ABN 15 117 330 757

ANNUAL REPORT 2022

EXTRACT UPGRADE RECYCLE

EcoGraf™

Founded on a commitment to innovation and sustainability, we are working towards a clean energy future

EXTRACT

TanzGraphite Natural Graphite Projects

Advanced, high quality, long life Epanko and Merelani-Arusha Graphite Projects

UPGRADE

HF*free* Battery Anode Material Facility

Production of battery anode material for the lithium-ion battery market

RECYCLE

EcoGraf™ Anode Material Recycling

Proprietary purification technology with sector leading ESG credentials

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CHAIRMAN'S LETTER

We are living in interesting times. With geopolitical upheaval, supply chain disruptions, inflation and fear of recession, it is surely a challenging and uncertain business environment.

But despite this, there is one certainty. That is, the continued and rapid investment growth in e-mobility and battery manufacturing, particularly in the European, North American and East Asian markets.

Moreover, after years of industry focus on the supply of cathode minerals there has been a market shift to concern over reliable and sustainable supply of anode materials, particularly natural flake graphite. As one of our customers recently commented, *"we are facing a wall of demand for high quality, sustainable natural flake graphite."*

There are a number of factors influencing this graphite market, especially as it relates to demand from EcoGraf's target markets in Europe, North America and East Asia, including:

+ A shift from synthetic graphite, produced from costly and high emission hydrocarbons, to natural flake graphite
+ A lack of new high quality, low cost and reliable natural flake graphite supply emerging
+ The imperative by EV manufacturers for an environmentally sustainable and ethically produced supply chain, from mine to motor car
+ The necessity for secure, reliable and long-term materials supply, particularly considering recent geopolitical upheavals and supply chain disruptions
+ Pressure on EV and battery manufacturers to provide recycling solutions for end-of-life batteries.

It has been our primary objective to:

+ understand this emerging market
+ accommodate the growing demand with an integrated business plan that meets customer requirements
+ become the preferred supplier of sustainably and ethically produced natural flake graphite and graphite products for the EV and other markets, and
+ provide recycling solutions for production anode scrap and end of life batteries.

A key platform for our business is the Epanko Graphite Mine in Tanzania. An enormous amount of time and money has been invested in this project and it is very pleasing to see the considerable progress that has been made in recent times towards its imminent development. This project ticks all the boxes that our customers are seeking for the extraction of graphite, including:

+ It is one of the highest quality natural flake graphite projects in the world. This is fundamental to competitive graphite supply. It not only guarantees high quality end products, but also minimizes the cost structure all the way from the mine to each final product
+ It is a large, long-life project with forty plus years mine life in a stable jurisdiction providing transforming and life changing benefits to the local and Tanzanian economy
+ It has low technical risk, having been exposed to rigorous feasibility studies and intensive bank due diligence independently conducted by international group SRK Consulting (UK). Perhaps the only emerging graphite project exposed to such independent scrutiny
+ Enormous effort and investment have been made to ensure that its ESG credentials are pre-eminent with over twenty comprehensive environmental, social and safety studies and management plans incorporated into the project planning. Epanko adheres to the highest ESG standards, complies with Equator Principles and fully satisfies IFC and World Bank Group Environmental, Health and Safety Guidelines, and
+ And most importantly, the Project has very robust economics and excellent growth potential.

High level discussions have been taking place with the government of Tanzania and a framework agreement to facilitate construction is imminent. At the same time our financiers have been re-engaged.

In response to the increasing graphite demand, GR Engineering has been commissioned to provide updated capital estimates and expansion options for the Project. This is well advanced.

The Company is also examining the feasibility of shaping graphite in Tanzania to produce unpurified spherical graphite. The idea of a global hub for shaping graphite, prior to purification, potentially has significant strategic and cost advantages. It has potential to not only reduce cost along the production chain but also to satisfy longer term and increasing customers preferences for production of battery graphite close to their manufacturing facilities.

Upgrading our natural flake graphite through downstream processing to produce battery graphite and other products has been an integral part of our business plan, with the key objective of developing an alternative but environmentally friendly process to produce purified spherical graphite for battery anodes. The thrust over the last year has been to establish the first battery anode material facility in Western Australia.

The original EcoGraf™ Battery Anode Material Facility stage 1: 5,000tpa followed by stage 2: 20,000tpa production model will now be replaced by a single-phase ~25,000tpa development and a simplified commercial development model will be supported by a new stage 1 product qualification facility.

At the same time, global expansion is planned with discussions being held with battery industry customers and government agencies for further overseas facilities, co-located to provide local supply and support manufacturing growth. Consideration is being given to supplying such facilities with unpurified spherical graphite from a central shaping hub.

The clean, green future promised by e-mobility is tarnished without recycling of end-of-life batteries.

Considerable investment has been made in battery recycling to recover cathode minerals, nickel, cobalt, lithium etc., but little attention has been paid to recycling of anodes. EcoGraf™ has been able to apply its HFfree purification process for recycling of battery graphite with outstanding results. Testing has confirmed that the resulting electrochemical performance of recycled material matches that of brand-new anode graphite.

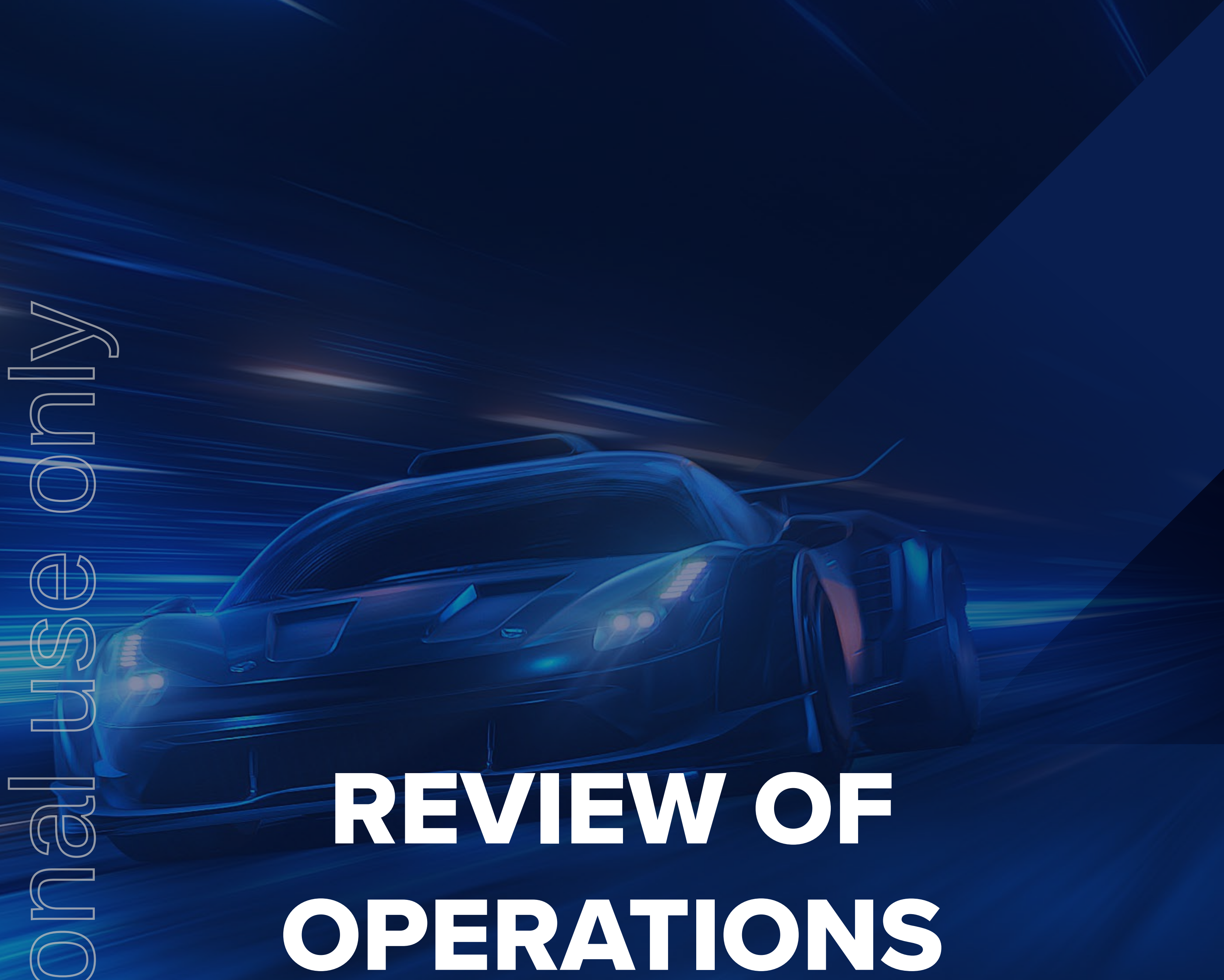
Along with extraction, product upgrading this recycling solution provides electric vehicle manufacturers with the opportunity to achieve closed loop materials usage and minimize their environmental footprint through zero-waste from batteries. This is a key objective for all manufacturers in our target markets and this EcoGraf™ initiative is receiving huge interest.

I am pleased to report that, as the focus of manufacturers has shifted to the anode supply chain and their needs begin to be crystallised, the Company has been inundated with interest and enquiries across all aspects of our business.

We are excited about the opportunities that are emerging, and we are continuing to adapt our business plans to directly cater to the emerging market and customer requirements. The team at EcoGraf™ is expanding accordingly and the work effort increasing. Your Company remains in a sound financial position with strong financing support from both private and government sectors.

Thank you to our shareholders for your continuing support.

Robert Pett
Chairman



REVIEW OF OPERATIONS

OVERVIEW

EcoGraf is building a vertically integrated battery anode material business to produce high purity graphite products for the lithium-ion battery markets in Asia, Europe and North America. Over US$30 million has been invested to date to create highly attractive mining and mineral processing graphite businesses.

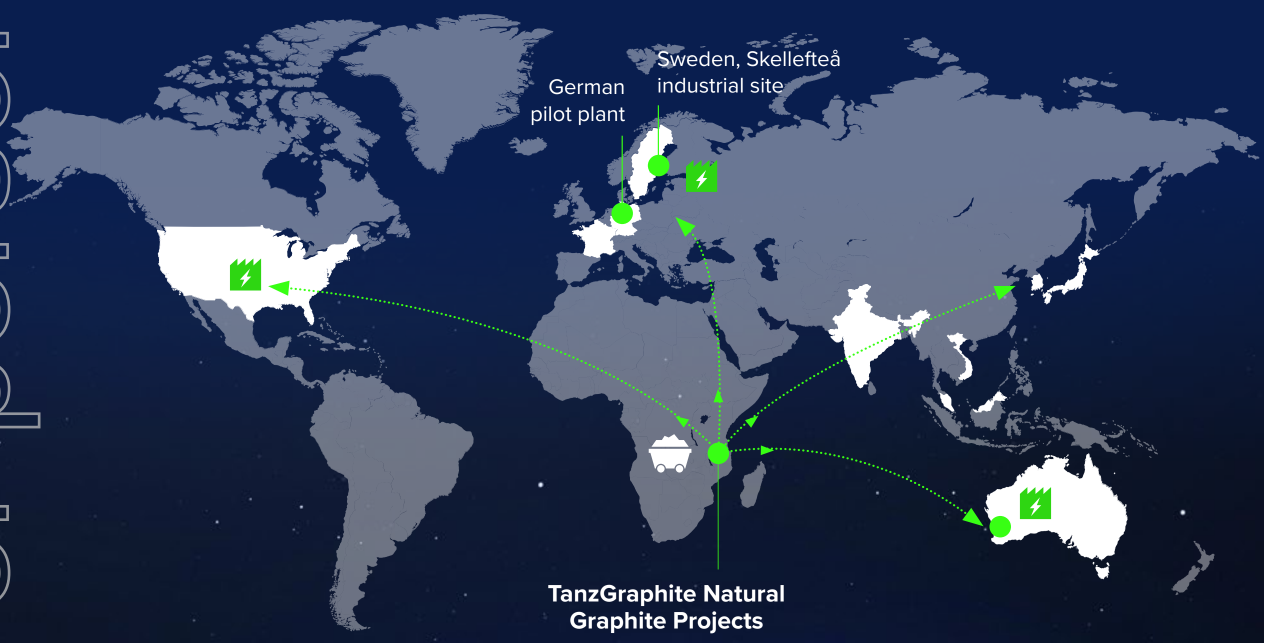
In Tanzania, the Company is developing the TanzGraphite natural flake graphite business, commencing with the Epanko Graphite Project, to provide a long-term, scalable supply of feedstock for the EcoGraf™ battery anode material processing facilities, together with high quality large flake graphite products for industrial applications.

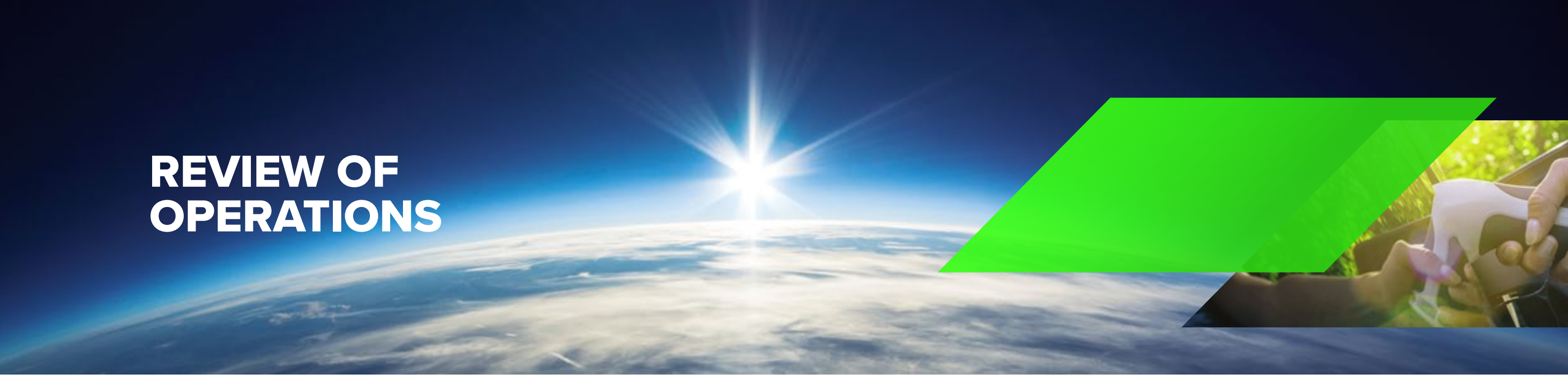
Using a superior, environmentally responsible EcoGraf HFfree™ purification technology, the Company plans to produce high performance battery anode material to support electric vehicle, battery and anode manufacturers in Asia, Europe and North America as the world transitions to clean, renewable energy.

In addition, EcoGraf's breakthrough recovery of battery anode material using its EcoGraf™ purification process will enable battery supply chain customers to reduce their CO_2 emissions and lower battery costs.

Natural graphite is forecast to remain the major raw material in the lithium-ion battery, supporting the Company's scale-up and expansion plans.

EcoGraf is building a vertically integrated battery anode material business to produce high purity graphite products for the lithium-ion battery markets





REVIEW OF OPERATIONS

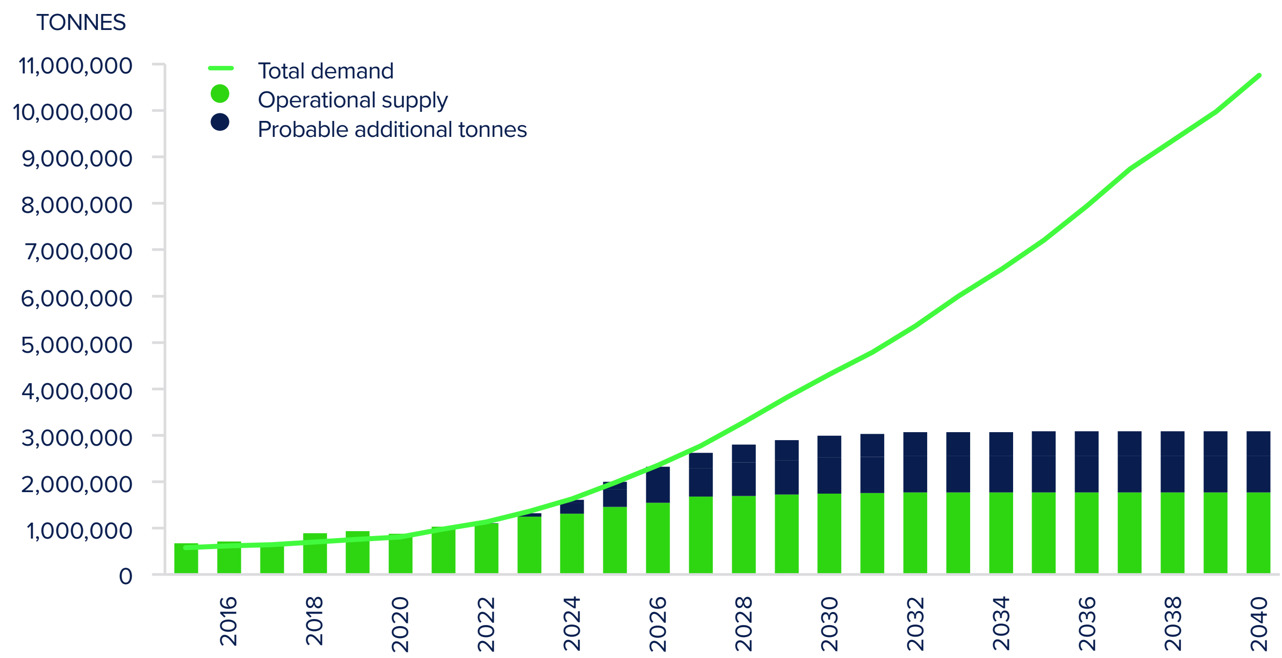
MARKET UPDATE

Lithium-ion batteries have become the dominant battery technology for use in electric vehicles (EV). This dominance is expected to continue given the significant investment and expanding capacity of lithium-ion gigafactories in Asia, North America and Europe.

Increased demand for alternative natural battery anode supply chains and greater recycling has resulted from continued government policies, regulations and EV manufacturers environmental and social governance. Battery and EV manufacturers are also recognising the environmental benefits of natural graphite over synthetic graphite, which is resulting in increased forecast use of natural graphite in the battery anode, increasing from 35% currently, to over 50% by 2030.

EV adoption rates are forecast to increase demand for lithium-ion batteries with BMI forecasting the market to grow at a CAGR of 23.9% over the next 10 years.

Natural flake graphite supply vs demand



Source: Benchmark Minerals Intelligence

Graphite is the major raw material for the transition to clean energy

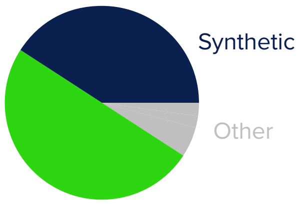
53.8% Graphite

Source: World Bank

+30% EV sales p.a.

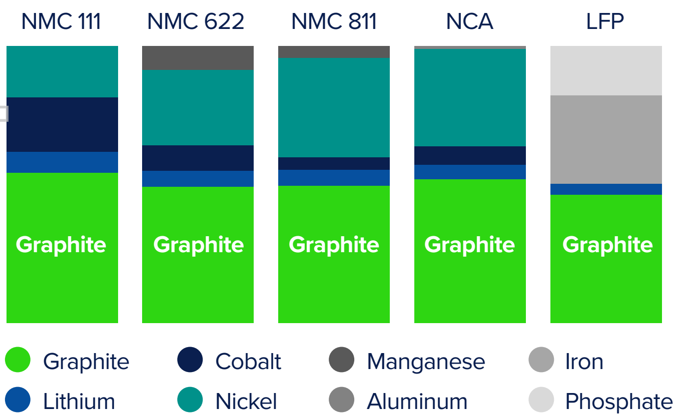
Natural graphite to increase from 35% to over 50% in the anode by 2030

+50% Natural



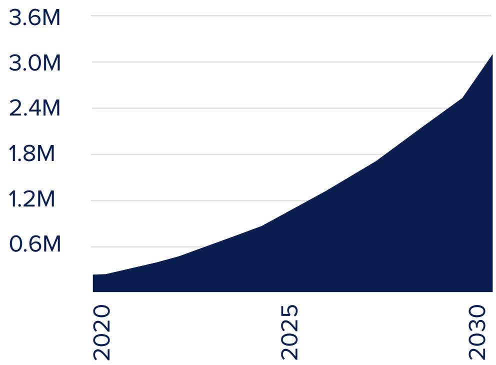
Source: Benchmark Minerals Intelligence

Li-ion battery chemistry metal composition % mass



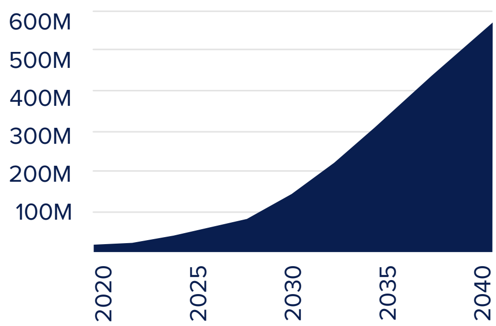
Graphite will continue as the dominant anode material in lithium-ion batteries

Anode - Tonnes



Source: BloombergNEF

No. of EVs



Source: Benchmark Minerals Intelligence

1.1kg per kWh

Lithium-ion battery to drive strong demand for graphite

50kg – 55kg

Natural flake graphite is required per EV

27kg of 99.95%

High purity battery grade of anode material is required per EV

REVIEW OF OPERATIONS

EXTRACT

TanzGraphite Natural Graphite Projects

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 initially 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.

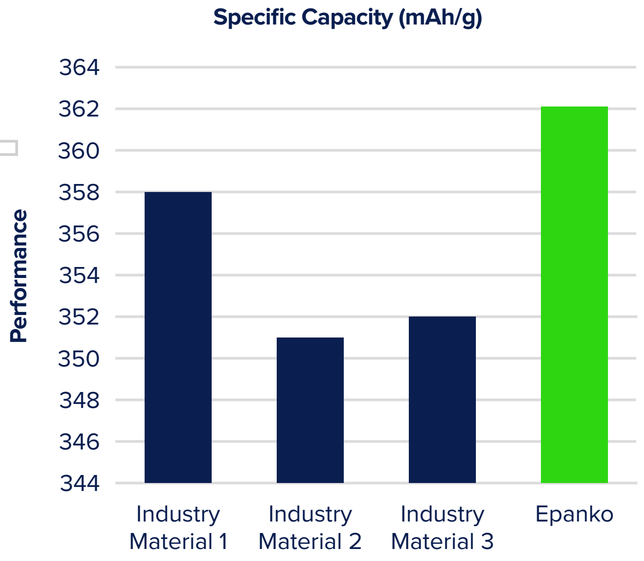
Extensive work has been undertaken at Epanko to establish a development-ready new graphite mine, including:

+ Bankable Feasibility Study (BFS) demonstrating a highly attractive development opportunity
+ Granted mining licence and environmental approvals
+ 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 satisfies International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines
+ Flake graphite sales for key markets in Europe and Asia
+ Target cost EPC arrangements for construction of Epanko with GR Engineering, and
+ Project financing program involving international and Tanzanian financial institutions.

Extensive evaluation conducted over the last 8 years by EcoGraf™ with prospective customers demonstrates that the unique geology of Tanzanian graphite delivers a superior battery anode material product which outperforms other global reference materials in mechanical shaping, purification and electrochemical benchmarking analysis.

Not all graphite is equal

Exceptional geology provides superior battery performance and value-in-use



EPANKO FRAMEWORK AGREEMENT

The Company has held positive meetings with the Tanzanian Government in relation to the Epanko Framework Agreement for the development and operation of the proposed new mine, with both parties working to finalise the agreement.

EcoGraf™ has presented its Tanzanian graphite strategy to the Government, including the future expansion of production at Epanko to support growth in battery graphite demand, the development of its Merelani-Arusha Graphite Project and an evaluation of the potential for in-country mechanical shaping facilities to create a global Tanzanian graphite supply base.

Meetings have also been held with the Tanzanian Export Processing Zones Authority, the Tanzanian Revenue Authority and Government officials from Tanzania's key trading partners.

EPANKO EXPANSION STRATEGY

As a first mover in the Tanzanian graphite sector, the Company identified Epanko as a highly prospective, long-life graphite project, with the bankable feasibility study satisfying rigorous due diligence by bank appointed Independent Engineer's SRK Consulting and achieving sector leading ESG credentials.

This uniquely positions EcoGraf's integrated graphite business to support increasing demand for high purity graphite products, with flake graphite mining operations in Tanzania supplying feedstock for the Company's HFfree battery anode material facilities and large and jumbo flake graphite to be exported to high value industrial markets.

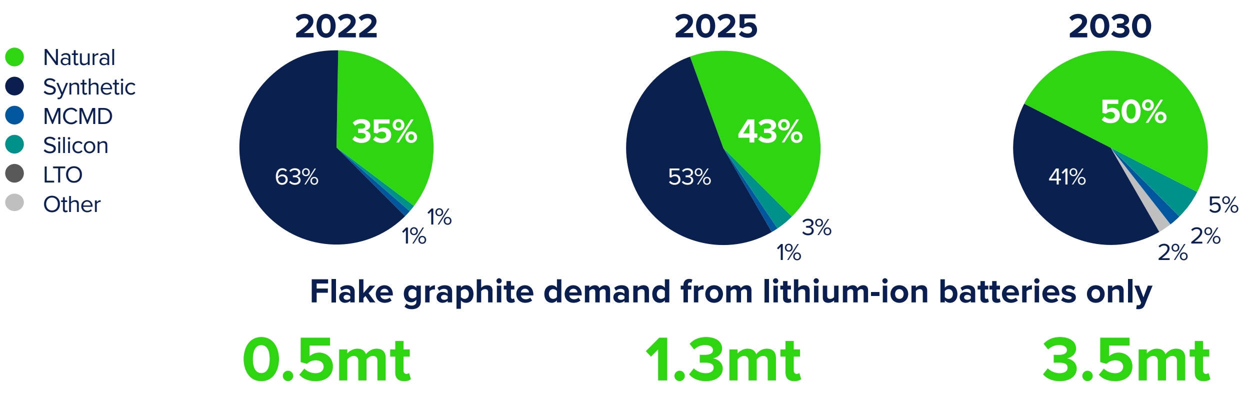
In response to increasing demand for graphite, EcoGraf™ has commenced an evaluation of expansion options for Epanko to identify the most efficient pathway to scale-up production significantly beyond its initial 60,000tpa capacity to supply the high growth battery graphite market.

The quality of Epanko graphite is the result of two key geological advantages, a calc silicate dominant host gangue mineral with very little deleterious elements and very high crystallinity caused by extremely high metamorphic pressure and temperature. Flake graphite crystallinity provides its physical and industrial properties, with the favourable Epanko mineralogy resulting in improved recoveries, product quality and economic efficiency.

As a result of these geological features, Epanko flake graphite is easily liberated using a low-cost, efficient flotation process to produce high quality graphite products, supported by the Company's large scale 200 tonne bulk sample program that has outperformed the Ore Reserve block model grades, confirming the integrity of the model and demonstrating the robust nature and significant upside of the Epanko Mineral Resource Estimate undertaken by CSA Global.

A number of specialists are supporting the Company's internal team and GR Engineering in the expansion assessment, which will leverage extensive geological and mineral processing studies completed for the Epanko bankable feasibility program.

Flake Graphite Demand and Anode Material Split



Source: Benchmark Minerals Intelligence

REVIEW OF OPERATIONS

POSITIVE ECONOMIC IMPACT

The Project has strong economics and will provide inter-generational economic and social benefits for the regional community near Mahenge in Tanzania and will support Tanzania's positive industrialisation progress.

Epanko is expected to operate for 40+ years and in that time is forecast to deliver direct economic benefits of over US$3 billion to Tanzania via 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 Epanko operation.

DEVELOPMENT FUNDING

During the year EcoGraf™ appointed financial advisors to advance the proposed debt financing arrangements for construction of the Epanko Graphite Project.

The Company and its financial advisors are engaging with a range of financial institutions globally that have expressed interest in supporting the Epanko development. An independent graphite market study is being completed, with the results to be incorporated into the feasibility study financial model, together with the outcomes of the GR Engineering program and the agreed terms of the Epanko Framework Agreement.

Financial modelling and debt structuring confirms that Epanko is a highly profitable, cash generative operation and the funding process is benefitting from the stronger product demand and pricing environment.

SECTOR LEADING ESG CREDENTIALS

The Epanko bankable feasibility study social and environmental planning programs have been independently assessed by SRK (UK) to comply 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.

APPOINTMENT OF KEY DIRECTOR

The Company has also appointed Ms Christer Mhingo as director of TanzGraphite (TZ) Limited, its Tanzanian subsidiary and owner of the Epanko Graphite project. Christer is a highly skilled, dynamic and motivated geologist, experienced in working with exploration and mining companies across a range of commodities in Africa and overseas.

EcoGraf's TanzGraphite team was recognised as 'first runner' at the International Minerals and Mining Investment conference with the award in recognition of the interest generated by the Epanko Graphite Project and the Company's support for the Government's efforts to promote Tanzania's minerals sector.

UPGRADE

HFfree Battery Anode Material Facility

The Company's is developing a HFfree Battery Anode Material Facility that will be the first of its kind outside of China, providing a new supply of sustainably produced, high quality purified spherical graphite for the high growth lithium-ion battery market.

In November 2021 EcoGraf™ announced entry into a non-binding Memorandum of Understanding with POSCO International, a subsidiary of leading global anode manufacturer POSCO, based in South Korea. Under the agreement EcoGraf™ will support POSCO's anode production expansion plans through the supply of battery anode material products and the parties intend to co-operate in relation to future product development and anode recycling operations.

Significant endorsement and support for a new battery anode material facility has been received from Australian Federal and State Governments through the granting of Australian Major Project Status and award of Lead Agency status by the Western Australian Government.

During the year EcoGraf™ worked 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 develop the new facility and support Australia's role in the global lithium-ion battery industry.

The Company made significant progress during the year to achieve key milestones for the development of the new battery graphite facility.

DEVELOPMENT

Key development activities during the year included:

+ Submission of applications for the granting of regulatory approvals
+ Optimisation of the process flowsheet, equipment testing and waste stream management, and
+ Planning and resourcing (project implementation, scheduling and recruitment).

In September 2022 the Perth Metro Outer Joint Development Assessment Panel and the West Australian Department of Water & Environmental Regulation confirmed the granting of Development and Works Approvals for the commencement of development. This successful outcome was the culmination of an extensive assessment process undertaken by EcoGraf™ and its consultants during the year.

In February 2022, the Company announced that a loan of US$40 million has been conditionally approved by the Australian Government for the HFfree Battery Anode Material Facility, as part of the A$2 billion Australian Critical Minerals Facility, which is managed by Export Finance Australia.

REVIEW OF OPERATIONS

In recent months EcoGraf™ has received multiple approaches from North American and European electric vehicle manufacturers for the supply of battery anode material products, which have focussed on the ability of the Company to scale-up production rates to meet demand requirements in those regions.

The increased interest in new, sustainable supply chains is shaped by geopolitical events and recent initiatives led by the United States, the Mineral Security Partnership to secure critical raw materials for the clean energy transition, through responsible resource development and the Inflation Reduction Act, that incentivises mass market adoption of electric vehicles.

Graphite dominates battery mineral demand by volume, with recent forecasts by PwC Strategy& in Germany that it will rapidly grow from 200,000t in 2021 to almost 5mt by 2035 (see below).

Member countries of the Mineral Security Partnership Australia, Canada, Finland, France, Germany, Japan, the Republic of Korea, Sweden, the United Kingdom, the United States and the European Commission are collaborating to mobilise investment from Governments and the private sector for strategic opportunities across the full value chain that adhere to the highest environmental, social and governance standards.

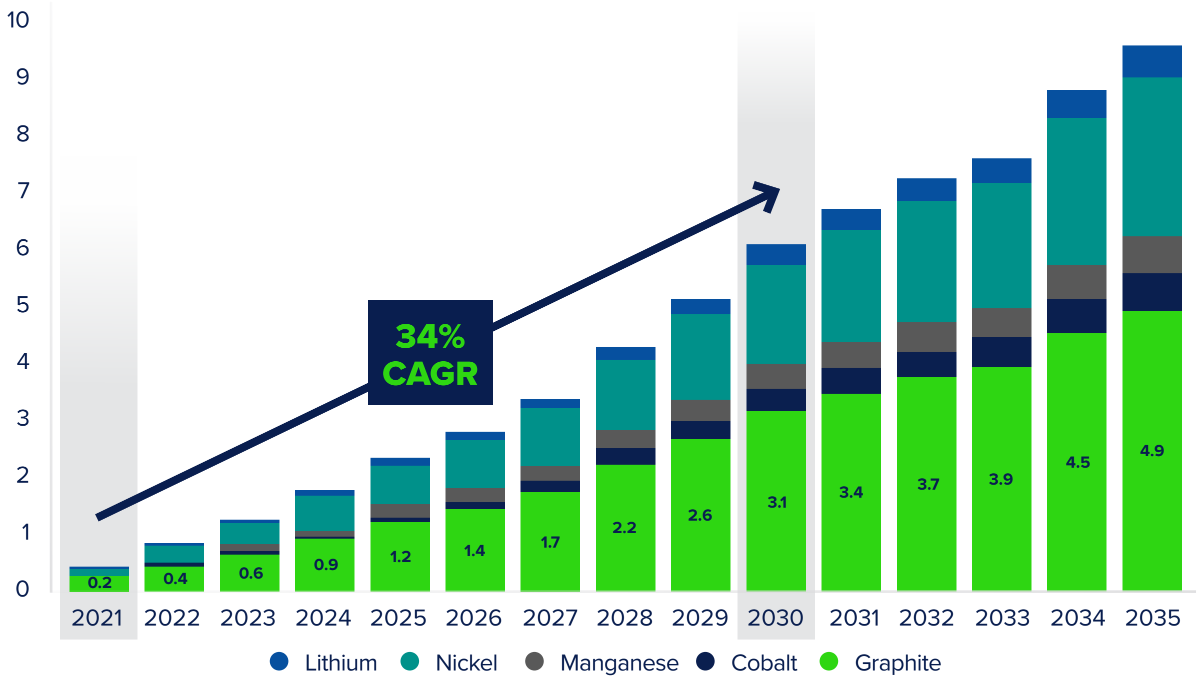
EcoGraf™ is in discussion with Government trade representatives in Australia, North America and Europe to support development of its vertically integrated battery minerals business under this Mineral Security Partnership.

As a result, EcoGraf™ believes there is a significant opportunity to scale-up its battery anode material development plans to support customers in these key lithium-ion battery growth markets, positioning for the development of additional production facilities in key international markets.

Establishment of these regionalised battery anode supply chains reflects an increased focus on natural battery anode graphite as an environmentally superior alternative to displace hydrocarbon (fossil fuel) generated synthetic graphite.

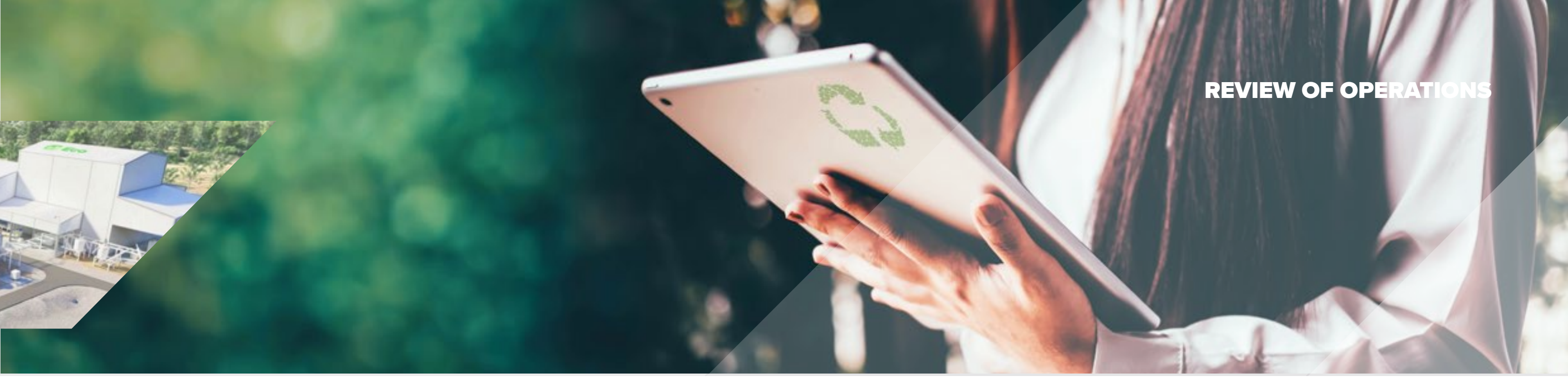
The Company has commissioned an independent cradle-to-gate study to assesses the CO_2 advantages of its EcoGraf HFfree™ process technology, a key requirement for battery and electric vehicle manufacturers. The ISO standard study includes the carbon emissions footprint for multiple production locations compared to the existing anode material supplies from China and also synthetic graphite.

Global active material demand ramp-up[1] (million tons)



Gigafactories and Raw Materials. Source: Strategy&

1. Strategy& projections based on EV sales figures



PRODUCT DEVELOPMENT INITIATIVES

Supporting the Company's zero-waste operating strategy for its new EcoGraf™ Battery Anode Material (BAM) facility is the Company's product development programs to access higher-value customer markets and maximise the economic and sustainability advantages of the unique EcoGraf™ purification process.

An extensive international product development program is being undertaken for the by-product fines that's generated from the manufacture of EcoGraf HFfree™ high density battery anode material (hdBAM) and ultra-fine high performance superBAM products. Product development for the by-product fines is focussed on recarburisers, conductivity enhancers and high purity fines.

In collaboration with FYI Resources Limited, the Company is developing enhanced HPA coating techniques to improve battery performance. Testwork is being undertaken in the USA, combining EcoGraf HFfree™ spherical graphite and FYI's innovative, ultrafine 4N HPA to generate HPA-doped coated spherical graphite.

The Company will continue its product development program to maximise the value of its products and support the global transition to clean energy, given graphite is the major raw material required.

INTELLECTUAL PROPERTY

The Company has sought to protect its intellectual property assets through the use of patents and trademarks.

During the year the International Preliminary Examining Authority of the Patent Co-operation Treaty confirmed that it has deemed all 25 of the EcoGraf HFfree™ purification process patent claims as novel and inventive.

Based on this positive examination and finding, in December 2021 the Australian Government, through IP Australia, confirmed acceptance of the Company's patent application for its unique EcoGraf HFfree™ purification technology.

The purification technology was first developed by EcoGraf™ in Australia and has been refined through extensive testing and analysis conducted over the last seven years in Europe and Asia.

IP Australia received objections to the grant of the Australian patent from a graphite company and its process consultant, which triggers a process of submission and hearing to enable IP Australia to determine the matter, with a decision not expected until next year.

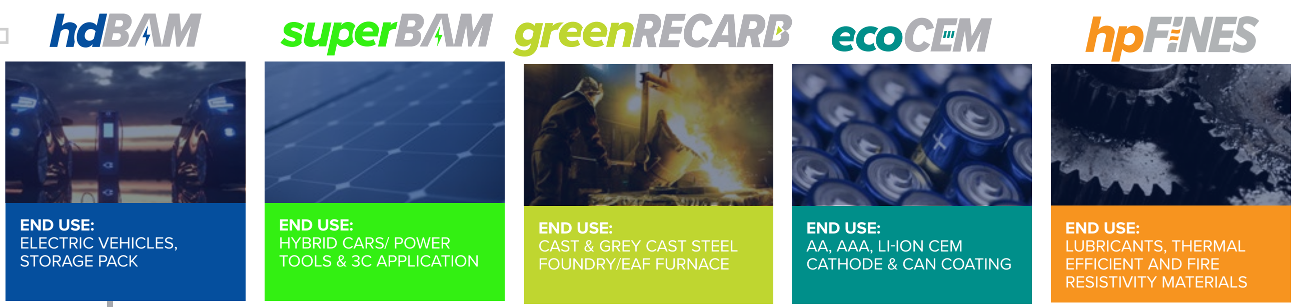
Protection of EcoGraf's significant investment since 2015 in proprietary processing, innovation and technology is advantageous to its business and benefits Australia's position as a major supplier of critical minerals to global battery markets.

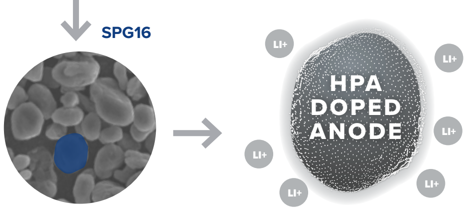
The development of new Australian technologies supported by patents strongly aligns with the core principles of the Australian Government's Critical Minerals Strategy.

APPOINTMENT OF KEY EXECUTIVE

EcoGraf™ has appointed experienced executive Mr Dale Harris as Chief Operating Officer, with responsibility for driving the development of its integrated battery graphite businesses. Mr Harris has over 30 years' industry experience across the resources, mineral processing and engineering sectors, with a demonstrated track record in successful project delivery and operational performance.

Product Development Program





The Company is developing enhanced HPA coating techniques to improve battery performance

RECYCLE

EcoGraf™ Anode Material Recycling

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.

EcoGraf™ is leveraging its proprietary EcoGraf HFfree™ purification process to recover and re-use anode materials, with an initial focus on production scrap from anode cell and battery manufacturing processes.

The Company has engaged a leading European anode recycling specialist to advise on refining its anode recycling process for a range of anode waste materials. An initial program completed at the Helmholtz Institute in Germany during the year compared the electrochemical performance of graphite from end-of-life batteries recycled using the EcoGraf HFfree™ purification process with commercial battery graphite benchmarks.

The testing confirmed that the electrochemical performance of the EcoGraf HFfree™ recovered graphite matches that of the brand-new commercial anode graphite.

The outcome is further validation of the effectiveness of the EcoGraf HFfree™ purification process for the production of high-performance battery graphite, as well as the re-use of recycled battery anode material for anode, battery and electric vehicle customers.

EcoGraf™ believes this recycling capability will fundamentally change the dynamics of the battery supply chain, leading to a significant reduction in CO_2 emissions and lowering overall battery production costs.

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.

RecoBAM™ is the recovered carbon anode material product using EcoGraf's HFfree™ processing technology and contains both natural battery graphite and synthetic graphite.

RecoBAM™ recycled, high purity anode material

RecoBAM™ combines the benefits of both synthetic and natural graphite

	Material	Environmental	Energy	Life	Safety	Cost
Plate shapes synthetic graphite	Synthetic Graphite			✔	✔	
Oval shaped particles (spheronised natural graphite	Natural Graphite	✔	✔		✔	✔
recoBAM shaped synthetic and natural graphite particles)	RecoBAM™	✔	✔	✔	✔	✔

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.

In terms of environmental performance, EcoGraf™ is a leader within its sector

REVIEW OF OPERATIONS

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

ECOGRAF™ NATURAL FLAKE GRAPHITE

+ 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.

ECOGRAF™ BATTERY ANODE MATERIAL

+ 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 byproduct material produced at the new facility and to provide product additives for use in green steel production
+ Recycling of 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™ LITHIUM-ION BATTERY 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.

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.

An extensive Resettlement Action Plan has been developed for the Epanko Graphite Project that includes a comprehensive community investment package consisting of new and improved housing, upgraded road infrastructure, new school, medical dispensary, church, related community infrastructure and assistance with the establishment of sustainable micro-enterprises among village family groups.

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.

INNOGY MINERALS LIMITED

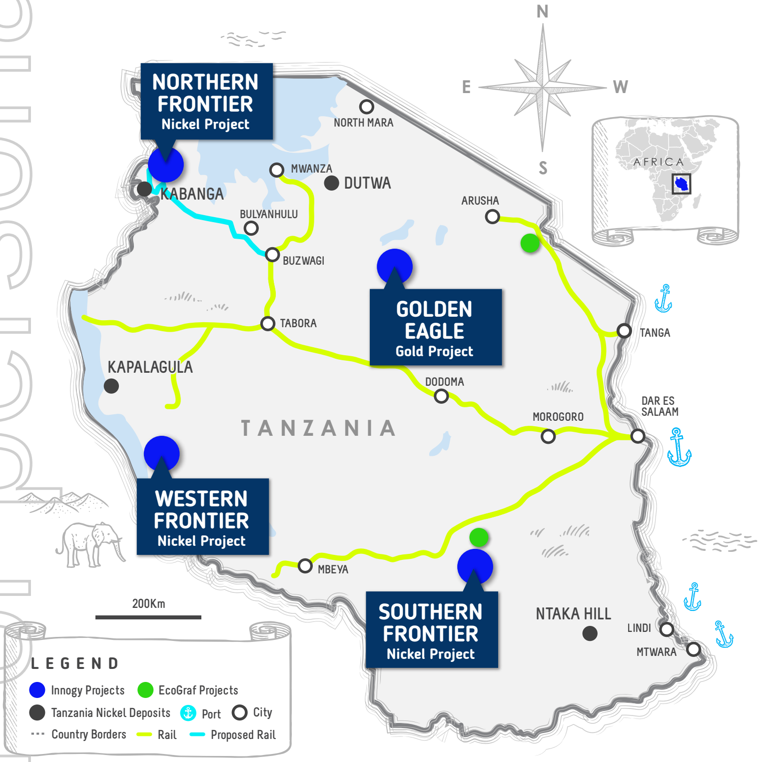
EcoGraf™ announced plans for the demerger and initial public offering (IPO) of cathode minerals subsidiary, Innogy Limited (Innogy), with the intention of maximising the opportunity for all existing EcoGraf™ shareholders to take up shares in the new business.

Using its extensive database of nickel exploration opportunities in Tanzania, the Company has assembled a nickel exploration tenement package totalling 4,600km² in one of the most exciting nickel regions on earth, including 140km continuous strike length in the Karagwe-Ankole Belt, which hosts the world class Kabanga Nickel Project, the largest development ready high-grade nickel sulphide deposit in the world.

Preparation for the IPO is well advanced, with approvals received from regulatory authorities, completion of the Prospectus and appointment of a Lead Manager.

Separate ASX listing of Innogy will enable it to access the exploration funding and management talent required to develop the nickel interests and the IPO structure has been designed to prioritise the interests of EcoGraf™ shareholders who wish to directly participate in this new opportunity, while also providing a continuing indirect exposure to Innogy through a cornerstone shareholding to be retained by EcoGraf™.

INNOGY innovative energy.



PRIMED FOR EXPLORATION WITHIN THE WORLD'S MOST EXCITING NICKEL FRONTIER

DIRECT EXPOSURE TO A HIGHLY CRITICAL BATTERY MATERIAL

NCM 811

TANZANIA'S ELEVATION TO A WORLD CLASS MINING DESTINATION

A SOCIALLY AWARE AND ENVIRONMENTALLY RESPONSIBLE TEAM

Ni Li Co Au

DIRECTORS' REPORT

Dynamic, experienced board and management team

Robert Pett
Independent Non-Executive Director and Chairman

Andrew Spinks
Managing Director

John Conidi
Independent Non-Executive Director

Dale Harris
Chief Operating Officer

Howard Rae
Chief Financial Officer and Joint Company Secretary

Karen Logan
Joint Company Secretary

Michael Chan
Executive Manager – Product Development

Christer Mhingo
Director of TanzGraphite Limited

Shaun Oneil
Executive Manager – Project Development

Marshall Hestelow
Commercial Manager

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.

Dale Harris *Chief Operating Officer*

Mr Harris is an engineer with over 30 years' industry experience across the resources, mineral processing and engineering sectors, with a demonstrated track record in successful project delivery and operational performance.

During a career of almost 20 years with Rio Tinto, Mr Harris held progressively more senior roles in Australia and overseas in the areas of business planning and analysis, project development, construction and commissioning, mining and mineral processing operations, business development, asset management, integrated planning, automation and business improvement.

He was subsequently appointed Managing Director of Gindalbie Metals Limited and then Chief Executive Officer of its Karara Mining Joint Venture, successfully turning-around the ramp-up of its multibillion-dollar mid-west magnetite mining and beneficiation development. More recently, Mr Harris was a Director of global engineering group Hatch, where he was responsible for leading the Perth office during a period of significant expansion and growth. During this time Dale and the Hatch team worked with clients across multiple sectors on the development, construction, optimisation and management of complex battery minerals, bulk commodity and base metal projects in Australia and overseas.

Howard Rae *Chief Financial Officer and Joint 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.

Karen Logan *Joint Company Secretary*

Karen Logan is a Chartered Secretary with extensive compliance, capital raising, merger and acquisition, IPO and backdoor listing experience in a diverse range of industries including resources, technology, media, health care and life science. She has assisted a substantial number of private start-ups and established businesses transition to being publicly-listed companies for over 15 years.

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 21.

DIRECTORS' REPORT

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 performance rights of the Company are:

Director	Term of office	Interest in ordinary shares[1]	Interest in incentive performance rights 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	3,454,615	1,250,000	None	None
Executive Directors					
Andrew Spinks	Director since 20 July 2012 Managing Director since 22 April 2015	11,998,822	2,095,825	None	None
Independent Non-Executive Director					
John Conidi	Director since 4 May 2015	3,019,402	1,250,000	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' Meetings

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

Director	Directors' meetings in person and by resolution		Audit & Risk Committee meetings in person and by resolution	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Robert Pett	6	6	1	1
Andrew Spinks	6	6	-	-
John Conidi	6	6	1	1
Howard Rae	2	2	-	-

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 5 to 18.

Principal Activities

EcoGraf is building a vertically integrated battery anode material business to produce high purity graphite products for the lithium-ion battery markets in Asia, Europe and North America. Over US$30 million has been invested to date to create highly attractive mining and mineral processing graphite businesses.

In Tanzania, the Company is developing the TanzGraphite natural flake graphite business, commencing with the Epanko Graphite Project, to provide a long-term, scalable supply of feedstock for the EcoGraf™ battery anode material processing facilities, together with high quality large flake graphite products for industrial applications.

Using a superior, environmentally responsible EcoGraf HFfree™ purification technology, the Company plans to produce high performance battery anode material to support electric vehicle, battery and anode manufacturers in Asia, Europe and North America as the world transitions to clean, renewable energy.

In addition, EcoGraf's breakthrough recovery of battery anode material using its EcoGraf™ purification process will enable battery supply chain customers to reduce their CO_2 emissions and lower battery costs.

Natural graphite is forecast to remain the major raw material in the lithium-ion battery, supporting the Company's scale-up and expansion plans.

Operating Results

The loss after income tax incurred by the consolidated entity for the year ended 30 June 2022 was $7,505,000 (2021: loss $5,514,000).

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 450,333,459 ordinary shares on issue.

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 2022 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.

DIRECTORS' REPORT

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

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 joint company secretary, having been appointed on 18 July 2017. Howard's qualifications are set out on page 22. Karen Logan is the joint company secretary, having been appointed on 3 November 2021. Karen's qualifications are set out on page 22.

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 32 of this report.

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 2022. 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
Senior executives		
Howard Rae	Chief Financial Officer & Joint Company Secretary	Full financial year

2. REMUNERATION GOVERNANCE FRAMEWORK

The remuneration structure adopted by the Company 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 which preserves cash resources and is linked to the creation of shareholder value.

2.1 Remuneration principles

Key principles that guide decisions about key management personnel (KMP) remuneration are:

- **Fairness:** provide a fair level of reward to all employees
- **Transparency:** establish transparent links between reward outcomes 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 Remuneration governance

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 remuneration arrangements for executive key management personnel, including periodically assessing the appropriateness of the remuneration structure and quantum by reference to relevant market conditions and prevailing practices.

2.3 Use of remuneration consultants

From time to time the directors may seek independent external advice on the appropriateness of the remuneration arrangements for key management personnel. During the year ended 30 June 2022, the Board engaged The Reward Practice Pty Ltd to undertake a review of executive incentive arrangements. No remuneration recommendations, as defined by the Corporations Act, were provided by the consultant.

3. EXECUTIVE KMP REMUNERATION ARRANGEMENTS

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 KMP remuneration consist of fixed remuneration and variable equity-based short and long-term incentive arrangements. The following table presents a summary of remuneration components for executive KMP for the year ended 30 June 2022.

	Fixed remuneration	Equity-based, variable / at risk remuneration	
Purpose	Provide fair remuneration to recognise executive responsibilities and impact on the business.	Assist the attraction, retention and incentivisation of executives in a cash efficient manner, and Enable the Company to develop its graphite businesses and grow long-term shareholders value.	
How the remuneration is delivered and assessed?	**Cash** Remuneration level is reviewed annually by the Board and may be adjusted based on the practices adopted by similar companies and changes in responsibilities and scope.	**STI** (100% performance rights) Awarded annually based on performance against KPIs. See 3.1 for further details.	**LTI** (100% performance rights) Performance rights may be granted to executives which will vest based on achievement of the Company's long-term objectives.

3.1 Equity-based incentive arrangements

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 shareholder value.

The Company is at a critical stage in its growth as it advances the new EcoGraf™ Battery Anode Material Facility and Epanko Graphite Project to development and operational stages. 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 rewarding performance through equity arrangements is the most effective incentive structure because it preserves the Company's cash reserves and aligns the interests of KMP with those of shareholders. The equity-based structure includes STI and LTI components.

Short-term incentive (STI)

Under the STI plan, eligible participants can earn performance rights for the achievement of key performance outcomes each year. The amount, if any, of short-term incentive awarded is determined after the end of each year, by assessing the individual's performance against the applicable key measures and then applying the resulting percentage score to the short-term incentive remuneration opportunity.

For example, an individual with a fixed annual remuneration of $350,000, a short-term incentive opportunity of 40% and an annual performance score of 75% will be entitled to an STI award of $105,000 = $350,000 X 40% x 75%.

The STI award is settled through the grant of performance rights, with the number determined by dividing the award amount by the volume weighted average price of the Company's shares during the applicable financial year. Upon exercise, each performance right will entitle the eligible participant to receive one ordinary share in the Company.

The grant of performance rights for the STI award, if any, occurs after the end of the financial year.

As the Company's battery minerals mining, processing and recycling businesses are in the development phase, the Board considers it appropriate to measure the short-term performance of executive KMP through the achievement of outcomes across four key areas as outlined in the following table:

KPI category and weighting		KPI areas of assessment
Business development	30%	Effective advancement of the Company's graphite businesses towards construction and operations, including completion of studies, early works programs, entering into contractual arrangements with constructors, operators, suppliers and customers, securing support from financiers and obtaining positive Government cooperation.
Financial management	20%	Delivery against annual financial budgets, including effective cost control whilst achieving business objectives, accessing working capital on a timely and cost-effective basis and protecting the Company from financial loss.
Organisational development	20%	Building organisational capacity and resilience, through effective human resource management, establishing appropriate operating structures to support planned expansion, developing a positive corporate reputation with stakeholders and overcoming adverse external impacts on the business.
Innovation and continuous improvement	30%	Driving on-going progress in process and product development, leveraging partnerships with Government and commercial organisations to explore new technologies and markets that will add value and identifying opportunities to continuously enhance and grow the business.

For the year ended 30 June 2022, the STI opportunity for the Managing Director and Chief Financial Officer was 40% of their fixed remuneration and was set by reference to the practices adopted by similar companies.

Long-term incentive (LTI)

The LTI incentive arrangements involve the offer of performance rights 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 over the long term, with a target rolling performance period of 3-5 years. 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 LTI opportunity for the Managing Director and Chief Financial Officer is currently 100% of their fixed remuneration and is set by reference to the practices adopted by similar companies.

4. EXECUTIVE REMUNERATION OUTCOMES

4.1 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 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Net loss after tax ($'000)	(7,505)	(5,514)	(2,769)	(3,340)	(3,764)
Share price at end of year ($)	0.25	0.57	0.07	0.12	0.14
Basic loss per share (cents)	(1.67)	(1.40)	(0.91)	(1.19)	(1.50)

4.2 Fixed remuneration outcomes

Following the review of executive KMP remuneration levels against relevant market conditions and scope of roles, the following table outlines fixed remuneration changes (inclusive of superannuation) for executive KMP during the financial year (where applicable, the fixed remuneration change was effective from 1 April 2022).

	Fixed remuneration 30 June 2022	Fixed remuneration 30 June 2021
Andrew Spinks	$355,875	$355,875
Howard Rae	$400,000	$355,875

4.3 Equity-based variable/at risk remuneration outcomes

A total of 641,650 performance rights were issued to executive KMP during the financial year in relation to STI awards for the performance period to 30 June 2021, being the first year of the STI plan.

No performance rights were issued to executive KMP under LTI arrangements during the year ended 30 June 2022 (2021: 3,550,000).

5. EXECUTIVE KMP EMPLOYMENT AGREEMENTS

The remuneration and other conditions of employment of executives are formalised in employment contracts that specify duties and obligations to be fulfilled and provide for an annual review of remuneration. Executive KMP 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

6. NON-EXECUTIVE DIRECTOR REMUNERATION

6.1 Fees

Non-executive director fees are set 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 mineral processing company.

The current fee is $110,000 per annum (inclusive of superannuation) for the role of Chairperson and $80,000 per annum (inclusive of superannuation) for other non-executive directors. Non-executive 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.

6.2 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.

6.3 Equity grants to non-executive directors

From time to time, the Board may approve the grant of equity to non-executive directors, however no performance rights were issued to non-executive directors during the year ended 30 June 2022 (2021: 2,500,000).

7. STATUTORY REMUNERATION DISCLOSURES

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following table.

		Short-term benefits: Salary/ Fees $	Short-term benefits: Fees for special duties or exertion $	Post-employment: Super-annuation $	Long-term benefits: Long Service Leave expense $	Share-based payments: Performance rights: STI $	Share-based payments: Performance rights: LTI $	Total $	Equity % of compen-sation
Non-executive directors									
Robert Pett	2022	99,917	-	10,083	-	-	-	110,000	0%
	2021	65,753	-	6,941	-	-	393,750	466,444	84%
John Conidi	2022	80,000	-	-	-	-	-	80,000	0%
	2021	49,275	-	-	-	-	393,750	443,025	89%
Executives									
Andrew Spinks	2022	329,092	-	27,500	6,488	213,349	-	576,429	37%
	2021	295,023	-	25,000	1,496	-	559,125	880,644	63%
Howard Rae	2022	359,825	-	27,000	2,823	213,349	-	602,997	35%
	2021	305,600	-	24,000	248	-	559,125	888,973	63%
Total remuneration	**2022**	**868,834**	**-**	**64,583**	**9,311**	**426,698**	**-**	**1,369,426**	**31%**
	2021	**715,651**	**-**	**55,941**	**1,744**	**-**	**1,905,750**	**2,679,086**	**71%**

DIRECTORS' REPORT

8. ADDITIONAL DISCLOSURES RELATING TO SHARES AND PERFORMANCE RIGHTS

8.1 Number of shares

	Balance at 1 July 2021	Balance at date of appointment	Movement during the year	Balance at 30 June 2022
Non-executives				
Robert Pett	3,454,615 [1]	-	-	3,454,615
John Conidi	3,019,402 [2]	-	-	3,019,402
Executives				
Andrew Spinks	11,998,822 [3]	-	-	11,998,822
Howard Rae	3,150,000 [4]	-	-	3,150,000
Total	**21,622,839**	**-**	-	**21,622,839**

1 Includes 2,000,000 shares issued under the former non-executive director share plan
2 Includes 1,000,000 shares issued under the former non-executive director share plan
3 Includes 2,000,000 shares issued under the former employee share plan
4 Includes 3,000,000 shares issued under the former employee share plan

8.2 Number of incentive performance rights

	Balance at 30 June 2021		Net Change		Balance at 30 June 2022	
	STI	LTI	STI	LTI	STI	LTI
Non-executives						
Robert Pett	-	1,250,000	-	-	-	1,250,000
John Conidi	-	1,250,000	-	-	-	1,250,000
Executives						
Andrew Spinks	-	1,775,000	320,825 [1]	-	320,825	1,775,000
Howard Rae	-	1,775,000	320,825 [1]	-	320,825	1,775,000
Total	**-**	**6,050,000**	**641,650**	**-**	**641,650**	**6,050,000**

1 Short-term incentive for the year ended 30 June 2021, which was granted on 8 December 2021 and vested 30 June 2022

8.3 Loans to key management personnel

There were no loans granted to key management personnel during the year ended 30 June 2022.

8.4 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 2022.

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

Andrew Spinks
Managing Director

29 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

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

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

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 2022, 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 AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2022

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2022

	Note	2022 $'000	2021 $'000
Revenue			
Interest income		191	79
Other income	3	504	424
		695	503
Expenses			
Accounting & audit		(153)	(149)
Consultants & contractors	4	(4,669)	(1,888)
Employee benefits		(1,618)	(635)
Depreciation	10	(11)	(14)
Directors fees		(190)	(122)
Exploration and evaluation expensed		(309)	(103)
Information systems & technology		(27)	(25)
Listing & compliance		(204)	(128)
Office rental & outgoings		(159)	(124)
Other		(324)	(133)
Share based payments	19	(483)	(2,693)
Travel & accommodation		(57)	(3)
Unrealised foreign exchange differences		4	-
		(8,200)	(6,017)
Loss before income tax		**(7,505)**	**(5,514)**
Income tax expense	5	-	-
Loss after income tax for the year		**(7,505)**	**(5,514)**
Total comprehensive loss for the year		**(7,505)**	(5,514)
Loss attributable to members of EcoGraf Limited		(7,505)	(5,514)
Total comprehensive loss attributable to members of EcoGraf Limited		**(7,505)**	(5,514)
Loss per share attributable to the members of EcoGraf Limited			
Basic loss per share (cents per share)	16	(1.67)	(1.40)
Diluted loss per share (cents per share)	16	(1.67)	(1.40)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS

As at 30 June 2022

	Note	2022 $'000	2021 $'000
Assets			
Current assets			
Cash and cash equivalents	6	6,728	2,633
Other financial assets - term deposits at bank	6	40,000	50,000[1]
Other receivables	7	258	506
Prepayments		295	212
Total current assets		**47,281**	**53,351**
Non-current assets			
Property, plant and equipment	10	47	55
Exploration and evaluation assets	8	18,403	18,238
Total non-current assets		**18,450**	**18,293**
Total assets		**65,731**	**71,644**
Liabilities			
Current liabilities			
Trade and other payables	9	2,126	1,195
Employee provisions		155	97
Total current liabilities		2,281	1,292
Non-current liabilities			
Employee provisions		32	22
Total non-current liabilities		32	22
Total liabilities		**2,313**	**1,314**
Net assets		**63,418**	**70,330**
Equity			
Contributed equity	11	99,834	99,837
Reserves	12	8,426	7,830
Accumulated losses	13	(44,842)	(37,337)
Total equity		**63,418**	**70,330**

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

1 Restated – refer note 6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

	Contributed equity $'000	Accumulated losses $'000	Loan share reserve $'000	Share based payment reserve $'000	Total $'000
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**
Loss for the year	-	(7,505)	-	-	(7,505)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**(7,505)**	**-**	**-**	**(7,505)**
Transactions with owners in their capacity as owners					
Share plan shares cancelled/ released	-	-	113	-	113
Share based payments	-	-	-	483	483
Share issue expense	(3)	-	-	-	(3)
Balance at 30 June 2022	**99,834**	**(44,842)**	**(1,399)**	**9,825**	**63,418**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2022

	Note	2022 $'000	2021 $'000
Operating Activities			
Research and development tax credit received		504	374
Payments to suppliers and employees		(6,492)	(2,903)
Net cash flows used in operating activities	14	**(5,988)**	**(2,529)**
Investing Activities			
Payments for exploration and evaluation		(165)	(199)
Interest received		138	2
Purchases of fixed assets		-	(7)
Proceeds of disposal of fixed assets		-	58
Other financial assets - term deposits at bank		10,000	(50,000)[1]
Net cash flows from/(used in) investing activities		**9,973**	**(50,146)**
Financing Activities			
Proceeds from issue of shares		-	54,598
Capital raising costs for issue of shares		(3)	(3,170)
Repayment of share plan loans		113	1,101
Net cash flows from financing activities		**110**	**52,529**
Net increase in cash and cash equivalents held		4,905	(146)
Cash and cash equivalents at beginning of the year		2,633	2,779
Cash and cash equivalents at end of the year	6	**6,728**	**2,633**
Add: Other financial assets - term deposits at bank		40,000	50,000
Cash and cash equivalents and other financial assets - term deposits at end of the year	6	**46,728**	**52,633**

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

1 Restated – refer note 6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

1. Company Information

The consolidated financial statements of EcoGraf Limited and its subsidiaries (collectively, "the consolidated entity") for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 29 September 2022.

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.

	2022 $'000	2021 $'000
3. Other Income		
Research and development tax credit	504	374
Government COVID-19 cash boost	-	50
	504	**424**

	2022 $'000	2021 $'000
4. Consultants and Contractors		
Downstream processing research, development and engineering	3,090	1,235
Fees to finance advisors	202	20
Legal	582	122
Public relations	278	179
Other	517	332
	4,669	**1,888**
5. Income Tax Expense		
Reconciliation of tax benefit/expense and the accounting loss multiplied by Australia's domestic tax rate:		
Accounting loss before tax	(7,505)	(5,514)
At Australia's statutory income tax rate of 30.0% (2021: 30.0%)	(2,252)	(1,654)
Tax effect of amounts not deductible/ assessable	(6)	(48)
Benefit of tax losses and timing differences not brought to account as an asset	2,258	1,702
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	13,428	9,929
Total deferred tax asset	13,428	9,929
Deferred tax liabilities		
Exploration and evaluation assets	(5,521)	(5,471)
Deferred tax asset used to offset deferred tax liability	5,521	5,471
	-	-
Net deferred tax assets not brought to account	7,907	4,458

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.

	2022 $'000	2021 $'000
6. Cash and Cash Equivalents and Other Financial Assets		
Cash at bank and on hand	6,728	2,633[1]
	6,728	**2,633**
Other financial assets - term deposits at bank	40,000	50,000[1]
	40,000	**50,000**
Restatement		
Current Assets - Cash and Cash Equivalents		
Balance reported		52,633
Reclassification of term deposits		(50,000)
Restated balance		**2,633**
Current Assets - Other Financial Assets		
Balance reported		-
Reclassification of term deposits		50,000
Restated balance		**50,000**

1 *Restatement of the 30 June 2021 balance to reclassify term deposits of maturity term in excess of 3 months. These deposits may be redeemed to cash with 31 days notice, if required. The term deposits at 30 June 2022 totalled $40 million (2021: $50 million).*

7. Other Receivables

	2022 $'000	2021 $'000
Goods and services tax receivable[1]	162	388
Interest on term deposit	55	77
Security deposits	41	41
	258	**506**

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

8. Exploration and Evaluation Asset

	2022 $'000	2021 $'000
Exploration and evaluation expenditure carried forward:		
Carrying amount as at 1 July	18,238	18,039
Capitalised expenditure at cost	165	199
	18,403	**18,238**

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.

9. Trade and Other Payables

	2022 $'000	2021 $'000
Trade payables[1]	1,947	714
Accrued expenses	179	481
	2,126	**1,195**

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	46	21	67	33	8	175
Accumulated depreciation	(27)	(19)	(50)	(28)	(4)	(128)
Net carrying amount	**19**	**2**	**17**	**5**	**4**	**47**
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 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**
Additions	9	-	-	-	-	9
Disposals	-	(1)	(1)	(4)	-	(6)
Depreciation expense	(4)	(1)	(5)	(1)	-	(11)
Balance at 30 June 2022	**19**	**2**	**17**	**5**	**4**	**47**

	2022 $'000	2021 $'000
11. Contributed Equity		
450,333,459 (2021: 449,833,459) fully paid ordinary shares	99,834	99,837

	$'000	No. of shares
a) Ordinary shares		
Balance at 30 June 2020	**49,060**	**363,986,768**
Plan shares expired - July 2020	(651)	(3,750,000)
Share placement - February 2021	54,598	90,996,691
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	**99,837**	**449,833,459**
Incentive performance rights plan shares issued - September 2021	-	100,000
Incentive performance rights plan shares issued – November 2021	-	400,000
Capital raising costs	(3)	-
Balance at 30 June 2022	**99,834**	**450,333,459**

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

	2022 $'000	2021 $'000
12. Reserves		
Share based payment reserve	9,825	9,342
Loan share reserve	(1,399)	(1,512)
	8,426	**7,830**
Movement in share-based payment reserve		
Balance at beginning of year	9,342	6,649
Share based payments	483	2,693
Balance at end of year	**9,825**	**9,342**
Movement in loan plan share reserve		
Balance at beginning of year	(1,512)	(3,264)
Plan shares expired/ released	113	1,752
Balance at end of year	**(1,399)**	**(1,512)**

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.

13. Accumulated Losses

	2022 $'000	2021 $'000
Balance at beginning of year	(37,337)	(31,823)
Loss for the year	(7,505)	(5,514)
Balance at end of year	**(44,842)**	**(37,337)**

14. Cash Flow Information

	2022 $'000	2021 $'000
Reconciliation of cash flow from operations with loss for the year		
Loss for the year	(7,505)	(5,514)
Adjustments for:		
Interest income	(191)	(79)
Depreciation	11	14
Loss on disposal of fixed assets	(3)	28
Share based payment expensed	483	2,693
Changes in assets and liabilities:		
(Increase) / decrease in Other receivables	218	(525)
Increase / (decrease) in Trade and other payables	1,015	812
Increase / (decrease) in Employee provisions and payables	(16)	42
Net cash flows used in operating activities	**(5,988)**	**(2,529)**

15. Expenditure Commitments, Contingent Assets/ Contingent Liabilities

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 $1,797,559 (2021: $486,188) 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.

There are no contingent assets or liabilities at 30 June 2022 or 30 June 2021.

	2022 $'000	2021 $'000
16. Loss Per Share		
Data used in the basic loss per share computations:		
Loss for the year	(7,505)	(5,514)
Weighted average number of ordinary shares	450,164,144	394,298,531
Basic and diluted loss per share (cents)	(1.67)	(1.40)

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.

	2022 $'000	2021 $'000
17. Auditor's Remuneration		
Fees to RSM Australia Partners		
Fees for auditing the statutory financial reports of the consolidated entity	54	38
Fees for assurance services that are required by legislation to be provided by the auditor	2	2
Total fees to RSM Australia Partners	**56**	**40**
Fees to other overseas member firms of RSM Australia Partners		
Fees for auditing the financial report of any controlled entities	-	-
Fees for other services		
- Tax compliance	-	-
Total fees to overseas member firms of RSM Australia Partners	**-**	**-**
Total auditor's remuneration	**56**	**40**

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
2022 Results			
Segment other income	695	-	695
Segment expenses			
Accounting and audit	(147)	(6)	(153)
Consultants and contractors	(4,533)	(136)	(4,669)
Employee benefits	(1,618)	-	(1,618)
Depreciation	(4)	(7)	(11)
Directors' fees	(190)	-	(190)
Exploration and evaluation expensed	-	(309)	(309)
Information systems and technology	(25)	(2)	(27)
Listing and compliance	(204)	-	(204)
Office rental and outgoings	(157)	(2)	(159)
Other	(250)	(72)	(322)
Share based payments	(483)	-	(483)
Travel and accommodation	(58)	(1)	(59)
Foreign exchange gain/(loss)	(17)	21	4
Segment results	(6,991)	(514)	(7,505)

18. Segment information

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)

Assets by geographical region	Australia $'000	Tanzania $'000	Consolidated $'000
2022 Assets			
Property, plant and equipment	21	26	47
Exploration and evaluation assets	-	18,403	18,403
Segment non-current assets	21	18,429	18,450
Unallocated assets:			
Cash and cash equivalents			6,728
Other financial assets - term deposits at bank			40,000
Other receivables			258
Prepayments			295
Total assets			**65,731**
2022 Liabilities			
Segment liabilities	(2,281)	(32)	(2,313)
Total liabilities			**(2,313)**

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			2,633
Other financial assets - term deposits at bank			50,000[1]
Other receivables			506
Prepayments			212
Total assets			**71,644**
2021 Liabilities			
Segment liabilities	(1,301)	(13)	(1,314)
Total liabilities			**(1,314)**

1 Restated – refer note 6

19. Share Based Payments

Incentive Performance Rights Plan

The shareholder approved Incentive Performance Rights Plan 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.

19. Share Based Payments (continued)

During the year ended 30 June 2022 a total of 1,641,650 performance rights were granted. (2021: 8,550,000).

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

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding at 1 July	7,950,000	0.3150	-	-
Granted during the year	1,641,650	0.6650	8,550,000	0.3150
Forfeited during the year	-	-	-	-
Vested during the year	641,650	0.6650	8,550,000	0.3150
Issued during the year	(500,000)	(0.3150)	(600,000)	0.3150
Expired during the year	-	-	-	-
Outstanding at 30 June	**9,091,650**	**0.3782**	**7,950,000**	**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	08/12/2021	08/12/2021
Expiry date	07/12/2027	07/12/2026
Share price at grant date	$0.665	$0.665
Vesting date	30/06/2022	Not vested
Expected volatility	120%	120%
Dividend yield	Nil	Nil
Risk-free rate	0.550%	1.365%
Number of performance rights	641,650	1,000,000
Fair value for each right	$0.665	$0.665
Amount recognised as share-based payment expense	$426,697	$55,993

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 2022 (2021: Nil).

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

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding at 1 July	**9,500,000**	**0.1590**	**18,250,000**	**0.1789**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(750,000)	0.1509	(5,000,000)	0.2205
Expired during the year	-	-	(3,750,000)	0.1736
Outstanding at 30 June	**8,750,000**	**0.1597**	**9,500,000**	**0.1590**

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	Chief Financial Officer and Joint Company Secretary

b) Key management personnel remuneration

Aggregate compensation of key management personnel of the consolidated entity:

	2022 $'000	2021 $'000
Short term employee benefits	868	715
Post-employment benefits	65	56
Long term employee benefits	9	2
Share based payments (non-cash)	427	1,906
	1,369	**2,679**

Detailed information about the remuneration received by key management personnel is provided in the remuneration report on pages 26 to 31.

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

There were no related party transactions during the year ended 30 June 2022 (2021: Nil)

22. Consolidated Entity Information

Information about subsidiaries

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

		Percentage owned (%)	
	Country of incorporation	2022	2021
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
Innogy Limited	Australia	100	-
Innogy Minerals Holdings Pty Ltd	Australia	100	-
Innogy Minerals (UK) Pty Ltd	United Kingdom	100	-
EcoGraf (Mauritius) Limited	Mauritius	100	100
EcoGraf (Tanzania) Limited	Tanzania	100	100
TanzGraphite (TZ) Limited	Tanzania	100	100
Innogy Minerals (TZ) Limited	Tanzania	100	-
Frontier Minerals (TZ) Limited	Tanzania	100	-
TanzGraphite Technologies Limited[1]	Tanzania	-	100
TanzGraphite Exploration (TZ) Limited[1]	Tanzania	-	100

[1] *Deregistered*

23. Parent Information

EcoGraf Limited	2022 $'000	2021 $'000
Current assets	47,236	53,311
Non-current assets	18,463	18,320
Total assets	65,699	71,631
Current liabilities	(2,249)	(1,281)
Non-current liabilities	(32)	(20)
Total liabilities	(2,281)	(1,301)
Net assets	**63,418**	**70,330**
Equity		
Contributed equity	99,834	99,837
Share based payment reserve	9,825	9,342
Loan share reserve	(1,399)	(1,512)
Accumulated losses	(44,842)	(37,337)
Total equity	**63,418**	**70,330**
Loss of the parent entity	(7,505)	(5,210)
Total comprehensive loss of the parent entity	(7,505)	(5,210)

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 2022 or 30 June 2021.

Contingent liabilities

The parent entity did not have any contingent liabilities at 30 June 2022 or 30 June 2021.

Capital commitments

The parent entity did not have any capital commitments at 30 June 2022 or 30 June 2021.

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
USD	19	28	63	7
EUR	-	-	9	5
TZS	3	7	15	-
GBP	-	-	107	88
Total	**22**	**35**	**194**	**100**

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
2022	10%	$12,203	$12,203	10%	$(12,203)	$(12,203)
2021	10%	$6,841	$6,841	10%	$(6,841)	$(6,841)

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.

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 3.01% (2021: 0% to 0.45%), 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 2022 $'000	30 June 2021 $'000
Cash and cash equivalents	6,728	2,633
Other financial assets - term deposits at bank	40,000	50,000[1]
	46,728	52,633

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 $467,000 (2021: $526,000) assuming all other variables remain constant.

1 Restated – refer note 6

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
2022						
Trade and other payables	2,126	2,126	2,126	-	-	-
2021						
Trade and other payables	1,195	1,195	1,195	-	-	-

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	6,684	44	6,728
Other financial assets - term deposits at bank	40,000	-	40,000
Other receivables	258	-	258
	46,942	44	46,986

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 2022 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 Group, the results of those operations or the state of affairs of the Group, 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 2022. 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.

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.

26. Significant Accounting Policies (continued)

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 during the financial period in which they are incurred.

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.

26. Significant Accounting Policies (continued)

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.

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 statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

26. Significant Accounting Policies (continued)

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).

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.

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) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

u) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

v) 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.

27. Standards Issued But Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 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.

27. Standards Issued But Not Yet Effective (continued)

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

Standard or Pronouncement	Description	Who does it affect?	Effective date
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.
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; - AASB 137: specifying the costs that an entity includes when assessing whether a contract will be loss-making, and - AASB 141: removing the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.	All entities	Annual reporting periods beginning on or after 1 January 2022

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
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	Consistent with the amendments made by AASB 2021-2, this standard amends: - AASB 1049, to require entities to disclosure their material accounting policy information rather than their significant accounting policies; - AASB 1054, to reflect the updated terminology used in AASB 101, and AASB 1060, to require entities to disclose their material accounting policy information rather than their significant accounting policies and to clarify that information about measurement bases for financial instruments in expected to be material to an entity's financial statements.	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 2022 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, 29 September 2022

AUDITOR'S REPORT

RSM Australia Partners

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

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ECOGRAF LIMITED

Opinion

We have audited the financial report of EcoGraf Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 2022 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.

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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 Assets Refer to Note 8 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $18,403,000 as at 30 June 2022. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resource*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. 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 expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.	Our audit procedures included: • Assessing the Group's accounting policy for compliance with accounting standards; • Obtaining management's reconciliation of capitalised exploration and evaluation expenditure by area of interest and agreeing it to the general ledger; • Assessing whether the Group's right to tenure of each area of interest is current; • Agreeing a sample of additions to supporting documentation and testing that the amounts are capital in nature and relate to the area of interest; • Assessing and evaluating management's assessment of whether indicators of impairment existed as at 30 June 2022; • Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; and • Assessing the disclosures in the financial statements.

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 2022 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.

AUDITOR'S REPORT

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 Corporation 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.

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 2022.

In our opinion, the Remuneration Report of EcoGraf Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

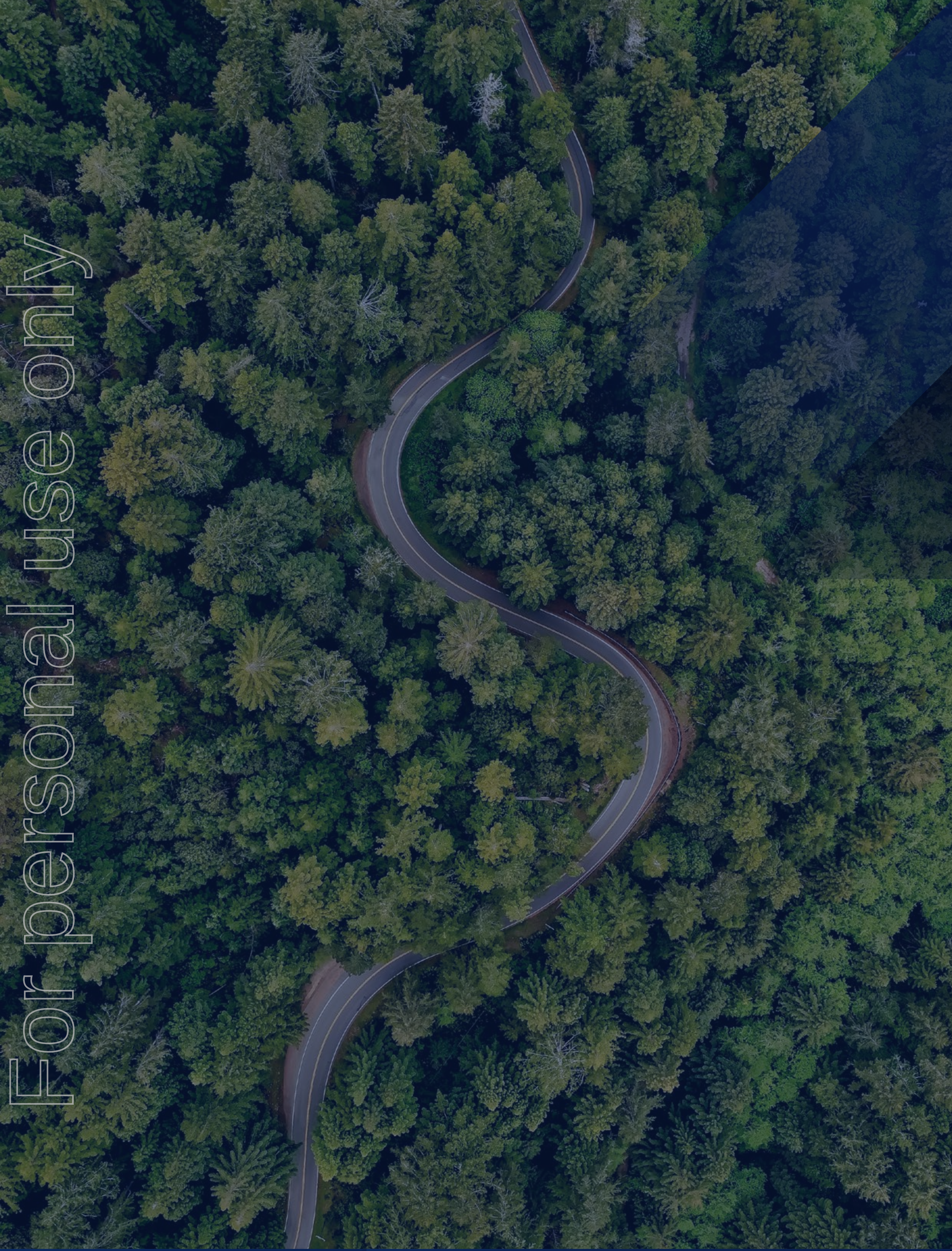
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2022



SHAREHOLDER INFORMATION

Details of securities as at 27 September 2022

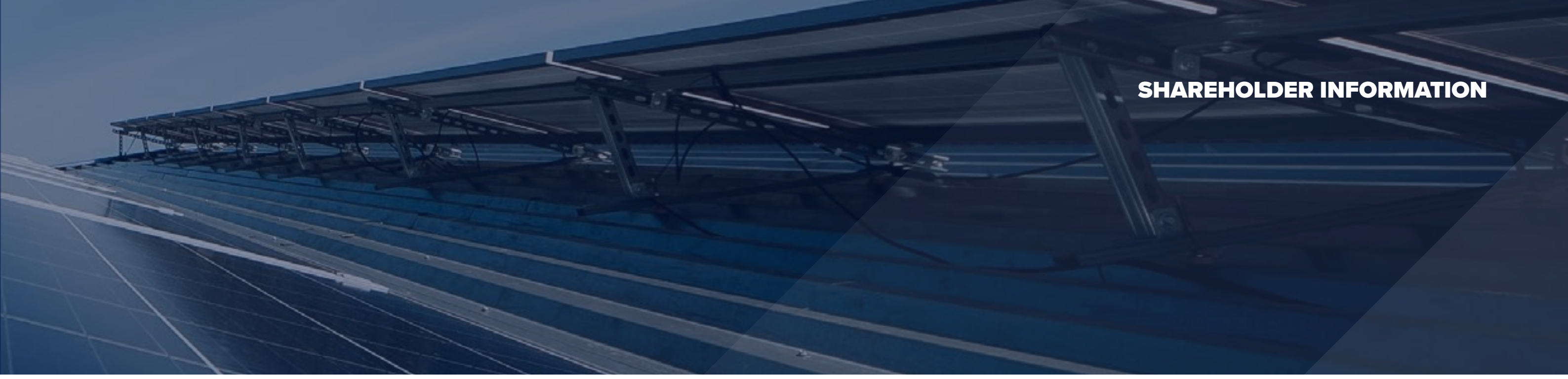
Capital structure

Securities	Number
Fully paid ordinary shares	450,333,459
Performance rights subject to vesting conditions and expiry	9,091,650

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	107,995,952	23.98
2	CITICORP NOMINEES PTY LIMITED	42,010,263	9.33
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,745,121	2.83
4	DR PETER DENNETT MEIER & MRS LYNETTE SUZANNE MEIER	10,533,340	2.34
5	BNP PARIBAS NOMS PTY LTD	7,127,151	1.58
6	MR ANDREW PETER SPINKS	6,640,088	1.47
7	NATIONAL NOMINEES LIMITED	5,217,565	1.16
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,825,823	0.86
9	REINDEER INVESTMENTS PTY LIMITED	3,257,692	0.72
10	MR KOSTA TRAJKOVSKI & MRS SUSANNE TRAJKOVSKI	3,233,904	0.72
11	CORNWALL HOLDINGS PTY LTD	3,179,615	0.71
12	LAX CONSULTING PTE LTD	3,039,318	0.67
13	BCV NOMINEES PTY LTD	3,000,000	0.67
14	MR YINGJIE CHEN	2,750,000	0.61
15	ANDREW SPINKS	2,575,000	0.57
16	GUNPIN PTY LTD	2,500,000	0.56
17	MRS LORRAINE ATKINSON	2,480,000	0.55
18	ANDREW SPINKS	2,429,434	0.54
19	MR NICOLA CONIDI & MRS GIANNINA CONIDI	2,401,417	0.53
20	PHELPS HILL INVESTMENTS PTY LTD	2,400,000	0.53
	Total	**229,341,683**	**50.93**



Distribution of Listed Securities

A distribution schedule of fully paid ordinary shares:

Range	Holders	Number of Shares	%
100,001 and Over	372	358,201,003	80
10,001 to 100,000	2,210	72,615,771	16
5,001 to 10,000	1,390	11,003,077	2
1,001 to 5,000	2,848	7,771,908	2
1 to 1,000	1,056	741,700	-
Total	**7,876**	**450,333,459**	**100**

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 1,538 shares as at 27 September 2022):

Holders	Number of Shares
1,694	1,593,063

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

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	7
Performance rights	7 December 2026	1,000,000	2
Performance rights	7 December 2027	641,650	2
		9,091,650	

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
PL 11837/2022	297.36	Kagera, Tanzania
PL 11915/2022	299.63	Kagera, Tanzania
PL 11838/2022	298.40	Ulanga, Tanzania
PL 11839/2022	299.63	Ulanga, Tanzania
PL 11840/2022	288.87	Ulanga, Tanzania
PL 11841/2022	298.26	Ulanga, Tanzania

1 Tenement conversion in progress

Mineral Resource Statement

Epanko Graphite Project Mineral Resource Estimate

	30 June 2022			30 June 2021		
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 2022			30 June 2021		
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.

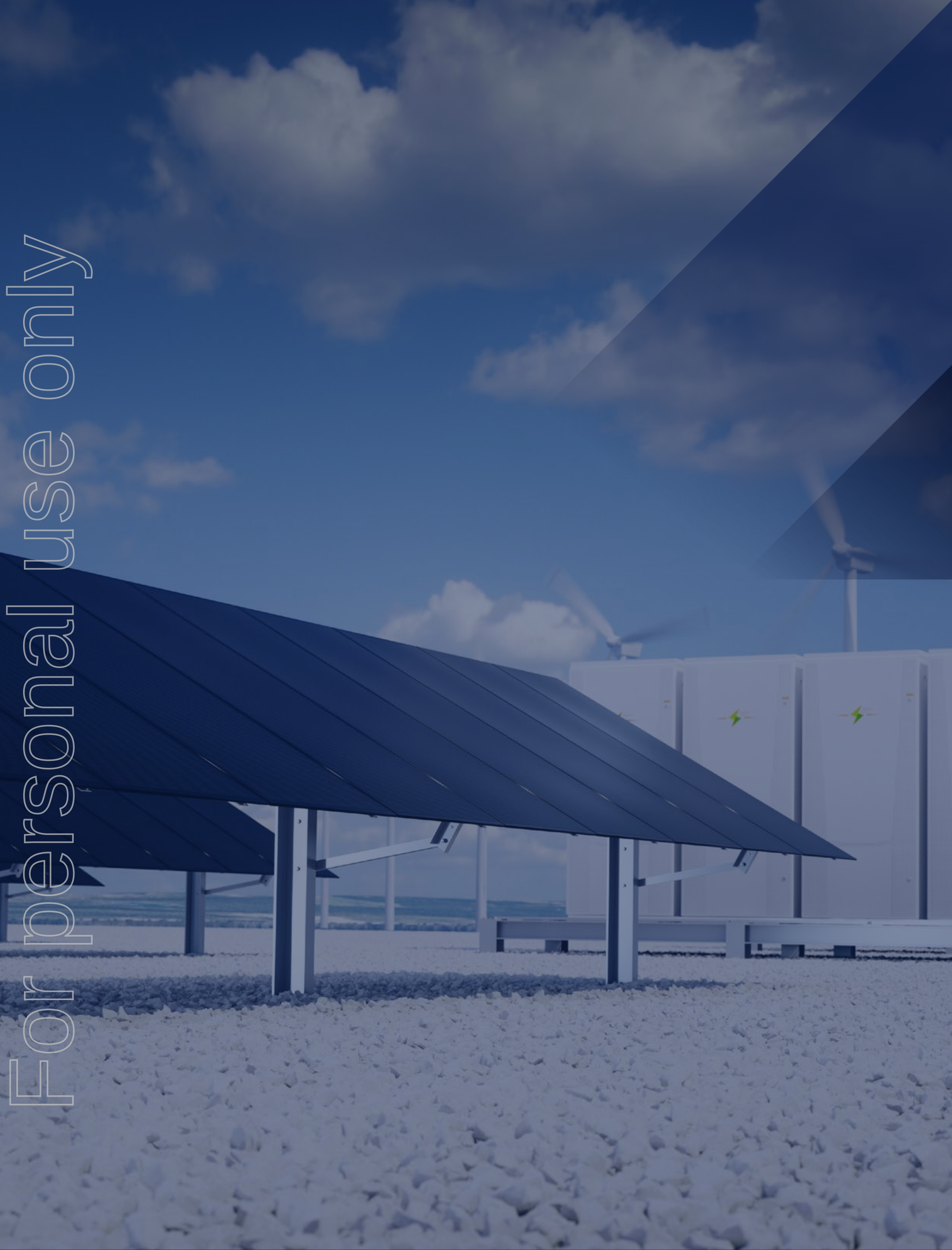
The information in this report that relates to Mineral Resources is based on information compiled by Mr. David Williams, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy and is employed by CSA Global Pty Ltd, an independent consulting company. Mr. Williams has 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

Company Secretary

Howard Rae

Registered and Principal Office

18 Richardson Street
West Perth WA 6005

Telephone: +61 8 6424 9000
Internet: www.ecograf.com.au
Email: info@ecograf.com.au

Share Registry

Link Market Services
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Telephone: 1300 554 474 (toll free within Australia)
Email: registrars@linkmarketservices.com.au

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Telephone: +61 8 9321 4000
Facsimile: +61 8 9321 4333

King & Wood Mallesons
Level 30, QV1 Building
250 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9269 7000
Facsimile: +61 8 9269 7999

Auditor

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Telephone: +61 8 9261 9100
Facsimile: +61 8 9261 9111

Bankers

Westpac Banking Corporation
Level 3, Tower 2
123 St Georges Terrace
Perth WA 6000

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™

ABN 15 117 330 757

P + 61 8 6424 9000 / **E** info@ecograf.com.au
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