	900
Income tax expense attributable to entity	-	-
Deferred income tax at balance date relates to the following:		
Deferred tax assets		
Tax losses available to offset against future taxable income	9,929	9,271
Total deferred tax asset	9,929	9,271
Deferred tax liabilities		
Exploration and evaluation assets	(5,471)	(5,412)
Deferred tax asset used to offset deferred tax liability	5,471	5,412
	-	-
Net deferred tax assets not brought to account	4,458	3,859

The benefit of deferred tax assets not brought to account will only be recognised if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised
- The conditions for deductibility imposed by tax legislation continue to be complied with
- No changes in tax legislation adversely affect the consolidated entity in realising the benefit.

	2021 $'000	2020 $'000
6. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	52,633	2,779
	52,633	**2,779**
7. OTHER RECEIVABLES		
Goods and services tax receivable [1]	388	36
Interest on term deposit	77	-
Security deposits	41	40
	506	**76**

(1) Non-interest bearing and generally on 14-day terms at the end of each quarter.

	2021 $'000	2020 $'000
8. EXPLORATION AND EVALUATION ASSET		
Exploration and evaluation expenditure carried forward:		
Carrying amount as at 1 July	18,039	17,292
Capitalised expenditure at cost	199	747
	18,238	**18,039**

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals, or the sale of the respective areas of interest. The Company is in discussion with the Government of Tanzania with respect to regulatory arrangements and approvals for the development of the Epanko Graphite Project, including mining licence conditions past due for the commencement of regular production. On 4 September 2018, the Mining Commission confirmed to the Company that it will be ready to renew the mining licence upon expiry of the licence period in 2025, provided that the requirements of section 53 of the *Mining Act 2010* are fulfilled.

The COVID-19 world-wide pandemic has not significantly affected the operating or financial activities of the Company at this stage of its development. Significant and prolonged pandemic lockdown conditions may impact development activities if not dealt with in future years. The Company has considered this in its assessment of impairment indicators for this class of assets and remains confident that operations and financial activities will not be significantly affected.

	2021 $'000	2020 $'000
9. TRADE AND OTHER PAYABLES		
Trade payables [1]	714	280
Accrued expenses	481	69
	1,195	**349**

(1) Trade creditors are non-interest bearing and are normally settled on 30-day terms.

	Plant & equipment office $'000	Plant & equipment field $'000	Motor Vehicles $'000	Furniture & equipment $'000	Leasehold assets $'000	Total $'000
10. PROPERTY, PLANT AND EQUIPMENT						
At cost	37	22	68	37	8	172
Accumulated depreciation	(23)	(18)	(45)	(27)	(4)	(117)
Net carrying amount	**14**	**4**	**23**	**10**	**4**	**55**
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year, is as follows:						
Balance at 30 June 2019	**14**	**8**	**145**	**16**	**6**	**189**
Additions	2	-	-	-	-	2
Disposals	(1)	-	-	-	(1)	(2)
Depreciation expense	(3)	(2)	(31)	(5)	-	(41)
Balance at 30 June 2020	**12**	**6**	**114**	**11**	**5**	**148**
Additions	7	-	-	-	-	7
Disposals	(1)	-	(85)	-	-	(86)
Depreciation expense	(4)	(2)	(6)	(1)	(1)	(14)
Balance at 30 June 2021	**14**	**4**	**23**	**10**	**4**	**55**

	2021 $'000	2020 $'000
11. CONTRIBUTED EQUITY		
449,833,459 (2020: 363,986,768) fully paid ordinary shares	99,837	49,060

	No. of shares	$'000
a) Ordinary shares		
At 30 June 2019	**292,620,967**	**44,852**
Share placement - October 2019	14,537,224	1,307
Issue of shares to consultant in lieu of cash - November 2019	555,556	50
Plan shares expired - October 2019	(2,050,000)	(489)
Plan shares forfeited - April 2020	(2,000,000)	(302)
Share placement - May 2020	24,615,385	1,600
Share purchase plan - June 2020	35,707,636	2,192
Capital raising costs	-	(150)
Balance at 30 June 2020	**363,986,768**	**49,060**
Plan shares expired - July 2020	(3,750,000)	(651)
Share placement - February 2021	90,996,691	54,598
Plan shares expired - April 2021	(2,000,000)	-
Incentive performance rights plan shares issued - June 2021	600,000	-
Capital raising costs	-	(3,170)
Balance at 30 June 2021	**449,833,459**	**99,837**

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

	2021 $'000	2020 $'000
12. RESERVES		
Share based payment reserve	9,342	6,649
Loan share reserve	(1,512)	(3,264)
	7,830	**3,385**
Movement in share-based payment reserve		
Balance at beginning of year	6,649	6,649
Share based payments	2,693	-
Balance at end of year	**9,342**	**6,649**
Movement in loan plan share reserve		
Balance at beginning of year	(3,264)	(4,055)
Plan shares expired/ released	1,752	791
Balance at end of year	**(1,512)**	**(3,264)**

Share based payments reserve

The reserve recognises the value of equity provided as remuneration to employees and also to other parties as compensation for services provided to the consolidated entity.

Plan share reserve

The reserve represents the non-cash nominal value of loan shares on issue to employees and is deducted from equity.

	2021 $'000	2020 $'000
13. ACCUMULATED LOSSES		
Balance at beginning of year	(31,823)	(29,054)
Loss for the year	(5,514)	(2,769)
Balance at end of year	**(37,337)**	**(31,823)**

	2021 $'000	2020 $'000
14. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with loss for the year		
Loss for the year	(5,514)	(2,769)
Adjustments for:		
Interest income	(79)	(3)
Depreciation	14	41
Loss on disposal of fixed assets	28	-
Share based payment expensed	2,693	-
Issue of shares to consultant in lieu of cash	-	50
Unrealised foreign exchange (gains) and losses	-	(1)
Changes in assets and liabilities:		
(Increase) / decrease in Other receivables	(525)	31
Increase / (decrease) in Trade and other payables	812	(259)
Increase in Employee provisions	42	19
Net cash flows used in operating activities	**(2,529)**	**(2,891)**

15. EXPENDITURE COMMITMENTS

Mineral tenements

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay rentals and to satisfy minimum expenditure requirements of $486,188 (2020: $27,594) over the next 12 months, in accordance with agreed work programs submitted over the Company's exploration licences. Financial commitments for subsequent periods are contingent upon future exploration results.

16. LOSS PER SHARE		
Data used in the basic loss per share computations:		
Loss for the year	(5,514)	(2,769)
Weighted average number of ordinary shares	394,298,531	304,867,963
Basic and diluted loss per share (cents)	(1.40)	(0.91)

Loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2021 $	2020 $
17. AUDITOR'S REMUNERATION		
Fees to RSM Australia Partners		
Fees for auditing the statutory financial reports of the consolidated entity	37,500	-
Fees for assurance services that are required by legislation to be provided by the auditor	2,500	-
Total fees to RSM Australia Partners	**40,000**	**-**
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial reports of the consolidated entity	-	42,912
Fees for assurance services that are required by legislation to be provided by the auditor	-	412
Fees for other services		
- Tax compliance	-	9,854
- Project financial modelling	-	39,449
Total fees to Ernst & Young (Australia)	**-**	**92,627**
Fees to other overseas member firms of Ernst & Young (Australia)		
Fees for auditing the financial report of any controlled entities	-	-
Fees for other services		
- Tax compliance	-	2,606
Total fees to overseas member firms of Ernst & Young (Australia)	**-**	**2,606**
Total auditor's remuneration	**40,000**	**95,233**

During the year RSM Australia Partners were appointed as auditor. This appointment was approved by shareholders at the Annual General Meeting on 25 November 2020.

The change of auditor occurred because the Company wished to separate audit services from the on-going tax and advisory services being offered by it's former auditor Ernst and Young. This approach preserves auditor independence and is consistent with good corporate governance.

18. SEGMENT INFORMATION

The consolidated entity reports one segment, graphite products, to the chief operating decision maker, being the Managing Director for the purposes of assessing performance and determining the allocation of resources.

Unless otherwise stated, all amounts reported to the chief operating decision maker are determined in accordance with accounting policies that are consistent with those adopted in this financial report.

Revenue by geographical region	Australia $'000	Tanzania $'000	Consolidated $'000
2021 Results			
Segment other income	503	-	503
Segment expenses			
Accounting and audit	(146)	(3)	(149)
Consultants and contractors	(1,757)	(131)	(1,888)
Employee benefits	(635)	-	(635)
Depreciation	(4)	(10)	(14)
Directors fees	(122)	-	(122)
Exploration and evaluation expensed	-	(103)	(103)
Information systems and technology	(21)	(4)	(25)
Listing and compliance	(128)	-	(128)
Office rental and outgoings	(120)	(4)	(124)
Other	(85)	(48)	(133)
Share based payments	(2,693)	-	(2,693)
Travel and accommodation	(2)	(1)	(3)
Unrealised foreign exchange loss	-	-	-
	(5,713)	(304)	(6,017)
Segment results	(5,210)	(304)	(5,514)

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Revenue by geographical region	Australia $'000	Tanzania $'000	Consolidated $'000
2020 Results			
Segment other income	284	-	284
Segment expenses			
Accounting and audit	(229)	(20)	(249)
Consultants and contractors	(970)	(476)	(1,446)
Employee benefits	(559)	(4)	(563)
Depreciation	(5)	(36)	(41)
Directors fees	(126)	-	(126)
Exploration & evaluation expensed	-	(138)	(138)
Information systems and technology	(64)	(12)	(76)
Listing and compliance	(74)	-	(74)
Office rental and outgoings	(151)	(6)	(157)
Other	(83)	(19)	(102)
Travel and accommodation	(72)	(7)	(79)
Unrealised foreign exchange loss	-	(2)	(2)
	(2,333)	(720)	(3,053)
Segment results	(2,049)	(720)	(2,769)

Assets by geographical region	Australia $'000	Tanzania $'000	Consolidated $'000
2021 Assets			
Property, plant and equipment	16	39	55
Exploration and evaluation assets	-	18,238	18,238
Segment non-current assets	16	18,277	18,293
Unallocated assets:			
Cash and cash equivalents			52,633
Other receivables			506
Prepayments			212
Total assets			**71,644**
2021 Liabilities			
Segment liabilities	(1,301)	(13)	(1,314)
Total liabilities			**(1,314)**

18. SEGMENT INFORMATION (CONTINUED)

Assets by geographical region	Australia $'000	Tanzania $'000	Consolidated $'000
2020 Assets			
Property, plant and equipment	15	133	148
Exploration and evaluation assets	-	18,039	18,039
Segment non-current assets	15	18,172	18,187
Unallocated assets:			
Cash and cash equivalents			2,779
Other receivables			76
Prepayments			39
Total assets			**21,081**
2020 Liabilities			
Segment liabilities	(428)	(31)	(459)
Total liabilities			**(459)**

19. SHARE BASED PAYMENTS

Incentive Performance Rights Plan

On 25 November 2020 shareholders approved the adoption of the Company's Incentive Performance Rights Plan, which is designed to assist with the recruitment, reward, retention and incentivisation of key personnel who possess the skills and experience to enable the Company to develop its graphite businesses and grow long-term shareholders value.

The Company is at a critical stage in its growth as it advances the new EcoGraf™ Battery Anode Material Facility and Epanko Graphite Mine to development and operations. The international graphite industry is also evolving rapidly to support the demand for lithium-ion batteries in electric vehicles and the retention of specialised skills is essential to the Company's future success.

To achieve this outcome, the Company believes that incentivising and rewarding performance and the achievement of key objectives through equity arrangements is the most effective remuneration structure because it preserves the Company's cash reserves and aligns the interests of personnel with those of all shareholders.

Short-Term Incentive

Under the short-term incentive arrangements, eligible participants may earn performance rights for the achievement of pre-determined key performance measures each year, with the determination of the amount, if any, made after the end of each year, by multiplying the individual's assessed key performance score by the applicable percentage of their fixed annual remuneration. The number of performance rights, if any, to be earned under the short-term incentive is calculated by dividing the short-term incentive amount by the volume weighted average price of the Company's shares during the applicable financial year. To promote alignment and retention, if any performance rights are allocated, the individual will not be able to dispose of the shares received on exercise of the performance rights for a period of 12 months from the end of the financial year for which they were awarded. Upon exercise, each performance right will entitle the eligible participant to receive one ordinary share in the Company.

Long-Term Incentive

The long-term incentive arrangements involve the offer of performance rights to eligible participants which are subject to pre-determined performance conditions that are required to be achieve prior to vesting. The performance conditions are set to promote achievement of the Company's key strategic objectives. Subject to the achievement of the specified performance conditions, upon exercise each performance right will entitle the eligible participant to receive one ordinary share in the Company. The number of performance rights offered to an individual is determined by reference to equity incentives offered by similar companies and the potential for the individual, through their position, skills and experience, to create long-term shareholder value.

During the year ended 30 June 2021 a total of 8,550,000 performance rights were issued. (2020: Nil).

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, incentive performance rights during the year:

	2021 Number	2021 WAEP	2020 Number	2020 WAEP
Outstanding at 1 July	-	-	-	-
Granted during the year	8,550,000	0.3150	-	-
Forfeited during the year	-	-	-	-
Vested during the year	8,550,000	0.3150	-	-
Expired during the year	-	-	-	-
Outstanding at 30 June	**8,550,000**	**0.3150**	**-**	**-**

Valuation: Share Based Payment Expense

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	20/01/2021
Expiry date	19/01/2026
Share price at grant date	$0.315
Vesting date	22/03/2021
Expected volatility	110%
Dividend yield	Nil
Risk-free rate	0.375%
Number of performance rights	8,550,000
Fair value for each right	$0.315
Amount recognised as share-based payment expense	$2,693,250

Share Plans

Plan shares are issued to directors and employees in recognition of their performance with the Company and as incentive remuneration under the respective director and employee share plans (together the "Share Plans"). The terms and conditions of the Share Plans are identical, other than in respect of who is eligible to participate in each plan. Plan shares are issued at the discretion of the Board.

Under the Share Plans, eligible directors and employees are offered plan shares in the Company at prices determined by the Board, which has the discretion to impose conditions on the shares issued under the Share Plans and may also grant a loan, in the form of a non-cash credit facility, to a participant for the purposes of subscribing for plan shares. Shares issued via loan facility may not be granted at less than the volume weighted average price of the Company's shares during the 5 trading days up to and including the date of acceptance and are escrowed as security until the loan has been fully repaid, via cash payment and/or the sale of the plan shares. If the loan is repaid by the sale of shares, any surplus on sale is remitted to the participant and any shortfall is borne by the consolidated entity.

There were no plan shares issued during the year ended 30 June 2021 (2020: Nil).

19. SHARE BASED PAYMENTS (CONTINUED)

Share Plans (continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, plan shares during the year:

	2021 Number	2021 WAEP	2020 Number	2020 WAEP
Outstanding at 1 July	**18,250,000**	**0.1789**	**22,300,000**	**0.1818**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(2,000,000)	0.1509
Exercised during the year	(5,000,000)	0.2205	-	-
Expired during the year	(3,750,000)	0.1736	(2,050,000)	0.2384
Outstanding at 30 June	**9,500,000**	**0.1590**	**18,250,000**	**0.1789**

20. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Names and positions of key management personnel in office at any time during the financial year:

Robert Pett Non-Executive Chairman
John Conidi Non-Executive Director
Andrew Spinks Managing Director
Howard Rae Executive Director – Finance and Company Secretary

b) Key management personnel remuneration

Aggregate compensation of key management personnel of the consolidated entity:

	2021 $'000	2020 $'000
Short term employee benefits	715	1,038
Post-employment benefits	56	54
Long term employee benefits	2	(1)
Share based payments (non-cash)	1,906	-
	2,679	**1,091**

Detailed information about the remuneration received by key management personnel is provided in the remuneration report on pages 25 to 32.

21. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms.

Ultimate parent

EcoGraf Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report in the directors' report.

Transactions with related parties

The following transactions were undertaken with key management personnel during the year ended 30 June 2021.

Robert Pett is a director and shareholder of the following related party entity which transacted with the consolidated entity.

Entity	Services provided	2021 $'000	2020 $'000
Prevelly Holdings Pty Ltd	Consultancy services	-	14

22. CONSOLIDATED ENTITY INFORMATION

Information about subsidiaries

The financial statements of the consolidated entity include the following subsidiaries:

		Percentage owned (%)	
	Country of incorporation	2021	2020
Tanzanian Exploration Company Pty Ltd	Australia	100	100
TanzGraphite Pty Ltd	Australia	100	100
TanzGraphite (AUS) Pty Ltd	Australia	100	100
EcoGraf (Australia) Pty Ltd	Australia	100	100
Westoz Technologies Pty Ltd	Australia	100	100
EcoGraf (Mauritius) Limited	Mauritius	100	100
EcoGraf (Tanzania) Limited	Tanzania	100	100
TanzGraphite Technologies Limited	Tanzania	100	100
TanzGraphite (TZ) Limited	Tanzania	100	100
TanzGraphite Exploration (TZ) Limited	Tanzania	100	100

23. PARENT INFORMATION

EcoGraf Limited	2021 $'000	2020 $'000
Current assets	53,311	2,874
Non-current assets	18,320	25,830
Total assets	71,631	28,704
Current liabilities	1,281	408
Non-current liabilities	20	20
Total liabilities	1,301	428
Net assets	**70,330**	**28,276**
Equity		
Contributed equity	99,837	49,060
Share based payment reserve	9,342	6,649
Loan share reserve	(1,512)	(3,264)
Accumulated losses	(37,337)	(24,169)
Total equity	**70,330**	**28,276**
Loss of the parent entity	(5,210)	(2,049)
Total comprehensive loss of the parent entity	(5,210)	(2,049)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity did not have any guarantees at 30 June 2021 or 30 June 2020.

Contingent liabilities

The parent entity did not have any contingent liabilities at 30 June 2021 or 30 June 2020.

Capital commitments

The parent entity did not have any capital commitments at 30 June 2021 or 30 June 2020.

Significant accounting policies

The parent entity's financial information has been prepared using the same basis, including the accounting policies, as the consolidated entity.

24. FINANCIAL INSTRUMENTS

The consolidated entity is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk.

The consolidated entity's financial instruments consist of cash and deposits with banks, accounts receivable and accounts payable. No trading in any financial instruments is undertaken.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 26. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

The main risks arising from the consolidated entity's financial instruments are foreign currency risk, interest rate risk, liquidity risk and credit risk. The Board determines policies for managing each of these risks and they are summarised below.

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk also arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency other than the consolidated entity's functional currency. The consolidated entity operates internationally and is exposed to foreign exchange risk arising from currency exposures to the USD, EUR, TZS and GBP.

The carrying amount, in Australian dollars of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Cash and cash equivalents		Trade and other payables	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
USD	28	1	7	-
EUR	-	-	5	22
TZS	7	12	-	15
GBP	-	-	88	86
Total	**35**	**13**	**100**	**123**

The financial impact of a 10% change in the Australian dollar exchange rate on the consolidated entity is as follows:

	Appreciation in AUD exchange rate			Depreciation in AUD exchange rate		
	% change	Effect on loss before tax	Effect on equity	% change	Effect on loss before tax	Effect on equity
2021	10%	$6,841	$6,841	10%	$(6,841)	$(6,841)
2020	10%	$10,374	$10,374	10%	$(10,374)	$(10,374)

The assumed percentage change used in the above analysis is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations, taking into consideration movements during the year and the spot rate at each reporting date.

24. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The consolidated entity's exposure to market risk for changes in interest rates arises from holding cash and deposits. Funds held in operating accounts and term deposits earned variable interest at rates ranging between 0% to 0.45% (2020: 0% to 1.35%), depending on the type of bank account and cash balance. The consolidated entity does not have interest-bearing loans or borrowings.

The interest-bearing financial instruments held by the consolidated entity are:

	30 June 2021 $'000	30 June 2020 $'000
Cash and cash equivalents	52,633	2,779

A change of 1% in the variable interest rate at the reporting date would have an impact on the consolidated entity profit and loss and equity of $526,000 (2020: $28,000) assuming all other variables remain constant.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as and when they fall due. The consolidated entity manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring actual and forecast cash flows and by matching the maturity profiles of its financial assets and liabilities.

The following table sets out the contractual maturity of the consolidated entity's financial instrument liabilities based on undiscounted cash flows.

	Carrying amount $'000	Contractual cash flows $'000	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000 s	Over 5 years $'000
2021						
Trade and other payables	1,195	1,195	1,195	-	-	-
2020						
Trade and other payables	349	349	349	-	-	-

Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. The consolidated entity is exposed to credit risk from its bank deposits and other receivables as disclosed in the statement of financial position. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any consolidated entity of counterparties having similar characteristics.

The credit risk on liquid funds is managed through the use of counterparty banks with acceptable credit-ratings assigned by international credit-rating agencies. (S+P Australian AA-, Tanzanian B).

Holdings by geographical region	Australia $'000	Tanzania $'000	Total $'000
Cash and cash equivalents	52,599	34	52,633
Other receivables	506	-	506
	53,105	34	53,139

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 6 and 7.

Fair value measurement

The carrying amounts of Other receivables and Trade and other payables are assumed to approximate their fair values due to their short-term nature.

25. EVENTS AFTER BALANCE DATE

There have been no events that have arisen between 30 June 2021 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

26. SIGNIFICANT ACCOUNTING POLICIES

a) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only, and information about the parent entity is disclosed in note 23.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with its subsidiaries and has the ability to affect those returns through its capacity to direct the activities of its subsidiaries.

Specifically, the consolidated entity controls a subsidiary if, and only if, the consolidated entity has:

- power over the subsidiary (i.e., existing rights that give it the current ability to direct the relevant activities of the subsidiary)
- exposure, or rights, to variable returns from its involvement with the subsidiary
- the ability to use its power over the subsidiary to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the consolidated entity has less than a majority of the voting or similar rights of an subsidiary, the consolidated entity considers all relevant facts and circumstances in assessing whether it has power over a subsidiary, including:

- the contractual arrangement(s) with the other vote holders of the subsidiary
- rights arising from other contractual arrangements
- the consolidated entity's voting rights and potential voting rights.

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of consolidation (continued)

The consolidated entity re-assesses whether or not it controls an entity if facts and circumstances indicate that there is a change to the elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the consolidated entity gains control until the date the consolidated entity ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to align to their accounting policies with the consolidated entity. All consolidated entity assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the consolidated entity are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

c) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the consolidated entity operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax liabilities are provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

d) Exploration and development expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development of an area of interest, or by its sale, or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written-off in the year in which the decision is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. (Refer to note 26g).

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the permits. Such costs are determined using estimates of future costs, current legal requirements and applicable technology on a discounted basis.

Payments for exploration and evaluation expenditure are recorded net of any government grants.

e) Operating segments

Operating segments are presented on the same basis as the internal reports provided to the chief operating decision maker who is responsible for the allocation of resources to operating segments and for assessing their performance.

f) Property plant & equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property plant & equipment is recorded at the value directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the amounts recoverable on the basis of net cash flows that are expected to be received from the employment and subsequent disposal of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Property plant & equipment (continued)

Depreciation

The depreciable amount of all fixed assets including any buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives, commencing from the time the asset is held ready for use as follows:

Plant and equipment office	8 years
Plant and equipment field	2–5 years
Motor vehicles	5 years
Furniture and equipment	4 years
Leasehold assets	3 years

Residual values of the assets and their useful lives are reviewed and if necessary adjusted, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the profit and loss component of the statement of comprehensive income.

g) Impairment of non-financial assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss component of the consolidated statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Foreign currency transactions and balances

Transactions and balances

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction and foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction and non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss component of the statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

Subsidiaries

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. Exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

i) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees up to reporting date. Short term employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long term employee benefits have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees and directors.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If a non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation.

If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

j) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

ii. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

iii. Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

m) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the consolidated entity expects to be entitled in exchange for those goods or services.

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

All revenue is stated net of the amount of goods and services tax (GST).

n) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

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.

p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of EcoGraf Limited, 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 any bonus elements in ordinary shares issued during the financial year.

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 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.

q) Government grants

Government grants are recognised where they can be reliably measured, it is certain that the grant will be received, and all attached conditions will be satisfied. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which it is intended to compensate, are expensed. When the grant relates to an asset, it is offset against the capitalised amount and recognised as income in equal amounts over the expected useful life of the related asset (when the asset is depreciated).

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and generated internally by the consolidated entity.

Key estimates — impairment

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Recoverability of exploration and evaluation costs

The consolidated entity assesses the recoverability of the carrying value of capitalised exploration and evaluation costs at each reporting date (or at closer intervals should the need arise). In completing this assessment, regard is had to the consolidated entity's intentions with regard to proposed future exploration and development plans for individual exploration areas, to the success or otherwise of activities undertaken in individual areas in recent times, to the likely success of future planned exploration activities and to any potential plans for divestment of individual areas. Any required adjustments to the carrying value of capitalised exploration are completed based on the results of this assessment.

Share-based payment transactions

The consolidated entity measures the cost of shares and performance rights issued to directors, employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of unlisted performance rights is determined using either the binomial or Black-Scholes pricing model, taking into account the terms and conditions upon which the instruments were granted.

s) Leases policy

The consolidated entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Consolidated entity as a lessee

The consolidated entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The consolidated entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The consolidated entity 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.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives. If ownership of the leased asset transfers to the consolidated entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

s) Leases policy (continued)

ii) Lease liabilities

At the commencement date of the lease, the consolidated entity 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 consolidated entity and payments of penalties for terminating the lease, if the lease term reflects the consolidated entity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

t) New accounting standards and interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

27. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the consolidated entity. The standards and interpretations that were issued but not yet effective are set out below. The consolidated entity is in the process of considering the impact of the new standards. Unless stated otherwise below, the potential effects of the following standards and interpretations have not yet been fully determined.

The list below is considered those relevant to the consolidated entity.

27. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Standard or Pronouncement	Description	Who does it affect?	Effective date
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	This amending standard makes narrow scope amendments to a number of standards: - AASB 1: to simplify its application by a subsidiary that becomes a first-time adopter *after its parent* in relation to the measurement of cumulative translation differences; - AASB 3: updating the reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; - AASB 9: clarifying which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; - AASB 116: requiring an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use, and the related cost, in profit or loss, instead of deducting the amounts received from the cost of the asset; and - AASB 137: specifying the costs that an entity includes when assessing whether a contract will be loss-making.	All entities	Annual reporting periods beginning on or after 1 January 2022
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	This narrow-scope amendment to AASB 101 Presentation of Financial Statements clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period; and also clarifies the definition of settlement of a liability. For example, a liability must be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.	All entities	Annual reporting periods beginning on or after 1 January 2023.

Standard or Pronouncement	Description	Who does it affect?	Effective date
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	This amending Standard impacts a number of standards: - AASB 7: clarifying that information about measurement bases for financial instruments is expected to be *material to an entity's financial statements;* - AASB 101: requiring entities to disclose their material accounting policy information rather than their significant accounting policies; - AASB 108: clarifying *how* entities should distinguish changes in accounting policies and changes in accounting estimates; - AASB 134: identifying material accounting policy information as a component of a complete set of financial statements; and - AASB Practice Statement 2, providing guidance on how to apply the concept of materiality to accounting policy disclosures.	All entities	Annual reporting periods beginning on or after 1 January 2023

DIRECTORS' DECLARATION

In the directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:

   a) Comply with accounting standards and the Corporations Regulations 2001; and

   b) Give a true and fair view of the financial position at 30 June 2021 and of the performance for the year ended on that date.

2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Andrew Spinks
Managing Director

Perth, 23 September 2021

RSM

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ECOGRAF LIMITED

Opinion

We have audited the financial report of EcoGraf Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 the Group is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) 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 Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of 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 been given to the 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.

RSM

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 period. 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 separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Asset Refer to Note 8 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $18,238,000 as at 30 June 2021. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: • Determination of whether the exploration and evaluation expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • Assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined; and • Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss.	Our audit procedures included: • Ensuring that the right to tenure of the area of interest was current; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Assessing and evaluating management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined; and • Assessing and evaluating management's assessment of whether indicators of impairment existed at the reporting date.
Share-Based Payments Refer to Note 19 in the financial statements	
During the year, the Group issued 8,550,000 performance rights. Management have accounted for these instruments in accordance with AASB 2 *Share-based Payment*. We have considered this to be a key audit matter because: • The complexity in valuing these instruments; and • The recognition of the share-based payment expense is complex due to the variety of vesting conditions attached to these instruments.	Our audit procedures included: • Obtaining an understanding of the terms and conditions of the instruments issued; • Reviewing the completeness of the instruments issued at reporting date; • Reviewing management's valuation methodology; • Reviewing the key inputs used in the valuation model; • Recalculating the value of the share-based payment expense to be recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2021; and • Reviewing the appropriateness of disclosures in the financial statements.

RSM

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the 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 Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

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 the 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/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

AUDITOR'S REPORT

RSM

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of EcoGraf Limited, for the year ended 30 June 2021, 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.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 23 September 2021

DETAILS OF SECURITIES AS AT 10 SEPTEMBER 2021

CAPITAL STRUCTURE

Securities	Number
Fully paid ordinary shares	449,833,459
Performance rights subject to vesting conditions and expiring on 19 January 2026	7,950,000

TOP 20 HOLDERS OF ORDINARY SHARES

The 20 largest registered holders of fully paid ordinary shares were:

Rank	Name	Number of Ordinary Shares held	% of issued capital
1	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	105,738,089	23.51
2	CITICORP NOMINEES PTY LIMITED	46,124,800	10.25
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,819,181	6.85
4	DR PETER DENNETT MEIER & MRS LYNETTE SUZANNE MEIER	10,533,340	2.34
5	NATIONAL NOMINEES LIMITED	7,668,212	1.70
6	MR ANDREW PETER SPINKS	6,640,088	1.48
7	BNP PARIBAS NOMS PTY LTD	6,523,637	1.45
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,228,129	0.94
9	REINDEER INVESTMENTS PTY LIMITED	3,257,692	0.72
10	MR KOSTA TRAJKOVSKI & MRS SUSANNE TRAJKOVSKI	3,191,525	0.71
11	CORNWALL HOLDINGS PTY LTD	3,179,615	0.71
12	LAX CONSULTING PTE LTD	3,039,318	0.68
13	BCV NOMINEES PTY LTD	3,000,000	0.67
14	MR YINGJIE CHEN	2,900,000	0.64
15	MR NICHOLAS BOLGER	2,645,881	0.59
16	ANDREW SPINKS	2,575,000	0.57
17	PHELPS HILL INVESTMENTS PTY LTD	2,460,000	0.55
18	ANDREW SPINKS	2,429,434	0.54
19	MR NICOLA CONIDI & MRS GIANNINA CONIDI	2,401,417	0.53
20	MRS LORRAINE ATKINSON	2,369,437	0.53
	Total	**251,724,795**	**55.96**

SHAREHOLDER INFORMATION

DETAILS OF SECURITIES AS AT 10 SEPTEMBER 2021

For personal use only

DISTRIBUTION OF LISTED SECURITIES

A distribution schedule of fully paid ordinary shares:

Range	Holders	Number of Shares	%
100,001 and Over	345	375,550,113	83.49
10,001 to 100,000	1,772	56,999,899	12.67
5,001 to 10,000	1,214	9,602,268	2.13
1,001 to 5,000	2,527	6,972,145	1.55
1 to 1,000	1,014	709,034	0.16
Total	**6,872**	**449,833,459**	**100.00**

UNMARKETABLE PARCELS

Holdings less than a marketable parcel of ordinary shares (being 591 shares as at 10 September 2021):

Holders	Number of Shares
284	86,393

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
First Sentier Investor Holdings Pty Ltd and its related bodies corporate	33,781,166
Paradice Investment Management Pty Ltd	23,158,090

UNQUOTED SECURITIES

Unquoted securities on issue were as follows:

Class	Expiry Date	Number of Rights	Number of Holders
Performance rights	19 January 2026	7,950,000	8

The Performance rights are subject to performance milestones and were issued under the Incentive Performance Rights Plan.

VOTING RIGHTS

The voting rights attaching to ordinary shares are:

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Performance rights do not carry any voting rights.

ON-MARKET BUY BACK

There is no current on-market buy-back.

SUMMARY OF TENEMENTS

MINERAL TENEMENTS

Consolidated entity's 100% interest:

Licence	Area (km²)	Location
ML 548/2015	9.62	Mahenge, Tanzania
PL 7907/2012[1]	26.42	Merelani-Arusha, Tanzania
PL 17824/2021	35.31	Mahenge, Tanzania
PL 9331/2013	2.76	Mahenge, Tanzania
PL 10092/2014	23.23	Merelani-Arusha, Tanzania
PL 10388/2014	2.57	Mahenge, Tanzania
PL 10390/2014	2.81	Mahenge, Tanzania
PL 10872/2016	2.60	Simanjiro, Tanzania
PL 17823/2021	4.50	Mahenge, Tanzania
PL 11081/2017	2.08	Simanjiro, Tanzania
PL 11082/2017	20.77	Simanjiro, Tanzania
PL 11143/2017	2.62	Simanjiro, Tanzania
PL 11196/2018	46.72	Simanjiro, Tanzania
PL 11386/2019	6.73	Simanjiro, Tanzania
PL 11598/2021	23.45	Mahenge, Tanzania
PL 11600/2021	2.49	Mahenge, Tanzania
PL 11668/2021	229.48	Kagera-Negara, Tanzania
PL 11667/2021	299.90	Kagera-Biharamu, Tanzania

1 *Tenement conversion in progress*

MINERAL RESOURCE STATEMENT

Epanko Graphite Project Mineral Resource Estimate

	30 June 2021			30 June 2020		
Classification	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)
Measured	7.5	9.8	738.9	7.5	9.8	738.9
Indicated	12.8	10.0	1,280.0	12.8	10.0	1,280.0
Inferred	10.4	9.9	1,030.6	10.4	9.9	1,030.6
Total	**30.7**	**9.9**	**3,049.5**	**30.7**	**9.9**	**3,049.5**

Notes

- *The Epanko and Merelani-Arusha Graphite Projects are located in Tanzania.*
- *Totals may not sum due to rounding.*
- *Mt = 1,000,000 tonnes.*
- *Tonnage figures have been rounded to the nearest 1,000 and % TGC grades have been rounded to 1 decimal place.*
- *Mineral Resources are quoted from blocks where the TGC grade is greater than 8%.*

Merelani–Arusha Graphite Project Mineral Resource Estimate

	30 June 2021			30 June 2020		
Classification	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (Kt)
Measured	7.4	6.7	500.0	7.4	6.7	500.0
Inferred	10.3	6.3	650.0	10.3	6.3	650.0
Total	**17.7**	**6.5**	**1,150.0**	**17.7**	**6.5**	**1,150.0**

Notes

- *The Epanko and Merelani-Arusha Graphite Projects are located in Tanzania.*
- *Totals may not sum due to rounding.*
- *Mt = 1,000,000 tonnes.*
- *Tonnage figures have been rounded to the nearest 1,000 and % TGC grades have been rounded to 1 decimal place.*
- *Mineral Resources are quoted from blocks where the TGC grade is greater than 8%.*

Competent Persons' Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Andrew Spinks, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy and is employed by EcoGraf Limited. Mr. Spinks has 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". Mr. Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr. David Williams, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy and is employed by CSA Global Pty Ltd, an independent consulting company. Mr. Williams has 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". Mr. Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves has been compiled by Mr. Steve O'Grady who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. O'Grady is employed by Intermine Engineering and produced the Ore Reserve estimate based on data and geological information supplied by Mr. Williams. Mr. O'Grady has sufficient experience that is relevant to the estimation, assessment, evaluation, and economic extraction of the Ore Reserve that 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". Mr. O'Grady consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MINERAL RESOURCE ESTIMATION - GOVERNANCE STATEMENT

EcoGraf 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. EcoGraf 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.

CORPORATE DIRECTORY

DIRECTORS

Robert Pett	Non-Executive Chairman
Andrew Spinks	Managing Director
John Conidi	Non-Executive Director
Howard Rae	Executive Director - Finance

COMPANY SECRETARY

Howard Rae

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STOCK EXCHANGE LISTINGS

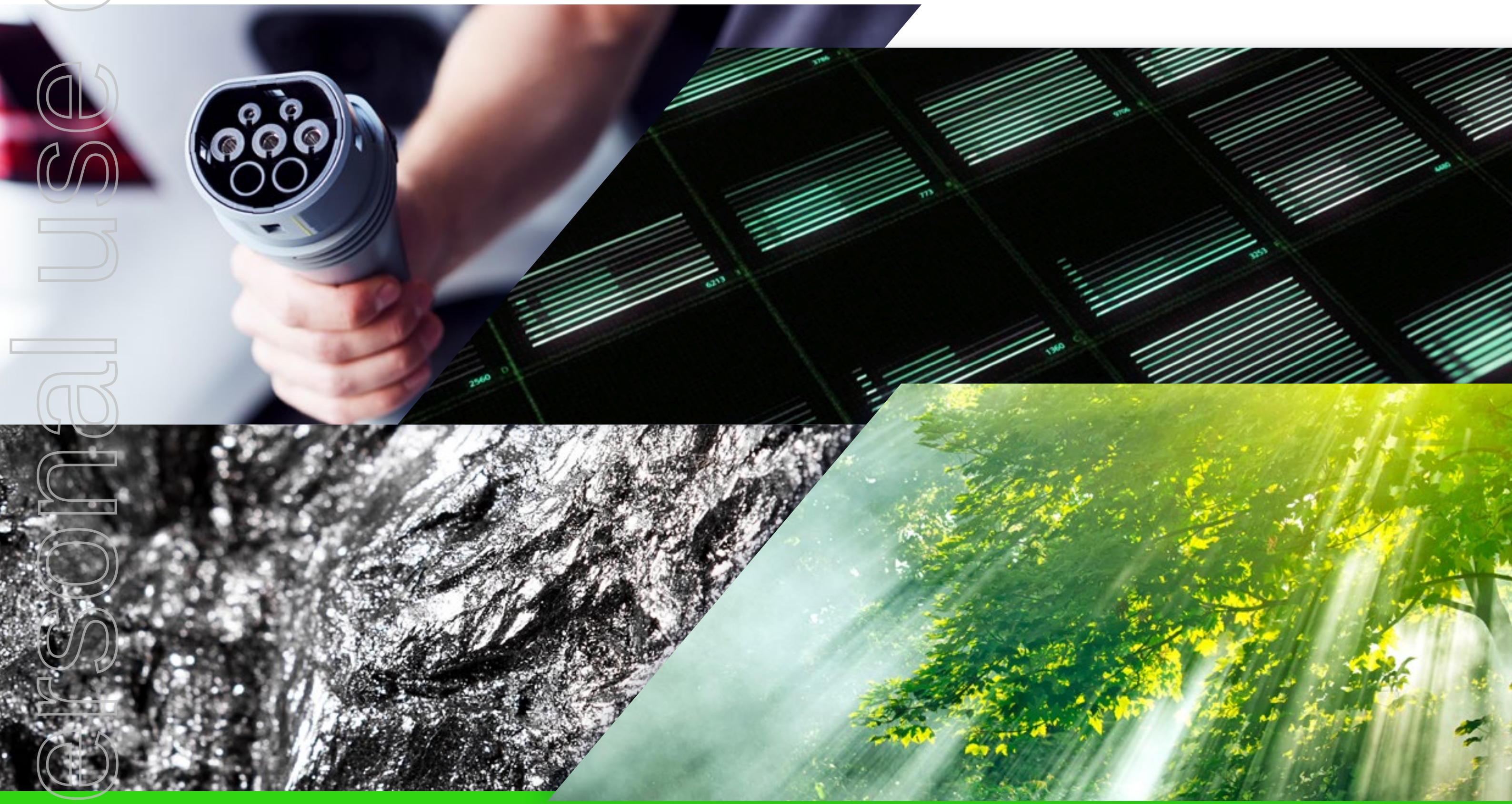
Australian Securities Exchange
ASX Code: EGR

Frankfurt Stock Exchange (Börse Frankfurt)
FSE Code: FMK

OTCQX Stock Exchange
OTCQX Code: ECGFF

Fully paid ordinary shares

EcoGraf™



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